



Government
of South Australia

Report
of the
Auditor-General
Annual Report
for the
year ended 30 June 2015

Tabled in the House of Assembly and ordered to be published, 13 October 2015

Second Session, Fifty-Third Parliament

Appendix to the Annual Report
Volume 1

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Treasurer's Statements

Financial report
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30 June 2015

TREASURER'S STATEMENTS — STATEMENT A

SUMMARY OF THE CONSOLIDATED
ACCOUNT FOR THE YEAR ENDED 30 JUNE 2015
(Section 22 (a) (i) *Public Finance and Audit Act 1987*)
(Prepared on a Cash Basis)

	Budget \$	Actual \$
RECEIPTS		
Taxation	3 977 217 000	3 863 277 736
Commonwealth general purpose grants	4 956 300 000	5 020 022 820
Commonwealth specific purpose grants	271 128 000	285 737 587
Commonwealth National Partnership payments	31 704 000	28 301 791
Contributions from state undertakings	263 880 000	354 870 938
Fees and charges	479 797 000	452 101 115
Recoveries	51 442 000	187 630 401
Royalties	323 062 000	238 527 484
Other receipts	2 826 529 000	2 941 931 476
Total Receipts	13 181 059 000	13 372 401 348
PAYMENTS		
Appropriation Act	11 496 312 000	11 619 075 891
Specific appropriation authorised in various Acts	110 242 000	107 609 664
Total Payments	11 606 554 000	11 726 685 555
CONSOLIDATED ACCOUNT SURPLUS	1 574 505 000	1 645 715 793


T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT A

COMPARATIVE STATEMENT OF THE ESTIMATED AND ACTUAL RECEIPTS TO THE CONSOLIDATED ACCOUNT OF THE GOVERNMENT OF SOUTH AUSTRALIA FOR THE YEAR ENDED 30 JUNE 2015

(Section 22 (a) (i) *Public Finance and Audit Act 1987*)

(Prepared on a Cash Basis)

	Budget 2014-15	Actual 2014-15
Receipts	\$	\$
Taxation receipts		
Payroll tax	1 396 341 000	1 319 788 629
Commonwealth places mirror payroll tax ^(a)	24 400 000	23 095 309
Stamp duties	1 543 291 000	1 567 263 760
Commonwealth places mirror stamp duties ^(a)	300 000	283 075
Land tax	577 433 000	564 918 843
Commonwealth places mirror land tax ^(a)	1 400 000	1 373 294
Other taxes on property	10 000	140 422
Gaming machines tax	295 764 000	286 573 837
Contribution from SA Lotteries	75 072 000	74 480 042
Contribution from casino operations	28 000 000	19 178 586
Contribution from South Australian Totalizator Agency Board	3 600 000	3 681 407
Contribution from on-course totalizators, bookmakers and small lotteries	2 447 000	2 500 533
Transport Development Levy ^(b)	29 159 000	—
Total taxation receipts	3 977 217 000	3 863 277 736
Commonwealth general purpose payments		
GST revenue grants	4 956 300 000	5 020 022 820
Total Commonwealth general purpose payments	4 956 300 000	5 020 022 820
Commonwealth specific purpose payments ^(c)		
Council of Australian Governments funding arrangements	271 128 000	285 737 587
Total Commonwealth specific purpose payments	271 128 000	285 737 587
Commonwealth National Partnership payments ^(d)		
Council of Australian Governments funding arrangements	31 704 000	28 301 791
Total Commonwealth National Partnership payments	31 704 000	28 301 791

(a) Taxes akin to state taxes are levied on activities conducted on Commonwealth places under the authority of Commonwealth mirror tax legislation. Revenue is retained by the state.

(b) Legislation enabling the Transport Development Levy was not passed by the South Australian Parliament. The levy was expected to be introduced from 1 July 2014.

(c) Refers only to those Commonwealth specific purpose payments paid to the Consolidated Account.

(d) Refers only to National Partnership payments that are paid to the Consolidated Account. The remainder of National Partnership payments are paid into the Intergovernmental Agreement on Federal Financial Relations special deposit account for subsequent disbursement to the relevant line agencies.

TREASURER'S STATEMENTS — STATEMENT A

COMPARATIVE STATEMENT OF THE ESTIMATED AND ACTUAL RECEIPTS TO THE CONSOLIDATED ACCOUNT, 2014-15 — *continued*

	Budget 2014-15	Actual 2014-15
Receipts (continued)	\$	\$
Contributions from state undertakings		
Adelaide Convention Centre		
Dividend	—	920 126
Income tax equivalent	—	613 418
Adelaide Entertainment Centre		
Dividend	—	5 000 000
Arrangements with private electricity entities		
Local government rate equivalent	237 000	232 431
Scope Global Pty Ltd (formerly Austraining Pty Ltd)		
Income tax equivalent	600 000	332 449
Department of Planning, Transport and Infrastructure		
Income tax equivalent	2 623 000	2 835 002
Local government rate equivalent	1 103 000	1 430 255
Flinders Ports		
Payment in lieu of other taxes	2 437 000	2 358 437
Funds SA		
Local government rate equivalent	215 000	227 679
HomeStart Finance		
Dividend	7 387 000	7 137 498
Income tax equivalent	5 277 000	5 103 115
Public Trustee Office		
Dividend	265 000	1 440 000
Income tax equivalent	33 000	888 567
Renewal SA		
Dividend	14 151 000	—
Income tax equivalent	6 660 000	—
Local government rate equivalent	1 261 000	998 833
SA Water Corporation		
Dividend	134 869 000	183 979 000
Income tax equivalent	60 043 000	109 329 735
Local government rate equivalent	1 548 000	1 633 671
South Australian Government Employee Residential Properties		
Dividend	1 706 000	1 706 000
Income tax equivalent	465 000	753 523
South Australian Government Financing Authority		
Dividend	8 870 000	8 870 000
Income tax equivalent	14 130 000	19 081 200
Total contributions from state undertakings	263 880 000	354 870 938

TREASURER'S STATEMENTS — STATEMENT A

COMPARATIVE STATEMENT OF THE ESTIMATED AND ACTUAL RECEIPTS TO THE CONSOLIDATED ACCOUNT, 2014-15 — *continued*

	Budget 2014-15	Actual 2014-15
Receipts (continued)	\$	\$
Fees and charges ^(e)		
Auditor-General's Department — fees for audit and other sundry receipts	14 004 000	14 910 970
Court fines	42 906 000	63 616 125
Court regulatory fees	43 230 000	16 701 691
Guarantee fees	107 945 000	104 160 292
Infringement notice schemes — expiation fees	86 336 000	74 950 096
Land and business regulations	1 830 000	—
Land Services regulatory fees	183 355 000	177 597 656
Small lotteries	157 000	—
Sundry fees	34 000	164 285
Total fees and charges	479 797 000	452 101 115
Recoveries		
Department of Planning, Transport and Infrastructure — indentured ports	7 978 000	26 059 080
Department of Environment, Water and Natural Resources — Qualco Sunlands	250 000	250 000
Essential Services Commission of South Australia	7 650 000	7 650 000
Helicopter service — recovery of costs and sponsorships	1 052 000	281 875
Independent Gaming Corporation contribution to Gamblers Rehabilitation Fund	2 000 000	2 000 000
Metropolitan Drainage Fund	7 000	—
Motor Accident Commission	—	—
National Tax Equivalent Program	50 000	—
Return of cash to Consolidated Account — cash alignment policy	—	147 168 000
Return of deposit account balances	—	1 966 095
Return of deposit account balances — superannuation	30 000 000	—
Sale of government publications and subscriptions	194 000	164 104
Sundry recoupment	146 000	—
Unclaimed monies and personal property	2 115 000	2 091 247
Total recoveries	51 442 000	187 630 401

(e) Refers to only those fees and charges paid to the Consolidated Account.

TREASURER'S STATEMENTS — STATEMENT A

COMPARATIVE STATEMENT OF THE ESTIMATED AND ACTUAL RECEIPTS TO THE CONSOLIDATED ACCOUNT, 2014-15 — *continued*

	Budget 2014-15	Actual 2014-15
Receipts (continued)	\$	\$
Royalties		
Department of State Development	323 062 000	238 527 484
Total royalties	323 062 000	238 527 484
Other receipts		
<i>Interest</i>		
Interest on investments	79 953 000	79 498 193
Interest recoveries from general government entities	3 591 000	2 047 409
Interest recoveries from non-commercial public trading enterprises	—	79 043
Interest recoveries from the private sector	525 000	130 282
<i>Repayment of advances</i>		
Administered items for the Department of Planning, Transport and Infrastructure	209 000	271 015
Department for Health and Ageing	—	2 151 765
Department of Primary Industries and Regions	3 726 000	14 456 904
Renmark Irrigation Trust	72 000	133 742
Royal Zoological Society of South Australia	229 000	229 342
Other repayments	7 000	—
<i>Repayment of equity</i>		
SA Water Corporation	2 700 000 000	2 700 000 000
<i>Other</i>		
Other recoveries	9 887 000	13 594 212
Sale of land and buildings	28 330 000	129 339 570
Total other receipts	2 826 529 000	2 941 931 476
Total Consolidated Account receipts	13 181 059 000	13 372 401 348

TREASURER'S STATEMENTS — STATEMENT A

COMPARATIVE STATEMENT OF THE ESTIMATED AND ACTUAL PAYMENTS FROM THE CONSOLIDATED ACCOUNT OF THE GOVERNMENT OF SOUTH AUSTRALIA FOR THE YEAR ENDED 30 JUNE 2015 (Section 22 (a) (i) *Public Finance and Audit Act 1987*) (Prepared on a Cash Basis)

	Budget 2014-15	Actual 2014-15
	\$	\$
Payments for which specific appropriation is authorised for various Acts		
Salaries and allowances		
Agent-General — pursuant to <i>Agent-General Act 1901</i>	104 000	120 319
Auditor-General — pursuant to <i>Public Finance and Audit Act 1987</i>	308 000	879 064
Commissioners of Environment, Resource and Development Court — pursuant to <i>Remuneration Act 1990</i>	1 234 000	1 108 918
Commissioner of Police — pursuant to <i>Police Act 1988</i>	432 000	522 257
State Coroner and Deputy Coroner — pursuant to <i>Remuneration Act 1990</i>	879 000	849 916
Electoral Commissioner and Deputy Electoral Commissioner — pursuant to <i>Electoral Act 1985</i>	413 000	383 943
Electoral Boundaries Commission — pursuant to <i>Constitution Act 1934</i>	541 000	
Employee Ombudsman — pursuant to <i>Fair Work Act 1994</i>	167 000	267 531
Governor — pursuant to <i>Constitution Act 1934</i>	331 000	325 481
Health and Community Services Complaints Commissioner — pursuant to <i>Remuneration Act 1990</i>	—	113 525
Judges— pursuant to <i>Remuneration Act 1990</i> —		
Chief Justice	702 000	677 486
Judges and Masters	23 184 000	20 657 438
Magistrates — pursuant to <i>Remuneration Act 1990</i>	14 844 000	13 933 599
Members of various standing committees — pursuant to <i>Parliamentary Remuneration Act 1990 and Parliamentary Committees (Miscellaneous) Act 1991</i>	836 000	826 487
Ombudsman — pursuant to <i>Ombudsman Act 1972</i>	385 000	371 053
Parliamentary salaries and electorate other allowances — pursuant to <i>Parliamentary Remuneration Act 1990</i>		
Ministers, officers and members of parliament	14 828 000	14 542 207
Senior Judge and judges of the Industrial Relations Court and Commission — pursuant to <i>Remuneration Act 1990</i>	1 946 000	2 355 003
Solicitor-General — pursuant to <i>Solicitor-General Act 1972</i>	628 000	595 166
South Australian Civil and Administrative Tribunal — pursuant to <i>Remuneration Act 1990</i>	521 000	305 457
Valuer-General — pursuant to <i>Valuation of Land Act 1971</i>	135 000	123 640
Total salaries and allowances	62 418 000	58 958 492
Other		
Compensation for injuries resulting from criminal acts — pursuant to <i>Victims of Crime Act 2001</i>	8 020 000	8 020 000
First Home Owner Grant — pursuant to <i>First Home Owner Grant Act 2000</i>	39 804 000	40 631 173
Total other	47 824 000	48 651 173
Total payments for which specific appropriation is authorised in various Acts	110 242 000	107 609 664

TREASURER'S STATEMENTS — STATEMENT A

COMPARATIVE STATEMENT OF THE ESTIMATED AND ACTUAL PAYMENTS FROM THE CONSOLIDATED ACCOUNT, 2014-15 — *continued*

	Budget			Actual ^(f)
	(Appropriation Act 2014)			2014-15
	Initial Section 4(1)	Transfers Section 5	Balance	
Payments from Appropriation Act	\$	\$	\$	\$
Attorney-General's Department	97 446 000		97 446 000	104 291 000
Administered items for the Attorney-General's Department	125 951 000		125 951 000	77 365 000
Auditor-General's Department	16 191 000		16 191 000	16 191 000
Courts Administration Authority	92 158 000		92 158 000	97 958 000
Defence SA	16 467 000		16 467 000	16 467 000
Department for Communities and Social Inclusion	998 989 000		998 989 000	1 046 238 000
Administered items for the Department for Communities and Social Inclusion	184 930 000		184 930 000	184 930 000
Department for Correctional Services	267 808 000		267 808 000	283 806 000
Department for Education and Child Development	2 614 395 000		2 614 395 000	2 609 531 000
Administered items of the Department for Education and Child Development	238 563 000		238 563 000	240 710 000
Department for Health and Ageing	3 070 300 000		3 070 300 000	3 070 300 000
Department of Environment, Water and Natural Resources	117 130 000		117 130 000	132 698 000
Administered items for the Department of Environment, Water and Natural Resources	18 913 000		18 913 000	19 054 000
Department of Planning, Transport and Infrastructure	501 908 000		501 908 000	546 492 000
Administered items for the Department of Planning, Transport and Infrastructure	10 022 000		10 022 000	10 690 000
Department of Primary Industries and Regions	107 229 000		107 229 000	100 296 000
Administered items for the Department of Primary Industries and Regions	3 311 000		3 311 000	4 278 000
Department of the Premier and Cabinet	91 807 000		91 807 000	87 890 000
Administered items for the Department of the Premier and Cabinet	2 079 000		2 079 000	2 079 000
Department of State Development	644 298 000		644 298 000	680 658 000
Administered items for the Department of State Development	7 665 000		7 665 000	7 855 000
Department of Treasury and Finance	49 379 000		49 379 000	50 412 000
Administered items for the Department of Treasury and Finance	1 392 192 000		1 392 192 000	1 406 543 000
Electoral Commission of South Australia	2 895 000		2 895 000	3 370 000
House of Assembly	8 894 000		8 894 000	6 564 373
Independent Gambling Authority	1 731 000		1 731 000	1 731 000
Joint Parliamentary Services	11 324 000		11 324 000	11 233 423
Legislative Council	5 963 000		5 963 000	4 482 095
Minister for Tourism	4 679 000		4 679 000	4 679 000
South Australia Police	737 614 000		737 614 000	732 750 000
Administered items for South Australia Police	173 000		173 000	173 000

(f) Actual payments includes those authorised under other provisions of the *Public and Finance Audit Act 1987* (refer to Statement K)

TREASURER'S STATEMENTS — STATEMENT A

COMPARATIVE STATEMENT OF THE ESTIMATED AND ACTUAL PAYMENTS FROM THE CONSOLIDATED ACCOUNT, 2014-15 — *continued*

	Budget			Actual ^(f)
	<i>(Appropriation Act 2014)</i>			2014-15
	Initial Section 4(1)	Transfers Section 5	Balance	
Payments (continued)	\$	\$	\$	\$
South Australian Tourism Commission	50 502 000		50 502 000	53 335 000
State Governor's Establishment	3 406 000		3 406 000	4 026 000
Total payments appropriated for administrative unit, statutory authorities and ministers	11 496 312 000	—	11 496 312 000	11 619 075 891
Payments for which specific appropriation is authorised in various Acts	110 242 000		110 242 000	107 609 864
Total Consolidated Account payments	11 606 554 000	—	11 606 554 000	11 726 685 555

(f) Actual payments includes those authorised under other provisions of the *Public and Finance Audit Act 1987* (refer to Statement K)


T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT B

SUMMARY OF MOVEMENTS OF FUNDS OF THE TREASURER DURING THE YEAR ENDED 30 JUNE 2015

(Section 22 (a) (ii) *Public Finance and Audit Act 1987*)

(Prepared on a Cash Basis)

	2014-15 \$'000	2013-14 \$'000
SOURCE OF FUNDS		
Consolidated Account Receipts —		
Taxation	3 863 278	3 779 246
Commonwealth General Purpose Grants	5 020 023	4 646 819
Commonwealth Specific Purpose Grants	285 738	607 823
Commonwealth National Partnership Payments	28 302	106 281
Contributions from State Undertakings	354 871	427 190
Fees and Charges	452 101	382 779
Recoveries	187 630	439 125
Royalties	238 527	312 257
Other Receipts	2 941 931	247 782
Total Receipts	<u>13 372 401</u>	<u>10 949 302</u>
Increase in balance of Special Deposit Accounts	1 455 847	—
Increase in balance of Deposits lodged with the Treasurer	213 643	42 178
Increase in borrowings from the South Australian Government Financing Authority ^(a)	—	1 540 534
Decrease in deposits by the Treasurer with LGFA	3 590	—
Decrease in the value of cheques drawn but not presented / Deposits not credited	—	66 277
Decrease in deposits by the Treasurer with SAFA	—	254 466
Decrease in balance of Imprest Accounts	—	124
	<u>15 045 481</u>	<u>12 852 881</u>
APPLICATION OF FUNDS		
Consolidated Account Payments	11 726 685	12 489 837
Decrease in balance of Special Deposit Accounts	—	351 690
Increase in deposits by the Treasurer with SAFA	1 509 284	—
Increase in cash at bank	110 803	11 223
Increase in deposits by the Treasurer with LGFA	—	131
Repayment of borrowings to the South Australian Government Financing Authority ^(a)	1 645 716	—
Increase in the value of cheques drawn but not presented/Deposits not credited	52 993	—
	<u>15 045 481</u>	<u>12 852 881</u>

(a) As reported in Statement A and Statement J, the surplus on Consolidated Account for 2014-15 was used to repay borrowings of the Treasurer from the South Australian Government Financing Authority.


T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT C

FUNDS OF THE TREASURER AS AT 30 JUNE 2015
(Section 22 (a) (xiv) *Public Finance and Audit Act 1987*)

	2014-15 \$'000	2013-14 \$'000
BALANCE OF FUNDS		
CONSOLIDATED ACCOUNT — see Statement A	—	—
SPECIAL DEPOSIT ACCOUNT BALANCES — see Statement F	3 862 018	2 406 171
DEPOSITS LODGED WITH THE TREASURER — see Statement G	868 915	655 272
CHEQUES DRAWN BUT NOT PRESENTED/DEPOSITS NOT CREDITED	- 45 370	7 623
	<u>4 685 563</u>	<u>3 069 066</u>
REPRESENTED BY		
CASH AT BANK	385 579	274 776
DEPOSITS WITH SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY — see Statement J	4 274 823	2 765 539
DEPOSITS WITH LOCAL GOVERNMENT FINANCING AUTHORITY OF SA — see Statement E	24 829	28 419
DEPARTMENTAL IMPREST ACCOUNTS — see Statement H	332	332
	<u>4 685 563</u>	<u>3 069 066</u>


T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT D

ABSTRACT OF CONSOLIDATED ACCOUNT RECEIPTS AND PAYMENTS FOR OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2015 ^(a)

(Section 22 (a) (iii) *Public Finance and Audit Act 1987*)

PAYMENTS FOR OPERATING ACTIVITIES MADE, AND RECOVERIES IN THE NATURE OF EARNINGS, FEES AND
RECOVERIES, IN CARRYING OUT THE VARIOUS STATE FUNCTIONS WERE AS UNDER—

	\$'000	\$'000	\$'000	\$'000
	Payments	Recoveries	Cost	
Department of the Premier and Cabinet	89 053	5 665	83 388	
State Governor's Establishment	4 026		4 026	
South Australian Tourism Commission	53 335		53 335	
Minister for Tourism	4 679		4 679	
Auditor-General's Department	16 191	14 911	1 280	
Department of Treasury and Finance	1 429 675	1 020 579	409 096	
Independent Gambling Authority	1 731		1 731	
Department of State Development	678 250	8 482	669 768	
Defence SA	16 467		16 467	
Department of Primary Industries and Regions	84 574	1 019	83 555	
Attorney-General's Department	181 656	63 873	117 783	
Courts Administration Authority	97 958	16 702	81 256	
Department for Correctional Services	255 410		255 410	
South Australia Police	732 923	74 052	658 871	
Electoral Commission of South Australia	3 370	52	3 318	
Department for Health and Ageing	3 064 307	26 977	3 037 330	
Department for Communities and Social Inclusion	1 231 168	1 748	1 229 420	
Department of Education and Child Development	2 850 241		2 850 241	
Department of Environment, Natural Resources and Water	151 752	21 079	130 673	
Department of Planning, Transport and Infrastructure	369 098	278 192	90 906	
Legislature	22 280		22 280	
Payments authorised under various acts	107 610		107 610	
Total	11 445 754	1 533 331	9 912 423	

TOTAL NET COST TO CONSOLIDATED ACCOUNT FOR OPERATING ACTIVITIES

9 912 423

(a) This statement meets the requirements of Section 22 (a) (iii) of the *Public Finance and Audit Act 1987*, which specifies a statement showing the 'net recurrent cost to the Consolidated Account'. The categorisation of Consolidated Account transactions as recurrent or capital has been replaced with classifications contained in the Generally Accepted Accounting Principles. Consequently amounts described in this statement as operating activities correspond to transactions of a 'recurrent' nature and similarly investing and financing activities correspond to the transactions of a 'capital' nature.

TREASURER'S STATEMENTS — STATEMENT D - *continued*

ABSTRACT OF CONSOLIDATED ACCOUNT RECEIPTS AND PAYMENTS FOR OPERATING ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2015 ^(a)

(Section 22 (a) (iii) *Public Finance and Audit Act 1987*)

RECEIPTS FROM THE FOLLOWING SOURCES WERE APPLIED TOWARDS MEETING THE ABOVE NET COST—

State Taxation —	\$'000	\$'000	\$'000
Payroll tax	1 319 789		
Stamp duties	1 567 264		
Land tax	564 919		
Commonwealth places mirror tax	24 752		
Other taxes on property	140		
Gaming machines tax	286 574		
Contribution from Lotteries Commission	74 480		
Contribution from casino operations	19 179		
Contribution from Totalizator Agency Board	3 681		
Contribution from on-course totalizators, bookmakers and small lotteries	2 500		
	<u>2 500</u>		
Total Receipts from State Taxation		3 863 278	
Commonwealth government general purpose grants		5 020 023	
Royalties		238 527	
Repayment of Equity - SA Water Corporation		2 700 000	
Total Direct Receipts			<u>11 821 828</u>
LEAVING A SURPLUS ON ACCOUNT OF OPERATING ACTIVITIES FOR THE YEAR OF			1 909 405
THIS WAS INCREASED BY THE NET OF —			
Payments for investing activities		- 277 212	
Payments for financing activities		- 3 720	
Receipts from investing activities		17 243	
			<u>- 263 689</u>
RESULTING IN A CONSOLIDATED ACCOUNT SURPLUS FOR THE YEAR OF			<u><u>1 645 716</u></u>

(a) This statement meets the requirements of Section 22 (a) (iii) of the *Public Finance and Audit Act 1987*, which specifies a statement showing the 'net recurrent cost to the Consolidated Account'. The categorisation of Consolidated Account transactions as recurrent or capital has been replaced with classifications contained in the Generally Accepted Accounting Principles. Consequently amounts described in this statement as operating activities correspond to transactions of a 'recurrent' nature and similarly investing and financing activities correspond to the transactions of a 'capital' nature.


T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT E

ORGANISATIONS (OTHER THAN THE SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY)
WITH WHICH THE TREASURER HAS INVESTED FUNDS DURING
THE YEAR ENDED 30 JUNE 2015

(Section 22 (a) (iv) *Public Finance and Audit Act 1987*)

Local Government Finance Authority of South Australia

As a result of an agreement between the Local Government Association and the Government, the Local Government Disaster Fund was established in August 1990 to fund assistance to the Stirling Council and to help meet the cost of providing assistance to local authorities which face unusually high expenditures as a result of natural disasters. As part of the arrangements agreed between the Treasurer, the Minister for Local Government Relations and the Local Government Association the majority of the balance in the Fund is invested with the Local Government Finance Authority of South Australia.

At 30 June 2015 the amount invested with the Local Government Finance Authority of South Australia under these arrangements was \$24.8 million.



T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT F

SPECIAL DEPOSIT ACCOUNTS — BALANCES AT 30 JUNE 2015

(Section 22 (a) (v) (C) *Public Finance and Audit Act 1987*)

Account	Balance \$
Interest bearing—	
Adelaide Convention Centre Future Asset Replacement Account	23 764 123
Adelaide Convention Centre Operating Account	19 890 446
Adelaide Dolphin Sanctuary Fund	1 358
Adelaide Stormwater Project	1 590
ANZAC Day Commemoration Fund	36 062
Barossa Wine Industry Fund	519 170
Building the Education Revolution	3 205 780
Caring for our Country	660 147
Citrus Growers Fund	93 732
Clare Valley Wine Industry Fund	52 875
Commonwealth Funding for Specific Projects	2 433 172
Community Emergency Services Fund	7 557 884
Community Road Safety Fund	12 012 810
Coorong, Lower Lakes and Murray Mouth Recovery Project	29 437 884
Country Equalisation Scheme	17 665 320
Dog Fence Fund	117 567
Drought Concessional Loan Scheme	10 016 065
Electricity Sale/Lease Proceeds Account	—
Eyre Peninsula Grain Growers Rail Fund	21 540
Farm Finance Concessional Loan Fund	10 016 081
Gamblers Rehabilitation Fund	1 027 178
Governors' Pensions Account	7 734
Grain Industry Fund	2 183 215
Grain Industry Research and Development Fund	121 857
Health, Community and Disability Services Ministerial Council	11 876 035
HIH Builders' Indemnity Assistance Account	2 626 382
Homes for Incurables Trust	717 278
HomeStart Finance Account	—
Housing Loans Redemption Fund	11 049 562
Indigenous Program for Specific Projects	35 268 954
Judges' Pensions Account	213 621
Local Government Disaster Fund	1 791 284
Mount Barker Urban Development	183 334
Murray Futures Fund	6 234 710
National Rail Safety Reform Account	10 420
National Water Initiative Fund	52
Parliamentary Superannuation Scheme Account	1 012 036
Peter Stephens Trust	68 656
Playford Centre Operating Account	—
Police Superannuation Scheme Contribution Account	507 794
Public Trustee Office Operating Account	2 174 789
Regional Investment Funds (Eyre Peninsula Natural Resources Management Board)	—
Rural Finance Account	35 330 379
Rural Industry Adjustment and Development Fund	23 692 303
SA Grape Growers Industry Fund	294 574
School Loans Scheme	—
Shared Services SA	—
South Australian Aboriginal Heritage Fund	1 062 013

TREASURER'S STATEMENTS — STATEMENT F — *continued*

SPECIAL DEPOSIT ACCOUNTS — BALANCES AT 30 JUNE 2015 (Section 22 (a) (v) (C) *Public Finance and Audit Act 1987*)

Account	Balance \$
Interest bearing—<i>continued</i>	
South Australian Ambulance Superannuation Scheme	596 012
South Australian Local Government Grants Commission Account	1 007 834
South Australian Lower Lakes Bioremediation and Revegetation	—
South Australian River Murray Sustainability Fund	21 935 378
South Australian Riverland Floodplains Integrated Infrastructure Project	4 542 401
South Australian Superannuation Fund Account	6 017 304
Southern State Superannuation Fund Account	17 276 049
Supported Residential Facilities Indemnity Fund	44 182
Treasury — Asset Management Account	2 647 209
Victims of Crime Fund	207 041 618
Sub-Total	536 065 753
Non-interest bearing—	
Accrual Appropriation Excess Funds	691 338 725
Adelaide Oval Redevelopment	12 029 027
Administrative and Information Services Administered Items Account	—
Administrative and Information Services Operating Account	—
Attorney-General's Administered Items Account	87 777 861
Attorney-General's Operating Account	14 981 554
Auditor-General's Administered Items Account	751 047
Auditor-General's Operating Account	2 993 129
Charitable and Social Welfare Fund	2 730 334
Commonwealth Mirror Taxes on Commonwealth Places Revenue Account	—
Communities and Social Inclusion Administered Items Account	23 691 372
Communities and Social Inclusion Operating Account	27 541 850
Community Development Fund	—
Complementary State Natural Resource Management Program	306 030
Correctional Services Operating Account	23 778 709
Defence SA	905 425
Education and Child Development Administered Items Account	28 291 519
Education and Child Development Operating Account	141 418 120
Egg Industry Deregulation Account	464 709
Electoral Commission of South Australia Operating Account	2 881 837
Environment, Water and Natural Resources Administered Items Account	2 661 103
Environment, Water and Natural Resources Operating Account	36 189 927
Environment Protection Authority Operating Account	8 824 773
Essential Services Commission of SA	9 012 861
Further Education, Employment, Science and Technology Operating Account	—
Government Workers Rehabilitation and Compensation Fund	2 527 737
Health and Ageing Administered Items Account	1 354 148
Health and Ageing Operating Account	212 761 766
Health and Medical Research Fund	17 069 610
Highways Fund	1204 550 368
Hospitals Fund	—
Industry Financial Assistance Account	38 880 215
Living Murray Fund, The	—
Local Government Concessions — Seniors Cardholders	—

TREASURER'S STATEMENTS — STATEMENT F — *continued*

SPECIAL DEPOSIT ACCOUNTS — BALANCES AT 30 JUNE 2015

(Section 22 (a) (v) (C) *Public Finance and Audit Act 1987*)

Account	Balance \$
Non-interest bearing—<i>continued</i>	
Local Government Disaster Fund	24 829 218
Minister for Finance - Super SA Select	—
Minister for Gambling's Responsible Gambling Working Party	—
Motor Vehicles — Clearing Account	51 444 333
NRAH Operating Account	—
NRM Alliance Fund	—
Office of Public Employment Operating Account	—
Office of the Venture Capital Board Operating Account	—
Planning and Local Government Administered Items Account	—
Planning and Local Government Operating Account	—
Planning, Transport and Infrastructure Administered Items Account	1 500 541
Planning, Transport and Infrastructure Operating Account	82 925 450
Police and Emergency Services Administered Items Account	9 307 923
Police Operating Account	64 684 898
Premier and Cabinet Administered Items Account	2 877 308
Premier and Cabinet Operating Account	43 792 825
Primary Industries and Regions Administered Items Account	1 103 692
Primary Industries and Regions Operating Account	21 180 508
Professional Standards Council Fund	—
Riverbank Authority Operating Account	914 727
SA Lotteries Commission Operations	2 162 403
Sale of Government Land and Property	1 252 680
Save the River Murray Fund	4 873 678
Save the River Murray Voluntary Contributions Fund	4 416
South Australian Electricity Supply Industry Planning Council Operating Account	—
South Australian Film Corporation Unclaimed Investor Returns Account	55 103
Sport and Recreation Fund	3 322 002
State Development Administered Items Account	1 094 637
State Development Operating Account	165 192 763
State Governor's Establishment Operating Account	124 719
State Procurement Board Account	959 339
Support Services to Parliamentarians	7 792 822
Surplus Cash Working Account	—
TAFE SA	13 585 352
Targeted/Voluntary Separation Package Schemes	3 456
Treasurer's Interest in the National Wine Centre	1 385 110
Treasury and Finance Administered Items — Intergovernmental Agreement on Federal Financial Relations	43 367 661
Treasury and Finance Administered Items Account	172 963 930
Treasury and Finance Operating Account	6 997 643
Treasury — Working Account	539 623
Water Administered Items Account	—
Water Operating Account	—
Sub-Total	3 325 952 515
TOTAL SPECIAL DEPOSIT ACCOUNTS	3 862 018 267


T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
Accrual Appropriation Excess Funds	To record all receipts and payments associated with surplus cash balances generated in agencies by the shift to accrual appropriations.
Adelaide Convention Centre Future Asset Replacement Account	To record all receipts and payments associated with surplus cash balances generated by the Adelaide Convention Centre for future asset replacement.
Adelaide Convention Centre Operating Account	To record receipts and disbursements relating to the operation of the Adelaide Convention Centre and borrowings by the Minister of Tourism.
Adelaide Dolphin Sanctuary Fund	To record receipts and payments related to the Adelaide Dolphin Sanctuary Fund in accordance with the <i>Adelaide Dolphin Sanctuary Act 2005</i> .
Adelaide Oval Redevelopment	To record and identify all money made available and expended for the Adelaide Oval redevelopment.
Adelaide Stormwater Projects Fund	To record the financial activities in relation to the stormwater projects funded jointly by South Australia and the Commonwealth Government's <i>Water for the Future initiative</i> .
Administrative and Information Services Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
Administrative and Information Services Operating Account	To record all the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings.
ANZAC Day Commemoration Fund	To record the receipts and payments relating to the ANZAC Day Commemoration Fund in accordance with the <i>ANZAC Day Commemoration Act</i> .
Attorney-General's Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
Attorney-General's Operating Account	To record all of the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings. This includes the recording of transactions that are consequent to machinery of government changes affecting the agency.
Auditor-General's Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
Auditor-General's Operating Account	To record all activities of the Department (excluding those administered by the Auditor-General's Department) including recurrent expenditure, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings.
Barossa Wine Industry Fund	To record receipts and payments relating to the Barossa wine industry in accordance with the <i>Primary Industries Funding Schemes (Barossa Wine Industry Fund) Regulations</i> .

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
Building the Education Revolution	To record the activities in relation to the Bilateral Agreement on the Nation Building and Jobs Plan (Building the Education Revolution Program) for government school's.
Caring for our Country	To receive funds from the Commonwealth, State and other sources for application towards the Caring for our Country Program.
Charitable and Social Welfare Fund	To record receipts and disbursements associated with the <i>Gaming Machines (Miscellaneous) Amendment Bill 1996</i> relating to supporting the work of not-for-profit charities and community based social welfare organisations.
Citrus Growers Fund	To receive funds and to make payments as prescribed by the <i>Primary Industries Funding Schemes (Citrus Growers Fund) Regulations 2005</i> .
Clare Valley Wine Industry Fund	To record the receipts and payments relating to the Clare Valley wine industry in accordance with the <i>Primary Industries Funding Schemes (Clare Valley Wine Industry Fund) Regulations</i> .
Commonwealth Funding Received for Specific Projects	To record all activities associated with funding provided by the Commonwealth for specific projects (interest bearing).
Commonwealth Mirror Taxes on Commonwealth Places Revenue Account	To receive amounts that are levied pursuant to the <i>Commonwealth Places (Mirror Taxes) Act 1998</i> of the Commonwealth as contemplated by the arrangements entered into by the State and the Commonwealth pursuant to that Act and to the <i>Commonwealth Places (Mirror Taxes Administration) Act 1999</i> of the State, and to deal with those amounts as contemplated by those Acts and arrangements.
Communities and Social Inclusion Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
Communities and Social Inclusion Operating Account	To record all activities of the Department including recurrent and capital expenditure, revenues from various activities, injections of funds provided from the Consolidated Account and borrowings. This includes the recording of transactions that are consequent to machinery of government changes affecting the agency.
Community Development Fund	To record the receipts and disbursements associated with the <i>Gaming Machines (Miscellaneous) Amendment Bill 1996</i> relating to the provision of government health, welfare or education services and financial assistance for non government welfare agencies and community development.
Community Emergency Services Fund	To record all of the activities of the Community Emergency Services Fund as outlined in Parts 3 and 4 of the <i>Emergency Services Funding Act 1998</i> and any amendments as approved by Parliament.
Community Road Safety Fund	To receive revenue derived from anti-speeding devices and other monies approved by both the Minister and the Treasurer and to make payments for road safety programs and policing.
Complementary State Natural Resource Management Program	To receive funds from the Commonwealth, State and other sources for application towards the Complementary State Natural Resources Management Program.

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
Coorong, Lower Lakes and Murray Mouth (CLLMM) Recovery Project	To record and identify all funds received and expended for the CLLMM Recovery Project.
Correctional Services Operating Account	To record all the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings.
Country Equalisation Scheme	To record injections of funds provided from the Consolidated Account, and to make 'refund' payments to electricity retailers in accordance with the Country Equalisation Scheme.
Defence SA	To record all activities of Defence SA including operating and investing expenditures, revenue from various activities, injection of funds provided from the Consolidated Account and borrowings.
Dog Fence Fund	To record receipts and disbursements relating to the operation of the Dog Fence Board.
Drought Concessional Loan Scheme	To record all of the financial transactions undertaken by PIRSA in respect of loan funds, and funds contributed towards scheme operating costs, received by the South Australian Government from the Federal Government and made available to PIRSA for the purpose of the delivery by PIRSA of the Federal Government's Drought Concessional Loans Scheme, including funds PIRSA receives from and repays to the Consolidated Account and funds PIRSA pays to and receives from recipients of loans under the scheme.
Education and Child Development Administered Items Account	To receive various Commonwealth grants, administered items appropriation for the Department, the SACE Board of South Australia and the Education and Early Childhood Services Board of South Australia pursuant to the Annual Appropriation Act and to disburse the associated payments.
Education and Child Development Operating Account	To record all of the activities of the Department including operating and investing expenditures, revenue from the Consolidated Account, revenue from various activities, receipt of borrowings and receipt of various Commonwealth grants and associated payments.
Egg Industry Deregulation Account	To facilitate all transactions associated with or resulting from deregulation of the Egg Industry and the winding up of the SA Egg Board.
Electoral Commission of South Australia Operating Account	To record all of the activities of the Office and those formerly carried on by the Electoral Department including recurrent and capital expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings.
Electricity Sale/Lease Proceeds Account	To receive proceeds of sale/lease agreement, sale or lease under the <i>Electricity Corporations (Restructuring and Disposal) Act 1999</i> and other funds as approved by the Treasurer, and to receive interest payments from other interest bearing accounts in which sale/lease agreement proceeds are placed, and to invest those monies and to apply those monies, and income from their investment, towards the retirement of the State debt.

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
Environment, Water and Natural Resources Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
Environment, Water and Natural Resources Operating Account	To record all of the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings.
Environment Protection Authority Operating Account	To record all of the activities of the Authority including recurrent and capital expenditures, revenue from various activities, injection of funds provided from Consolidated Account and borrowings.
Essential Services Commission of SA	To record the financial transactions of the Essential Services Commission of South Australia.
Eyre Peninsula Grain Growers Rail Fund	To record all receipts and expenditures related to the Eyre Peninsula Grain Growers Rail Fund as established by the <i>Primary Industry Funding Schemes (Eyre Peninsula Grain Growers Rail Fund) Regulations 2006</i> .
Farm Finance Concessional Loan Fund	To record all of the financial transactions undertaken by PIRSA in respect of loan funds, and funds contributed towards scheme operating costs, received by the South Australian Government from the Federal Government and made available to PIRSA for the purposes of the delivery by PIRSA of the Federal Government's Farm Finance Concessional Loan Scheme, including funds PIRSA receives from and repays to the Consolidated Account and funds PIRSA pays to and receives from recipients of loans under the scheme.
Further Education, Employment, Science and Technology Operating Account	To record all of the activities of the Department including operating and investing expenditures, revenue from the Consolidated Account, revenue from various activities, receipt of borrowings and receipt of various Commonwealth grants and associated payments.
Gamblers Rehabilitation Fund	To record receipts and disbursements relating to programs for the rehabilitation of addicted gamblers, for counselling such gamblers and their families and for the development of early intervention strategies.
Government Workers Rehabilitation and Compensation Fund	To provide for the funding of rehabilitation programs and payment of workers compensation benefits for Government workers in accordance with current workers compensation legislation and in respect of claims for damages at common law for injury or disease suffered as a result of work.
Governors' Pensions Account	To record receipts and payments for the Governors' Pensions Scheme.
Grain Industry Fund	To hold and disburse funds collected in accordance with Section 4 of the Primary Industry Funding Scheme (Grain Industry Fund) Regulations 2012.
Grain Industry Research and Development Fund	To hold and disburse funds collected in accordance with the Primary Industry Funding Schemes (Grain Industry Research and Development Fund) Regulations 2013.

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
Health and Ageing Administered Items Account	To record administered monies received by the Department and their associated disbursement, pursuant to the requirements for their administration.
Health and Ageing Operating Account	To record all of the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings.
Health and Medical Research Fund	To record a portion of receipts from the commercialisation of intellectual property by the Health portfolio and the payments of these funds to support health and medical research activities in South Australia.
Health, Community and Disability Services Ministerial Council	To record receipts and disbursements relating to programs and projects of the Health, Community and Disability Services Ministerial Council.
Highways Fund	To record all transactions associated with the <i>Highways Act 1926</i> including the receipt of State and Commonwealth funds and expenditure on the construction and maintenance of roads and bridges.
HIH Builders' Indemnity Assistance Account	To account for the expenditure of funds made available from the Budget and from an increase in building work contractor licence fees to assist consumers relying on builders' warranty indemnity insurance with the HIH Group and to cover administrative costs of the assistance scheme.
Homes for Incurables Trust	To record receipts and payments incurred within the terms of the Home for Incurables Trust.
HomeStart Finance Account	To provide for the administration of loans under the Home Ownership Made Easy and HomeStart schemes, including the administration of borrowings required to fund the scheme.
Hospitals Fund	To record receipts from the State Lotteries Commission, Totalizator Agency Board and from Stamp Duty on Third Party Insurance policies to be used for the purpose of maintenance, development and improvement of public hospitals, to refund unclaimed dividends from unauthorised Racing Clubs and to make payments to the Racing Clubs and Trotting Clubs for a share of tax on winning bets made with book-makers.
Housing Loans Redemption Fund	Established under the <i>Housing Loans Redemption Fund Act 1962</i> to control amounts received in respect of a low cost insurance scheme established by the South Australian Government, which is administered through various lending authorities.
Indigenous Program for Specific Projects	To record receipts and expenditure of Commonwealth funds (and associated interest earnings) related to the operation of projects under the <i>Terms and Conditions of Funding Agreement with State/Territory/Local Government Agencies Relating to Indigenous Programs</i> .
Industry Financial Assistance Account	To record the financial transactions of industry financial assistance administered on behalf of the Treasurer, including operating and financing expenditures, revenues from various activities and injection of funds provided by the Consolidated Account.

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
Judges' Pensions Account	To record receipts and payments for the Judges' Pensions Scheme.
Living Murray Fund, The	To receive funds and make payments in relation to water recovery measures under the Living Murray initiative, including investments in, and/or received from, other Australian jurisdictions, together with proceeds generated through the temporary trade of water entitlements.
Local Government Concessions — Seniors Cardholders	To administer receipts and payments for Local Government Concessions — Seniors Cardholders.
Local Government Disaster Fund	To record transactions related to the administration of a local government disaster fund in a manner agreed between the Treasurer, the Minister of Local Government and the Local Government Association of South Australia.
Minister for Finance — Super SA Select	To record receipts and payments relating to the provision of funds from the Minister for Finance to the Southern Select Super Corporation for the purpose of establishing, and assisting in the establishment of Super SA Select Fund.
Minister for Gambling's Responsible Gambling Working Party	To record the financial transactions related to the operation of the Minister for Gambling's Responsible Gambling Working Party.
Motor Vehicles — Clearing Account	To record the majority of Motor Registration Division receipts pending clearance at the end of each month.
Mount Barker Urban Growth Development Developer Contributions	To record and identify all money made available and expended pursuant to the Infrastructure Deed of Agreement between the Minister and Developers.
Murray Futures Fund	To record the activities in relation to the projects funded from the Commonwealth Government's Water for the Future initiative.
National Rail Safety Reform Account	To receive revenue associated with the National Rail Safety Reform initiative and to disburse associated payments.
National Water Initiative Fund	To record receipts and expenditure of Commonwealth funds (and associated interest earnings) provided for projects funded from the Australian Government Water Fund, consistent with the funding agreement(s) entered into with the National Water Commission.
NRAH Operating Account	To record financial transactions of the Minister for Health and the Department of Health in respect of the NRAH PPP and financial arrangements associated with the securitisation structure set out in the NRAH PPP Project Documents.
NRM Alliance Fund	To receive funds and make payments in relation to initiatives relating to NRM science, technology and innovation, including investments in, and/or received from the NRM Alliance member organisations, together with proceeds generated through ancillary revenues.
Office of Public Employment Operating Account	To record all of the activities of the Office including operating and investing expenditures, revenues from various activities, injections of funds provided from the Consolidated Account and borrowings.
Office of the Venture Capital Board Operating Account	To record all the activities of the Office including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings.

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
Parliamentary Superannuation Scheme Account	To record receipts and payments for the Parliamentary Superannuation Scheme.
Peter Stephens Trust	To record receipts and disbursements incurred within the terms of Peter Stephens Trust.
Planning and Local Government Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments. This includes the recording of transactions that are consequent to machinery of government changes affecting the agency.
Planning and Local Government Operating Account	To record all activities of the Department including operating and investing expenditures, revenue from various activities, injection of funds provided from the Consolidated Account and Borrowings. This includes the recording of transactions that are consequent to machinery of government changes affecting the agency.
Planning, Transport and Infrastructure Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
Planning, Transport and Infrastructure Operating Account	To record the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings other than those activities recorded in other specific deposit accounts. This includes the recording of transactions that are consequent to machinery of government changes affecting the agency.
Playford Centre Operating Account	To reflect all financial transactions of the Playford Centre in its objective to encourage development of the information industry in South Australia.
Police and Emergency Services Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
Police Operating Account	To record all the activities of the Police Department including operating and investing expenditures, revenues from various activities, injections of funds provided from the Consolidated Account and borrowings.
Police Superannuation Scheme Contribution Account	To record receipts and payments for the Police Superannuation Scheme.
Premier and Cabinet Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
Premier and Cabinet Operating Account	To record all the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings and the receipt of Commonwealth funding for the APY Lands and associated payments. This includes the recording of transactions that are consequent to machinery of government changes affecting the agency.

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
Primary Industries and Regions Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
Primary Industries and Regions Operating Account	To record all of the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings. This includes the recording of transactions that are consequent to machinery of government changes affecting the agency.
Professional Standards Council Fund	Record receipts and payments related to the Professional Standards Council as set out in the <i>Professional Standards Act 2004</i> .
Public Trustee Office Operating Account	To record all the business and other activities of the Public Trustee Office including recurrent and capital expenditures, revenue raised from commercial activities, injections of funds provided from the Consolidated Account and borrowings.
Regional Investment Funds (Eyre Peninsula Natural Resources Management Board)	To record the receipt and expenditure of funds received by the Eyre Peninsula Natural Resources Management Board in accordance with the Regional Partnership Agreement.
Riverbank Authority Operating Account	To record all of the activities of the Riverbank Authority including operating and investing expenditures, revenue from various activities, injections of funds provided from consolidated account and borrowings.
Rural Finance Account	To provide for the administration of separate funds covering the agreement between the Commonwealth and the States relating to: - rural reconstruction entered into on 4 June 1971 - rural assistance entered into on 1 January 1977 - rural assistance entered into on 1 July 1985 - rural assistance entered into on 1 January 1989 - rural assistance entered into on 1 January 1993 - Marginal Dairy Farms and Dairy Adjustment; - loans under the Commercial Rural Loans Scheme; - loans made to producer Co-operatives and borrowings required to fund the scheme. To facilitate the Minister for Primary Industries becoming a unit holder in rural property trusts set up by the State Bank of South Australia to assist farmers on Eyre Peninsula and to make payments to the Rural Industry Adjustment and Development Fund and to make payments from profits on the Commercial Rural Loans Scheme to the Primary Industries Operating Account.
Rural Industry Adjustment and Development Fund	To record receipts and payments authorised by the <i>Rural Industry Adjustment and Development Act 1985</i> .
SA Grape Growers Industry Fund	To record receipts and payments relating to SA grape growers in accordance with the <i>Primary Industries Funding Schemes (SA Grape Growers Industry Fund) Regulations</i> .

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
SA Lotteries Commission Operations Account	To receipt and dispense funds associated with the Commissioner's regulatory, compliance and Master Agent contract management responsibilities under the <i>State Lotteries Act, 1966</i> and the transaction documents.
SA Lower Lakes Bioremediation and Revegetation	To record the activities in relation to SA's Lower Lakes bioremediation and revegetation projects in accordance with the Commonwealth Government Funding Deed — Bioremediation & Revegetation at South Australia's Lower Lakes.
SA Riverland Floodplains Integrated Infrastructure Program	To record receipts and payments relating to the South Australian Riverland Floodplains Integrated Infrastructure Program.
SA River Murray Sustainability Fund	To record receipts and payments relating to the South Australian River Murray Sustainability Fund.
Sale of Government Land and Property	To record all receipts and payments associated with the sale of Crown lands and other Government land and property.
Save the River Murray Fund	To receive the proceeds of the Save the River Murray Levy via Consolidated Account and make payments as prescribed by the <i>Waterworks (Save the River Murray Levy) Amendment Act 2003</i> .
Save the River Murray Voluntary Contributions Fund	To receive voluntary payments and donations in relation to the Save the River Murray Fund and make payments as prescribed by the <i>Waterworks (Save the River Murray Levy) Amendment Act 2003</i> .
School Loans Scheme	To administer loans to schools.
Shared Services SA	To record all of the activities of Shared Services SA including operating and investing expenditure, revenue from various activities, and injections of funds provided from the Consolidated Account and borrowings.
South Australian Aboriginal Heritage Fund	To receive funds from the Commonwealth, State and other sources for application towards the protection and preservation of Aboriginal heritage.
South Australian Ambulance Superannuation Scheme	To record receipts and payments for the South Australian Ambulance Service Superannuation Scheme.
South Australian Electricity Supply Industry Planning Council Operating Account	To record all financial transactions for the South Australian Electricity Supply Industry Planning Council.
South Australian Film Corporation Unclaimed Investor Returns Account	To record all of the activities related to unclaimed investor returns managed by the South Australian Film Corporation.
South Australian Local Government Grants Commission Account	To record all transactions associated with the <i>South Australian Local Government Grants Commission Act 1992</i> including the receipt and payment of Commonwealth funds and expenditure on the administration of the Act.
South Australian Superannuation Fund Account	To record receipts and payments in respect of the South Australian Superannuation Fund.
Southern State Superannuation Fund Account	To record receipts and payments in respect of the Southern State Superannuation Fund.

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
Sport and Recreation Fund	To record receipts and disbursements associated with the <i>Gaming Machines (Miscellaneous) Amendment Bill 1996</i> relating to the provision of financial assistance to sporting and recreational organisations.
State Development Operating Account	To record all the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings. This includes the recording of transactions that are consequent to machinery of government changes affecting the agency.
State Development Administered Items	To record receipts and payments relating to Mining Royalties and various other programs, as well as, to receive administered items appropriation for the Department for Manufacturing, Innovation, Trade, Resources and Energy pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
State Governor's Establishment Operating Account	To record all the activities of the Establishment including recurrent and capital expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings.
State Procurement Board Account	To record all of the financial transactions associated with the State Procurement Board in accordance with the <i>State Procurement Act 2004</i> .
Supported Residential Facilities Indemnity Fund	To record the revenues and expenses of the Supported Residential Facilities Indemnity Fund.
Support Services to Parliamentarians	To record the financial transactions related to the administration of Support Services to Parliamentarians.
Surplus Cash Working Account	To record the movement of surplus cash to and from agencies' operating accounts, and to the Consolidated Account, in accordance with the requirements of the Cash Alignment Policy.
TAFE SA	To record receipts and disbursements incurred in relation to TAFE SA activities.
Targeted/Voluntary Separation Package Schemes	To administer the costs associated with the Targeted/Voluntary Separation Package Schemes.
Treasurer's Interest in the National Wine Centre	To record all of the financial transactions associated with the management of the <i>National Wine Centre (Restructuring and Leasing Arrangements) Act 2002</i> including injections of funds from the Consolidated Account.
Treasury and Finance Administered Items — Intergovernmental Agreement on Federal Financial Relations	To receive and disburse money paid to the State pursuant to the Intergovernmental Agreement on Federal Financial Relations for the National SPP purposes listed in Schedule F of that agreement and for the NPP payments for the purposes listed in Schedule G of that agreement.
Treasury — Asset Management Account	To record all financial transactions associated with the former South Australian Asset Management Corporation (SAAMC) and the dissolution of the SAAMC Board.
Treasury and Finance Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.

TREASURER'S STATEMENTS — STATEMENT F (1) — *continued*

SPECIAL DEPOSIT ACCOUNTS IN OPERATION AT 30 JUNE 2015 — *continued*
(Section 22 (a) (v) (B) *Public Finance and Audit Act 1987*)

Account	Purpose
Treasury and Finance Operating Account	To record all the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings. This includes the recording of transactions that are consequent to machinery of government changes affecting the agency.
Treasury – Working Account	To hold charges incurred by the Agent-General in London for semi-Government and non-Government bodies, to record receipts and payments for small lotteries, to record certain receipts and payments arising from various superannuation arrangements, to record certain interest receipts and payments, to effect accounting adjustments and transfers and to hold amounts in suspense pending determination of appropriate treatment.
Victims of Crime Fund	To provide for the receipt of fines, levies and recoveries from offenders and for payment of compensation/costs to victims of crime and any other payments approved by the Attorney-General as being in the interests of victims of crime.
Water Administered Items Account	To receive administered items appropriation for the Department pursuant to the annual <i>Appropriation Act</i> and to disburse the associated payments.
Water Operating Account	To record all the activities of the Department including operating and investing expenditures, revenue from various activities, injections of funds provided from the Consolidated Account and borrowings.



T KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT F (2)

SPECIAL DEPOSIT ACCOUNTS OPENED DURING THE YEAR ENDED 30 JUNE 2015
(Section 22 (a) (v) (A) *Public Finance and Audit Act 1987*)

Account	Purpose
Drought Concessional Loan Scheme	To record all of the financial transactions undertaken by PIRSA in respect of loan funds, and funds contributed towards scheme operating costs, received by the South Australian Government from the Federal Government and made available to PIRSA for the purpose of the delivery by PIRSA of the Federal Government's Drought Concessional Loans Scheme, including funds PIRSA receives from recipients of loans under the Scheme.
Riverbank Authority	To record all of the activities of the Riverbank Authority including operating and investing expenditures, revenue from various activities, injections of funds provided from consolidated account and borrowings.



T KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT G

DEPOSITS LODGED WITH THE TREASURER — BALANCES AT 30 JUNE 2015

(Section 22 (a) (vi) *Public Finance and Audit Act 1987*)

The balances listed below represent amounts held by the Treasurer (pursuant to Section 21 of the *Public Finance and Audit Act 1987*) on behalf of various bodies.

Account	Balance \$
Interest bearing—	
Adelaide and Mt Lofty Ranges Natural Resources Management Board	14 123 151
Adelaide Festival Centre Trust	13 601 424
Adelaide Hills Wine Industry Fund	297 270
Agents Indemnity Fund	65 884 193
Alinytjara Wilurara Natural Resources Management Board	2 846 024
Aquaculture Resource Management Fund	399 889
Art Gallery Board Account	2 296 365
Australian Council of State Emergency Services Fund	337 075
Bank of Tokyo-Mitsubishi Account	87 612
Bio Innovation SA	363 673
Boating Administration — Working Account	10 722 956
Botanic Gardens Board Endowment and Commercial Fund	2 491 419
Carrick Hill Trust	632 087
Cattle Compensation Fund	993 216
Cooperative Research Centre for Sustainable Aquaculture of Finfish	—
Correctional Services Prisoner Compensation Quarantine Fund Account	—
Crown Solicitor's Trust Account	4 514 575
Daniel Livingston Scholarship	35 267
Deer Keepers' Compensation Fund	113 256
Disability Services - Trust Funds, Donations and Bequests	353 843
Distribution Lessor Corporation Account	29 166
District Court Suitors' Fund	2 941 427
Dog and Cat Management Fund	718 393
Domiciliary Care Services - Trust Funds, Donations and Bequests	579 856
Education Department — Scholarships and Prizes	189 168
Employment and Technical and Further Education — College Council Funds	150 872
Environment Protection Fund	6 946 509
Environment Resources and Development Court Suitors Fund	—
Eyre Peninsula Natural Resources Management Board	2 939 428
Facilities Fund (Marine)	7 353 507
Fleet SA	—
Generation Lessor Corporation Account	22 319
Grains Industry Levy Fund	—
History Trust of South Australia	2 786 195
Independent Gambling Authority	3 974 061
Industrial Court Commission	—
Institute of Medical and Veterinary Science	—
Kangaroo Island Natural Resources Management Board	976 675
Langhorne Creek Wine Industry Fund	344 122
Legal Practitioners Act	486 422
Libraries Board of South Australia	6 458 613
Lifetime Support Scheme Fund	2 456 784
Local Government Taxation Equivalents Fund	15 937
Market Projects Unit	3 077
McLaren Vale Wine Industry Fund	582 121

TREASURER'S STATEMENTS — STATEMENT G — *continued*

DEPOSITS LODGED WITH THE TREASURER — BALANCES AT 30 JUNE 2015

(Section 22 (a) (vi) *Public Finance and Audit Act 1987*)

Account	Balance \$
Interest bearing—<i>continued</i>	
Motor Accident Commission Account	858 214
Museum Board Account	2 314 274
National Action Plan for Salinity and Water Quality	35 231
National Parks General Reserves Account	1 638 496
National Sirex Fund	—
Native Vegetation Fund	4 304 049
Natural Heritage Trust Extension (NHT2)	—
Natural Resources Management Fund	2 289 091
Northern and Yorke Natural Resources Management Board	2 534 258
Onshore Petroleum Centre of Excellence	717 616
Outback Areas Community Development Fund	1 086 193
Passenger Transport Research and Development Fund	11 106
Phylloxera and Grape Industry Fund	1 448 580
Planning and Development Fund	22 391 839
Pleuro Pneumonia Fund	96 690
Police Superannuation Fund	111 527
Rail Transport Facilitation Fund	55 191 217
Real Property Act Assurance Fund	7 278 796
Real Property Act Trust Account	70 831
RESI Corporation Account	—
Residential Tenancies Fund	5 537 904
Retail Shop Leases Fund	418 690
Returned and Services League of Australia (South Australian Branch) Incorporated	—
Riverland Wine Industry Fund	478 939
SA BITS Funds Pty Ltd — Playford Centre Capital	—
SAFECOM Operating Account	19 415 006
SA Health Special Purpose Funds	128 883 416
Second-Hand Vehicles Compensation Fund	2 382 690
South Australian Apiary Industry Fund	206 673
South Australian Arid Lands Natural Resources Management Board	1 983 638
South Australian Country Arts Trust	2 802 509
South Australian Forestry Corporation	4 236 811
South Australian Government Financing Authority	91 644 750
South Australian Housing Trust	95 201 763
South Australian Murray Darling Basin Natural Resources Management Board	15 549 465
South Australian Pig Industry Fund	3 828 967
South Australian Sheep Industry Fund	5 627 070
South East Natural Resources Management Board	4 416 105
State Emergency Relief Fund	623 358
State Procurement Board — Gaming Machine Operations	—
Superannuation Funds Management Corporation Operating Account	7 399 880
Super SA Board	14 835 651
Super SA Flexible Rollover Product	6 149 589
Super SA Income Stream	18 688 944
Super SA Select	—
Supreme Court Sutors Fund	18 875 052

TREASURER'S STATEMENTS — STATEMENT G — *continued*

DEPOSITS LODGED WITH THE TREASURER — BALANCES AT 30 JUNE 2015 (Section 22 (a) (vi) *Public Finance and Audit Act 1987*)

Account	Balance \$
Interest bearing—<i>continued</i>	
Teachers' Registration Board	10 274 244
Transmission Lessor Corporation Account	40 553
Upper South East Dryland Salinity Project	—
Urban Renewal Authority	14 574 715
Urban Renewal Authority — Cheltenham Trust Account	292 694
Waste to Resources Fund	68 268 905
Wildlife Conservation Fund	385 528
Woods, Bagot, Jory and Laybourne-Smith — National War Memorial Account	2 312
Sub-Total	<u>805 451 756</u>
Non-interest bearing—	
Agriculture — Research and Services Grants	16 876 542
Children's Services Office — Capital Assistance Fund	192 235
Coast Protection Fund	453 985
Companies Liquidation Account	94 244
Contractors' Deposits	32 565
Co-operatives Liquidation Account	64 993
Correctional Services — Prisoners' Monies	763 189
Courts Administration Authority	15 082 409
Extractive Areas Rehabilitation Fund	19 799 015
Fisheries — Research and Development Fund	5 598 176
Metropolitan Drainage Maintenance Fund	19 455
Natural Gas Authority of South Australia	—
Recreation and Sport Fund	1 440 307
South Australian Film Corporation Investors Returns Account	71 884
South Australian Tourism Commission	1 539 885
South Eastern Water Conservation and Drainage Board	286 582
State Heritage Fund	349 752
Unclaimed Salaries and Wages Account	505 097
Workmen's Liens	293 483
Sub-Total	<u>63 463 798</u>
TOTAL DEPOSITS LODGED WITH THE TREASURER	<u><u>868 915 554</u></u>


T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT H

IMPREST ACCOUNTS

(Section 22 (a) (vii) *Public Finance and Audit Act 1987*)

These amounts represent monies advanced by the Treasurer to Chief Executive Officers pursuant to Section 9 of the *Public Finance and Audit Act 1987*. Imprest accounts provide funds to meet payments at short notice and are subsequently recovered from departmental monies.

By Whom Held	Agency	Unappropriated Funds Allocated
		\$
Chief Executive	Attorney-General's Department	44 020
Chief Executive	Department of Education and Child Development	285 000
Electoral Commissioner	Electoral Commission of South Australia	200
Chief Executive	Department of State Development	3 000
TOTAL		<u>332 220</u>


T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT I

INDEBTEDNESS OF THE TREASURER AS AT 30 JUNE 2015

(Section 22 (a) (viii) *Public Finance and Audit Act 1987*)

As prescribed in Section 22 (a) (viii) of the *Public Finance and Audit Act 1987*, this statement provides details on the total indebtedness of the Treasurer.

Lending arrangements within the South Australian public sector give rise to a direct debt relationship between the South Australian Government Financing Authority (SAFA) and certain public non-financial corporations and the consolidation of general government sector debt with the Treasurer.

As the State's central financing authority, SAFA's main function is to develop and provide a range of borrowing, investment, and other financial services for South Australian public sector entities. The Treasurer has appointed SAFA to manage the portfolio forming the general government sector debt and is in turn indebted to SAFA.

As a result of these arrangements all of the Treasurer's indebtedness is to SAFA and the balance as at 30 June 2015 was \$9 015 million. Details on the management of the Treasurer's debt portfolio can be found in SAFA's Annual Report.

The Consolidated Account is the Treasurer's main operating account and it is through this Account that public monies are received and expended pursuant to the requirements of the *Public Finance and Audit Act 1987*. Each year the Treasurer borrows from SAFA an amount equal to the Consolidated Account financing requirement. If there is a negative Consolidated Account financing requirement then an equivalent amount of the Treasurer's debt to SAFA is repaid.

In 2014-15 the Consolidated Account surplus was \$1 646 million and was used to repay borrowings of that amount to SAFA.

The indebtedness of the Treasurer to SAFA is serviced from the Consolidated Account and is recovered, in part, from loans provided by the Treasurer to public sector agencies and other bodies as described below. In addition, the Treasurer has provided equity contributions to certain agencies some of which pay dividends to the Consolidated Account as shown in Statement A.

The Treasurer's indebtedness to SAFA has been applied in the public accounts as follows:

	2014-15	2013-14
	\$'000	\$'000
Loans to State Government Departments		
Department of Primary Industries and Resources—Rural Loans	8 553	13 460
Department of Primary Industries and Resources—Farm Finance Loans	10 450	10 000
Department of Primary Industries and Resources—Drought Concessional Loans	10 000	-
	29 003	23 460
Loans to Statutory Authorities and Other Bodies		
Flinders Medical Centre	16 063	18 215
Flinders Medical Centre Foundation	5 000	5 000
Renmark Irrigation Trust	582	716
Royal Adelaide Zoo	1 931	2 161
South Western Suburbs Drainage	840	1 089
Woodville, Henley and Grange Drainage	113	134
	24 529	27 315

TREASURER'S STATEMENTS — STATEMENT I — *continued*

INDEBTEDNESS OF THE TREASURER AS AT 30 JUNE 2015 — *continued* (Section 22 (a) (viii) *Public Finance and Audit Act 1987*)

	2014-15 \$'000	2013-14 \$'000
Equity Contributions		
Adelaide Convention Centre	78 294	78 294
Adelaide Entertainments Corporation	55 536	55 536
Arts SA	-	45 221
Department for Correctional Services	89 189	60 793
Courts Administration Authority	3 140	3 140
Defence SA	101 888	101 888
Distribution Lessor Corporation	28 273	28 273
Electoral Commission of South Australia	1 363	1 363
Generation Lessor Corporation	24 539	24 539
Department for Communities and Social Inclusion	74 325	74 325
Department for Health and Ageing	1 465 650	1 459 657
Department for Premier and Cabinet	916	-
Joint Parliamentary Services	2 903	2 903
National Electricity Administrator	93	93
National Electricity Market Management Company	490	490
Department of Primary Industries and Regions	-	1 059
SA Water Corporation	173 610	173 610
South Australian Film Corporation	8 460	8 460
South Australian Housing Trust	60 876	37 316
South Australia Police	85 220	85 220
South Australian Tourism Commission	64	64
State Governor's Establishment	160	160
Urban Renewal Authority	107 938	107 938
Department of Treasury and Finance	547	547
Department of Planning, Transport and Infrastructure	2 798 141	2 610 057
Department of Environment, Water and Natural Resources	22 612	22 612
Department of Further Education, Employment, Science and Technology	-	173 474
Department of Manufacturing, Innovation, Trade, Resources and Energy	-	6 930
Department of State Development	10 263	-
	<u>5 194 490</u>	<u>5 163 962</u>
Other Indebtedness		
Debt associated with prior operations of the Consolidated Account	<u>3 767 176</u>	<u>5 427 958</u>
TOTAL TREASURER'S INDEBTEDNESS TO SAFA	<u><u>9 015 198</u></u>	<u><u>10 642 695</u></u>

Further information on the Treasurer's indebtedness to SAFA can be found in Statement J Financial Relationships and Transactions between the Treasurer and the South Australian Government Financing Authority.

TREASURER'S STATEMENTS — STATEMENT I — *continued*

INDEBTEDNESS OF THE TREASURER AS AT 30 JUNE 2015 — *continued*

(Section 22 (a) (viii) *Public Finance and Audit Act 1987*)

The Treasurer is authorised or required under a number of Acts to guarantee credit arrangements (eg repayment of borrowings) of various bodies. In the event of default, payment is made from the Consolidated Account. There is, therefore, a contingent liability of the Treasurer.

These fall into two main categories:

- general guarantees in respect of the operations of certain statutory bodies; and
- guarantees to assist the development of an industry or service (eg in respect of the indebtedness of companies and individuals pursuant to the *Industries Development Act 1941*).

In addition, the Treasurer may incur contingent liabilities under the *Government Financing Authority Act 1982* arising from SAFA's role in financing the South Australian Public Sector. These liabilities arise as a result of guarantees and indemnities provided, together with swap contracts and forward foreign currency transactions.

The Treasurer has residual liabilities arising from the sale/lease of the State's electricity assets. These liabilities represent prepaid lease rental payments received by the Treasurer on behalf of the Transmission Lessor Corporation, Distribution Lessor Corporation and Generation Lessor Corporation. The Treasurer's liability to the corporations at 30 June 2015 was \$64.9 million. This amount will reduce over the remaining term of the lease, as lease rental revenue is brought to account. No cash payments are anticipated.



T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT J

FINANCIAL RELATIONSHIPS AND TRANSACTIONS BETWEEN THE TREASURER AND THE SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY (Section 22 (a) (ix) *Public Finance and Audit Act 1987*)

The South Australian Government Financing Authority (SAFA) is an integral part of the management of the Government's finances. Transactions between SAFA and the Public Accounts are described below. —

The indebtedness of the Government to SAFA largely stems from ongoing operations of Government including; —

- direct loans from SAFA to the Government;
- indebtedness resulting from the assumption by SAFA of the obligations of the State to the Commonwealth Government under the Financial Agreement, Housing and other Specific Purpose Agreements;
- indebtedness resulting from debt rearrangements within the South Australian Public Sector whereby SAFA is assigned loan assets in return for assuming the associated debt servicing obligations of the South Australian Government; and
- the Government's assumption of obligations of semi-government authorities and Public Sector Financial Institutions for past loans from SAFA.

The overall movement in the Government's indebtedness to SAFA during 2014-15 is summarised as follows—

	\$million
Balance at 30 June 2014	10 643
Less — Consolidated Account repayment of borrowings in 2014-15	1 646
Add — Realised loss (net)	42
Less — Concessional Loans	20
Less — Repayment of borrowings	4
Balance at 30 June 2015	9 015
Market value at 30 June 2015 ^(a)	9 268

(a) SAFA manages its financial assets and liabilities on a market value basis (net fair value).

Arrangements for the management of cash require that virtually all funds under the control of the Treasurer which are not immediately required, are deposited with SAFA each day on an at call basis. In respect of the remaining funds deposited with SAFA, the Treasurer received interest at a rate determined by reference to SAFA's overnight borrowing rate.

At 30 June 2015 the Treasurer's deposit with SAFA was \$4 275 million (SAFA's market valuation \$4 283 million).

Statement C shows details of the Treasurer's cash balances at 30 June 2015 and the form in which those balances were held.

SAFA's 2014-15 operating profit before income tax was \$33.1 million. SAFA operates within the Tax Equivalent Regime (TER) and under this arrangement the amount paid to the Consolidated Account in 2014-15, as reported in Statement A, was \$19.1 million.

After taking account of the retained surplus carried forward from previous years and the net profit after tax in 2014-15, the amount of SAFA's surplus potentially available for distribution at 30 June 2015 was \$363 million. The Treasurer determined that the distribution for 2014-15 would be \$8.9 million.

Similar to many other semi-government authorities, SAFA operates a Deposit Account — see Statement G. Any surplus funds otherwise standing to the credit of the account are invested by SAFA each day.

The State unconditionally guarantees all the liabilities of SAFA pursuant to Section 15 of the *Government Financing Authority Act 1982*. The Government does not foresee any circumstances in which the guarantee is likely to be called upon.

TREASURER'S STATEMENTS — STATEMENT J — *continued*

FINANCIAL RELATIONSHIPS AND TRANSACTIONS BETWEEN THE TREASURER AND THE SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY (Section 22 (a) (ix) *Public Finance and Audit Act 1987*)

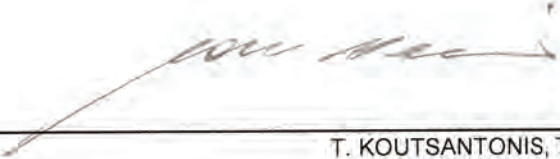
On 1 July 2006 the South Australian Government Insurance Corporation (SAICORP) was amalgamated with SAFA.

As part of the amalgamation arrangements, SAFA assumed the assets and liabilities of the South Australian Government Insurance and Risk Management (SAGIRM) Fund sections 1 and 2. Fund 3 commenced operations on 1 July 2013 to administer Building Indemnity Insurance (BII) offered to builders in South Australia. The Building Work Contractors Act 1995 (SA) and Regulations is compulsory in South Australia and requires builders to hold BII to protect home owners losses arising from the insolvency, death or disappearance of their builder up to a maximum sum insured of \$80,000 per building project.

With respect to SAICORP Insurance Funds 2 and 3, the Treasurer has agreed to indemnify SAFA for the financial outcomes of the Funds to reflect the risks SAFA has assumed on the Treasurer's behalf. At 30 June each year the financial position of Fund 2 and 3 will be calculated and the Treasurer will be liable for any deficiency in the Fund. Conversely, SAFA will be liable to pay to the Treasurer any surplus in the Funds.

SAICORP Insurance Fund 2 recorded an operating loss of \$3.5 million in 2014-15. The Treasurer has a net receivable from the Fund of \$9.7 million representing the outstanding liability of \$13.2 million as at 2013-14, less the Treasurer's payable of \$3.5 million for 2014-15.

SAICORP Insurance Fund 3 recorded an operating loss of \$3.8 million in 2014-15. The Treasurer has a net payable to the Fund of \$3.8 million representing the Treasurer's net payable to the Fund of \$1.0 million as at 2013-14, less the Treasurer's payment to the Fund during the year of \$1.0 million, plus the Treasurer's payable of \$3.8 million for 2014-15.



T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT K

STATEMENT OF APPROPRIATION AUTHORITIES

GOVERNOR'S APPROPRIATION FUND (Section 22 (a) (xi) (A) and (B) *Public Finance and Audit Act 1987*)

\$

Maximum amount that could have been appropriated from the Fund in 2014-15	367 359 000
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Purpose of Appropriation	Amounts Issued and Applied
	\$
Attorney-General's Department	6 845 000
Courts Administration Authority	5 800 000
Department for Communities and Social Inclusion	47 249 000
Department for Correctional Services	15 998 000
Department for Education and Child Development	2 295 000
Administered Items for the Department for Education and Child Development	2 147 000
Department of Environment, Water and Natural Resources	15 568 000
Administered Items for the Department of Environment, Water and Natural Resources	141 000
Department of Planning, Transport and Infrastructure	50 000 000
Administered Items for the Department of Planning, Transport and Infrastructure	668 000
Department of Primary Industries and Resources	20 000 000
Administered Items for the Department of Primary Industries and Resources	967 000
Department of State Development	36 360 000
Administered Items for the Department of State Development	190 000
Department of Treasury & Finance	1 033 000
Electoral Commission of South Australia	475 000
South Australian Tourism Commission	2 833 000
State Governor's Establishment	620 000
 TOTAL	 209 189 000

TREASURER'S STATEMENTS — STATEMENT K — *continued*

STATEMENT OF APPROPRIATION AUTHORITIES — *continued*

TRANSFERS AUTHORISED PURSUANT TO SECTION 13 OF THE *PUBLIC FINANCE AND AUDIT ACT 1987* (Section 22 (a) (xii) *Public Finance and Audit Act 1987*)

No transfers were made during 2014-15

REDUCTIONS AUTHORISED PURSUANT TO SECTION 14 OF THE *PUBLIC FINANCE AND AUDIT ACT 1987* (Section 22 (a) (xiv) *Public Finance and Audit Act 1987*)

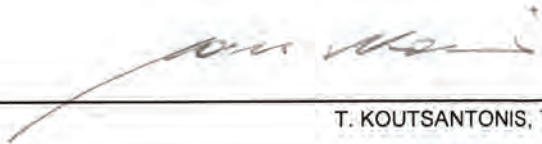
No reductions were made during 2014-15

APPROPRIATION AUTHORISED PURSUANT TO SECTION 15 OF THE *PUBLIC FINANCE AND AUDIT ACT 1987* (Section 22 (a) (xiii) *Public Finance and Audit Act 1987*)

	\$
Administered Items for the Department of Treasury and Finance	14 351 000
TOTAL	<u>14 351 000</u>

APPROPRIATION AUTHORITIES FOR ACTUAL PAYMENTS FROM THE CONSOLIDATED ACCOUNT, 2014-15 (Section 22 (a) (xiii) *Public Finance and Audit Act 1987*)

	Appropriation Authority	Actual Payments
	\$	\$
<i>Appropriation Act 2014</i> , Section 4	11 496 312 000	11 395 535 891
<i>Public Finance and Audit Act 1987</i> , Section 15	<u>14 351 000</u>	<u>14 351 000</u>
	11 510 663 000	11 409 886 891
 The Governor's Appropriation Fund —		
<i>Public Finance and Audit Act 1987</i> , Section 12	<u>367 359 000</u>	<u>209 189 000</u>
	11 878 022 000	11 619 075 891
 Specific appropriation authorised by various Acts	<u>110 242 000</u>	<u>107 609 664</u>
 TOTAL	<u>11 988 264 000</u>	<u>11 726 685 555</u>


T. KOUTSANTONIS, Treasurer

TREASURER'S STATEMENTS — STATEMENT L

STATEMENT OF OTHER TRANSFERS FROM THE ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE FOR THE YEAR ENDED 30 JUNE 2015 (Section 22 (a) (xiv) *Public Finance and Audit Act 1987*)

Transfers were made to the following agencies:	\$
Attorney-General's Department	1 763 572
Administered Items for the Attorney-General's Department	7 251 000
Auditor-General's Department	38 000
Courts Administration Authority	177 000
Defence SA	7 000
Department for Communities and Social Inclusion	10 693 150
Department for Correctional Services	2 355 476
Department for Education and Child Development	865 000
Department for Health and Ageing	9 706 369
Department of Environment, Water and Natural Resources	8 991 088
Department of Planning, Transport and Infrastructure	10 826 900
Department of Primary Industries and Regions	3 024 939
Department of State Development	12 888 211
Department of the Premier and Cabinet	6 464 401
Department of Treasury and Finance	9 588 912
Electoral Commission of South Australia	206 000
House of Assembly	18 000
Joint Parliamentary Services	23 000
Legislative Council	12 000
South Australia Police	3 105 085
South Australian Country Fire Service	48 000
South Australia Fire and Emergency Services Commission	33 233
South Australian Metropolitan Fire Service	1 069 000
South Australian State Emergency Service	14 000
South Australian Tourism Commission	1 148 000
TAFE SA	3 442 005
TOTAL	93 759 343


T. KOUTSANTONIS, Treasurer

Adelaide Convention Centre Corporation

Financial report
for the year ended
30 June 2015

Adelaide Convention Centre Corporation

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Expenses From Trading Activities			
Employee benefits expenses	4	15,352	14,071
Supplies and services expense	5	10,305	10,356
Depreciation and amortisation expense	6	1,423	1,531
Net loss from the disposal of non-current assets	7	86	43
Total Expenses from Trading Activities		27,166	26,001
Income From Trading Activities			
Facility charges revenues	10	33,423	31,604
Interest revenues		709	904
Other income		229	255
Total Income from Trading Activities		34,361	32,763
Profit from Trading Activities		7,195	6,762
Expenses From Property Management Activities			
Employee benefits expenses	4	2,473	2,292
Supplies and services expense	5	5,293	4,423
Depreciation and amortisation expense	6	3,206	3,145
Borrowing Costs	9	13,415	10,249
Total Expenses from Property Management Activities		24,387	20,109
Income From Property Management Activities			
Interest revenues		590	578
Revenues from SA Government		18,094	14,814
Total Income from Property Management Activities		18,684	15,392
(Loss) from Property Management Activities		(5,703)	(4,717)
Profit before income tax equivalents		1,492	2,045
Income tax equivalent expense	3e	448	613
Profit after income tax equivalents		1,044	1,432
Total comprehensive result		1,044	1,432
The profit after income tax equivalents and total comprehensive result are attributable to the SA Government			

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

Adelaide Convention Centre Corporation

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Current Assets			
Cash and cash equivalents	22	19,504	17,611
Receivables	11	2,907	4,396
Inventories		365	489
Total Current Assets		22,776	22,496
Non-Current Assets			
Specific purpose deposits	12,22	26,395	24,332
Building, plant and equipment	13,14	378,790	306,413
Total Non-Current Assets		405,185	330,745
Total Assets		427,961	353,241
Current Liabilities			
Payables	15	3,129	3,138
Security deposits	16	4,501	4,956
Employee benefits	17	824	837
Total Current Liabilities		8,454	8,931
Non-Current Liabilities			
Payables	15	106	102
Employee benefits	17	1,661	1,591
Borrowings	18	259,575	184,575
Total Non-Current Liabilities		261,342	186,268
Total Liabilities		269,796	195,199
Net Assets		158,165	158,042
Equity			
Contributed capital		78,304	78,304
Retained earnings		79,861	79,738
Total Equity		158,165	158,042
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	19		
Contingent assets and liabilities	20		

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

Adelaide Convention Centre Corporation

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2015

	Note No.	Contributed Capital \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2013		78,304	79,400	157,704
Profit after income tax equivalents for 2013-14		-	1,432	1,432
Total comprehensive result for 2013-14		-	1,432	1,432
Transactions with SA Government as owner				
Equity returned	3(k)	-	-	-
Dividend Prior Period		-	(1,094)	(1,094)
Balance at 30 June 2014		78,304	79,738	158,042
Profit after income tax equivalents for 2014-15		-	1,044	1,044
Total comprehensive result for 2014-15		-	1,044	1,044
Transactions with SA Government as owner				
Equity contribution	3(k)	-	-	-
Dividend Prior Period		-	(921)	(921)
Balance at 30 June 2015		78,304	79,861	158,165

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

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

Adelaide Convention Centre Corporation

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(17,766)	(16,330)
Payments for supplies and services		(8,858)	(15,900)
GST payments on purchases		(589)	(9,102)
GST paid to the ATO		(15,314)	(487)
Cash used in operations		(42,527)	(41,819)
Cash inflows			
Facility charges		34,253	32,519
Interest received		229	1,579
GST receipts on facility charges		3,532	3,294
GST received from the ATO		6,124	6,285
Other receipts		1,292	255
Cash generated from operations		45,430	43,932
Cash flows from SA Government			
Receipts from SA Government		18,094	14,814
Cash generated from SA Government		18,094	14,814
Net Cash provided by operating activities	22	20,997	16,927
Cash flows from investing activities			
Cash outflows			
Purchase of building, plant and equipment		(77,145)	(80,292)
Cash used in investing activities		(77,145)	(80,292)
Cash inflows			
Proceeds from the sale of property, plant and equipment	7	53	72
Cash generated from investing activities		53	72
Net Cash used in investing activities		(77,092)	(80,220)
Cash flows from financing activities			
Cash outflows			
Capital returned to government		-	-
Income Tax Equivalent And Dividends Paid		(1,534)	(2,501)
Borrowing costs	9	(13,415)	(10,249)
Cash used in financing activities		(14,949)	(12,750)
Cash inflows			
Borrowings	18	75,000	80,000
Cash generated from financing activities		75,000	80,000
Net cash provided from financing activities		60,051	67,250
Net increase in cash and cash equivalents		3,956	3,957
Cash and cash equivalents at the beginning of the period		41,943	37,986
Cash and cash equivalents at the end of the period	22	45,899	41,943

Adelaide Convention Centre Corporation

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Adelaide Convention Centre Corporation

Note 1 Objectives of the Adelaide Convention Centre Corporation

The Adelaide Convention Centre Corporation (Corporation) was established as a subsidiary to the Minister for Tourism by Regulations issued under the *Public Corporations Act 1993*.

The functions of the Corporation are to:

- Manage and operate the Adelaide Convention Centre site, and to hold and manage assets associated with the Corporation;
- Manage, promote and sponsor events at the Adelaide Convention Centre site or elsewhere;
- Attract economic benefits to the state of South Australia; and
- Foster and assist the commercial development of the Adelaide Convention Centre site in order to complement and enhance the commercial potential of the Corporation.

Note 2 Funding

The South Australian Government (through the Minister for Tourism) provides funding to the Corporation for expenses relating to the maintenance of the Common Areas and the Riverbank Precinct, Exhibition Hall land rent, office accommodation rent and for replacement of assets.

The funding for asset replacement is transferred by the Department of Treasury and Finance into an interest bearing Special Deposit Account titled 'Adelaide Convention Centre Future Asset Replacement Account'. With the approval of the Treasurer, these funds are available for the replacement and upgrade of assets and minor works.

During 2012-13, the SA Government changed the funding arrangements for the Convention Centre extension and redevelopment from equity contribution to borrowings. During the 2014-15, Cabinet approved an increase to the redevelopment project budget bringing the total budget to \$396.8 million. In approving this budget increase, Cabinet requested that the Corporation provide \$14.5 million from its Future Asset Replacement Account. The Corporation will still require Treasurer's approval prior to accessing the funds.

A drawdown from borrowings of \$75 million was taken during 2014-15 for payments estimated for the year and already made for the project. Further drawdowns continue under the model during the extension and redevelopment.

All other financial activities of the Corporation are conducted through an interest bearing operating bank account titled 'Adelaide Convention Centre Operating Account'.

Note 3 Summary of significant accounting policies

a) Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987* and section 13 of the Schedule to the *Public Corporations Act 1993*.

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 provision of the *Public Finance and Audit Act 1987*.

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

Except for AASB 2015-7 which the Corporation has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Corporation for the reporting period ending 30 June 2015.

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:

Adelaide Convention Centre Corporation

- a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$10 000 for separate identification of these items applies;
- b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
- c) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
- d) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Corporation's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

c) Comparative information

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

Where 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.

d) Rounding

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

e) Taxation

In accordance with Treasurer's Instructions issued under the *Public Finance and Audit Act 1987*, the Corporation is required to pay to the State Government an income tax equivalent. The income tax liability is based on the Treasurer's accounting profit method, which requires that the corporate income tax rate be applied to the net profit. The Treasurer has exempted capital funding from the calculation of the income tax equivalents.

The Corporation is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax and local government rates.

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

- where the GST incurred by the Corporation is not recoverable from the Australian Taxation Office, in which case GST is recognised as part of the cost of acquisition of an asset or as part of the expense item applicable
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office 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 Australian Taxation Office is classified as part of operating cash flows.

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

Income tax equivalent payable for 2014-15 is \$448,000 (\$613,000).

f) Events after reporting period

By notice of Government Gazette, the Public Corporations (Adelaide Convention Centre Corporation) (Dissolution and Revocation) Regulations 2015 come into operation on 1 August 2015 immediately after the commencement of the Public Corporations (Adelaide Entertainments Corporation) Variation Regulations 2015.

The Public Corporations (Adelaide Entertainments Corporation) Variation Regulations 2015 come into operation on 1 August 2015. The Adelaide Entertainments Corporation continues as a subsidiary of the Minister (without change of its corporate identity) as the Adelaide Venue Management Corporation.

Adelaide Convention Centre Corporation

The Adelaide Convention Centre Corporation, established by Public Corporations (Adelaide Convention Centre Corporation) Regulations 2000 as a subsidiary of the Minister for Tourism, is dissolved.

The assets, rights and liabilities of the Adelaide Convention Centre Corporation immediately before its dissolution are vested in and attached to the Adelaide Venue Management Corporation continued in existence as a subsidiary of the Minister for Tourism under the Public Corporations (Adelaide Venue Management Corporation) Regulations 2015.

All employees (other than the Chief Executive) of the Adelaide Convention Centre Corporation immediately before its dissolution are transferred to the Adelaide Venue Management Corporation.

The Corporation will prepare a final set of financial accounts for the period ending 31 July 2015 to reflect the final position of the Corporation and what will be transferred to the Adelaide Venue Management Corporation. These separate accounts will be subject to external audit and be prepared within 42 days of the period close.

No other matter or circumstance has arisen since the end of the financial period which is not otherwise dealt with in this report or in the financial statements, that has significantly affected or may significantly affect the operations of the Corporation, the results of those operations or the state of affairs of the Corporation in the subsequent financial period.

g) Dividend policy

The Department of Treasury and Finance have determined a distribution policy, which will apply to the Corporation as being 75 percent of the operating profit before income tax equivalents, less any capital funding. This distribution is reduced by the income tax equivalent expense plus the other Tax Equivalent Regime expenditure resulting in a dividend which is paid to the Department of Treasury and Finance. The deduction of income tax equivalent and other Tax Equivalent Regime expenditure from the gross 75 percent distribution ensures consistency with Competitive Neutrality and Department of Treasury and Finance policies concerning budget neutrality.

The Corporation recommended a dividend as at 30 June 2015 of \$780,000. However as the dividend was not approved by the Treasurer as at 30 June 2015 it has not been reported in these financial statements.

h) Income and expenses

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the Corporation will occur and can be reliably measured.

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Income from facility charges

Income from facility charges is derived from the provision of goods and services to the public and other SA Government agencies and is recognised at the conclusion of an event or after a service has been provided. This income is driven by consumer demand.

Contributions from SA Government

The contribution from the SA Government is recognised as income when the Corporation obtains control over the funding or obtains the right to receive the contributions and the income recognition criteria are met. All contributions received by the Corporation have been contributions with unconditional stipulations attached and have been recognised as an asset and income.

Interest income

Interest income is recognised as it is accrued.

Income from the disposal of non-current assets

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Maintenance expense

The Corporation undertakes major cyclical maintenance on its infrastructure assets. All costs involved with the major cyclical maintenance are recorded as an expense unless they add to the service potential of the existing infrastructure asset.

Depreciation and amortisation of non-current assets

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. Amortisation relates to leasehold improvements, while depreciation is applied to physical assets such as property, plant and equipment.

Adelaide Convention Centre Corporation

The useful lives of all major assets held by the Corporation are reassessed on an annual basis and adjusted if appropriate. The value of leasehold improvements is amortised over the unexpired period of the relevant lease.

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

Class of asset	Useful life (years)
Buildings	30-60
Leasehold Improvements	life of lease
Plant and Equipment	2-20

i) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. The Corporation has a clearly identifiable operating cycle of 12 months. Therefore assets and liabilities that will be realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

j) Assets and liabilities

Assets and liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, the Corporation has separately disclosed the amounts expected to be recovered after more than twelve months.

Cash and cash equivalents

For the purposes of the Statement of Cash Flows cash includes cash on deposit, at bank, and on hand and deposits at call that are readily converted to cash. Cash on deposit (specific purpose deposits) cannot be used for operational cash purposes. Security deposits held at bank can be used for operational purposes at the conclusion of an event.

Cash is measured at nominal value.

Receivables

Trade receivables include security deposits raised in accordance with a client's respective payment plan, the selling of goods and services to the public and to other SA Government agencies. Trade receivables are payable within 14 days after the issue of a deposit/tax invoice or the goods/services have been provided under a contractual arrangement.

Based on an assessment of the collection of trade receivables at balance date, the Corporation has determined that a provision for doubtful debts is not warranted.

Inventories

Inventories are carried at cost as they are expected to be consumed in the holding of functions that will have a net realisable value that exceeds cost. Cost is assigned on a weighted average cost basis.

Non-current assets

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 less accumulated depreciation. The Corporation capitalises all non-current physical assets with a value equal or greater than \$3,000 or a useful life greater than three years.

The Corporation capitalises costs associated with projects to work in progress. On completion of a project the capitalised costs are transferred to the relevant non-current asset account. The balance of work in progress reflects costs for projects which are at various stages of completion as at 30 June 2015.

Revaluation of non-current assets

Buildings, plant and equipment are measured at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Adelaide Convention Centre Corporation

Every 5 years the Corporation revalues its buildings, plant and equipment via an Independent Certified Practising Valuer. The Corporation has taken the exemption available under APF III APS 3.18 to take asset revaluation adjustments to the asset revaluation surplus on a class basis rather than an individual asset basis. Any accumulated depreciation as at 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.

Fair Value measurement

AASB 13 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 Corporation classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

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

The valuation processes and fair value changes are reviewed by the Corporation at each reporting date.

Payables

Payables include creditors, accrued expenses, GST payable, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to 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 Corporation.

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 received.

The paid parental leave scheme payable represents amounts which the Corporation has received from the Commonwealth Government to forward onto eligible employees via the Corporation's standard payroll processes. That is, the Corporation is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employment on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

The Corporation makes contributions to several superannuation schemes operated by the 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 balance date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

Security Deposits

The Corporation recognises security deposits at the time of raising a security deposit requisition/tax invoice in accordance with a client's respective payment plan. The Corporation will hold all security deposits received on behalf of the client/hirer and will not treat these monies as consideration until such time as the deposits are applied towards payment at the conclusion of the event/hiring period or are forfeited and applied towards a cancellation fee. Security deposits for car park cards are returned to the client when the card is returned.

Employee Benefits

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

Wages, salaries, annual leave and sick leave

The liability for salaries and wages are measured as the amount unpaid at 30 June 2015 at remuneration rates current at reporting date.

Adelaide Convention Centre Corporation

Provision has been made for the unused component of annual leave as at 30 June 2015. The liability is calculated at nominal amounts based on the 2015-16 pay rates and is expected to be paid during the next financial year.

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 of sick leave.

Employer Superannuation

The Corporation made contributions of \$1.481 million (\$1.336 million) in respect of its employees for the financial year to several superannuation schemes operated by the South Australian Government and externally managed superannuation schemes.

Workers Compensation

The Corporation is deemed to be an exempt employer by virtue of the *Workers Rehabilitation and Compensation Act 1986* and as such is liable for all medical, income and other day to day type expenses associated with a claim. The Corporation is also liable for any lump sum, redemption or permanent disability type payments for claims occurring post 1 July 2006. Any claims originating prior to 1 July 2006 are funded through a central government fund. Given the immaterial nature of the claims existing as at 30 June 2015, no provision has been recognised in the Statement of Financial Position.

Long Service Leave

The Corporation has adopted the Department of Treasury and Finance approach to calculating long service leave based on submitted data from the payroll system and assessed against actuarial data. The data includes a provision for all employees entitlement calculated from their commencement date including full time, part time and casual employees.

The current component of long service leave is determined on what was taken during the financial year and based on estimates of long service leave due to be taken during the next financial year.

k) Equity contributed by the SA Government

Contributions made by the SA Government through its role as owner of the Corporation, which increase the net assets of the entity, are treated as contributions of equity. During 2012-13, previously made equity contributions associated with Convention Centre extension and redevelopment were returned to SA Government. A new funding model through borrowings was implemented and continues for this reporting period.

l) Leases

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

The Corporation has only entered into operating leases.

Operating Leases

The Corporation has entered into operating leases for the land on which the buildings are situated and for office accommodation. The leases are reviewed each year for adjustments in the consumer price index.

In respect of operating leases, the lessor effectively retains substantially the entire risks and benefits incidental to ownership of the leased items. Operating lease payments are charged to the Statement of Comprehensive Income on a basis, which is representative of the pattern of benefits derived from the leased assets.

m) Financial Instruments

The Corporation's accounting policies, including the terms and conditions of each class of financial asset and financial liability recognised as at 30 June 2015 are as follows:

Financial Assets

The Corporation has interest bearing cash assets with the SA Government. Cash on deposit and at bank comprises deposits at call with the Commonwealth Bank of Australia and is recorded at cost. Interest income is recognised as it is accrued.

Specific Purpose Deposits comprise the Future Asset Replacement Deposit Account with the Department of Treasury and Finance and the Adelaide Railway Station Area Service Facilities maintenance monies at SAFA. Both deposits and interest income are recorded at cost and are recognised as they accrue.

Total receivables are reported at amounts due. There is no interest rate risk associated with these financial assets.

The Corporation has no significant concentration of credit risk. The Corporation has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Adelaide Convention Centre Corporation

Financial Liabilities

Trade payables are recognised for goods and services that have been supplied but have not been paid for and are normally settled within 30 days or in accordance with the terms of credit offered by the trade payable. Security deposits held are recorded at cost.

All financial instruments including borrowings are valued at historical cost as per the Statement of Financial Position.

n) Program Information

The principal activity of the Corporation is to manage and operate the Adelaide Convention Centre site.

o) New and revised accounting standards and policies

Except for AASB 2015-7 which the Corporation has early adopted, Australian Accounting Standards Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Corporation for the period ending 30 June 2015.

The Corporation has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Corporation.

Adelaide Convention Centre Corporation

Note 4 Employee benefits expenses

	2015 \$'000	2014 \$'000
Trading activities		
Salaries and wages	12,470	11,314
Long service leave	171	203
Annual leave	537	544
Skills and Experience Retention Leave (SERL)	18	11
Employment on-costs - Superannuation	1,273	1,141
Employment on-costs – Other	807	770
Board fees	76	88
Total employee benefits expenses – trading activities	15,352	14,071
Property management activities		
Salaries and wages	1,959	1,840
Long service leave	92	42
Annual leave	106	106
SERL	6	7
Employment on-costs - Superannuation	201	188
Employment on-costs – other	109	109
Total employee benefits expenses – property management activities	2,473	2,292
Total employee benefits expenses	17,825	16,363
Remuneration of employees	2015 No	2014 No
The number of employees whose remuneration received falls within the following bands:		
\$141 500 to \$151 499	4	3
\$201 500 to \$211 499	1	1
\$341 500 to \$351 499	-	1
\$381 500 to \$391 499	1	-
Total Number of Employees	6	5

Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits and associated fringe benefits tax and any other salary sacrifice benefits. The total remuneration received by these employees for the year was \$1.19 million (\$0.994 million).

Adelaide Convention Centre Corporation

Note 5 Supplies and services expense

	2015 \$'000	2014 \$'000
Supplies and services comprises		
Supplies and services– Trading Activities	10,305	10,356
Supplies and services – Property Management Activities	5,293	4,423
Total Supplies and Services	15,598	14,779
Supplies and services		
Administration expenses and sundries	3,088	3,052
Direct materials	5,779	6,053
Building service costs	3,971	3,482
Maintenance	1,829	1,464
Marketing and promotions	931	728
Total supplies and services	15,598	14,779

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

	2015 No	2015 \$'000	2014 No	2014 \$'000
Below \$10,000	3	14	3	14
Between \$10,000 and \$50,000	2	50	4	97
Above \$50,000	1	142	-	-
Total paid /payable to the consultants engaged	6	206	7	111

Note 6 Depreciation and amortisation expense

	2015 \$'000	2014 \$'000
Depreciation and amortisation comprises		
Depreciation and amortisation – Trading Activities	1,423	1,531
Depreciation and amortisation – Property Management Activities	3,206	3,145
Total depreciation and amortisation	4,629	4,676
Depreciation		
Plant and equipment	1,412	1,520
Building	3,206	3,145
Total depreciation	4,618	4,665
Amortisation		
Leasehold improvements	11	11
Total amortisation	11	11
Total depreciation and amortisation	4,629	4,676

Adelaide Convention Centre Corporation

Note 7 Net loss from the disposal of non-current assets

	2015 \$'000	2014 \$'000
Building, plant and equipment		
Proceeds from disposal	53	72
Net book value of assets disposed	(139)	(114)
Total Net loss from the disposal of non-current assets	(86)	(42)*

*Rounding

Note 8 Auditor's remuneration

	2015 \$'000	2014 \$'000
Audit Fees paid / payable to the Auditor-General's Department relating to the audit of financial statements	47	48
Total audit fees	47	48

No other services were provided by the Auditor-General's Department.

Note 9 Borrowing Costs

	2015 \$'000	2014 \$'000
Guarantee Fees on Long Term Borrowings	3,572	2,518
Interest Expense on Long Term Borrowings	9,843	7,731
Total Borrowings Costs	13,415	10,249

Borrowings

The Corporation entered into an agreement with the South Australian Financing Authority (SAFA) in 2012-13 to source debt funding for the extension and redevelopment. This funding arrangement replaced the previous equity contributions which were repaid. The 2012-13 Budget included the provision for Treasury and Finance to provide grant payments to the Corporation for interest and guarantee fees associated with the borrowings for its entire life.

Note 10 Facility charges revenues

	2015 \$'000	2014 \$'000
Facility charges		
Catering	20,103	18,619
Room hire	4,963	4,488
Technical services	3,977	3,443
Rebates	59	204
Car park	4,321	4,850
Total facility charges	33,423	31,604

Adelaide Convention Centre Corporation

Note 11 Receivables

	2015 \$'000	2014 \$'000
Total receivables		
Receivables	592	2,069
Accrued revenues	1,535	1,338
GST receivable	780	989
	<u>2,907</u>	<u>4,396</u>

Interest Rate and Credit Risk

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

It is not anticipated that counter-parties 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.

Note 12 Specific purpose deposits

	2015 \$'000	2014 \$'000
Specific purpose deposits with SA Government entities		
Investments with SA Financing Authority	2,631	2,561
Future assets replacement deposit account	23,764	21,771
Total specific purpose deposits	<u>26,395</u>	<u>24,332</u>

Deposits with SA Government entities

Includes funds held in a Cash Management Facility and Deposit Account. The balance of these funds are not available for general use, i.e. funds can only be used in accordance with the approval of the Treasurer. The deposits are lodged with SAFA and earn interest at the respective short-term deposit rates.

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.

Adelaide Convention Centre Corporation

Note 13 Building, plant and equipment

	2015 \$'000	2014 \$'000
Building		
Building at fair value	124,344	124,344
Accumulated depreciation	<u>(15,748)</u>	<u>(12,542)</u>
Total buildings	<u>108,596</u>	<u>111,802</u>
Leasehold improvements		
Leasehold improvements at fair value	170	170
Accumulated amortisation	<u>(143)</u>	<u>(132)</u>
Total leasehold improvements	<u>27</u>	<u>38</u>
Plant and equipment		
Plant and equipment at fair value	21,208	20,501
Accumulated depreciation	<u>(13,221)</u>	<u>(13,721)</u>
Total plant and equipment	<u>7,987</u>	<u>6,780</u>
Work in progress		
Work in progress	<u>262,180</u>	<u>187,793</u>
Total work in progress	<u>262,180</u>	<u>187,793</u>
Total building, plant and equipment	<u>378,790</u>	<u>306,413</u>

Adelaide Convention Centre Corporation

RECONCILIATION OF BUILDING, PLANT AND EQUIPMENT

The following table shows the movement of Building, Plant and Equipment during 2014-15

	Building \$'000	Leasehold Improvements \$'000	Plant and equipment \$'000	Work in progress \$'000	Total \$'000
Carrying amount at 30 June 2013	111,049	49	6,918	112,896	230,912
Asset Reclassification	3	-	(3)	-	-
Adjusted carrying amount at 30 June 2013	111,052	49	6,915	112,896	230,912
Additions	3,895	-	-	76,396	80,291
Disposals	-	-	(114)	-	(114)
Depreciation and amortisation	(3,145)	(11)	(1,520)	-	(4,676)
Acquisition from transfer for building and leasehold	-	-	1,499	(1,499)	-
Carrying amount at 30 June 2014	111,802	38	6,780	187,793	306,413
Additions	-	-	-	77,145	77,145
Disposals	-	-	(139)	-	(139)
Depreciation and amortisation	(3,206)	(11)	(1,412)	-	(4,629)
Acquisition from transfer for building and leasehold	-	-	2,758	(2,758)	-
Carrying amount at 30 June 2015	108,596	27	7,987	262,180	378,790

Valuation of buildings

An independent valuation of the Corporation's buildings was performed at 30 June 2015 by Liquid Pacific, a Certified Practising Valuer.

The valuer used depreciated replacement cost for specialised buildings, due to there not being an active market for such buildings. 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. No change has been made to the carrying amount of the buildings as the independent valuer confirmed the carrying amount was accurate.

Carrying amount of plant and equipment

All items of plant and equipment had 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', and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Impairment

There were no indications of impairment of property, plant and equipment, infrastructure at 30 June 2015.

Adelaide Convention Centre Corporation

Note 14 Fair Value Measurement

Fair Value Hierarchy

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

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

The Corporation had no valuations categorised into level 1 or 2.

Fair value measurements	Level 3	
	2014-15 \$'000	2013-14 \$'000
Recurring fair value measurements		
Buildings (note 13)	108,596	111,802
Work in progress (note 13)	262,180	187,793
Leasehold improvements (note 13)	27	38
Plant and Equipment (note 13)	7,987	6,780
Total recurring fair value measurements	378,790	306,413

Valuation techniques and inputs

Valuation techniques used to derive level 3 fair values are at note 13. There were no changes in valuation techniques during 2015. The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

Reconciliation of fair value measurements – Level 3

	Building \$'000	Leasehold \$'000	Plant and Equipment \$'000	Work in progress \$'000
Closing balance at 30 June 2013	111,052	49	6,915	112,896
Acquisitions	3,895	-	-	76,396
Depreciation and Amortisation	(3,145)	(11)	(1,520)	-
Capitalised Work in Progress	-	-	1,499	(1,499)
Disposals	-	-	(114)	-
Closing balance at 30 June 2014	111,802	38	6,780	187,793
Acquisitions	-	-	-	77,145
Depreciation and Amortisation	(3,206)	(11)	(1,412)	-
Capitalised Work in Progress	-	-	2,758	(2,758)
Disposals	-	-	(139)	-
Closing balance at the end of the period	108,596	27	7,987	262,180

Adelaide Convention Centre Corporation

Note 15 Payables

	2015 \$'000	2014 \$'000
Current		
Creditors	228	617
Accrued expenses	898	661
Income received in advance	63	65
Employment on-costs	90	91
Income tax equivalent payable	448	613
Interest Accrued	1,402	1,091
Total current payables	3,129	3,138
Non-current		
Employment on-costs	106	102
Total non-current payables	106	102
Total payables	3,235	3,240

Interest rate and credit risk

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

Note 16 Security deposits

	2015 \$'000	2014 \$'000
Security deposits	4,501	4,956

Security deposits relate to pre-payments and deposits received from contracted clients held for the purposes of securing events in accordance with the ACC terms and conditions of hire.

Note 17 Employee Benefits

	2015 \$'000	2014 \$'000
Current Employee Benefits		
Accrued salaries and wages	159	152
Annual leave	496	493
Long service leave	169	192
Total current employee benefits	824	837
Non-current employee benefits		
Long service leave	1,661	1,591
Total non-current employee benefits	1,661	1,591
Total employee benefits	2,485	2,428

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a set level of liability for the measurement of long service leave.

AASB 119 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 decreased from 3.5% in 2014 to 3% in 2015.

Adelaide Convention Centre Corporation

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

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills and retention leave liability.

The net financial effect of the change in discount and salary inflation rates is immaterial.

Note 18 Borrowings

	2015 \$'000	2014 \$'000
Non-Current		
Borrowings from SA Government	259,575	184,575
Total Non-Current Borrowings	259,575	184,575

The Corporation entered into a Client Services Agreement with the South Australian Financing Authority in 2012-13 for the extension and redevelopment project. Under the arrangement, the Corporation would draw down borrowings from SA Government replacing the previous equity contribution arrangement.

The borrowings balance of \$259.575 million relates to the cumulative spend associated with the project up to 30 June 2015 with the total project budget being \$396.821 million.

Future drawdown of borrowings will be made in coming years to reflect the approved borrowings limit of \$382.321 million. The difference in borrowings to the approved project budget (\$14.5 million) will be funded from the Corporation's Future Asset Replacement Account. The Corporation will seek approval from the Treasurer to access these funds when required. In 2012-13 the Treasurer provided the Corporation with a Deed Poll Guarantee over all liabilities including borrowings and interest associated with the borrowings is fixed over the term period.

The fair value of total borrowings at 30 June 2015 is not materially different from the carrying value. While movements in interest rates will affect the fair value of the loan, the contracted repayments remain the same due to the fixed interest rate. The Corporation has minimal exposure to liquidity risk in relation to interest repayments as the Department of Treasury and Finance provides funding to the Corporation for interest and fees.

Note 19 Unrecognised contractual commitments

	2015 \$'000	2014 \$'000
Operating leases commitments		
Within one year	605	605
Later than one year but not longer than five years	1,548	1,736
Later than five years	26,363	26,781
Total operating leases commitments	28,516	29,122

Note 20 Contingent assets and liabilities

The Corporation has no contingent assets or liabilities as at 30 June 2015.

Adelaide Convention Centre Corporation

Note 21 Remuneration of Board Members

The following persons held the position of governing board member during the financial year::

Mr Jeff Ellison – Chairman (Board member until 15th April 2015, Chairman thereafter)
 Ms Jane Jeffreys – Chairman (Chairman until 15th April 2015, Board Member thereafter)
 Ms Megan Hender
 Mr Alan Brideson
 Dr Susan Mitchell – Term expired 30 September 2014
 Ms Kathy Gramp – Retired 30 September 2014
 Ms Gay Wallace – Appointed 31 March 2015

	2015 \$'000	2014 \$'000
Board Fees		
Board Fees	76	88

	2015 Number of Members	2014 Number of Members
\$0 - \$9 999	3	1*
\$10 000 to \$19,999	4	5
\$20 000 to \$29,999	-	1
Total number of Board Members	7	7

Remuneration of Board members reflects all costs of service including, Board fees and superannuation.

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.

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

Adelaide Convention Centre Corporation

Note 22 Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period	2015 \$'000	2014 \$'000
Statement of Financial Position		
Current		
Cash and cash equivalents	19,504	17,611
Non-Current		
Specific purpose deposits and on hand as disclosed in the Statement of Financial Position	26,395	24,332
Cash and cash equivalents as recorded in the Statement of Cash Flow	45,899	41,943
Reconciliation of Net Cash provided by Operating Activities to Profit after Income Tax Equivalents:		
Net cash provided by operating activities	20,997	16,927
Add/Less non-cash items		
Depreciation and amortisation	(4,629)	(4,676)
Net loss from the disposal of non-current assets	(86)	(43)
Changes in Assets / Liabilities		
(Decrease) / Increase in receivables	(1,489)	(25)
(Decrease) / Increase in inventories	(124)	147
(Decrease) / Increase in prepayments	-	(22)
(Increase) / Decrease in payables	(160)	992
Decrease / (Increase) in security deposits held	455	(977)
(Increase) / Decrease in employee benefits	(57)	(29)
Borrowing costs	(13,415)	(10,249)
Taxation Equivalent	(448)	(613)
Profit after Income Tax Equivalents	1,044	1,432

Adelaide Convention Centre Corporation

Note 23 Transactions with SA Government

Note	SA Government		Non SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
4 Employee Benefits Expenses						
Salaries and Wages	-	-	14,429	13,154	14,429	13,154
Long Service Leave	-	-	263	245	263	245
Annual Leave	-	-	643	650	643	650
SELR	-	-	24	18	24	18
On Costs - Superannuation	1,474	1,329	-	-	1,474	1,329
On Costs - Other	916	879	-	-	916	879
Board Fees	-	-	76	88	76	88
Total Employee Benefits	2,390	2,208	15,435	14,155	17,825	16,363
5 Supplies and Services						
Administration Expenses	50	55	3,038	2,997	3,088	3,052
Direct Materials	-	-	5,779	6,053	5,779	6,053
Building Service Costs	1,221	1,110	2,750	2,372	3,971	3,482
Maintenance	-	-	1,829	1,464	1,829	1,464
Marketing and Promotions	-	-	931	728	931	728
Total Supplies and Services	1,271	1,165	14,327	13,614	15,598	14,779
6 Depreciation						
Plant and Equipment	-	-	1,412	1,520	1,412	1,520
Building	-	-	3,206	3,145	3,206	3,145
Leasehold Improvements	-	-	11	11	11	11
Total Depreciation	-	-	4,629	4,676	4,629	4,676
7 Net Loss from Disposal of Assets						
Proceeds from Disposal	-	-	53	72	53	72
Net book value of disposals	-	-	(139)	(114)	(139)	(114)
Total Net Loss from Disposals	-	-	(86)	(42)	(86)	(42)
8 Auditors Remuneration						
Auditor's Remuneration	47	48	-	-	47	48
9 Borrowing Costs						
Guarantee Fees	3,572	2,518	-	-	3,572	2,518
Interest Expense	9,843	7,731	-	-	9,843	7,731
Total Borrowing Costs	13,415	10,249	-	-	13,415	10,249
10 Facility Charges						
Event Hosting	1,271	913	18,832	17,706	20,103	18,619
Room Hire	341	254	4,622	4,234	4,963	4,488
Technical Services	397	297	3,580	3,146	3,977	3,443
Car Parking	251	39	4,070	4,811	4,321	4,850
Rebates	-	-	59	204	59	204
Total Facility Charges	2,260	1,503	31,163	30,101	33,423	31,604

Adelaide Convention Centre Corporation

Note	SA Government		Non SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other Revenues						
Interest Revenues	1,299	1,482	-	-	1,299	1,482
Other Income	-	-	229	255	229	255
Revenue from SA Government	18,094	14,814	-	-	18,094	14,814
Total Other Revenues	19,393	16,296	229	255	19,622	16,551
11 Receivables						
Receivables	82	121	510	1,948	592	2,069
Accrued Revenues	1,402	1,091	22	143	1,424	1,234
Accrued Interest	111	104	-	-	111	104
GST Receivable	-	-	780	989	780	989
Total Receivables	1,595	1,316	1,312	3,080	2,907	4,396
12 Specific Purpose Deposits						
Investments with SAFA	2,631	2,561	-	-	2,631	2,561
Future Asset Replacement	23,764	21,771	-	-	23,764	21,771
Total Specific Purpose Deposits	26,395	24,332	-	-	26,395	24,332
15 Payables						
Creditors	7	8	221	609	228	617
Accrued Expenses	194	155	704	506	898	661
Income Received in Advance	-	-	63	65	63	65
Employment On-Costs	196	193	-	-	196	193
Income Tax Equivalent Payable	448	613	-	-	448	613
Accrued Interest	1,402	1,091	-	-	1,402	1,091
Total Payables	2,247	2,060	988	1,180	3,235	3,240
16 Security Deposits						
Security Deposits	145	210	4,356	4,746	4,501	4,956
17 Employee Benefits						
Accrued Salaries and Wages	-	-	159	152	159	152
Annual Leave	-	-	496	493	496	493
Long Service Leave	-	-	1,830	1,783	1,830	1,783
Total Employee Benefits			2,485	2,428	2,485	2,428
18 Borrowings						
Borrowings	259,575	184,575	-	-	259,575	184,575

Adelaide Convention Centre Corporation

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Adelaide Convention Centre Corporation:

- 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 Adelaide Convention Centre Corporation; and
- present a true and fair view of the financial position of the Adelaide Convention Centre Corporation as at 30 June 2015 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Adelaide Convention Centre Corporation for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



William Spurr AO
Chairman
Adelaide Venue Management Corporation
27 August 2015



Anthony Kirchner
Chief Executive Officer
Adelaide Venue Management Corporation
27 August 2015



Luke Harrington
Director of Finance
Adelaide Venue Management Corporation
27 August 2015



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**To the Chairman of the Board
Adelaide Venue Management Corporation**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 13(3) of the Schedule to the *Public Corporations Act 1993*, I have audited the accompanying financial report of the Adelaide Convention Centre Corporation for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairman, the Chief Executive Officer and the Director of Finance.

The Board of Directors' Responsibility for the Financial Report

The Directors of the Board of the Adelaide Venue Management Corporation are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Directors of the Board of the Adelaide Venue Management Corporation determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors of the Board of the Adelaide Venue Management Corporation, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Adelaide Convention Centre Corporation as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

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

Andrew Richardson
Auditor-General
14 September 2015

Adelaide Entertainments Corporation

Financial report
for the year ended
30 June 2015

Financial Statements — Adelaide Entertainments Corporation

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note No.	2015 \$' 000	2014 \$' 000
Expenses from Trading Activities			
Employee benefits expenses	6	8 153	8 254
Raw materials and consumables used	21	2 421	2 465
Sales and marketing		1 413	1 580
Ticketing		146	234
Supplies and services	9	1 709	1 334
Depreciation and amortisation expense	10	1 040	1 134
Net loss from the disposal of assets	11	1	4
Other expenses	12	422	446
Total expenses		15 305	15 451
Income from Trading Activities			
Revenues from fees and charges	14	455	564
Revenues from the provision of services	15	8 841	10 074
Revenues from sales	16	8 320	8 523
Interest revenues	17	460	535
Other revenues	18	2 145	2 344
Total income		20 221	22 040
Profit from Trading Activities		4 916	6 589
Expenses from Property Management Activities			
Employee benefits expenses	6	743	778
Supplies and services	9	1 767	1 983
Depreciation and amortisation expense	10	5 014	4 500
Net loss from the disposal of assets	11	89	11
Other expenses	12	368	298
Total expenses		7 981	7 570
Income from Property Management Activities			
Other Revenues	18	1 335	1 154
Total income		1 335	1 154
Loss from Property Management Activities		(6 646)	(6 416)
Net Profit / (Loss)		(1 730)	173
Other Comprehensive Income			
Change in Revaluation Surplus		-	5 316
Total Comprehensive Result		(1 730)	5 489

The net profit / (loss) and comprehensive result are attributable to the SA Government as owner.

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	19, 32	9 278	13 752
Receivables	20	888	981
Inventories	21	191	195
Total current assets		10 357	14 928
Non-current assets			
Property, plant and equipment	22	136 716	138 190
Total non-current assets		136 716	138 190
Total assets		147 073	153 118
Current liabilities			
Payables	24	1 597	1 156
Employee benefits	25	1 219	1 015
Other liabilities	27	2 126	2 099
Total current liabilities		4 942	4 270
Non-current liabilities			
Payables	24	51	46
Employee benefits	25	539	474
Other liabilities	27	5 130	5 187
Total non-current liabilities		5 720	5 707
Total liabilities		10 662	9 977
Net assets		136 411	143 141
Equity			
Contributed capital	28	55 536	55 536
Revaluation surplus	28	53 867	53 867
Accumulated surplus	28	27 008	33 738
Total equity		136 411	143 141
The total equity is attributable to the SA Government as owner.			
Commitments	29		
Contingent assets and liabilities	31		

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Note	Contributed Capital	Revaluation Surplus	Accumulated Surplus	Total
	No.	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2013		55 536	48 551	33 565	137 652
Net profit / (loss) for 2013-14		-	-	173	173
Revaluation of Land & Buildings		-	5 316	-	5 316
Total Comprehensive Result for 2013-14		-	5 316	173	5 489
Balance at 30 June 2014		55 536	53 867	33 738	143 141
Net profit / (loss) for 2014-15		-	-	(1 730)	(1 730)
Total Comprehensive Result for 2014-15		-	-	(1 730)	(1 730)
Transactions with SA Government as owner					
Dividends paid	26	-	-	(5 000)	(5 000)
Balance at 30 June 2015	28	55 536	53 867	27 008	136 411

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

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		8 598	8 745
Supplies and services		9 223	9 185
GST remitted to ATO		1 010	1 287
Cash used in operations		18 831	19 217
Cash inflows			
Receipts from the sale of goods and services		23 235	24 655
Interest received		483	522
Cash generated from operations		23 718	25 177
Net cash provided by operating activities	32	4 887	5 960
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		4 361	2 819
Cash used in investing activities		4 361	2 819
Net cash (used in) / provided by investing activities		(4 361)	(2 819)
Cash flows from financing activities			
Cash outflows			
Dividends paid to SA Government		5 000	-
Cash used in financing activities		5 000	-
Net cash (used in) / provided by financing activities		(5 000)	-
Net increase / (decrease) in cash and cash equivalents		(4 474)	3 141
Cash and cash equivalents at the beginning of the financial year		13 752	10 611
Cash and cash equivalents at the end of the financial year	32	9 278	13 752

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

Adelaide Entertainments Corporation

Note 1 Objectives of the Adelaide Entertainments Corporation

The Adelaide Entertainments Corporation (the Corporation), was established on 4 February 1999 as a subsidiary of the Minister for Tourism by Regulations under the Public Corporations Act 1993.

The functions of the Corporation are to:

- 1 manage and operate the Corporation's sites/venues;
- 2 manage, promote and sponsor events at the Corporation's sites/venues or elsewhere;
- 3 foster and assist the commercial development of the Corporation's sites/venues in order to complement and enhance the commercial potential; and
- 4 carry out any other functions conferred on the Corporation by the Minister.

The Corporation manages the Adelaide Entertainment Centre and Coopers Stadium (formerly Hindmarsh Stadium).

From 1 August 2015 The Adelaide Entertainments Corporation became the Adelaide Venue Management Corporation, and commenced management of the Adelaide Convention Centre, in addition to the Adelaide Entertainment Centre and Coopers Stadium. Refer Note 33.

The Corporation is governed by a Board of Directors and operates under a charter approved pursuant to the provisions of the Public Corporations Act 1993. The Act and the charter require the preparation of general purpose financial statements which reflect the performance and position of the Corporation for each financial year ended 30 June.

Note 2 Summary of significant accounting policies

a) Statement of compliance

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

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian accounting standards and Treasurer's instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

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

Except for AASB 2015-7 which the Corporation has early adopted, Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Corporation for the reporting period ending 30 June 2015.

b) Basis of preparation

The preparation of the financial statements require:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported;
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, that have been included in these financial statements:

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- a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
- b) expenses incurred as a result of engaging consultants;
- c) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees;
- d) board member and remuneration information, where a board member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Corporation's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented for the year ended 30 June 2014.

c) Reporting Entity

The financial statements and accompanying notes include all the controlled activities of the Corporation as an individual reporting entity. The Corporation is a statutory authority of the State of South Australia, established pursuant to Public Corporations Act 1993.

The Corporation does not control any other entity and has no interests in unconsolidated structured entities, and has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

d) Comparative information

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

Where presentation or classification of items in the financial statements have been amended, comparative amounts have been reclassified unless reclassification is impracticable.

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

e) Rounding

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

f) Taxation

In accordance with the Public Corporations Act 1993 and Treasurer's Instructions, the Corporation is required to pay to the SA Government an income tax equivalent. The Treasurer has provided the Corporation with an exemption in relation to this income tax equivalent payment in addition to land tax and local government rate equivalents.

The Corporation is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and emergency services levy.

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, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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The net amount of GST recoverable from, or payable to, the Australian Taxation Office 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 Australian Taxation Office is classified as part of operating cash flows.

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

g) Events after the reporting period

Where an event occurs after 30 June but provides information about conditions that existed at 30 June, adjustments are made to amounts recognised in the financial statements.

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

h) Income and expenses

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the Corporation will occur and can be reliably measured.

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Note 34 of the financial statements discloses income and expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Income

The following are specific recognition criteria:

Revenues from fees and charges and from the provision of services

Revenues from fees and charges are derived from the provision of goods and services to the public and other SA government agencies. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Revenues from sales

Revenues from sales are recognised when the significant risks and rewards of ownership transfer to the purchaser.

Interest income

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Revenues from the SA Government

Appropriations for program funding are recognised as revenues when the Corporation 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 Corporation and the appropriation is recorded as contributed equity.

Other contributions

All contributions from non-government entities are recognised as income when the Corporation obtains control of the contribution or the right to receive the contribution and the income recognition criteria are met.

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Resources received/provided free of charge

Resources received/provided free of charge are recorded as revenue and expenditure in the Statement of Comprehensive Income at their fair value.

Disposal of non-current assets

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation increments are transferred to accumulated surplus.

Expenses

The following are specific recognition criteria:

Employee benefits

Employee benefits expenses includes all costs related to employment including wages and salaries and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Corporation to the superannuation plan in respect of current services of current Corporation staff. The Corporation is not liable for benefits payable by the schemes to which it contributes.

i) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. The Corporation has a clearly identifiable operating cycle of 12 months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised 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.

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

j) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of 12 months or less that are readily converted to cash and which are subject to insignificant risk of changes in value. Cash and cash equivalents recorded in the Statement of Cash Flows are consistent with the Statement of Financial Position.

Cash is measured at nominal value.

k) Receivables

Receivables include amounts receivable from trade, prepayments and other accruals.

Trade receivables arise in the normal course of selling goods and services to other agencies and to the public. Trade receivables are generally receivable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Corporation will not be able to collect the debt.

l) Inventories

Inventories include goods and other property held for sale in the ordinary course of business. It excludes depreciating assets.

Inventories are measured at the lower of cost or their net realisable value. Cost is allocated in accordance with the average cost method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

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The amount of any inventory write-down to net realisable value or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction.

Inventories include food and beverage stock held for resale.

m) Non-current asset acquisition and recognition

Assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recorded at the value recorded by the transferor prior to transfer.

Where the payment for an asset is deferred, the Corporation measures the obligation at the present value of the future outflow, discounted using the interest rate of a similar length borrowing.

n) Revaluation of non-current assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than 3 years.

Every six years the Corporation revalues its land, buildings and building improvements, with the valuation appraisal performed by an independent Certified Practising Valuer. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

AASB 13 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 Corporation classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- a) 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.
- b) 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.
- c) Level 3 – not traded in an active market and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed by the Chief Financial Officer and the Corporation's Board at each reporting date.

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

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

Refer to Note 22 and 23 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-current assets.

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

Any revaluation increment is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrement of the same asset class previously recognised in the Statement of Comprehensive Income, in which case the increase is recognised in the Statement of Comprehensive Income.

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Any revaluation decrease is recognised in the Statement of Comprehensive Income, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

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 accumulated surplus.

o) Impairment

All non-current assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets an impairment loss is offset against the revaluation surplus.

p) Depreciation and amortisation of non-current assets

All non-current assets, having limited useful lives, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Assets' residual values, useful lives and depreciation 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.

The value of leasehold improvements is amortised over the useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Depreciation/amortisation is calculated over the estimated useful life of the following classes of assets as follows:

Class of Asset	Depreciation Method	Useful life (Years)
Buildings & Improvements	Straight Line & Diminishing Value	5-147
Leasehold Improvements	Straight Line	Life of lease
Plant and Equipment	Straight Line	2-25
Furniture and Fittings	Straight Line	3-20

q) Payables

Payables include creditors, accrued expenses, GST payable and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to 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 Corporation.

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 received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employment on-costs include superannuation contributions, WorkCover levy and payroll tax in respect of outstanding liabilities for salaries and wages, long service leave and annual leave.

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The Corporation makes contributions to several 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 balance date relates to any contributions due but not yet paid.

r) Employee benefits

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.

Wages, salaries, annual leave and time off in lieu

Liability for salary and wages, annual leave and time off in lieu are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

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

Sick leave

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 of sick leave.

Long service leave

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

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA government entities. 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.

The unconditional portion of the long service leave provision is classified as current as the Corporation does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service for permanent staff and 7 years of service for casual staff.

s) Other Liabilities

Income received in advance represents amounts invoiced under Corporate Suite Licensing and Advertising Agreements and amounts invoiced in relation to events which relate to future periods.

Corporate Suite Licencing and Advertising Agreements payments received are recognised as income over the term of the agreement as the provision of services are supplied.

Event related monies are recognised as income as the provision of services are supplied.

Unearned lease revenue represents payment received for a section of land leased on a 99 year lease agreement during 2007. The payments received for the lease are being recognised as income over the life of the lease.

t) Administered Items

The Corporation includes a schedule of administered items as note to the accounts as it is considered that administered transactions and balances are insignificant in relation to the Corporation's overall financial performance and position, in accordance with Accounting Policy Framework II General Purpose Financial Statements Framework paragraph APS 3.13.2. Refer Note 30.

The Corporation receives gross box office receipts from its ticketing agency, and holds those receipts in separate Event Funds bank accounts. In any instance where an event does not proceed, those monies are returned to the ticketing agency and refunded to patrons. Alternatively, the monies are paid to promoters, the Corporation and other service providers.

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u) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The Corporation has assessed whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The Corporation has entered into operating leases.

v) Insurance

The Corporation has arranged, through SAICORP, a division of SA Government Financing Authority, to insure all major risk of the Corporation. The excess payable under this arrangement is \$5 000 per claim made.

w) Workers Compensation

Contributions are made by the Corporation to Return to Work SA to provide insurance coverage in relation to workers compensation. These contributions are treated as an expense when they occur. There is no liability for payments to claimants as they have been assumed by Return to Work SA.

Note 3 Financial risk management

The Corporation is exposed to a variety of financial risks, market risk (foreign exchange and price), credit risk and liquidity risk.

Risk management is carried out by the corporate services section and risk management policies and practices are in accordance with Australian Risk Management Standards and internal written policies approved by the Board.

The Corporation has non-interest bearing assets (cash on hand and receivables) and liabilities (payables) and interest bearing assets (cash at bank and held to maturity investments).

The Corporation's exposure to cash flow interest rate risk is minimal.

The Corporation has no exposure to foreign exchange risk in relation to its financial assets or liabilities.

The Corporation has no significant concentration of credit risk. The Corporation has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Note 4 New and revised accounting standards and policies

Except for AASB 2015-7 which the Corporation has early adopted, Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Corporation for the reporting period ending 30 June 2015. The Corporation has assessed the impact of new and amended standards and interpretations which are not yet effective and considers there will be no impact on the accounting policies or the financial statements of the Corporation.

In accordance with the new AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements, which became effective for the first time in 2014-15, the Corporation has reviewed its control assessments (ie the Corporation's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc) in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that there is no impact. The Corporation does not currently control another entity and does not have any joint arrangements within the scope of AASB 11.

The Corporation will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

In accordance with the new AASB 1055 Budgetary Reporting, which became effective for the first time in 2014-15, the Corporation has reviewed the requirements and concluded there is no impact, as there are no budget figures published for the Corporation in Budget Paper 4.

Note 5 Activities of the Corporation

The principal activities of the Corporation are to manage and operate the Adelaide Entertainment Centre and Coopers Stadium.

Note 6 Employee benefits expenses

	2015	2014
	\$'000	\$'000
Trading Activities		
Salaries and wages	6 227	6 295
Long service leave	254	220
Annual leave	366	399
Employment on-costs - superannuation	615	609
Employment on-costs - other	477	480
Board fees	106	108
Other employee related expenses	108	143
Total employee benefits expenses from Trading Activities	8 153	8 254
Property Management Activities		
Salaries and wages	584	618
Long service leave	12	14
Annual leave	45	39
Employment on-costs - superannuation	57	60
Employment on-costs - other	44	47
Other employee related expenses	1	-
Total employee benefits expenses from Property Management Activities	743	778
Total employee benefits expenses	8 896	9 032

Remuneration of Employees

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

	2015	2014
\$141 500 to \$151 499	-	1
\$151 500 to \$161 499	1	-
\$331 500 to \$341 499	1	1
Total number of employees	2	2

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013). Remuneration of employees reflects all costs of employment including salaries and wages, payments 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 \$497 000 (\$491 000).

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Note 7 Key management personnel

(a) Board members

The following persons held the position of governing board member during the financial year:

R Foord (Chair) (resigned effective 28 April 2015)	G Wallace (Deputy Chair)
W Spurr (member full year, appointed Chair effective 28 April 2015)	J Bell
A Herald	G Pitt
J Staugas	

(b) Remuneration of governing board members

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

	2015 No of board members	2014 No of board members
\$10 000 to \$19 999	7	6
\$20 000 to \$29 999	-	1
Total number of governing board members	7	7

Remuneration of Board members reflects all costs of performing their duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$99 000 (\$101 000).

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 arms length in the same circumstances.

During the year there were no other payments made to Board members.

Note 8 Related party

Related parties include parties that control or have an interest in the entity that gives it significant influence over the Corporation. Individual Board members are also considered related parties.

The Corporation is controlled by the SA Government. Transactions and balances between the Corporation and related parties (other SA Government controlled entities and individual Board members) are disclosed in the notes accompanying the financial statements where appropriate.

Note 9 Supplies and services

	2015	2014
	\$'000	\$'000
Trading Activities		
Contractors	833	547
Equipment hire	183	119
Insurance	177	172
Legal	45	(6)
Linen and laundry	116	123
Printing and stationery	49	54
Repairs and maintenance	115	110
Utilities	191	215
Total supplies and services from Trading Activities	1 709	1 334
Property Management Activities		
Repairs and maintenance	474	767
Utilities	1 293	1 216
Total supplies and services from Property Management Activities	1 767	1 983
Total supplies and services	3 476	3 317

The total supplies and services amount disclosed include GST amounts non-recoverable from the ATO due to the Corporation not holding a valid tax invoice or payments relating to third party arrangements.

Note 10 Depreciation and amortisation

	2015	2014
	\$'000	\$'000
Trading Activities		
Plant and equipment	1 040	1 134
Total depreciation for Trading Activities	1 040	1 134
Property Management Activities		
Buildings	4 453	4 490
Leasehold improvements	561	10
Total depreciation and amortisation for Property Management Activities	5 014	4 500
Total depreciation and amortisation	6 054	5 634

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Note 11 Net (loss) / gain from the disposal of assets

	2015 \$'000	2014 \$'000
Trading Activities		
Plant and equipment		
Proceeds from disposal	-	-
Less net book value of assets disposed	(1)	(4)
Net (loss) / gain from the disposal of plant and equipment	(1)	(4)
Net (loss) / gain from the disposal of assets for Trading Activities	(1)	(4)
Property Management Activities		
Building		
Proceeds from disposal	-	-
Less net book value of assets disposed	(89)	-
Net (loss) / gain from the disposal of building	(89)	-
Leasehold improvements		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(11)
Net (loss) / gain from the disposal of leasehold improvements	-	(11)
Total net (loss) / gain from the disposal of assets for Property Management Activities	(89)	(11)
Total net (loss) / gain from the disposal of assets	(90)	(15)

Note 12 Other expenses

	2015 \$'000	2014 \$'000
Trading Activities		
Other	422	446
Total other expenses from Trading Activities	422	446
Property Management Activities		
Other	368	298
Total other expenses from Property Management Activities	368	298
Total other expenses	790	744

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

	2015		2014	
	No	\$'000	No	\$'000
Below \$10 000	1	2	3	15
Above \$10 000	3	141	1	37
Total paid/payable to the consultants engaged	4	143	4	52

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Note 13 Auditor's remuneration

Audit fees of \$40 800 (\$43 800) were paid / payable to the Auditor-General's Department, relating to the audit of the financial statements.

No other services were provided by the Auditor-General's Department.

Note 14 Revenues from fees and charges

	2015	2014
	\$'000	\$'000
Merchandise revenues	455	564
Total revenues from fees and charges	455	564

Note 15 Revenues from the provision of services

	2015	2014
	\$'000	\$'000
Corporate revenue	2 467	2 553
Equipment hire	738	530
Recoveries	2 177	2 357
Venue hire	3 459	4 634
Total revenues from the provision of services	8 841	10 074

Note 16 Revenues from sales

	2015	2014
	\$'000	\$'000
Beverage sales	4 014	4 114
Food sales	4 306	4 409
Total revenues from sales	8 320	8 523

Note 17 Interest revenues

	2015	2014
	\$'000	\$'000
Interest revenues	460	535
Total interest revenues	460	535

Note 18 Other revenues

	2015	2014
	\$'000	\$'000
Trading Activities		
Car park	345	432
Ticketing charges	827	905
Other revenue	973	1 007
Total other revenues from Trading Activities	2 145	2 344
Property Management Activities		
Property lease revenue	340	275
Other revenue	995	879
Total other revenues from Property Management Activities	1 335	1 154
Total other revenues	3 480	3 498

Note 19 Cash and cash equivalents

	2015	2014
	\$'000	\$'000
Cash at bank and Cash on hand	1 362	1 232
Short-term deposits with SAFA	3 416	5 520
Term deposits	4 500	7 000
Total cash and cash equivalents	9 278	13 752

Cash deposits

The cash deposits are carried at cost in accordance with APF IV Financial Asset and Liability Framework paragraph APS 2.1. Cash at Bank is comprised of funds held in an operating account at a commercial banking institution. Cash at bank deposits are on-call and carry an average variable interest rate of 2.25% (2.42%). Interest is accrued daily and distributed monthly. The SAFA Cash Management Fund is a pooled investment portfolio comprising cash and short term money market securities of high credit quality and marketability. The SAFA Cash Management Funds are on-call and carry an average variable interest rate of 2.67% (2.74%). The portfolio return is calculated daily, being the total earnings on the portfolio's investments from the close of business on the previous day. Interest is accrued daily and distributed monthly. Term Deposits are comprised of funds held in a fixed term investment account at a commercial banking institution. Term Deposits are invested for a period of time not exceeding 12 months with the ability to withdraw funds subject to an interest penalty on the portion of the funds withdrawn. Interest is accrued daily and distributed upon maturity. Term Deposits carry an average fixed interest rate of 3.52% (3.93%).

Interest rate risk

Cash on hand is non-interest bearing. Deposits at call earn a floating interest rate, based on daily bank deposit rates. Term Deposits earn a fixed rate of interest over the investment term. The carrying amount of cash and cash equivalents represents fair value.

Note 20 Receivables

	2015	2014
	\$'000	\$'000
Current		
Receivables	769	850
Less provision for doubtful debts	(5)	(5)
Accrued revenues	49	61
Prepayments	75	75
Total current receivables	888	981

Provision for doubtful debts

The provision 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' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2015	2014
	\$'000	\$'000
Movements in the provision for doubtful debts (impairment loss)		
Carrying amount at the beginning of the period	(5)	(8)
Increase in the provision	-	-
Amounts written off	-	3
Carrying amount at the end of the period	(5)	(5)

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Interest rate and credit risk

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

Bad and doubtful debts

The Corporation has recognised no bad and doubtful debt expense in the Statement of Comprehensive Income.

Note 21 Inventories

	2015 \$'000	2014 \$'000
Current - Inventories held for resale		
Beverages	178	175
Food	13	20
Total inventories held for resale	191	195

Inventory wastage

The Corporation has recognised an inventory wastage expense of \$20 000 (\$18 000) in the Statement of Comprehensive Income.

Raw materials and consumables

The Corporation recognised an expense for raw materials and consumables of \$2 421 000 (\$2 465 000).

Note 22 Property, plant and equipment

	2015	2014
	\$'000	\$'000
Land and buildings		
Land at fair value	27 055	27 055
Buildings at fair value	105 708	105 797
Accumulated depreciation	(4 417)	-
Total land and buildings	128 346	132 852
Building improvements		
Building improvements at cost	1 988	-
Accumulated depreciation	(36)	-
Total building improvements	1 952	-
Leasehold improvements		
Leasehold improvements at cost	2 856	594
Accumulated amortisation	(569)	(8)
Total leasehold improvements	2 287	586
Work in progress	160	379
Total work in progress	160	379
Plant and equipment		
Plant and equipment at cost	11 306	10 734
Accumulated depreciation	(7 335)	(6 361)
Total plant and equipment	3 971	4 373
Total property, plant and equipment	136 716	138 190

Valuation of land and buildings

The valuation of land and buildings was performed in June 2014, by an independent Certified Practising Valuer from Liquid Pacific Holdings Pty Ltd as at 30 June 2014.

The valuer used depreciated replacement cost for specialised buildings, due to there not being an active market for such buildings. 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 specialised knowledge and the acquisition/transfer costs.

The valuer arrived at fair value for land and non-specialised buildings using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and building being valued such as size and location.

Carrying amount of plant and equipment

All items of plant and equipment had 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', and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2015.

RECONCILIATION OF NON-CURRENT ASSETS

The following table shows the movement of non-current assets during 2014-15

	Land \$'000	Buildings \$'000	Building improvements \$'000	Leasehold improvements \$'000	Work in Progress \$'000	Plant & equipment \$'000	Non-current assets total \$'000
Carrying amount at the beginning of the period	27 055	105 797	-	586	379	4 373	138 190
Additions	-	-	-	-	4 670	-	4 670
Transfers in / (out)	-	-	1 988	2 262	(4 889)	639	-
Disposals eg sales, write off	-	(89)	-	-	-	(1)	(90)
Depreciation and amortisation	-	(4 417)	(36)	(561)	-	(1 040)	(6 054)
Carrying amount at the end of the period	27 055	101 291	1 952	2 287	160	3 971	136 716

RECONCILIATION OF NON-CURRENT ASSETS

The following table shows the movement of non-current assets during 2013-14

	Land \$'000	Buildings \$'000	Building improvements \$'000	Leasehold improvements \$'000	Work in Progress \$'000	Plant & equipment \$'000	Non-current assets total \$'000
Carrying amount at the beginning of the period	27 000	91 063	12 143	-	61	7 039	137 306
Revaluation Increments/(Decrements)	55	5 261	-	-	-	-	5 316
Additions	-	-	-	-	1 217	-	1 217
Transfers in / (out)	-	13 488	(11 668)	607	(899)	(1 528)	-
Disposals eg sales, write off	-	-	-	(11)	-	(4)	(15)
Depreciation and amortisation	-	(4 015)	(475)	(10)	-	(1 134)	(5 634)
Carrying amount at the end of the period	27 055	105 797	-	586	379	4 373	138 190

Note 23 Fair Value Measurement

Fair Value Hierarchy

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

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015.

The Corporation had no valuations categorised into level 1.

Fair value measurements at 30 June 2015

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (note 22)	27 055	-	27 055
Buildings (note 22)	926	100 365	101 291
Building improvements (note 22)	-	1 952	1 952
Leasehold improvements (note 22)	-	2 287	2 287
Work in progress (note 22)	-	160	160
Plant and equipment (note 22)	-	3 971	3 971
Total recurring fair value measurements	27 981	108 735	136 716

Fair value measurements at 30 June 2014

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (note 22)	27 055	-	27 055
Buildings (note 22)	965	104 832	105 797
Leasehold improvements (note 22)	-	586	586
Work in progress (note 22)	-	379	379
Plant and equipment (note 22)	-	4 373	4 373
Total recurring fair value measurements	28 020	110 170	138 190

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. The Corporation's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Valuation techniques and inputs used to derive level 2 and 3 fair values are at note 22. There were no changes in valuation techniques during 2015.

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

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

	Buildings \$'000	Building improvements \$'000	Leasehold improvements \$'000	Work in progress \$'000	Plant and equipment \$'000
Opening balance at the beginning of the period	104 832	-	586	379	4 373
Acquisitions	-	-	-	4 670	-
Transfers in / (out)	-	1 988	2 262	(4 889)	639
Total gains / (losses) for the period in profit and loss:					
Depreciation	(4 378)	(36)	(561)	-	(1 040)
Disposals	(89)	-	-	-	(1)
Closing balance at the end of the period	100 365	1 952	2 287	160	3 971

Reconciliation of Level 3 recurring fair value measurements at 30 June 2014

	Buildings \$'000	Building improvements \$'000	Leasehold improvements \$'000	Work in progress \$'000	Plant and equipment \$'000
Opening balance at the beginning of the period	90 178	12 117	-	61	7 039
Acquisitions	-	-	-	1 217	-
Transfers in / (out)	13 431	(11 645)	607	(899)	(1 528)
Total gains / (losses) for the period in profit and loss:					
Depreciation	(3 960)	(472)	(10)	-	(1 134)
Disposals	-	-	(11)	-	(4)
Total gains / (losses) for the period in comprehensive income:					
Revaluation increment/decrement	5 183	-	-	-	-
Closing balance at the end of the period	104 832	-	586	379	4 373

Note 24 Payables

	2015	2014
	\$'000	\$'000
Current		
Creditors	1 222	607
Accrued expenses	199	350
GST payable	16	63
Employment on-costs	160	136
Total current payables	1 597	1 156
Non-current		
Employment on-costs	51	46
Total non-current payables	51	46
Total payables	1 648	1 202

Interest rate and credit risk

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

Note 25 Employee benefits

	2015	2014
	\$'000	\$'000
Current		
Annual leave	508	431
Long service leave	611	507
Accrued salaries and wages	100	77
Total current employee benefits	1 219	1 015
Non-current		
Long service leave	539	474
Total non-current employee benefits	539	474
Total employee benefits	1 758	1 489

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 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 decreased from 2014 (3.5%) to 2015 (3.0%).

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

The net financial effect of the change in actuarial assumptions in the current financial year is an increase in the long service leave liability of \$43 000 and employee benefit expense of \$47 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave. The net financial effect of the changes in the current financial year is a decrease in the annual leave liability of \$5 000 and employee benefit expense by \$6 000. The impact on future periods is immaterial.

Adelaide Entertainments Corporation

Note 26 Dividends

A dividend of \$5 million was paid to SA Government during the financial year as determined by the Treasurer, pursuant to Section 22(4) of the Public Corporations (Adelaide Entertainments Corporation) Regulations 2013.

Note 27 Other liabilities

	2015 \$'000	2014 \$'000
Current		
Income received in advance	2 068	2 041
Unearned lease revenue	58	58
Total current other liabilities	2 126	2 099
Non-current		
Unearned lease revenue	5 130	5 187
Total non-current other liabilities	5 130	5 187
Total other liabilities	7 256	7 286

Note 28 Equity

	2015 \$'000	2014 \$'000
Contributed capital	55 536	55 536
Revaluation surplus	53 867	53 867
Accumulated surplus	27 008	33 738
Total equity	136 411	143 141

The revaluation surplus is used to record increments and decrements in the fair value of land and buildings to the extent that they offset one another. Relevant amounts are transferred to accumulated surplus when an asset is disposed or written off.

Note 29 Commitments

	2015 \$'000	2014 \$'000
Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:		
Within one year	467	3 834
Total capital commitments	467	3 834
Remuneration commitments		
Commitments for the payment of salaries and other remuneration under fixed term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	744	749
Later than one year but not longer than five years	1 188	1 535
Total remuneration commitments	1 932	2 284

Amounts disclosed include commitments arising from executive and other service contracts. The Corporation does not offer fixed term remuneration contracts greater than 5 years.

Adelaide Entertainments Corporation

	2015	2014
	\$'000	\$'000
Other commitments		
The Corporation's other commitments are associated with ongoing business operations.		
Within one year	59	183
Later than one year but not longer than five years	73	18
Total other commitments	132	201

	2015	2014
	\$'000	\$'000
Operating lease commitments receivable		
Future minimum lease payments receivable under non-cancellable operating leases contracted for at reporting date but not recognised as receivables are:		
Within one year	314	246
Later than one year but not longer than five years	648	622
Later than five years	35	59
Total operating lease revenue commitments	997	927

The Corporation's operating lease commitments as lessor are for the lease of shops, offices and site space located on sites owned or leased by the Corporation. The Corporation also leases a section of land. As rental in relation to the lease of this land was received in advance, there are no minimum lease payments receivable in relation to this lease.

Note 30 Administered Items

	2015	2014
	\$'000	\$'000
Event Funds		
Administered Revenues		
Net Box Office Receipts	34 688	33 406
Interest Earned on event funds	299	348
Total Administered Revenues	34 987	33 754
Administered Expenses		
Settlements Paid	29 921	40 220
Total Administered Expenses	29 921	40 220
Movement in Administered Items during the year	5 066	(6 466)
Administered Assets		
Cash at Bank	12 278	7 217
Receivable - Interest	19	14
Total Administered Assets	12 297	7 231
Administered Liabilities		
Funds held in trust	12 278	7 217
Accrued Interest Payable	19	14
Total Administered Liabilities	12 297	7 231
Movement in Administered Items during the year	5 066	(6 466)
Total Administered Assets held at the beginning of the financial year	7 231	13 697
Total Administered Assets held at the end of the financial year	12 297	7 231

Cash deposits

The cash deposits are carried at cost in accordance with APF IV Financial Asset and Liability Framework paragraph APS 2.1. Cash at Bank is comprised of funds held in a bank account at a commercial banking institution and in a SAFA Cash Management Fund. Commercial bank account deposits are on-call and carry an average variable interest rate of 2.25% (2.42%). Interest is accrued daily and distributed monthly. The SAFA Cash Management Fund is a pooled investment portfolio comprising cash and short term money market securities of high credit quality and marketability. The SAFA Cash Management Funds are on-call and carry an average variable interest rate of 2.67% (2.74%). The portfolio return is calculated daily, being the total earnings on the portfolio's investments from the close of business on the previous day. Interest is accrued daily and distributed monthly.

Interest rate risk

Deposits at call earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Note 31 Contingent assets and liabilities

The Corporation is not aware of any contingent assets.

The Corporation is not aware of any contingent liabilities.

The Corporation has issued no guarantees.

Note 32 Cash flow reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents		
Statement of Cash Flows	9 278	13 752
Statement of Financial Position	9 278	13 752
Reconciliation of profit / (loss) to net cash provided by operating activities:		
Net Profit / (Loss) for the year	(1 730)	173
Add / (less) non-cash items		
Depreciation and amortisation expense	6 054	5 634
Leased land income	(57)	(58)
Net (Gain)/Loss on disposal of assets	90	15
Changes in assets / liabilities		
(Increase) / Decrease in receivables	93	(126)
(Increase) / Decrease in inventories	4	(7)
(Decrease) / Increase in payables	137	50
(Decrease) / Increase in other liabilities	27	29
(Decrease) / Increase in employee benefits	269	250
Net cash provided by operating activities	4 887	5 960

Note 33 Events after the reporting period

On 1 August 2015, the Adelaide Entertainments Corporation became the Adelaide Venue Management Corporation, with the principle activities being to manage & operate the Corporation's site/venues being the Adelaide Convention Centre, Adelaide Entertainment Centre and Coopers Stadium.

From 1 August 2015 the assets, rights, liabilities and all employees (other than the chief executive) of the Adelaide Convention Centre Corporation were transferred to the Adelaide Venue Management Corporation.

These changes were implemented by virtue of the Public Corporations (Adelaide Entertainments Corporation) Variation Regulations 2015, and the Public Corporations (Adelaide Convention Centre Corporation) (Dissolution and Revocation) Regulations 2015, as published in the South Australian Government Gazette 25 June 2015.

Adelaide Entertainment Corporation

Note 34 Transactions with SA Government

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

Note		SA Government *		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	Expenses						
6	Employee benefits expenses - Trading Activities						
	Employment on-costs – other	477	480	-	-	477	480
	Employee benefits expenses - Property Management Activities						
	Employment on-costs - other	44	47	-	-	44	47
9	Supplies and services - Trading Activities						
	Contractors	-	6	833	541	833	547
	Insurance	177	172	-	-	177	172
	Legal	20	(6)	25	-	45	(6)
	Supplies and services - Property Management Activities						
	Repairs and maintenance	7	-	467	767	474	767
	Utilities	534	490	759	726	1 293	1 216
12	Other expenses - Trading Activities						
	Other	53	61	369	385	422	446
	Other expenses - Property Management Activities						
	Other	6	5	362	293	368	298
	Revenues						
15	Revenues from the provision of services						
	Recoveries	67	62	2 110	2 295	2 177	2 357
	Venue hire	8	11	3 451	4 623	3 459	4 634
16	Revenues from sales						
	Beverage sales	39	25	3 975	4 089	4 014	4 114
	Food sales	146	161	4 160	4 248	4 306	4 409
17	Interest revenues	185	282	275	253	460	535

Adelaide Entertainments Corporation

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	Assets						
19	Cash and cash equivalents						
	Short-term deposits with SAFA	3 416	5 520	-	-	3 416	5 520
20	Receivables						
	Receivables	2	26	767	824	769	850
	Accrued revenues	13	18	36	43	49	61
	Prepayments	13	15	62	60	75	75
22	Capital additions	-	172	4 670	1 045	4 670	1 217
	Liabilities						
24	Payables						
	Creditors	80	68	1 142	539	1 222	607
	Accrued expenses	66	75	133	275	199	350
	Employment on-costs	113	96	98	86	211	182
27	Other liabilities						
	Income received in advance	18	45	2 050	1 996	2 068	2 041

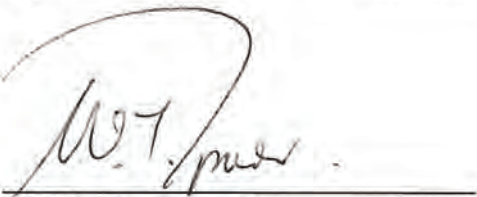
* This note does not include a dividend/distribution to the SA Government as owner. Dividend information is provided in Note 26.

Certification of the Financial Statements

We certify that the:

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

Signed in accordance with a resolution of the board members.

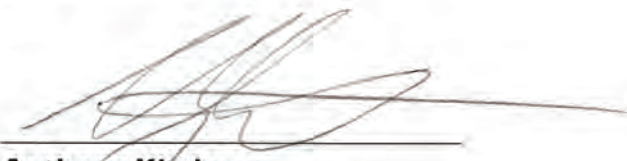


William Spurr AO

CHAIRMAN

Adelaide Venue Management Corporation

27 August 2015



Anthony Kirchner

CHIEF EXECUTIVE OFFICER

Adelaide Venue Management Corporation

27 August 2015



Janine Webb

CHIEF FINANCIAL OFFICER

Adelaide Venue Management Corporation

27 August 2015



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**To the Chairman of the Board
Adelaide Venue Management Corporation**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and schedule 13(3) of the *Public Corporations Act 1993*, I have audited the accompanying financial report of the Adelaide Entertainments Corporation for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairman, the Chief Executive Officer and the Chief Financial Officer.

The Board's Responsibility for the Financial Report

The Directors of the Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and schedule 13 of the *Public Corporations Act 1993* and Australian Accounting Standards, and for such internal control as the Directors of the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

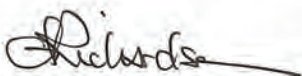
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors of the Board, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Adelaide Entertainments Corporation as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and schedule 13 of the *Public Corporations Act 1993* and Australian Accounting Standards.

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

Andrew Richardson
Auditor-General
15 September 2015

Adelaide Festival
Centre Trust

Financial report
for the year ended
30 June 2015

**ADELAIDE FESTIVAL CENTRE TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$'000	2014 \$'000
Expenses			
Staff benefits expenses	8	18,246	17,317
Supplies and services	9	23,665	22,396
Depreciation and amortisation expense	10	579	529
Net loss from the disposal of non-current assets	7	44	2
Borrowing costs		5	-
Total expenses		42,539	40,244
Income			
Revenues from fees and charges	5	25,743	22,863
Interest revenues	6	270	291
Total income		26,013	23,154
Net cost of providing services		16,526	17,090
Revenues from SA Government			
Revenues from SA Government	4	17,682	17,336
Net result		1,156	246
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Gain on revaluation of assets	14	358	(414)
Total other comprehensive income		358	(414)
Total comprehensive result		1,514	(168)

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

ADELAIDE FESTIVAL CENTRE TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

		2015	2014
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	11	13,633	14,046
Receivables	12	1,996	1,823
Inventories	13	147	211
Total current assets		15,776	16,080
Non-current assets			
Property, plant and equipment	14	4,736	2,742
Works of art	14	5,521	5,544
Intangible assets	14	1,003	844
Total non-current assets		11,260	9,130
Total assets		27,036	25,210
Current liabilities			
Payables	15	8,734	10,820
Staff benefits	16	2,174	1,702
Provisions	17	68	34
Other current liabilities	18	881	830
Total current liabilities		11,857	13,386
Non-current liabilities			
Payables	15	279	272
Borrowings	19	1,671	-
Staff benefits	16	2,960	2,829
Provisions	17	92	60
Total non-current liabilities		5,002	3,161
Total liabilities		16,859	16,547
Net assets		10,177	8,663
Equity			
Asset revaluation surplus	20	9,482	9,124
Accumulated surplus (deficit)	20	695	(461)
Total Equity		10,177	8,663
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	21		
Contingent assets and liabilities	22		

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

**ADELAIDE FESTIVAL CENTRE TRUST
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	Asset revaluation surplus \$ '000	Accumulated surplus/ deficits \$ '000	Total Equity \$ '000
Balance at 30 June 2013		9,538	(707)	8,831
Net result for 2013-14		-	246	246
Loss on revaluation of assets		(414)	-	(414)
Total comprehensive result for 2013-14		(414)	246	(168)
Balance at 30 June 2014	20	9,124	(461)	8,663
Net result for 2014-15		-	1,156	1,156
Gain on revaluation of assets		358	-	358
Total comprehensive result for 2014-15		358	1,156	1,514
Balance at 30 June 2015	20	9,482	695	10,177

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

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

**ADELAIDE FESTIVAL CENTRE TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

		2015	2014
		Inflows/ (Outflows)	Inflows/ (Outflows)
		\$'000	\$'000
Cash flows from operating activities	Note		
Cash outflows			
Staff benefit payments		(17,514)	(17,540)
Payments for supplies and services		(27,249)	(24,012)
Decrease in funds held on behalf of promoters		(639)	-
Cash used in operations		(45,402)	(41,552)
Cash inflows			
Receipts from patrons and customers		27,707	24,746
Increase in funds held on behalf of promoters		-	3,781
Interest received		270	289
GST recovered from the ATO		145	1,036
Cash generated from operations		28,122	29,852
Cash flows from SA Government			
Receipts from SA Government		17,258	16,922
Cash generated from SA Government		17,258	16,922
Net cash (used in) provided by operating activities	25	(22)	5,222
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment and works of art		(2,062)	(846)
Net cash used in investing activities		(2,062)	(846)
Cash flows from financing activities			
Cash inflows			
Proceeds from borrowings		1,671	-
Net cash provided by financing activities		1,671	-
Net (decrease) increase in cash and cash equivalents		(413)	4,376
Cash and cash equivalents at the beginning of the period		14,046	9,670
Cash and cash equivalents at the end of the period	11	13,633	14,046

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

Notes to and forming part of the financial statements

Note 1 Objectives of the Adelaide Festival Centre Trust

The objectives of the Adelaide Festival Centre Trust (the Trust) are to:

- a) encourage and facilitate artistic, cultural and performing arts activities throughout the State;
- b) be responsible for the care, control, management, maintenance and improvement of the Adelaide Festival Centre and its facilities;
- c) provide expert advisory, consultative, managerial or support services to persons associated with artistic, cultural or performing arts activities; and
- d) promote the involvement of young people and their families and extend activities into the school sector.

Note 2 Summary of Significant Accounting Policies

(a) Statement of compliance

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

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

Except for AASB 2015-7, which the Trust has early adopted, Australian Accounting standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Trust for the reporting period ending 30 June 2015 (refer note 3).

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Trust's accounting policies. The areas involving a higher degree of judgement, or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
 - i. revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items applies;
 - ii. expenses incurred as a result of engaging consultants;
 - iii. employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly, by the Trust to those employees; and
 - iv. board member and remuneration information, where a board member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

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The Trust's Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

(c) Reporting entity

The Trust is established pursuant to the *Adelaide Festival Centre Trust Act 1971*.

On 21 October 1999 the Adelaide Festival Centre Foundation (Foundation) was incorporated under the Associations Incorporation Act 1985, and is controlled by the Trust by virtue of clauses in the Foundation's constitution which requires its Board appointments to be approved by the Trust and also require the Foundation to act in accordance with directions from the Trust.

The financial statements and accompanying notes include the activities of the Trust and the Foundation. The activities of the Foundation are not material and therefore a full consolidated presentation has not been adopted. The effect of transactions between the Trust and the Foundation are eliminated in full. A summary of the Foundation's activities is given in Note 23.

(d) Transactions performed on behalf of promoters

The Trust provides services on behalf of event promoters under exclusive agency arrangements. The Trust charges a fee for these services that is recognised as revenue. The Trust does not control the revenue (net of fees charged) generated from promoter events and as such only recognises the changes in cash held in trust on behalf of promoters (shown at Note 11) and the requisite amount payable to those promoters (shown at Note 15) together with the net change in cash held in the Statement of Cash Flows as at 30 June.

(e) Comparative information

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

Where the Trust has applied an accounting policy retrospectively; retrospectively restated items in the financial statements; reclassified items in the financial statements, it has provided three Statements of Financial Positions and related notes.

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

(f) Rounding

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

(g) Taxation

The Trust is not subject to income tax. The Trust is liable for payroll tax, fringe benefits tax, and goods and services tax (GST).

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

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

The net amount of GST recoverable from, or payable to, the Australian Taxation Office 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 Australian Taxation Office is classified as part of operating cash flows.

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

(h) Events after the reporting period

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

There were no events between 30 June and the date the financial statements are authorised for issue where the events may have a material impact on the results of subsequent years.

(i) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Trust will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Fees and charges

Income from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public.

Income from box office sales, marketing services and theatre hire is recognised when the performances occur. Amounts deferred are recognised in the financial statements as income received in advance.

Income from sponsorships is recognised in the periods or against the performances to which the sponsorships relate.

Income from theatre set construction is recognised as revenue progressively based on the stage of completion.

Revenues from SA Government

Grants are recognised as revenues when the Trust obtains control over the funding. Control over grants is normally obtained upon receipt.

Net gain/loss on non-current assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and has been determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Gains 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 the time.

(j) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Trust will occur and can be reliably measured.

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Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Staff benefits expenses

Staff benefit expenses includes all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Trust to the superannuation plan in respect of current services of current Trust staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements. Other superannuation plans receiving contributions carry their liability in respect of Trust staff in their financial statements.

Prepaid production expenses

Marketing and production expenses are recognised as an expense when the performances occur. Expenses incurred in advance of performances are deferred and shown in the financial statements as prepaid production expenses.

Borrowing costs

All borrowing costs are recognised as expenses.

Depreciation and amortisation

Except for certain heritage assets, 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. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

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.

The Trust holds a collection of heritage assets in the form of an artwork collection which has an extremely long useful life. Depreciation is not applied because these items have an indeterminate useful life.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land is not depreciated.

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

Class of asset	Useful life (years)
Buildings	15
Plant and equipment	5 - 25
Furniture and fittings	15
Leasehold equipment	5-15
Intangibles	5-10

(k) Current and non-current classification

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, even when they are not expected to be realised within twelve months after the reporting date, 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 twelve months and more than twelve months, the Trust has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

(l) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combine amounts expected to be settled within twelve months and more than twelve months, the Trust has separately disclosed the amounts expected to be recovered after more than twelve months.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand. Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 14 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Trust will not be able to collect the debt. Bad debts are written off when identified.

Heritage assets

The Trust holds a collection of heritage assets, referred to as the Performing Arts Collection, which are unique and not capable of being reliably measured. This is due to the type and life of the collection and lack of a market for items within it.

Inventories

Inventories are maintained for catering, theatre set construction, production and merchandising activities and are valued at the lower of cost or net realisable value.

The amount of any inventory write-down to net realisable value or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised in the Statement of Comprehensive Income.

Non-current assets

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 less accumulated depreciation.

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

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

Revaluation of non-current assets

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

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At least every five years, the Adelaide Festival Centre Trust revalues its non-current assets via a Certified Practising Valuer or internal estimates based on indices or recent transactions. However if at any time, management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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

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.

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective asset revaluation surplus.

Intangible assets

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 Trust only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets are reviewed on an annual basis.

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

Fair value measurement

AASB 13 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 Trust classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

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

The valuation processes and fair value changes are reviewed by management at each reporting date.

Non-financial assets

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

The Trust's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Trust 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' are deemed to approximate fair value.

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Refer to note 14 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets/liabilities

Adelaide Festival Centre Trust does not recognise any financial assets or financial liabilities at fair value.

(m) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combine amounts expected to be settled within twelve months and more than twelve months, the Trust has separately disclosed the amounts expected to be settled after more than twelve months.

Payables

Payables include creditors, accrued expenses, GST payable and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to 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 Adelaide Festival Centre Trust.

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 received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Staff benefits on-costs include payroll tax and superannuation contributions in respect to outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

The Trust 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 scheme managers.

Leases

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

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.

Staff benefits

These benefits accrue for staff as a result of services provided up to the reporting date that remain unpaid. Long-term staff benefits are measured at present value and short-term staff 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 is expected to be payable within twelve 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 staff 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 staff up to the end of the reporting period using the projected unit credit method.

The expected liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and period of service. These assumptions are based on employee data over SA government entities. 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.

The Trust classifies a portion of long service leave as current, based on its history of settlements.

Borrowings/Financial liabilities

The Trust measures financial liabilities including borrowings/debt at historical cost, except for interest free loans (measured at the present value of expected repayments).

Provisions

Provisions are recognised when the Trust has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Trust expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

(n) Unrecognised contractual commitments and contingent assets and liabilities

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

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

Note 3 New and revised accounting standards and policies

In accordance with the new AASB 10 Consolidated Financial Statements which became effective for the first time in 2014-15, the Trust has concluded that it will continue to have control over the Foundation and will continue to not have any control over any additional entities. Accordingly AASB 10 does not impact on the Trust's economic entity. Refer to note 23 for further information about the Trust's involvement with the Foundation. In forming this view, the Trust considered its involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc in accordance with AASB 10.

In relation to AASB 11 Joint Arrangements which became effective for the first time in 2014-15, the Trust has reviewed its contractual arrangements and concluded that no joint arrangements exist.

The Trust will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

Except for AASB 2015-7, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Trust for the period ending 30 June 2015. The Trust has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Trust.

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	2015 \$'000	2014 \$'000
4 Revenues from SA Government		
Grants received:		
Operating base	17,348	16,602
Capital replacement	334	734
Total revenues from SA Government	17,682	17,336

The revenue derived from the Government is significant, and without it the Adelaide Festival Centre Trust would not be able to continue its operations.

Capital assets received free of charge were \$334,000 (\$414,000).

5 Revenues from fees and charges		
Theatre services	8,512	8,699
Ticketing	4,016	3,452
Car park	1,298	1,237
Box office	5,739	3,767
Sponsorship	1,027	793
Catering and functions	3,159	2,985
Other	1,992	1,930
Total fees and charges	25,743	22,863

6 Interest revenues		
Interest received	270	291
Total interest revenues	270	291

7 Net loss from the disposal of non-current assets		
Plant and equipment		
Proceeds from disposal	3	4
Less net book value of assets disposed	47	6
Net loss from disposal of plant and equipment	(44)	(2)

8 Staff benefits expenses		
Salaries and wages	14,338	13,868
Long service leave	415	402
Annual leave	889	875
Skills and experience retention leave	16	31
Employment on-costs - superannuation	1,409	1,317
Employment on-costs - other	940	588
Board fees	44	37
Other staff related expenses	195	199
Total staff benefits expenses	18,246	17,317

(a) Remuneration of staff excluding performance bonus

The number of staff who received remuneration within the following bands are:

	2015 Number	2014 Number
\$141,500 to \$151,499	2	1
\$151,500 to \$161,499	1	2
\$161,500 to \$171,499	1	-
\$171,500 to \$181,499	1	-
\$191,500 to \$201,499	1	1
\$231,500 to \$241,499	-	1
\$241,500 to \$251,499	1	-
\$321,500 to \$331,499	1	1
Total	8	6

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	2015 Number	2014 Number
(b) Performance bonus remuneration of staff		
The number of staff who received performance bonus remuneration within the following bands are:		
\$ 21,500 to \$ 31,499	1	1
\$101,500 to \$111,499	-	1
Total	1	2

Table (a) includes all staff who received total remuneration of \$141,500 or more during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. Total remuneration received for the year, included in Tables (a) and (b) was \$1.59m (\$1.35m).

	2015 \$'000	2014 \$'000
9 Supplies and services		
Accommodation	9,720	10,012
Advertising and marketing	2,415	1,927
Artistic production	5,066	3,589
Communications and IT	920	1,033
Professional expenses	1,029	1,255
Repairs and maintenance	638	787
Sponsorship	218	193
Supplies	2,516	2,457
Travel and entertainment	295	228
Other	848	915
Total supplies and services	23,665	22,396

The total supplies and services amount disclosed includes GST amounts not recoverable from the ATO due to the Trust not holding a valid tax invoice or payments relating to third party arrangements.

During the year operating lease payments totalled \$6.2 million (\$6.4 million). These payments are included in "Accommodation" and "Other" supplies and services.

Consultants

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

	2015		2014	
	No.	\$'000	No.	\$'000
Below \$10,000	15	62	19	54
Above \$10,000	4	252	6	238
Total paid / payable to consultants engaged	19	314	25	292

Auditor's remuneration	2015 \$'000	2014 \$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements	71	90
Audit fees paid/payable to Edwards Marshall for audit of the Foundation financial statements & lotteries	6	8
Total audit fees	77	98

No other audit services were provided by the Auditor-General's Department or Edwards Marshall.

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10 Depreciation and amortisation expense	2015	2014
	\$'000	\$'000
Depreciation		
Buildings	4	-
Plant and equipment	344	355
Leasehold equipment	5	-
Furniture and Fittings	18	-
Amortisation		
Intangible assets	208	174
Total depreciation and amortisation	579	529

11 Cash and cash equivalents		
Cash at bank and on hand	7,470	7,244
Cash held in trust for promoters	6,163	6,802
Total cash and cash equivalents	13,633	14,046

Interest rate risk

Cash on hand is non-interest bearing.
Cash at bank earns a floating interest rate, based on daily bank deposit rates.
The carrying amount of cash and cash equivalents represents fair value.

12 Receivables

Current

Receivables	1,269	886
Less allowance for doubtful debts	(2)	(23)
Prepayments	491	737
Accrued interest	26	26
GST input tax recoverable	212	197
Total current receivables	1,996	1,823

Movement in the allowance for doubtful debts

The following table shows the movements of doubtful debts (impairment loss):

Carrying amount at the beginning of the period	23	1
Increase in the allowance	-	23
Amounts recovered during the year	(1)	(1)
Amounts written off	(20)	-
Carrying amount at the end of the period	2	23

The allowance for doubtful debts (impairment loss) is recognised if there is objective evidence that a receivable is impaired (i.e. calculated on past experience and current and expected changes in client credit rating).

An allowance for impairment loss of \$Nil has been recognised in 'other expenses' in 'supplies and services' (refer note 9) for specific debtors for which such evidence exists.

All impaired receivables are greater than 90 days overdue. Unimpaired receivables overdue by less than 60 days is \$16,000 (\$42,000) and overdue by more than 60 days is \$97,000 (\$115,000).

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 14 days. Receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

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	2015 \$'000	2014 \$'000
13 Inventories		
Theatre set construction work in progress at cost	6	74
Materials at cost	141	137
Total inventories	147	211

Cost of inventories

The costs recognised as an expense for raw materials and consumables is \$2.103m (\$2.044m).

14 Non-current assets

Land and buildings

Land at cost (deemed fair value)	1,440	-
Buildings at cost (deemed fair value)	440	-
Accumulated depreciation at the end of the period	(4)	-
Total land and buildings	1,876	-

Plant and equipment

Plant and equipment at fair value	2,261	2,019
Accumulated depreciation at the end of the period	(521)	(1,026)
Plant and equipment at cost (deemed fair value)	796	1,328
Accumulated depreciation at the end of the period	(66)	(355)
Total plant and equipment	2,470	1,966

Capital works in progress

Capital works in progress at cost (deemed fair value)	65	428
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Furniture and fittings

Furniture and fittings at cost (deemed fair value)	274	274
Accumulated depreciation at the end of the period	(18)	-
Total furniture and fittings	256	274

Leasehold equipment

Leasehold equipment at cost (deemed fair value)	74	74
Accumulated depreciation at the end of the period	(5)	-
Total leasehold equipment	69	74

Total property, plant and equipment

4,736	2,742
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Works of art

Works of art at fair value	5,517	5,544
Works of art at cost (deemed fair value)	4	-
Total works of art	5,521	5,544

Intangible assets

Intangibles at cost	1,908	1,542
Accumulated amortisation	(905)	(698)
Total intangible assets	1,003	844
Total non-current assets	11,260	9,130

Valuation of non-current assets

Plant and equipment

Valuation of theatre-related plant and equipment was carried out at 30 June 2015 by Maloney Field Services (Australia) Pty Ltd resulting in a revaluation increment of \$358,000. The valuer arrived at the fair value of the assets by using the market approach under AASB 13 and also considering the 'highest and best use' of each item. The market approach requires the valuer to observe the market for similar or identical assets to reach an opinion of value. Level 2 of the 'fair value hierarchy' under AASB 13 has been used and observable inputs such as publications, websites and sale prices relied on to determine fair values of each item. A valuation of plant and equipment, comprising computers, catering, and theatre set construction equipment, was carried out by Maloney Field Services (Australia) Pty Ltd as at 30 June 2014.

Adelaide Festival Centre Trust

Works of art

A valuation of works of art was carried out by Theodore Bruce Auctions Pty Ltd as at 30 June 2014, estimating fair value of the pieces in the collection by using the market approach under AASB 13 and also considering the 'highest and best use' of each item. This approach required observation of the market for identical or similar assets to reach an opinion of value. Level 2 of the 'fair value hierarchy' under AASB 13 has been used and observable inputs such as auction prices and gallery prices relied on to determine fair values of each item.

Carrying amount of non-current assets

The carrying amount of all non-current assets that have not been revalued are deemed to approximate fair value. These assets are classified in level 3 (AASB 13) as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Non-current assets includes \$779,000 of fully depreciated assets still in use.

Non-current assets classified as held for sale

No assets have been classified as held for sale.

Impairment

There were no indications of impairment of non-current assets at 30 June 2015.

Reconciliation of non-current assets

The following table shows the movements of non-current assets during 2014-15:

	Plant and Equipm't \$'000	Works of Art \$'000	Intan-gibles \$'000	Furniture and fittings \$'000	Land and building \$'000	Lease hold \$'000	Capital WIP \$'000	Total \$'000
Carrying amount at the beginning of the period	1,966	5,544	844	274	-	74	428	9,130
Acquisitions	392	4	-	-	1,880	-	122	2,398
Transfers between asset classes	98	-	367	-	-	-	(465)	-
Disposals	-	(27)	-	-	-	-	(20)	(47)
Depreciation and amortisation	(344)	-	(208)	(18)	(4)	(5)	-	(579)
Revaluation increment/(decrement)	358	-	-	-	-	-	-	358
Carrying amount at the end of the period	2,470	5,521	1,003	256	1,876	69	65	11,260

Plant and equipment additions of \$334,000 (\$140,000) and furniture & fittings additions of \$Nil (\$274,000) were received free of charge as a capital grant from Arts SA.

The following table shows the movements of non-current assets during 2013-14:

	Plant and Equipm't \$'000	Works of Art \$'000	Intan-gibles \$'000	Furniture and fittings \$'000	Land and building \$'000	Lease hold \$'000	Capital WIP \$'000	Total \$'000
Carrying amount at the beginning of the period	1,980	5,932	896	-	-	-	7	8,815
Acquisitions	182	1	-	274	-	74	734	1,265
Transfers between asset classes	191	-	122	-	-	-	(313)	-
Disposals	(7)	-	-	-	-	-	-	(7)
Depreciation and amortisation	(355)	-	(174)	-	-	-	-	(529)
Revaluation increment/(decrement)	(25)	(389)	-	-	-	-	-	(414)
Carrying amount at the end of the period	1,966	5,544	844	274	-	74	428	9,130

Adelaide Festival Centre Trust

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Fair value measurements at 30 June 2015			
Recurring fair value measurements			
Land	1,440	-	1,440
Buildings	436	-	436
Plant and equipment	1,740	730	2,470
Furniture and fittings	-	256	256
Works of art	5,521	-	5,521
Leasehold equipment	-	69	69
Total recurring fair value measurements	9,137	1,055	10,192

	Level 2 \$'000	Level 3 \$'000	Total \$'000
Fair value measurements at 30 June 2014			
Recurring fair value measurements			
Plant and equipment	993	973	1,966
Furniture and fittings	-	274	274
Works of art	5,544	-	5,544
Leasehold equipment	-	74	74
Total recurring fair value measurements	6,537	1,321	7,858

The Trust's policy is to recognise transfers in and out of fair value hierarchy levels as at the end of the reporting period. The transfers occur when certain assets are valued using different fair value hierarchy levels, from one year to the next. In 2015, there was \$545,000 in plant & equipment assets transferred from level 3 to level 2.

Reconciliation of fair value measurements –

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

2014-15

	Plant and Equipm't \$'000	Furniture and fittings \$'000	Lease hold \$'000	Total \$'000
Opening balance at the beginning of the period	973	274	74	1,321
Acquisitions	427	-	-	427
Depreciation this year for the opening balance	(125)	(18)	(5)	(148)
Transfer out Level 3	(545)	-	-	(545)
Closing balance at the end of the period	730	256	69	1,055

2013-14

	Plant and Equipm't \$'000	Furniture and fittings \$'000	Lease hold \$'000	Total \$'000
Opening balance at the beginning of the period	995	-	-	995
Acquisitions	359	274	74	707
Depreciation this year for the opening balance	(178)	-	-	(178)
Transfer out Level 3	(203)	-	-	(203)
Closing balance at the end of the period	973	274	74	1,321

Adelaide Festival Centre Trust

	2015 \$'000	2014 \$'000
15 Payables		
Current		
Creditors	556	2,738
Accrued expenses	1,647	968
Amounts payable to promoters	6,163	6,802
Staff on-costs	368	312
Total current payables	8,734	10,820
Non-current		
Staff on-costs	279	272
Total payables	9,013	11,092

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has decreased from 40% in 2014 to 37% in 2015 and the average factor for the calculation of employer superannuation on-cost has remained at 10.3%. These rates are used in the employment on-cost calculation.

Interest rate and credit risk

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

	2015 \$'000	2014 \$'000
16 Staff benefits		
Current		
Annual leave	1,193	1,099
Long service leave	320	249
Accrued salaries and wages	558	267
Skills and experience retention leave	103	87
Total current staff benefits	2,174	1,702
Non-current		
Long service leave	2,683	2,646
Accrued salaries and wages	277	183
Total non-current staff benefits	2,960	2,829
Total staff benefits	5,134	4,531

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a set level of liability for the measurement of long service leave.

AASB 119 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 decreased from 3.5% in 2014 to 3% in 2015.

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

The actuarial assessment performed by the Department of Treasury and Finance used an inflation rate at 3%, down from 4% in 2014. The financial effect resulting from the decreased salary inflation rate would be a decrease in the reported long service leave liability.

The net financial effect in the current financial year of the decrease in the discount rate and the salary inflation rate is an increase in the long service leave liability of \$102,000 and employee benefit expense of \$102,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

Adelaide Festival Centre Trust

17 Provisions	2015	2014
	\$'000	\$'000
Current		
Provision for workers compensation	68	34
Total current provisions	68	34
Non-current		
Provision for workers compensation	92	60
Total provisions	160	94
Provision for workers compensation		
Carrying amount at the beginning of the period	94	79
Additional provisions recognised	107	26
Reductions arising from payments	(41)	(11)
Carrying amount at the end of the period	160	94

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by Taylor Fry.

18 Other liabilities		
Current		
Venue hire deposits	444	402
Other deposits	9	11
Income in advance	410	343
Unclaimed monies	18	74
Total other liabilities	881	830

Income in advance

Income received for the programming, marketing and sponsorship of performances taking place after the balance date is deferred until the performances occur.

19 Borrowings		
Non-current		
Loan from SA Financing Authority	1,671	-
Total non-current borrowings	1,671	-

This is an unsecured, interest only loan on terms agreed to by the Minister for the Arts.

20 Equity		
Asset revaluation surplus		
Plant and equipment	4,348	3,990
Works of art	5,134	5,134
	9,482	9,124
Accumulated surplus/(deficit)	695	(461)
Total equity	10,177	8,663

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

During 2015, theatre related plant & equipment was revalued upwards by \$358,000.

Adelaide Festival Centre Trust

21 Unrecognised contractual commitments

Expenditure commitments - Remuneration	2015	2014
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:	\$'000	\$'000
Within one year	6,580	5,879
Later than one year and not longer than five years	6,753	5,375
Total remuneration commitments	13,333	11,254

Amounts disclosed include commitments arising from executive and other service contracts. The Trust does not offer fixed-term remuneration contracts greater than five years.

Expenditure commitments - other

The Trust's other commitments are payable as follows:

Within one year	745	326
Later than one year but not longer than five years	119	363
Total other commitments	864	689

Amounts disclosed include contracts for rental of office equipment, maintenance of computer systems, provision of artistic services and provision of facilities related services.

Operating lease commitments

Commitments in relation to operating leases contracted for at the reporting date but

Within one year	6,018	6,421
Later than one year and not longer than five years	24,995	26,048
Later than five years	57,191	63,881
Total operating lease commitments	88,204	96,350

The Trust's operating leases include accommodation and motor vehicle leases for fixed terms up to five years.

The Trust has a 20 year lease agreement to rent Her Majesty's Theatre and the Festival Centre. The rent payable is determined by a combination of annual rent increases and triennial market reviews commencing 30 October 2011. The lease expires on 30 June 2028 and the Trust has a right of renewal for 10 years.

22 Contingent assets and liabilities

The Trust is not aware of any contingent assets but has a contingent liability for a possible obligation in relation to an unsettled current claim.

23 Controlled entity

The consolidated financial statements at 30 June 2015 include the following controlled entity:
The Adelaide Festival Centre Foundation Incorporated

Significant items in the financial report of the Foundation are:

Revenue	672	324
Expenses	598	233
Surplus	74	91
Cash at bank	338	242

Adelaide Festival Centre Trust

24 Remuneration of Trustees

Trustees of the Trust during the 2015 financial year were:

Mr Michael Abbott (Chairperson)
 Ms Susan Clearihan
 Ms Zannie Flanagan
 Mr William Spurr
 Ms Carolyn Mitchell

Mr James Hazel
 Mr Donald Farrell (Appointed 23/4/15)
 Ms Irena Zhang (Appointed 11/6/15)
 Mr Barry Fitzpatrick (Retired 14/12/14)
 Mr Hieu Van Le (Retired 10/9/14)

	2015 Number	2014 Number
The number of Trustees whose remuneration received or receivable falls within the following bands:		
\$0 - \$9,999	10	7
Total	<u>10</u>	<u>7</u>

Remuneration of members reflects all costs of Trustee duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by Trustees was \$48,000 (\$40,000).

The Trustees of the Trust, or their director related entities, have transactions with the Trust that occur within a normal staff, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonably expected the entity would have adopted if the transactions were undertaken with any other entity at arm's length in similar circumstances.

As a part of the duties of office, from time to time, Trustees receive complimentary tickets to shows and events conducted by or through the Trust. These benefits serve to involve the Trustees in the product and business that is being managed and/or involve the execution of office in liaison with external parties.

	2015 \$'000	2014 \$'000
25 Cash flow reconciliation		
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	13,633	14,046
Balance as per the Statement of Cash Flows	<u>13,633</u>	<u>14,046</u>
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash (used in) provided by operating activities	(22)	5,222
Less revenues from SA Government	(17,682)	(17,336)
Add/less non-cash items		
Capital assets received free of charge	334	414
Depreciation and amortisation expense of non-current assets	(579)	(529)
Loss on sale or disposal of non-current assets	(44)	(2)
Movement in assets and liabilities		
Increase (Decrease) in receivables	173	(656)
Increase (Decrease) in inventories	(64)	(8)
(Increase) Decrease in payables	2,079	(4,672)
(Increase) Decrease in other liabilities	(52)	252
(Increase) Decrease in provisions	(66)	280
(Increase) Decrease in staff benefits	(603)	(55)
Net cost of providing services	<u>(16,526)</u>	<u>(17,090)</u>

Adelaide Festival Centre Trust

26 Government/non-government split

As required by APS 4.1 of Accounting Policy Framework II *General Purpose Financial Reporting Framework*, the following table discloses revenues, expenses, financial assets and liabilities where the counterparty is an entity within SA Government as at the reporting date, classified according to their nature. A threshold of \$100,000 for separate identification of these items has been applied.

	SA Government		Non-SA Government		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenues from SA Government						
Operating grant	17,348	16,602	-	-	17,348	16,602
Capital grant	334	734	-	-	334	734
Total revenue from SA Government	17,682	17,336	-	-	17,682	17,336
Revenue from fees and charges						
Theatre services	2,344	2,600	6,168	6,099	8,512	8,699
Ticketing	586	747	3,430	2,705	4,016	3,452
Car park	-	16	1,298	1,221	1,298	1,237
Box office	-	31	5,739	3,736	5,739	3,767
Sponsorship	-	40	1,027	753	1,027	793
Catering and functions	-	515	3,159	2,470	3,159	2,985
Other	-	208	1,992	1,722	1,992	1,930
Total revenue from fees and charges	2,930	4,157	22,813	18,706	25,743	22,863
Interest revenue						
Interest received	270	291	-	-	270	291
Total interest revenue	270	291	-	-	270	291
Staff benefits expenses						
Salaries and wages	-	-	14,338	13,868	14,338	13,868
Long service leave	-	-	415	402	415	402
Annual leave	-	-	889	875	889	875
Skills and experience retention leave	-	-	16	31	16	31
Employment on-costs - superannuation	1,012	1,072	397	245	1,409	1,317
Employment on-costs - other	788	588	152	-	940	588
Board fees	-	-	44	37	44	37
Other staff related expenses	-	75	195	124	195	199
Total staff benefits expenses	1,800	1,735	16,446	15,582	18,246	17,317
Supplies and services						
Accommodation	6,201	6,106	3,519	3,906	9,720	10,012
Advertising and marketing	-	-	2,415	1,927	2,415	1,927
Artistic production	-	-	5,066	3,589	5,066	3,589
Communications and IT	-	-	920	1,033	920	1,033
Professional expenses	100	104	929	1,151	1,029	1,255
Repairs and maintenance	-	-	638	787	638	787
Sponsorship	-	-	218	193	218	193
Supplies	305	-	2,211	2,457	2,516	2,457
Travel and entertainment	-	-	295	228	295	228
Other	135	14	713	901	848	915
Total supplies and services	6,741	6,224	16,924	16,172	23,665	22,396
Borrowing costs						
Borrowing costs	5	-	-	-	5	-
Total borrowing costs	5	-	-	-	5	-

Adelaide Festival Centre Trust

	SA		Non-SA		Total	
	Government		Government			
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables						
Receivables	213	94	1,056	792	1,269	886
Accrued interest	26	26	-	-	26	26
Other	-	-	701	911	701	911
Total receivables	239	120	1,757	1,703	1,996	1,823
Payables						
Current						
Creditors	-	1,553	556	1,185	556	2,738
Accrued expenses	74	103	1,573	865	1,647	968
Amounts payable to promoters	-	-	6,163	6,802	6,163	6,802
Employment on-costs	315	284	53	28	368	312
	389	1,940	8,345	8,880	8,734	10,820
Non-current						
Employment on-costs	251	249	28	23	279	272
Total payables	640	2,189	8,373	8,903	9,013	11,092
Other liabilities						
Venue hire deposits	-	-	444	402	444	402
Income in advance	-	4	410	339	410	343
Other liabilities	-	-	27	85	27	85
Total other liabilities	-	4	881	826	881	830
Borrowings						
Borrowings	1,671	-	-	-	1,671	-
Total borrowings	1,671	-	-	-	1,671	-

27 Financial risk management/Financial instruments

27.1 Financial risk management

Risk management is managed by the Trust's corporate services section and 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 Trust is exposed to financial risk – liquidity risk, credit risk and market risk.

27.2 Market Risk

Market risk for the Trust is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing assets and liabilities, including borrowings. The Trust's interest bearing liabilities are managed through SAFA and movements in interest rates are monitored on a daily basis.

At 30 June 2015 the Trust's exposure to foreign currencies is USD38,695 (USD 17,500).

Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Trust as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

27.3 Liquidity risk

Liquidity risk arises from the possibility that the Trust is unable to meet its financial obligations as they fall due. The Trust is funded principally by user fees and charges but receives a significant grant from the SA Government. A significant proportion of fees and charges are received at point of sale and payment for goods and services are on receipt of the goods/services.

Adelaide Festival Centre Trust

The Trust settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Trust's exposure to liquidity risk is mitigated by sound cashflow management principals based on past experience and current assessment of risk.

Table 27.3: Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2015 Carrying amount/fair value \$'000	2015 Contractual Maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
<i>Cash and cash equivalent</i>						
- Cash and cash equivalent	11	13,633	13,633	-	-	-
<i>Loans and receivables</i>						
- Receivables ⁽¹⁾⁽²⁾	12	1,295	1,269	26	-	-
Total financial assets		14,928	14,902	26	-	-
Financial liabilities						
<i>Financial liabilities at cost</i>						
- Payables ⁽¹⁾	15	8,228	8,228	-	-	-
- Borrowings	19	1,671	-	-	1,671	-
Total financial liabilities		9,899	8,228	-	1,671	-

Category of financial asset and financial liability	Notes	2014 Carrying amount/fair value \$'000	2014 Contractual Maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
<i>Cash and cash equivalent</i>						
- Cash and cash equivalent	11	14,046	14,046	-	-	-
<i>Loans and receivables</i>						
- Receivables ⁽¹⁾⁽²⁾	12	912	886	26	-	-
Total financial assets		14,958	14,932	26	-	-
Financial liabilities						
<i>Financial liabilities at cost</i>						
- Payables ⁽¹⁾	15	10,363	10,363	-	-	-
- Borrowings	19	-	-	-	-	-
Total financial liabilities		10,363	10,363	-	-	-

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

⁽²⁾ Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 12 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. Prepayments are not financial assets as defined in AASB 132 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.

ADELAIDE FESTIVAL CENTRE TRUST
CERTIFICATION OF FINANCIAL STATEMENTS

We certify that the attached general purpose financial statements for the Adelaide Festival Centre Trust:

- 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 Adelaide Festival Centre Trust; and
- present a true and fair view of the financial position of the Adelaide Festival Centre Trust as at 30 June 2015 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Adelaide Festival Centre Trust for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



.....
Carlo D'Ortenzio
Chief Financial Officer



.....
Douglas Gautier
Chief Executive Officer and Artistic Director



.....
Michael Abbott
Chairman and Presiding Officer

Date... 9/4/15



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**To the Chairman and Presiding Officer
Adelaide Festival Centre Trust**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, section 24(3) of the *Adelaide Festival Centre Trust Act 1971* and section 32(4) of the *Public Corporations Act 1993*, I have audited the accompanying financial report of the Adelaide Festival Centre Trust for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairman and Presiding Officer, the Chief Executive Officer and Artistic Director, and the Chief Financial Officer.

The Trust's Responsibility for the Financial Report

The members of the Trust are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated 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 Trust determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of the Trust, as well as the overall presentation of the financial report.

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

Opinion

In my opinion the financial report gives a true and fair view of the financial position of the Adelaide Festival Centre Trust as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

A handwritten signature in black ink, appearing to read 'Richardson', followed by a horizontal line.

Andrew Richardson

Auditor-General

17 September 2015

Adelaide Festival Corporation

Financial report
for the year ended
30 June 2015

Adelaide Festival Corporation
Financial Statements for the year ended 30 June 2015

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Expenses			
Staff benefits expenses	4	3,570	3,712
Supplies and services	5	9,228	9,764
Depreciation expense		88	85
Total expenses		12,886	13,561
Income			
Grants from Non SA Government	7	56	220
Box Office sales		1,784	1,798
Other sales		436	316
Interest revenues		88	94
Sponsorship	8	1,577	1,525
Other income	9	373	715
Total income		4,314	4,668
Net cost of providing services	16	(8,572)	(8,893)
Revenue from SA Government			
Revenue from SA Government	7	8,257	8,378
Net result		(315)	(515)
Total comprehensive result		(315)	(515)

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

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

Adelaide Festival Corporation
Financial Statements for the year ended 30 June 2015

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	10	285	469
Receivables	11	79	320
Total current assets		364	789
Non-current assets			
Plant and equipment	12	206	236
Total non-current assets		206	236
Total assets		570	1,025
Current liabilities			
Payables	13	158	266
Staff benefits	14	283	294
Provisions	15	2	-
Total current liabilities		443	560
Non-current liabilities			
Payables	13	5	2
Staff benefits	14	57	49
Provisions	15	6	40
Total non-current liabilities		68	91
Total liabilities		511	651
Net Assets		59	374
Equity			
Retained earnings		59	374
Total Equity		59	374

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

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

Adelaide Festival Corporation
Financial Statements for the year ended 30 June 2015

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Retained earnings \$'000	Total Equity \$'000
Balance at 30 June 2013	889	889
Net Result for 2013-14	(515)	(515)
Total Comprehensive Result for 2013-14	(515)	(515)
Balance at 30 June 2014	374	374
Net Result for 2014-15	(315)	(315)
Total Comprehensive Result for 2014-15	(315)	(315)
Balance at 30 June 2015	59	59

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

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

Adelaide Festival Corporation
Financial Statements for the year ended 30 June 2015

STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Cash outflows			
Staff benefit payments		(3,617)	(3,609)
Payments for supplies and services		(9,131)	(9,660)
Payments for paid parental leave scheme		(19)	(20)
Cash used in operations		(12,767)	(13,289)
Cash inflows			
Receipts from patrons, sponsors, donors and others		3,660	3,735
Receipts from Commonwealth		25	136
Interest received		88	94
Receipts for paid parental leave scheme		22	17
GST recovered from the ATO		589	279
Cash generated from operations		4,384	4,261
Cash flows from SA Government			
Receipts from SA Government		8,257	8,378
Net cash provided by/(used in) operating activities	16	(126)	(650)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(58)	(92)
Cash used in investing activities		(58)	(92)
Net increase/(decrease) in cash and cash equivalents		(184)	(742)
Cash and cash equivalents at the beginning of the period		469	1,211
Cash and cash equivalents at the end of the period	10	285	469

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

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Note 1 Functions of the Adelaide Festival Corporation

The functions of the Adelaide Festival Corporation, as prescribed under the Adelaide Festival Corporation Act 1998, are to:

- (a) Conduct in Adelaide and other parts of the State the multifaceted arts event that is known as the Adelaide Festival of Arts;
- (b) Continue and further develop the Adelaide Festival of Arts as an event of international standing and excellence;
- (c) Conduct or promote other events and activities;
- (d) Provide advisory, consultative, managerial or support services within areas of the Corporation's expertise;
- (e) Undertake other activities that promote the arts or public interest in the arts, or that otherwise involve an appropriate use of its resources; and
- (f) Carry out other functions assigned to the Corporation by or under the Adelaide Festival Corporation Act 1998 or any other Act, or by the Minister.

Note 2 Statement of Significant Accounting Policies

2.1 Statement of compliance

The Adelaide Festival Corporation has prepared these financial statements in compliance with section 23 of the Public Finance and Audit Act 1987.

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 Adelaide Festival Corporation has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Corporation 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 Corporation for the reporting period ending 30 June 2015.

2.2 Basis of Preparation

The preparation of the financial statements requires:

- The use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Corporation's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- Compliance with Accounting Policy Statements issued pursuant to section 41 of the Public Finance and Audit Act 1987. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

- a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature.
- b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
- c) employee targeted voluntary separation package information;
- d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
- e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket expense reimbursement.

The Corporation's Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention. The Statement of Cash Flows has been prepared on a cash basis.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

2.3 Rounding

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

2.4 Taxation

The Corporation is not subject to income tax. The Corporation is liable for payroll tax, fringe benefits tax 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, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office 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 Australian Taxation Office is classified as part of operating cash flows.

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

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

2.5 Events after the reporting period

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

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

2.6 Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Corporation will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Operating and Performing Arts Grants

In accordance with Department of Treasury and Finance Accounting Policy Framework V, 'Income', all grants are recognised as revenue when received.

Sponsorship, Sundry Income and Interest

All income of this nature is recognised as revenue as it accrues. Some sponsorship is received as resources in kind which is valued at fair value.

The Adelaide Festival Corporation has a sponsorship arrangement with the Australian Broadcasting Corporation (ABC) that is not recognised in the financial statements. Given the non-commercial status of the ABC network, the capacity to document a reliable measurement of the relationship for the purposes of inclusion in the financial statements has proven problematic.

Box Office

All Box Office income is recognised as revenue when received.

Donations

All income of this nature is recognised as revenue when received.

2.7 Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Corporation will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Staff benefits expenses

The employment provisions of the Adelaide Festival Corporation Act 1998 provide that the Chief Executive of the Department of State Development is to be the employing authority of all staff of the Corporation.

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Consistent with the Public Sector Act 2009, the Chief Executive of the Department of State Development has delegated all of his powers and functions relating to the employment of staff to the Corporation. The Treasurer, pursuant to the Public Sector Act, has also issued a direction to the Corporation to make payments with respect to any matter arising in connection with the employment of a person under the Adelaide Festival Corporation Act 1998.

Salaries, Wages and Compensated Absences

Liabilities for staff entitlements to salaries, wages and compensated absences owed at reporting date (including payroll based on-costs) are measured in accordance with AASB 119.

Superannuation

Contributions are made by the Corporation to a number of 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 superannuation schemes. The only liability outstanding at balance date relates to any contributions due but not yet paid to the superannuation schemes.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Depreciation of office furniture and equipment is calculated using the straight line method of allocation over a useful life of four to five years. Telephone infrastructure is calculated using the straight line method of allocation over a useful life of ten years. All assets are recognised from the date of acquisition.

2.8 Foreign Exchange

All transactions undertaken in a foreign currency are translated into the functional currency of the Corporation. Foreign Exchange transactions are recorded on initial recognition by applying the foreign currency amount at the spot exchange rate at the date of the transaction. The date of transaction is the date on which the transaction first qualifies for recognition. Gains or losses arising from translation are taken directly to revenues or expenses.

2.9 Current and non-current classification

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 even when they are not expected to be realised within twelve months after the reporting date 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 twelve months and more than twelve months, the Corporation has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

2.10 Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Corporation will not be able to collect the debt. Bad debts are written off when identified.

Plant and Equipment

Office furniture and equipment is valued at cost (deemed fair value). Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. All non-current tangible assets with a value equal to or in excess of \$1 000 are capitalised.

Fair Value measurement

AASB 13 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 Corporation classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

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

The valuation processes and fair value changes are reviewed by the Corporation at each reporting date.

Leasehold Improvements

Leasehold Improvements have been valued at cost and were amortised over the length of the initial lease term. These improvements have now been fully amortised.

2.11 Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors, accrued expenses, GST payable, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to 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 Adelaide Festival Corporation.

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 received.

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Staff Benefits

Liabilities for staff entitlements to salaries, wages and compensated absences owed at reporting date (including payroll based on-costs) are measured in accordance with AASB 119.

Annual leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

Long service leave is measured at the present value of the estimated future cash outflows (including payroll based on-costs) to be made in respect of services provided by staff up to the reporting date. This calculation is consistent with the Corporation's experience of employee retention and leave taken. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No provision has been made in respect of sick leave. As sick leave taken by staff is considered to be taken from the current year's accrual, no liability is recognised.

The paid parental leave scheme payable represents amounts which the Corporation has received from the Commonwealth Government to forward to eligible employees via the Corporation's standard payroll processes. That is, the Corporation is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Staff benefit on-costs include payroll tax and superannuation contributions in respect to outstanding liabilities for salaries and wages, long service leave and annual leave

2.12 Workers Compensation

The Corporation is self-insured for Workers Compensation purposes. The Corporation is responsible for the payment of workers compensation claims.

For the period 1 July 2014 to 30 June 2015, the Corporation processed three (2014: one) workers compensation claims.

A provision for workers compensation liabilities has been included as at 30 June 2015 (Note 15) and is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Officer for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

In prior years the provision was based on management's assessment of the estimated outstanding liability.

2.13 Economic Dependency

The normal business activity of the Adelaide Festival Corporation is dependent on the contribution of grants from the State Government at the appropriate levels. The Adelaide Festival Corporation was advised by the Minister that the Corporation will, from the 2012 year onwards, produce the Adelaide Festival on an annual basis (historically produced biennially). Accordingly, this financial report has been prepared on a going concern basis.

In October 2014 the Premier released its final report reflecting its intended reform of government boards and committees, which included the Board of the Adelaide Festival Corporation.

This report advised that a merger between the Boards of the Adelaide Festival Corporation and the Adelaide Festival Centre Trust requires further consultation with key stakeholders, and that this consultation will occur late in the 2015 calendar year.

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

2.14 Comparative Figures

Where presentation or classification of items in the financial statements have been amended, comparative amounts have been adjusted to conform to changes in presentation and classification in the current financial year.

Note 3 New and Revised Accounting Standards and Policies

The Corporation did not voluntarily change any of its accounting policies during 2014-15.

In accordance with the new AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*, which became effective for the first time in 2014-15, the Corporation has reviewed its control assessments in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that there is no impact. The Corporation does not currently control another entity and does not have any joint arrangements within the scope of AASB 11.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Corporation for the period ending 30 June 2015.

The Corporation has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Corporation.

Note 4 Staff Benefits Expense

	2015 \$'000	2014 \$'000
Salaries and Wages	3,144	3,178
Long Service Leave	29	34
Annual Leave	(36)	31
Workers compensation	(32)	-
Staff on-costs Superannuation	295	292
Staff on-costs Other	142	148
Board Fees	28	29
	3,570	3,712

Remuneration of Staff

The number of staff whose remuneration received or receivable fell within the following bands:

	2015 Number of staff	2014 Number of staff
\$201 500 to \$211 499	1	1
\$221 500 to \$231 499	1	1

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these staff for the year was \$435 000 (2014: \$432 000).

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Remuneration of Board Members

The Board members are appointed by the Governor in accordance with the Adelaide Festival Corporation Act 1998.

Members during the 2015 financial year were:

Mr Richard Ryan AO (Chair)	Ms Megan Hender (commenced June 2015)
Ms Christabel Anthony	Ms Judy Potter (commenced May 2015)
Dr Steve Brown (term expired May 2015)	Ms Tammie Pribanic (term expired May 2015)
Ms Amanda Duthie	Mr Graham Walters AM
Mr Peter Goers	

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

	2015	2014
Nil - \$9 999	9	8
<i>Total number of members</i>	<u>9</u>	<u>8</u>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

The aggregate remuneration referred to in the above table for Board Members is \$31 000 (2014:\$32 000).

The aggregate superannuation paid on behalf of the Board Members included in the above was \$3 000 (2014: \$3 000).

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

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.

From time to time, Board Members will receive complimentary tickets to shows or events conducted by the Adelaide Festival Corporation. These benefits are provided to attend Festival events solely for the purpose of the execution of duties of office and direct hosting of guests, sponsors and donors.

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Note 5 Supplies and Services

Supplies and Services provided by entities external to the SA Government

	2015 \$'000	2014 \$'000
Artist Fees & Payments	1,681	1,871
Artist Travel & Accommodation	1,125	1,314
Royalty & License Fees	32	96
Event Staging & Contracts	2,419	1,969
Marketing, Advertising & Media	1,288	1,339
Design, Printing and Distribution costs	374	433
Hospitality, Sponsorship & Ticketing	332	370
Cost of goods for sale	258	320
Property Costs	225	239
Communications and IT	119	101
Insurance	95	108
Other expenditure	399	478
<i>Total Supplies and Services – non SA Government entities</i>	8,347	8,638

Supplies and Services provided by entities within the SA Government

	2015 \$'000	2014 \$'000
Artist Fees & Payments	18	205
Event Staging & Contracts	754	855
Cost of goods for sale	59	-
Hospitality, Sponsorship & Ticketing	-	4
Insurance	4	4
Other expenditure	46	58
<i>Total Supplies and Services – SA Government entities</i>	881	1,126

Total Supplies and Services Expense	9,228	9,764
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During the year, the Board did not engage any consultants to assist in its operation.

Note 6 Remuneration to Auditors

Audit fees paid to the Auditor-General's Department relating to the audit of the financial statements for the year was \$34 000 (2014: \$32 000). No other services were provided by the Auditor - General's Department.

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Note 7 Grants from Government

	2015 \$'000	2014 \$'000
<i>Grants from SA Government</i>	<u>8,257</u>	8,378
Commonwealth Grants	25	136
Grants from Overseas Governments	<u>31</u>	84
<i>Grants from Non-SA Governments</i>	<u>56</u>	220
 <i>Total Grants from Government</i>	 <u>8,313</u>	 8,598

Note 8 Sponsorship

	2015 \$'000	2014 \$'000
Sponsorship – Cash	893	865
Sponsorship – In-kind	<u>684</u>	660
<i>Total Sponsorship</i>	<u>1,577</u>	1,525

Note 9 Other Income

	2015 \$'000	2014 \$'000
Sundry	231	609
Friends Membership	35	47
Donations	<u>107</u>	59
<i>Total Other Income</i>	<u>373</u>	715

Note 10 Cash and Cash Equivalents

	2015 \$'000	2014 \$'000
Cash on hand	1	1
Cash at bank	283	83
Short-term deposits with SAFA	<u>1</u>	385
	<u>285</u>	469

Deposits are recognised at their nominal amounts. All deposited funds attract interest. Interest is credited to revenue as it accrues. Rates are determined by the bank and SAFA. Interest is received monthly.

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Note 11 Receivables

	2015 \$'000	2014 \$'000
Trade debtors	22	114
Prepayments and accrued revenue	21	41
Other receivables (GST)	36	165
	<u>79</u>	<u>320</u>

Standard credit terms are 30 days.

Receivables are recognised at their nominal amounts and is non-interest bearing. Amounts are recognised when services are provided.

Collectability of debts is assessed at balance date with any bad debts being written off prior to balance date.

All amounts are attributed to non SA Government entities. No receivables are impaired.

Note 12 Plant and Equipment

	2015 \$'000	2014 \$'000
Plant and Equipment		
Office equipment and furniture at cost (deemed Fair Value)	749	691
Less: Accumulated depreciation	543	455
<i>Written Down Value</i>	<u>206</u>	<u>236</u>
Leasehold Improvements		
Leasehold Improvements at cost (deemed Fair Value)	334	334
Less: Accumulated amortisation	334	334
<i>Written Down Value</i>	<u>-</u>	<u>-</u>
<i>Total Plant and Equipment Written Down Value</i>	<u>206</u>	<u>236</u>

Reconciliation of carrying amounts of plant & equipment:

	2015 \$'000	2014 \$'000
Balance as at 1 st July	1,025	933
Plus: Additions (Plant and Equipment)	58	92
<i>Balance as at 30th June</i>	<u>1,083</u>	<u>1,025</u>
Accumulated Depreciation/Amortisation		
Balance as at 1 st July	789	704
Plus: Depreciation expense (P&E)	88	85
<i>Balance as at 30th June</i>	<u>877</u>	<u>789</u>
<i>Net Book Value</i>	<u>206</u>	<u>236</u>

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Carrying amount of plant and equipment

All items of plant and equipment had 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', and have not been revalued in accordance with APF III. The carrying value of these items is deemed to approximate fair value.

These assets are classified as level 3 as valuation is based on management's assessment of useful life and condition.

The significant input to the valuation is useful life which is 4-5 years. There has been no movement in the fair value of assets apart from additions and current year depreciation shown above.

Impairment

There were no indications of impairment of plant and equipment at 30 June 2015.

Note 13 Payables

	2015 \$'000	2014 \$'000
Current		
Trade creditors and accruals	124	233
Staff on-costs	34	33
	<u>158</u>	<u>266</u>
Non-Current		
Staff on-costs	5	2
	<u>5</u>	<u>2</u>

Creditors are generally paid within 30 days.

Creditors are recognised at their nominal amounts and are non-interest bearing. Liabilities are recognised once the goods or services have been received.

All current trade creditors are non SA Government entities.

Note 14 Staff Benefits

	2015 \$'000	2014 \$'000
Current		
Accrued Salaries and Wages	46	42
Annual Leave	107	143
Long Service Leave	130	109
	<u>283</u>	<u>294</u>
Non-Current		
Long Service Leave	57	49
	<u>57</u>	<u>49</u>

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Note 15 Provisions

	2015 \$000	2014 \$000
Current		
Provision for workers compensation (self-insurance)	2	-
	<u>2</u>	<u>-</u>
Non-current		
Provision for workers compensation (self-insurance)	6	40
	<u>6</u>	<u>40</u>

Note 16 Cash Flow Reconciliation

Reconciliation of net cash provided by operating activities to net cost of providing services:

	2015 \$'000	2014 \$'000
Net cash provided by / (used in) Operating activities:	(126)	(650)
Less Revenues from SA Government	(8,257)	(8,378)
<i>Add / (less) non-cash items</i>		
In-kind sponsorship income	684	660
In-kind box office income	100	80
In-kind expenditure	(784)	(740)
Depreciation	(88)	(85)
<i>Movement in Assets and Liabilities:</i>		
Increase / (Decrease) in receivables	(241)	274
(Increase) / Decrease in payables	105	23
(Increase) / Decrease in staff benefits	3	(77)
(Increase) / Decrease in provisions	32	-
Net Cost of Providing Services	<u>(8,572)</u>	<u>(8,893)</u>

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Note 17 Unrecognised Contractual Commitments

Operating Lease commitments

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

	2015 \$'000	2014 \$'000
Not later than one year	69	204
Later than one year and not later than five years	-	69
<i>Total operating lease commitments</i>	<u>69</u>	<u>273</u>
Representing:		
Non-cancellable operating leases	<u>69</u>	<u>273</u>
<i>Total operating lease commitments</i>	<u>69</u>	<u>273</u>

The Corporation's operating lease is for office accommodation. Office accommodation is leased from Shahin Holdings Pty Ltd. The lease is non-cancellable and expires in October 2015. Rent is payable in advance.

Note 18 Financial Instruments / Financial Risk Management

Table 18.1 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 assets, financial liability and equity instrument are disclosed in note 2.

Category of financial asset and financial liabilities	Statement of Financial Position line item	Note	Carrying Amount	
			2015 \$'000	2014 \$'000
Financial Assets				
Cash and cash equivalents	Cash and cash equivalents	10	285	469
Receivables	Receivables ^{(1) (2)}	11	22	135
Total financial assets			<u>307</u>	<u>604</u>
Financial liabilities				
Financial liabilities at cost	Payables ⁽¹⁾	13	101	191
Total financial liabilities			<u>101</u>	<u>191</u>

(1) Receivable and payable amounts disclosed above 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 the disclosure. The standard defines 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 11 as Receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 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.

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Fair Value

The Corporation recognises any financial assets and financial liabilities at face value which approximates fair value (refer to notes 2, 10, 11 and 13).

Credit Risk

Credit risk arises when there is the possibility of the Corporation's debtors defaulting on their contractual obligations resulting in financial loss to the Corporation. The Corporation measures credit risk on a fair value basis and monitors risk on a regular basis. The carrying amount of financial assets as detailed in table 18.1 represents the Corporation's maximum exposure to credit risk. No collateral is held as security and no credit enhancements relate to financial assets held by the Corporation. The Corporation has minimal concentration of credit risk. The Corporation has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Corporation does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. There is no evidence to indicate that the financial assets are impaired.

The following table discloses the ageing of financial assets (current and past due).

Table 18.2 Ageing Analysis of Financial Assets

	Current		Past due by		
	\$'000	<30 days	30-60 days	>60 days	Total
		\$'000	\$'000	\$'000	\$'000
2015					
Not Impaired					
Receivables ⁽¹⁾	9	-	3	10	22
2014					
Not Impaired					
Receivables ⁽¹⁾	7	3	23	102	135

- ⁽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, audit receivables/payables etc they are excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

Maturity Analysis of Financial Assets and Financial Liabilities

The Corporation has assessed the maturity of its financial assets and financial liabilities as being less than one year.

Liquidity Risk

Liquidity risk arises where the Corporation is unable to meet its financial obligations as they are due to be settled. The Corporation is funded principally from appropriation by the SA Government. The Corporation works with the Department of Treasury and Finance 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. The Corporation settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Corporation's exposure to liquidity risk is insignificant based on past experience and current assessment of risk. The carrying amount of financial liabilities recorded in table 18.1 represents the Corporation's maximum exposure to financial liabilities.

Adelaide Festival Corporation
Notes to the Financial Statements for the year ended 30 June 2015

Market Risk

Market risk for the Corporation is primarily through interest rate risk. Exposure to foreign currency is managed through SAFA.

Sensitivity Disclosure Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Corporation as it has been determined that the possible impact on total comprehensive result or total equity from fluctuations in interest rates is immaterial.

Credit Standby Arrangements

The Corporation has a \$103 000 (2014: \$101 000) credit card facility with the ANZ Bank. The unused portion of this facility as at 30 June 2015 was \$95 423 (2014: \$93 067).

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Adelaide Festival Corporation:

- 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 Adelaide Festival Corporation; and
- present a true and fair view of the financial position of the Adelaide Festival Corporation as at 30 June 2015 and the results of its operation and cash flows for the financial year.

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



Mr Richard Ryan
Chair
10th September 2015



Ms Karen Bryant
Chief Executive
10th September 2015



Mr Trevor Horskins
Finance & Administration Director
10th September 2015



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**To the Chair of the Board
Adelaide Festival Corporation**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19(3) of the *Adelaide Festival Corporation Act 1998*, I have audited the accompanying financial report of the Adelaide Festival Corporation for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chair, the Chief Executive and the Finance and Administration Director.

The Board's Responsibility for the Financial Report

The Members of the Board of the Adelaide Festival Corporation are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated 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 Board determine necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

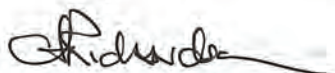
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Members of the Board, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Adelaide Festival Corporation as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson

Auditor-General

17 September 2015

Adelaide Oval SMA Limited

Financial report
for the year ended
30 June 2015

Adelaide Oval SMA Limited

ABN 46 141 259 538

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 12 MONTHS ENDED 31 OCTOBER 2014**

	Note	12 months ended 31 Oct 2014	4 months ended 31 Oct 2013
		\$	\$
Income from Trading Activities			
Revenues from fees and charges		10,695,161	66,776
Revenues from Sales attributable to AOSMA		42,435,774	256,023
Interest Revenues		65,622	146,494
Other Revenues		751,655	721,187
Total Income from Trading Activities	2a	53,948,212	1,190,480
Expenses from Trading Activities			
Employee Benefits Expense		19,514,158	2,285,163
Raw materials and consumables consumed	5b	13,143,482	139,898
Supplies and services	2b	9,915,060	333,505
Building maintenance costs		1,936,637	569,735
Borrowing Costs		172,491	30,916
Audit expenses	2b	86,000	24,000
Other expenses	2b	9,523,148	969,541
Depreciation and amortisation expense	7	1,666,702	379
Total Expenses from Trading Activities		55,957,678	4,353,137
Profit / (Loss) from Trading Activities		(2,009,466)	(3,162,657)
Stakeholder Contributions			
Contributions from related parties	17	3,964,814	-
Contributions to related parties	17	(5,642,309)	-
Total Stakeholder Contributions		(1,677,495)	-
Total Trading Result after Stakeholder Contributions		(3,686,961)	(3,162,657)
Income from Government Related Items			
State Government grants and other contributions	12a	15,719,009	7,196,684
Total Income from Government Related Items		15,719,009	7,196,684
Expenses from Government Related Items			
Acquisition of capital assets for the government	12a	8,801,004	1,861,874
Total Expenses from Government Related Items		8,801,004	1,861,874
Profit / (Loss) from Government Related Items		6,918,005	5,334,810
Total Comprehensive Result		3,231,044	2,172,153

The accompanying notes form part of these financial statements.

Adelaide Oval SMA Limited

ABN 46 141 259 538

**STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2014**

	Note	31 Oct 2014	31 Oct 2013
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	3	1,517,447	10,666,512
Trade and other receivables	4	8,756,430	1,577,321
Inventories	5a	1,077,581	190,735
Other assets	6	232,469	171,285
Total Current Assets		11,583,927	12,605,853
Non-Current Assets			
Property, plant and equipment	7	14,353,955	5,707,299
Software Licences	7	495,420	-
Total Non-Current Assets		14,849,375	5,707,299
Total Assets		26,433,302	18,313,152
Liabilities			
Current Liabilities			
Trade and other payables	9	7,560,425	2,141,626
Loans and borrowings	10	163,706	171,544
Provisions	11	1,202,969	640,161
Deferred income	12	1,610,005	10,557,731
Other liabilities		837,871	573,079
Total Current Liabilities		11,374,976	14,084,141
Non-Current Liabilities			
Loans and borrowings	10	8,353,522	3,550,000
Deferred income	12	2,794,749	-
Total Non-Current Liabilities		11,148,271	3,550,000
Total Liabilities		22,523,247	17,634,141
Net Assets		3,910,055	679,011
Equity			
Retained Earnings		3,910,055	679,011
Total Equity		3,910,055	679,011

The accompanying notes form part of these financial statements.

Adelaide Oval SMA Limited

ABN 46 141 259 538

**STATEMENT OF CHANGES IN EQUITY
FOR THE 12 MONTHS ENDED 31 OCTOBER 2014**

	Retained Earnings	Total
	\$	\$
Balance at 1st July 2013	(1,493,142)	(1,493,142)
Total comprehensive result	2,172,153	2,172,153
Balance at 31st October 2013	679,011	679,011
Balance at 1st November 2013	679,011	679,011
Total comprehensive result	3,231,044	3,231,044
Balance at 31st October 2014	3,910,055	3,910,055

Adelaide Oval SMA Limited

ABN 46 141 259 538

**STATEMENT OF CASH FLOWS
FOR THE 12 MONTHS ENDED 31 OCTOBER 2014**

	Note	12 months ended 31 Oct 2014	4 months ended 31 Oct 2013
		\$	\$
Cash Flow From Operating Activities			
Receipt of grants, other contributions and other income		68,133,925	3,185,384
Payments to suppliers and employees		(71,695,352)	(5,892,526)
Interest received		65,622	167,160
Finance costs		(172,491)	(32,523)
Net movement in funds held on behalf of related parties		360,782	109,507
Net cash flow from operating activities	18b	(3,307,514)	(2,462,998)
Cash Flow From Investing Activities			
Purchase of property, plant and equipment		(10,808,779)	(4,744,162)
Net cash flow from investing activities		(10,808,779)	(4,744,162)
Cash Flow From Financing Activities			
Increase in loans and borrowings		4,967,228	1,500,000
Net cash flow from financing activities		4,967,228	1,500,000
Net increase / (decrease) in cash held		(9,149,065)	(5,707,160)
Cash and cash equivalents at beginning of the financial period		10,666,512	16,373,672
Cash and cash equivalents at the end of the financial period	3	1,517,447	10,666,512

The accompanying notes form part of these financial statements.

Adelaide Oval SMA Limited

ABN 46 141 259 538

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

The financial statements are for Adelaide Oval SMA Limited (AOSMA) as an individual entity, incorporated and domiciled in Australia. AOSMA is a joint arrangement of the South Australian Cricket Association (SACA) and the South Australian National Football League (SANFL) and is a non-profit public company limited by guarantee. AOSMA manages the Adelaide Oval which it leases from the South Australian Government. The Statement of Comprehensive Income includes only the incomes and expenses that AOSMA controls. It does not include monies that AOSMA receives and distributes as agent of SACA, SANFL, Australian Football League, Cricket Australia, football clubs or other promoters.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and relevant Australian Accounting Standards of the Australian Accounting Standards Board (AASB). AOSMA has applied Australian Accounting Standards that are applicable for not-for-profit entities.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

On 7 June 2013 AOSMA announced a change in year end from 30 June to 31 October. Consequently, AOSMA has a four month fiscal period ended 31 October 2013 compared to a 12 month current year fiscal period ended 31 October 2014.

The financial statements were authorised for issue on 25 March 2015 by the Directors of the company.

Going Concern

The financial report has been prepared on the going concern basis, which AOSMA Board believe contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

AOSMA had a net comprehensive result of \$3,231,044 (October 2013: \$2,172,153) and has a net working capital of \$208,951 (October 2013: net working capital deficiency of \$1,478,288). The deficiency in working capital in October 2013 was due to costs incurred with starting the business with minimal income streams available until the stadium redevelopment project was completed in 2014.

The continuity of normal business activities is deemed possible due to the following factors:

- The Promoters Agreement is an agreement between the SANFL, SACA and AOSMA, and details the rights and obligations of each party. Clause 14.4 of the agreement provides a vehicle for financial support from SANFL and SACA in the event of AOSMA experiencing financial difficulty.
- AOSMA has entered into a funding facility agreement with Commonwealth Bank of Australia. This facility will provide funding up to \$11.14 million.

Accounting Policies

a. Revenue

Grant revenue is recognised in the Statement of Comprehensive Income when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Adelaide Oval SMA Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue from trading operations carried out during the period is recognised on an accruals basis. Revenue includes amounts rechargeable from related parties, and is recognised on an accruals basis. Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

b. Inventories

Inventories include goods and other property held for sale in the ordinary course of business. It excludes depreciating assets.

Inventories are measured at the lower of cost or their net realisable value. Cost is allocated in accordance with the average cost method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The amount of any inventory write-down to net realisable value or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction.

Inventories include food and beverage stock plus merchandise held for resale.

c. Property, Plant, Equipment and Software Licences

Each class of property, plant, equipment and software licences is stated at fair value and is carried at cost, less, where applicable, accumulated depreciation and impairment losses.

Plant and Equipment and Motor Vehicles

Plant and equipment and motor vehicles are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Software Licences

Purchased software for the purpose of operations is capitalised. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. These items are measured on the cost basis less depreciation and impairment losses. The carrying amount of Software Licences is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Non-current asset acquisition and recognition

Assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position.

Where the payment for an asset is deferred, the company measures the obligation at the present value of the future outflow, discounted using the interest rate of a similar length borrowing.

Adelaide Oval SMA Limited

ABN 46 141 259 538

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revaluation of non-current assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than 3 years.

Every five years, AOSMA revalues its non-current tangible assets. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. 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 revaluation increment is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrement of the same asset class previously recognised in the Statement of Comprehensive Income, in which case the increase is recognised in the Statement of Comprehensive Income.

Any revaluation decrease is recognised in the Statement of Comprehensive Income, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in revaluation surplus for that asset class.

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 accumulated surplus.

Fair value measurement

All assets acquired, including property, plant, equipment and software licences, are stated at cost less accumulated depreciation and accumulated impairment losses, which is deemed to be fair value.

AASB 13 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.

Fair value of non-financial assets, which must be estimated for recognition or for disclosure purposes, is measured using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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.

AOSMA had no valuations categorised into levels 1 or 2.

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

Current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As no factors were identified to suggest an alternative use, fair value measurement was based on current use.

Adelaide Oval SMA Limited

ABN 46 141 259 538

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The useful lives used for each class of depreciable assets are:

Class of Fixed Asset	Useful life
Plant and equipment	4-20 years
Software licences	3 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Asset classes carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

d. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that AOSMA commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Adelaide Oval SMA Limited

ABN 46 141 259 538

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- iv. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

i *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

iii *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

iv *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Adelaide Oval SMA Limited

ABN 46 141 259 538

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

v *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, AOSMA assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. **Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

f. **Employee Benefits**

Employee benefits comprise wages and salaries, annual and long service leave, and contributions to superannuation plans.

Adelaide Oval SMA Limited

ABN 46 141 259 538

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Liabilities for wages and salaries expected to be settled within 12 months are recognised in other payables in respect of employees' services up to reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled.

The liability for long service leave is recognised in the provision for long service leave and measured as the value of the expected future payments to be made in respect of services provided by employees up to the reporting date for all staff with greater than 5 years' service. Consideration is given to current salary and wage levels and employee on-costs.

g. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

h. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows from investing and financing activities is classified as part of operating cash flows.

i. **Income Tax**

The entity is exempt from income tax under section 50-1 of the *Income Tax Assessment Act 1997* as the entity has been established for the encouragement of sport.

j. **Provisions**

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. **Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

When an entity applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period must be disclosed.

l. **Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by AOSMA during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Adelaide Oval SMA Limited

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

m. Grant and unearned grant income

Grant monies are recorded as revenue as they are spent. Unspent monies are recorded as unearned grant income.

Grant monies expended are either recorded as a fixed asset or expensed depending on the nature of each transaction.

Unearned Grant Revenue

The conditions of the grant provided to Adelaide Oval SMA Limited require the entity to expend the grant monies on permitted expenses as incurred. For the period ended 31 October 2014 there are no remaining unexpended grants (October 2013; \$9,087,024).

n. Funds held on behalf of related parties

AOSMA holds, but does not control, memberships and supply rights on behalf of SACA and SANFL. In doing so, it has the responsibility and is accountable for administering related transactions and items, which are subject to the normal internal controls. The receipts and payments relating to these items are not reflected in the Statement of Comprehensive Income of AOSMA.

o. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

p. Economic Dependence

- i The South Australian Government have committed to fund the Adelaide Oval redevelopment, and as such operations of AOSMA are dependent on the completion of these capital works. At the date of this report the Board of Directors have no reason to believe that the South Australian Government will not continue to support these capital works.
- ii The operations of AOSMA are dependent on SANFL and SACA pursuant to clause 14.4 of the Promoters Agreement.

q. New Accounting Standards for Application in Future Periods

During the previous year, AOSMA voluntarily changed its year end from 30 June to 31 October.

Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by AOSMA for the period ending 31 October 2014. AOSMA has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the entity.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 2: REVENUE, OTHER INCOME, AND EXPENSES

	31 Oct 2014	31 Oct 2013
	\$	\$
a. Income from Trading Activities		
- Fees and charges	10,695,161	66,776
- Sales	42,435,774	256,023
- Interest received	65,622	146,494
- Other Revenue	751,655	721,187
Total Income from Trading Activities	53,948,212	1,190,480
b. Expenses from trading activities		
Supplies and services expenses		
- Stadium operating	7,362,721	130,550
- Servicing costs	1,121,858	31,883
- Carpark	251,913	12,576
- Administration	1,178,568	158,496
Total supplies and services expenses	9,915,060	333,505
Auditor's Remuneration		
- Audit fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements	86,000	24,000
Total Auditor's Remuneration	86,000	24,000
Other Expenses		
- Marketing and public relations	582,215	174,041
- Other employee benefits	826,057	230,013
- Laundry, Linen & Uniforms	475,589	78,812
- IT	584,101	47,173
- Insurance and legal fees	715,935	259,350
- Stadium servicing Costs	4,187,359	71,682
- General	2,151,892	108,470
Total other expense	9,523,148	969,541

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 3: CASH AND CASH EQUIVALENTS

	Note	31 Oct 2014	31 Oct 2013
		\$	\$
Current			
Cash at bank		1,146,447	10,659,912
Cash on hand		371,000	6,600
Total cash and cash equivalents	18,19	1,517,447	10,666,512

NOTE 4: TRADE AND OTHER RECEIVABLES

	Note	31 Oct 2014	31 Oct 2013
		\$	\$
Current			
Trade and other receivables		6,512,504	680,869
Provision for impairment		(34,363)	-
Due from related party		2,278,289	896,452
Total current trade and other receivables	19	8,756,430	1,577,321

	Gross amount	Past due and impaired	< 30	Past due but not impaired (days overdue)		
	\$	\$	\$	\$	\$	\$
October 2014						
Trade and term receivables	7,025,565	34,363	1,906,175	644,113	880,547	3,560,367
Other receivables	1,765,228	-	1,765,228	-	-	-
Total	8,790,793	34,363	3,671,403	644,113	880,547	3,560,367
October 2013						
Trade and term receivables	273,431	-	214,901	54,646	3,384	500
Other receivables	1,303,890	-	1,303,890	-	-	-
Total	1,577,321	-	1,518,791	54,646	3,384	500

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are impaired and are past due. It is expected that these balances will be received when due.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 5: INVENTORIES

	31 Oct 2014	31 Oct 2013
	\$	\$
a. Main types of inventories held		
- Beverage	887,656	157,118
- Food	106,947	18,930
- Consumables	82,978	14,687
Total inventories	1,077,581	190,735

	31 Oct 2014	31 Oct 2013
	\$	\$
b. Inventories recognised as expense		
- Beverage	7,363,293	17,442
- Food	4,881,943	111,326
- Consumable	898,246	11,130
Total inventories recognised as expense	13,143,482	139,898

NOTE 6: OTHER ASSETS

	31 Oct 2014	31 Oct 2013
	\$	\$
Current		
Prepayments	226,934	159,285
Other	5,535	12,000
Total current other assets	232,469	171,285

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 7: PROPERTY, PLANT, EQUIPMENT AND SOFTWARE LICENCES

	31 Oct 2014	31 Oct 2013
	\$	\$
Plant and Equipment		
Plant and equipment at cost	15,768,413	20,669
Less accumulated depreciation	(1,535,619)	(18,180)
Total plant and equipment	14,232,794	2,489
Motor Vehicles		
Motor Vehicles at cost	151,250	-
Less accumulated depreciation	(30,089)	-
Total motor vehicles	121,161	-
Software Licences		
Software licences at cost	614,594	-
Less accumulated depreciation	(119,174)	-
Total software licences	495,420	-
Capital works in progress	-	5,704,810
Total property, plant, equipment and software licences	14,849,375	5,707,299

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant, equipment and software licences between the beginning and the end of the current financial year:

	Capital works in progress	Motor Vehicles	Software Licences	Plant and Equipment	Total
	\$	\$	\$	\$	\$
October 2013					
Balance at the beginning of the period	961,369	-	-	2,148	963,517
Additions at cost	4,743,441	-	-	720	4,744,161
Disposals	-	-	-	-	-
Depreciation expense	-	-	-	(379)	(379)
Carrying amount at end of period	5,704,810	-	-	2,489	5,707,299
October 2014					
Balance at the beginning of the period	5,704,810	-	-	2,489	5,707,299
Additions at cost	9,407,931	151,250	-	1,249,597	10,808,778
Disposals	-	-	-	-	-
Transfers	(15,112,741)	-	614,594	14,498,147	-
Depreciation expense	-	(30,089)	(119,174)	(1,517,439)	(1,666,702)
Carrying amount at end of period	-	121,161	495,420	14,232,794	14,849,375

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 8: FAIR VALUE MEASUREMENT

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. AOSMA 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 balance sheet are categorised into the following levels at 31 October 2014. AOSMA had no valuations categorised into level 1 or 2.

Fair value measurements at 31 October 2014	NOTE	Level 3
		\$
Plant and equipment	7	15,768,413
Motor vehicles	7	151,250
Software Licences	7	614,594
Total recurring fair value measurements		16,534,257

Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard.

Valuation techniques and inputs

Valuation techniques used to derive level 3 fair values are at note 7. There were no changes in valuation techniques during 2014. The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

Reconciliation of fair value measurements - Level 3

	Capital works in progress	Motor Vehicles	Software Licences	Plant and Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of the period	5,704,810	-	-	2,489	5,707,299
Additions at cost	9,407,931	151,250	-	1,249,597	10,808,778
Disposals	-	-	-	-	-
Transfers	(15,112,741)	-	614,594	14,498,147	-
Depreciation expense	-	(30,089)	(119,174)	(1,517,439)	(1,666,702)
Closing balances at the end of the period	-	121,161	495,420	14,232,794	14,849,375

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 9: TRADE AND OTHER PAYABLES

	Note	31 Oct 2014	31 Oct 2013
		\$	\$
Current			
Trade payables	9a	3,519,819	700,607
Other current payables	9a	2,111,379	1,196,214
Funds held on behalf of related parties	17, 9a	766,772	234,445
Due to related party – Other	17, 9a	1,162,455	10,360
Total current trade and other payables		7,560,425	2,141,626
 a. Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
— Total current		7,560,425	2,141,626
— Total non-current		-	-
 Financial liabilities as trade and other payables	19	7,560,425	2,141,626

Trade and other payables exclude amounts, which are not considered a financial instrument such as unearned grant revenue.

NOTE 10: LOANS AND BORROWINGS

	Note	31 Oct 2014	31 Oct 2013
		\$	\$
Current			
Due to related party (unsecured)	17	-	171,544
Finance lease		163,706	-
Total current loans and borrowings		163,706	171,544
Non-current			
Secured bank loans		7,350,000	3,550,000
Finance lease		1,003,522	-
Total non-current loans and borrowings		8,353,522	3,550,000

NOTE 11: PROVISIONS

	31 Oct 2014	31 Oct 2013
	\$	\$
Current		
Annual leave	764,459	280,177
Long Service Leave	438,510	359,984
Total current provisions	1,202,969	640,161

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 12: DEFERRED INCOME

	Note	31 Oct 2014 \$	31 Oct 2013 \$
Current			
Unearned grant income	12a	-	9,087,024
Other unearned income		1,610,005	1,470,707
Total current deferred income		1,610,005	10,557,731
Non-current			
Other unearned income		2,794,749	-
Total non-current deferred income		2,794,749	-
12a Reconciliation of unearned grant income			
Opening Balance		9,087,024	15,623,849
Grant monies received		-	-
Less Expenditure			
Acquisition of capital assets for Government		(2,169,019)	(1,861,874)
Capitalised as work in progress		(6,918,005)	(4,674,951)
Total Unearned grant income		-	9,087,024

During the year, AOSMA spent the remainder of Government grant funding. In addition to this grant funding, AOSMA received \$6,631,985 of other Government contributions to acquire assets on behalf of the State Government.

NOTE 13: EXPENDITURE COMMITMENTS

Capital works

As at 31 October 2014, AOSMA had fully expended (October 2013 committed to spend: \$9,087,024) the \$18 million Government grant funding towards secondary capital works relating to the operations of Adelaide Oval.

Operating lease

The operating leases arrangement in place as at the 31st October 2014 include the annual sublease with the Minister of Transport in accordance with the Adelaide Oval Redevelopment and Management Act 2011 valid until 2091, and the photocopier lease with Macquarie expiring in 2016.

At the end of the financial year, the future minimum lease payments under non-cancellable operating leases are payable as follows:

	31 Oct 2014 \$	31 Oct 2013 \$
Less than one year	72,786	6,120
Between one and five years	2,277,417	16,830
More than five years	72,000,000	-
Total operating lease	74,350,203	22,950

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 13: EXPENDITURE COMMITMENTS (CONT.)

Finance lease

The finance leases as at the 31st October 2014 are for three cars and for the Level 3 LED advertising board. The finance leases for the cars end in November 2017 and for the LED advertising board end in March 2019.

At the end of the financial year, the future minimum lease payment under finance lease arrangements are payable as follows:

	NOTE	31 Oct 2014 \$	31 Oct 2013 \$
Commitments in relation to finance leases are payable as follows:			
Within one year		230,637	-
Later than one year but not later than five years		1,146,334	-
Minimum lease payments		1,376,971	-
Future finance charges		(209,743)	-
Recognised as a liability		1,167,228	-
Total lease liabilities		1,167,228	-
Representing lease liabilities:			
Current	10	163,706	-
Non-current	10	1,003,522	-
		1,167,228	-
The present value of finance lease liabilities is as follow			
Within one year		163,706	-
Later than one year but not later than five years		1,003,522	-
		1,167,228	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 14: CONTINGENT LIABILITIES AND ASSETS

Contingent Liability

The Adelaide Oval Redevelopment Act requires AOSMA to contribute funds each year into a sinking fund. AOSMA has established this fund and will commence paying into this fund from October 2016.

Contingent Asset

There are no other matters in relation to the entity that would give rise to a contingent asset in the financial statements at 31 October 2014.

NOTE 15: EVENTS AFTER REPORTING PERIOD

There are no significant post balance day events.

NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION

The names and positions of those having authority for planning, directing and controlling the company's activities, directly or indirectly (other than directors), are:

Andrew Daniels, Chief Executive Officer
Darren Chandler, General Manager Operations and Commercial
Tommy Pavic, Chief Finance Officer
Adam Vonthethoff, General Manager Food and Beverage

The compensation paid to key management personnel noted above is as follows:

	31 Oct 2014	31 Oct 2013
	\$	\$
Short-term employee benefits	1,063,089	392,056
Post-employment benefits	79,506	28,977
Total compensation	1,142,595	421,033

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 17: RELATED PARTY TRANSACTIONS

	31 Oct 2014	31 Oct 2013
	\$	\$
Included in the Statement of Comprehensive Income are the following related party transactions:		
Income from services rendered by SANFL and SACA on behalf of AOSMA	-	36,268
Expenses from services rendered by SANFL and SACA on behalf of AOSMA	-	49,722
Match day costs, service fees and contributions paid by or on behalf of SANFL and SACA to AOSMA ¹	5,800,168	514,718
Match day costs, service costs and contributions paid to or on behalf of SANFL and SACA by AOSMA ²	7,487,455	514,718

¹ AOSMA recovers from SACA and SANFL various expenses and match day costs for domestic cricket games and SANFL football games. SANFL and SACA contribute financial support to AOSMA to ensure it has sufficient working capital to pay its debts as and when they fell due.

² AOSMA incurs for or on behalf of SACA and SANFL various expenses and match day costs for domestic cricket games and SANFL football games. Pursuant to the Promoter's Agreement between AOSMA, SACA and SANFL, AOSMA pays a percentage of food and beverage sales revenue to SANFL and SACA.

	Note	31 Oct 2014	31 Oct 2013
		\$	\$
Included in the Statement of Financial Position are the following related party balances:			
Payable owed to SANFL and SACA	9	1,162,455	10,360
Receivables owed by SANFL and SACA	4	2,278,289	896,452
Income received on behalf of SANFL and SACA not yet distributed to SANFL and SACA	9,10	766,772	405,989
Unearned supply rights paid by SACA to AOSMA	12	2,220,375	-

	31 Oct 2014	31 Oct 2013
	\$	\$
Other related party transactions:		
Distributions to SANFL and SACA from AOSMA as agent ³	15,210,206	1,337,680

³ AOSMA receives and distributes ticketing and other funds as agent of SACA and SANFL, which are not included within the Statement of Comprehensive Income. These distributions are net of servicing fees and replace the funds formerly generated directly by SACA when it held the lease over Adelaide Oval, and for SANFL when AFL football was played at AAMI Stadium.

AOSMA receives and distributes ticket funds as agent on behalf of other venue hirers. These amounts are not included within these statements or within this note.

Significant additional revenue is generated by the Adelaide Football Club, Port Adelaide Football Club and other venue hirers at the oval, from sales of corporate hospitality, memberships, sponsorships, merchandising, electronic ribbon board advertising, video replay screen advertising and other revenues. These funds are not collected by AOSMA, and these amounts are not included within these statements or within this note.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

Note 17: RELATED PARTY TRANSACTIONS (Cont.)

The names of each person who has been a director during the year and to the date of this report are:

John Wayne Olsen AO	Andrew William Sinclair
Ian Murray McLachlan AO	Leigh Robert Whicker AM
Keith Bradshaw	Philip James Gallagher
Dion McCaffrie	Kevin Raymond Griffiths
Andrew Carver (Alternate Director – resigned on 20 th October 2014)	Dean Marsh (Alternate Director appointed on 20 th October 2014)
Philip Reynold Duval (Alternate Director)	Simon Stuart Rodger (Alternate Director)

No Directors fees were paid or payable in October 2014 (October 2013: \$nil).

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

NOTE 18: CASH FLOW INFORMATION

	Note	12 months ended 31 Oct 2014	4 months ended 31 Oct 2013
		\$	\$
a. Reconciliation of Cash			
Cash at bank		1,146,447	10,659,912
Other cash		371,000	6,600
Total Cash	3	1,517,447	10,666,512
b. Reconciliation of Cash flow from Operating Activities to Total Comprehensive Result			
Total Comprehensive Result		3,231,044	2,172,153
Non cash flows			
Depreciation and amortisation		1,666,702	379
Changes in assets and liabilities			
Increase/(decrease) in provisions		562,808	496,708
(Increase)/decrease in trade and other receivables		(7,179,109)	(625,929)
(Increase)/decrease in stock		(886,846)	(183,533)
Increase/(decrease) in trade and other payables		5,418,799	428,426
Increase/(decrease) in related party loan account		(171,543)	(93,717)
Increase/(decrease) in deferred income		(6,152,977)	(5,090,518)
(Increase)/decrease in prepayments		(61,184)	(140,046)
Increase/(decrease) in other liabilities		264,792	573,079
Cash flow generated from/(used in) Operating Activities		(3,307,514)	(2,462,998)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 19: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, and accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	31 Oct 2014	31 Oct 2013
		\$	\$
Financial Assets			
Cash and cash equivalents	3	1,517,447	10,666,512
Trade and other receivables	4	8,756,430	1,577,321
Total Financial Assets		10,273,877	12,243,833
Financial Liabilities			
Financial liabilities at amortised cost			
– Trade and other payables	9a	7,560,425	2,141,626
– Borrowings	10	8,517,228	3,721,544
Total Financial Liabilities		16,077,653	5,863,170

Financial Risk Management Policies

The Board's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management exposures are reviewed by the Board on a periodic basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for AOSMA.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 4.

Credit risk related to balances with banks and other financial institutions is managed by the Board. Other than a nominal amount of cash on hand, surplus funds are only invested with major Australian financial institutions. The following table provides information regarding the credit risk relating to cash and cash equivalents.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 19: FINANCIAL RISK MANAGEMENT (CONT.)

	Note	31 Oct 2014	31 Oct 2013
Cash and cash equivalents		\$	\$
– Cash on hand		371,000	6,600
– Cash held with a major Australian financial institution		1,146,447	10,659,912
Total cash and cash equivalents	3	1,517,447	10,666,512

b. Liquidity risk

Liquidity risk arises from the possibility that AOSMA might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. AOSMA manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	31 Oct 2014	31 Oct 2013	31 Oct 2014	31 Oct 2013	31 Oct 2014	31 Oct 2013	31 Oct 2014	31 Oct 2013
Financial Liability	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	7,560,425	2,141,626	-	-	-	-	7,560,425	2,141,626
Loans and borrowings	163,706	171,544	8,353,522	3,550,000	-	-	8,517,228	3,721,544
Total expected outflows	7,724,131	2,313,170	8,353,522	3,550,000	-	-	16,077,653	5,863,170
Financial Assets								
Cash and cash equivalents	1,517,447	10,666,512	-	-	-	-	1,517,447	10,666,512
Trade and other receivables	8,756,430	1,577,321	-	-	-	-	8,756,430	1,577,321
Total expected inflows	10,273,877	12,243,833	-	-	-	-	10,273,877	12,243,833
Net (outflow)/inflow on financial instruments	2,549,746	9,930,663	(8,353,522)	(3,550,000)	-	-	(5,803,776)	6,380,663

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 19: FINANCIAL RISK MANAGEMENT (CONT.)

c. Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

At 31 October 2014 AOSMA has secured loans of \$8,517,228 (October 2013: \$3,550,000) per note 10. These loans are subject to a variable rate of interest, and therefore are exposed to changes in the variable interest rate.

ii. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The company is not exposed to securities price risk as it has no investments held for trading or for medium to longer terms.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

	Footnote	Oct 2014		Oct 2013	
		Net	Carrying	Net	Carrying
		Value	Value	Value	Value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	1,517,447	1,517,447	10,666,512	10,666,512
Trade and other receivables	(i)	8,756,430	8,756,430	1,577,321	1,577,321
Total financial assets		10,273,877	10,273,877	12,243,833	12,243,833
Financial liabilities					
Trade and other payables	(i)	7,560,425	7,560,425	2,141,626	2,141,626
Loans and borrowings	(i)	8,517,228	8,517,228	3,721,544	3,721,544
Total financial liabilities		16,077,653	16,077,653	5,863,170	5,863,170

Adelaide Oval SMA Limited

ABN 46 141 259 538

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2014

NOTE 19: FINANCIAL RISK MANAGEMENT (CONT.)

The fair values disclosed in the above table have been determined based on the following methodologies:

- i Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other receivables and payables exclude amounts, which are not considered a financial instrument such as unearned grant revenue.

NOTE 20: CAPITAL MANAGEMENT

Management controls the capital of the entity to ensure that adequate cash flows are generated to fund its activities. The Board ensures that the overall risk management strategy is in line with this objective.

Risk management exposures are reviewed by the Board on a regular basis. These include credit risk exposures and future cash flow requirements.

The entity's capital consists of financial liabilities, supported by financial assets.

Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include the consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since the previous year.

NOTE 21: ENTITY DETAILS

The registered office of the entity is:

Adelaide Oval
War Memorial Drive,
North Adelaide, S.A., 5006

The principal place of business is:

Adelaide Oval
War Memorial Drive,
North Adelaide, S.A., 5006

NOTE 22: MEMBERS' GUARANTEE

The entity is incorporated under the *Corporations Act 2001* and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstandings and obligations of the entity. At 31 October 2014 the number of members was 8.

Adelaide Oval SMA Limited

ABN 46 141 259 538

DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 1 to 34, are in accordance with the *Corporations Act 2001*:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the financial position as at 31 October 2014 and of the performance for the year ended on that date of the entity.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed with the authority of and for and on behalf of the Board of Directors by:



Chairman



Deputy Chairman

Dated this 25th day of March 2015

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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To the members of the Adelaide Oval SMA Limited

As required by section 9(3) of the *Adelaide Oval Redevelopment and Management Act 2011*, I have audited the accompanying financial report of the Adelaide Oval SMA Limited for the 12 months ended 31 October 2014. The financial report comprises:

- a Statement of Comprehensive Income for the 12 months ended 31 October 2014
- a Statement of Financial Position as at 31 October 2014
- a Statement of Changes in Equity for the 12 months ended 31 October 2014
- a Statement of Cash Flows for the 12 months ended 31 October 2014
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Directors' Declaration.

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as the overall presentation of the financial report.

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

Independence

In conducting the audit, I have complied with the independence requirements of the *Corporations Act 2001*. I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Adelaide Oval SMA Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Basis for Qualified Opinion

Adelaide Oval SMA Limited has recognised amounts receivable from the South Australian Government for reimbursement of costs incurred by Adelaide Oval SMA Limited for the installation of perimeter ribbon boards (electronic advertising boards) and costs associated with installation of cabling and fitting out of food and beverage outlets at the Adelaide Oval. These amounts total \$1 778 000. I have not identified appropriate evidence to substantiate that the South Australian Government will pay these amounts to the Adelaide Oval SMA Limited.

As the recognition criteria for assets and revenue has not been met, the \$1 778 000 receivable and associated income should not be recognised in the financial report.

As result, each of the following lines in the financial report are overstated by \$1 778 000:

- Statement of Comprehensive Income:
 - State Government grants and other contributions
 - Profit/(Loss) from Government related items
 - Total comprehensive result.
- Statement of Financial Position:
 - Trade and other receivables
 - Total current assets
 - Total assets
 - Net assets
 - Retained earnings
 - Total equity.
- State of Changes in Equity:
 - Total comprehensive result
 - Balance at 31 October 2014.

Qualified Opinion

In my opinion, except for the effect of the matter described in the 'Basis for Qualified Opinion' paragraphs, the financial report of Adelaide Oval SMA Limited is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 October 2014 and its performance for the 12 months ended on that date; and
- (b) complies with Australian Accounting Standards and the Corporations Regulations 2001.



S O'Neill
Auditor-General
26 March 2015

Art Gallery Board

Financial report
for the year ended
30 June 2015

Art Gallery Board
Statement of Comprehensive Income
For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Expenses			
Staff benefits	4	6 154	5 443
Supplies and services	6	10 346	6 941
Accommodation and facilities	7	2 784	2 567
Depreciation and amortisation	8	1 249	1 220
Net loss from the disposal of non-current assets	13	18	-
Total expenses		20 551	16 171
Income			
Bequests and donations of cash	9	1 902	3 531
Donations of heritage assets		4 101	4 141
Fees and charges	10	1 467	488
Grants	11	1 913	943
Investment income	12	505	469
Net gain from the disposal of non-current assets	13	-	301
Rent and facilities hire		312	147
Resources received free of charge	14	950	724
Sale of goods		1 214	907
Sponsorships	15	2 408	1 071
Other	16	176	121
Total income		14 948	12 843
Net cost of providing services		5 603	3 328
Revenues from SA Government			
Recurrent operating grant	17	10 565	8 554
Capital grant		408	741
Total revenues from SA Government		10 973	9 295
Net result		5 370	5 967
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Change in asset revaluation surplus	21	-	779
Total other comprehensive income		-	779
Total comprehensive result		5 370	6 746

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

Art Gallery Board
Statement of Financial Position
As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	19	3 322	3 289
Receivables	20	476	228
Inventories		515	663
Other	26	173	-
Total current assets		4 486	4 180
Non-current assets			
Receivables	20	5	5
Property, plant and equipment	21	44 413	45 053
Intangible assets	22	34	-
Heritage collections	23	608 875	602 949
Investments	25	3 788	3 440
Other	26	159	-
Total non-current assets		657 274	651 447
Total assets		661 760	655 627
Current liabilities			
Payables	27	976	640
Staff benefits	28	705	635
Provisions	29	24	39
Other	30	201	-
Total current liabilities		1 906	1 314
Non-current liabilities			
Payables	27	78	76
Staff benefits	28	871	821
Provisions	29	72	138
Other	30	185	-
Total non-current liabilities		1 206	1 035
Total liabilities		3 112	2 349
Net assets		658 648	653 278
Equity			
Retained earnings		441 287	435 917
Asset revaluation surplus		217 361	217 361
Total equity		658 648	653 278

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments 31

Contingent assets and liabilities 32

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

Art Gallery Board
Statement of Changes in Equity
For the year ended 30 June 2015

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2013	216 582	429 950	646 532
Net result for 2013-14	-	5 967	5 967
Gain on revaluation of land during 2013-14	530	-	530
Gain on revaluation of buildings during 2013-14	249	-	249
Total comprehensive result for 2013-14	779	5 967	6 746
Balance at 30 June 2014	217 361	435 917	653 278
Net result for 2014-15	-	5 370	5 370
Total comprehensive result for 2014-15	-	5 370	5 370
Balance at 30 June 2015	217 361	441 287	658 648

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

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

Art Gallery Board
Statement of Cash Flows
For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Cash outflows			
Staff benefits		(6 104)	(5 295)
Supplies and services		(6 988)	(5 702)
Accommodation and facilities		(2 753)	(2 567)
Cash used in operations		(15 845)	(13 564)
Cash inflows			
Sale of goods		1 234	902
Fees and charges		1 348	497
Bequests and donations		1 903	3 529
Grants		1 812	943
Sponsorships		276	177
Investment income		470	500
Rent and facilities hire		302	150
Other receipts		168	152
Cash generated from operations		7 513	6 850
Cash flows from SA Government			
Receipts from SA Government		10 975	9 719
Cash generated from SA Government		10 975	9 719
Net cash provided by operating activities	33	2 643	3 005
Cash flows from investing activities			
Cash outflows			
Purchase of heritage collections		(1 638)	(6 809)
Purchase of investments		(551)	(2 302)
Purchase of property, plant and equipment		(606)	(800)
Cash used in investing activities		(2 795)	(9 911)
Cash inflows			
Proceeds from the sale of / maturity of investments		185	2 504
Proceeds from the sale of heritage collections		-	4
Cash generated from investing activities		185	2 508
Net cash used in investing activities		(2 610)	(7 403)
Net increase / (decrease) in cash and cash equivalents		33	(4 398)
Cash and cash equivalents at the beginning of the financial year		3 289	7 687
Cash and cash equivalents at the end of the financial year	33	3 322	3 289

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

Art Gallery Board

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Art Gallery Board

Notes to and forming part of the Financial Statements

Note 1. Objectives of the Art Gallery Board

The Art Gallery Board (the Board) is constituted pursuant to section 4 of the *Art Gallery Act 1939* (the Act). The Board is charged with the management of the Art Gallery of South Australia under the Act.

The objectives of the Art Gallery of South Australia are to:-

- Collect heritage and contemporary works of art of aesthetic excellence and historical or regional significance;
- Ensure the preservation and conservation of the Gallery's collections;
- Display the collections and to program temporary exhibitions;
- Research and evaluate the collections and to make the collections and documentation accessible to others for the purposes of research and as a basis for teaching and communications;
- Document the collections within a central cataloguing system;
- Provide interpretative information about collection displays and temporary exhibitions and other public programs;
- Promote the Gallery's collections and temporary exhibitions;
- Ensure that the Gallery's operations, resources and commercial programs are managed efficiently, responsibly and profitably; and
- Advise the South Australian Government on the allocation of South Australian resources to works of art, art collections, art museums and art associations.

Note 2. Summary of significant accounting policies

2.1 Statement of compliance

The Board has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

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

Except for AASB 2015-7 which the Board has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Board for the reporting period ending 30 June 2015. Refer to note 3.

2.2 Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- the selection and application of accounting policies in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in the financial statements:
 - a) income, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date are separately identified and classified according to their nature;
 - b) expenses incurred as a result of engaging consultants;
 - c) staff targeted voluntary separation package information;
 - d) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly, by the entity to those staff; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Board's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Board's financial statements and accompanying notes include all of the controlled activities of the Board including the Art Gallery Foundation.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month operating cycle and are presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented for the year ended 30 June 2014.

2.3 Source of funds

The Board's principal source of current funding consists of grants from the State Government. In addition, the Board also receives monies from sales, admissions, donations, bequests, sponsorships, interest and investment income and other receipts, and uses the monies for the achievement of its objectives. Bequests, donations and grants can only be used in accordance with the terms and conditions attributable.

2.4 Income and expenses

Income and expenses are recognised in the Board's Statement of Comprehensive Income when and only when it is probable that the flow of economic benefits to or from the entity will occur and can be reliably measured. Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific Accounting Standard, or where offsetting reflects the substance of the transaction or other event.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend income is recognised when the right to receive a dividend has been established. Donations, bequests, subscriptions, grants and sponsorships are recognised as income in the period in which the Board obtains control over the income. Income from the sale of goods is recognised at the point of sale. Income from the rendering of a service is recognised when the Board obtains control over the income. Government grants are recognised as income in the period in which the Board obtains control over the grants.

Donated heritage collections received by the Board are recognised as income in the Statement of Comprehensive Income in the year of receipt at fair value.

Resources received free of charge

Resources received free of charge are recorded as income and expenditure in the Statement of Comprehensive Income at their fair value.

Under an arrangement with Arts SA and Artlab Australia, both divisions of the Department of State Development, Artlab Australia receives SA Government appropriation to perform conservation services on the heritage collections of the Art Gallery. The value of the work performed is recognised as resources received free of charge in income (note 14) and a corresponding amount included as conservation work expenditure in supplies and services (note 6).

Under an arrangement with the Department of State Development, financial services and human resource services are provided free of charge to the Board. The value of these services is recognised as resources received free of charge in income (Note 14) and a corresponding amount included as a business services charge in supplies and services (Note 6).

2.5 Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. The Board has a clearly identifiable operating cycle of 12 months. Therefore assets and liabilities that will be 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.

2.6 Cash & cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash at bank and on hand, and short-term deposits held with the Bank of South Australia and the Australian and New Zealand Banking Group Limited. For the purposes of the Statement of Cash Flows, cash and cash equivalents are as defined above.

Cash is measured at nominal value.

2.7 Receivables

Receivables include amounts receivable from goods and services, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to the public and other government agencies. Receivables are generally receivable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Board will not be able to collect the debt. Bad debts are written off when identified.

2.8 Inventories

Inventories are measured at the lower of cost or their net realisable value. Cost of inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sale proceeds less costs incurred in marketing, selling and distribution to customers. Inventories include books and publications held for sale.

The amount of any inventory write-down to net realisable value or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction.

2.9 Investments

Investments are brought to account at cost in accordance with Accounting Policy Framework IV *Financial Asset and Liability Framework* APS 2.1.

2.10 Non-current asset acquisition and recognition

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given the consideration plus costs incidental to the acquisition. Assets donated during the year have been brought to account at fair value.

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

2.11 Valuation of non-current assets

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

Land and buildings and heritage collections are re-valued every five years. However, if at any time management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrement of the same asset class previously recognised as an expense in the Statement of Comprehensive Income, in which case the increase is recognised as income in the Statement of Comprehensive Income.

Any revaluation decrement is recognised as an expense in the Statement of Comprehensive Income, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in the revaluation surplus for that asset class.

Upon revaluation, the accumulated depreciation has been restated proportionately with the change in gross carrying amount of the asset so that the carrying amount, after revaluation, equals its revalued amount.

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

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 as 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*.

Plant and equipment

Plant and equipment including computer equipment, on acquisition, has been deemed to be held at fair value.

Intangible assets

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.

Heritage collections

The heritage collections are large and diverse. They include many items for which valuations are complex, given considerations of market value and their uniqueness.

The collections were previously valued as at 30 June 2011 by the following specialist valuers;

Collection	Specialist valuer
Australian paintings and sculptures	Mr. J. Jones
Australian, European and international decorative arts	Mr. K. Rayment
Asian art	Mr D. Button
European art	
European collection pre 1850	Mr. P. Matthiesen
British collection and European collection post 1850	Mr. P. Nahum
Australian prints and drawings	Ms. S. Thomas
European prints and drawings	Ms. A. Kirker
Australian and international photographs	Mr. J. Lebovic
Noye collection of photographic material	Mr. M. Treloar
Numismatics	Mr. G. Morton
Krichauf and Murray stamp collection	Mr. B. Parker

These valuers specialise in the valuation of heritage assets. In instances where there were sufficient observable transactions of similar assets to the subject asset (generally in secondhand markets), the market approach has been utilised to determine fair value. Inputs to the fair value measurement are considered level 2 in the fair value hierarchy as they have been observed from the market and the valuer has made relatively minor adjustments for differences in asset characteristics. Where possible, the valuations were based on recent market transactions for similar cultural and heritage assets and may include adjustment for factors specific to each asset including size, rarity, quality, condition, historical significance and associated restrictions.

Where the frequency of available market transactions has not permitted the use of observable inputs, the valuers have used significant professional judgement in determining the fair value measurements. These assets are therefore considered to be in level 3 of the fair value hierarchy.

Due to the size and nature of the collections the Board individually value all high value assets (greater than \$350,000) with the remainder of the collection valued by establishing an average value through the random sampling of 2% of each collection.

The research library collections were valued by sampling 1% of the collections and providing a market valuation of the entire stock based on the sample. The values were determined by searching catalogues in second-hand and antiquarian bookshops. Where a value was not available, an estimate was provided by the librarian, Ms Jin Whittington.

The archival collections, consisting of ephemera such as material on individual artists and galleries, was given a nil valuation as there is no reliable market value for this collection.

Fair value measurement

AASB 13 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 Board classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

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

The valuation processes and fair value changes are reviewed by the Board / Audit Committee at each reporting date.

Non-financial assets

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

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

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

2.12 Impairment of assets

All non-current assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the asset revaluation surplus.

2.13 Depreciation and amortisation of non-current assets

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. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment. Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Land and heritage collections are not depreciated. Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:-

Class of asset	Useful life (years)
Buildings and improvements	20 to 100
Plant and equipment	3 to 20
Intangibles	5

Heritage collections are kept under special conditions so that there is no physical deterioration and they are anticipated to have very long and indeterminate useful lives. No amount for depreciation has been recognised, as their service potential has not, in any material sense, been consumed during the reporting period.

2.14 Payables

Payables include creditors, accrued expenses and staff on-costs.

Creditors and accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period. All amounts are measured at their nominal amount and are normally settled within 30 days after the Board receives an invoice.

Staff on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

2.15 Staff benefits

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 staff is estimated to be less than the annual entitlement of sick leave.

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

Liabilities for salaries, wages, annual leave and skills and experience retention leave have been recognised as the amount unpaid at the reporting date at current remuneration rates. 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.

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 staff 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 staff departures and periods of service. These assumptions are based on staff data over SA government entities. 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.

On-costs

Staff benefit on-costs (payroll tax and superannuation) are recognised separately under payables.

Superannuation

Contributions are made by the Board to several superannuation schemes operated by the State Government and private sector. 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 superannuation schemes. The Department of Treasury and Finance centrally recognises the superannuation liability, for the schemes operated by the State Government, in the whole-of-government financial statements.

2.16 Workers compensation provision

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to staff as required under current legislation.

2.17 Leases

The Board has entered into a number of operating lease agreements for vehicles and photocopiers 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 representative of the pattern of benefits derived from the leased assets and accordingly are charged to the Statement of Comprehensive Income in the periods in which they are incurred.

2.18 Comparative information

The presentation and classification of items in the financial statements and accompanying notes are consistent with prior periods except where specific accounting standards and/or accounting policy statements have 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 to do so.

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

2.19 Taxation

The Board is not subject to income tax. The Board is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and emergency services levy.

Income, expenses, assets and liabilities are recognised net of the amount of GST except where the amount of GST incurred by the Board as a purchaser 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 an item of expense.

The net GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Board is a member of an approved GST group of which Arts SA, a division of the Department of State Development, is responsible for the remittance and collection of GST. As such, there are no cash flows relating to GST transactions with the ATO in the Statement of Cash Flows.

2.20 State government funding

The financial statements are presented under the assumption of ongoing financial support being provided to the Board by the State Government.

2.21 Rounding

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

2.22 Insurance

The Board has arranged, through SAICORP, a division of the South Australian Government Financing Authority, to insure all major risks of the Board. The excess payable is fixed under this arrangement.

2.23 Unrecognised contractual commitments and contingent assets and liabilities

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

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 contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

2.24 Events after the reporting period

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

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

Note 3. New and revised accounting standards

Except for AASB 2015-7 which the Board has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Board for the period ending 30 June 2015. The Board has assessed the impact of the new and amended Standards and Interpretations and considers there will be no impact on the accounting policies or the financial statements of the Board.

In accordance with the new AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements, which became effective for the first time in 2014-15, the Board has reviewed its control assessments (i.e. the Board's involvement with the entity, protective and substantive rights, ability to direct major relevant activities etc.) in accordance with AASB 10 and its classification assessments in accordance with AASB 11, and has concluded that there is no impact. The Board does control the Art Gallery Foundation which has always formed part of the Board's financial results. The Board does not have any joint arrangements within the scope of AASB 11. The Board will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

Note 4 Staff benefits

	2015	2014
	\$'000	\$'000
Salaries and wages	4 633	3 990
Annual leave	421	362
Board fees	29	34
Long service leave	202	191
Payroll tax	290	253
Skills and experience retention leave	16	12
Superannuation	502	446
Targeted voluntary separation package payments (refer below)	87	-
Workers compensation provision adjustment	(81)	14
Other staff related expenses	55	141
Total staff benefits	6 154	5 443

Remuneration of staff	2015	2014
	Number	Number
The number of staff whose remuneration received or receivable falls within the following bands:		
\$141 500 to \$151 499 ¹	2	-
\$221 500 to \$231 499 ²	1	-
\$291 500 to \$301 499	-	1
\$311 500 to \$321 499	1	-
Total number of staff	4	1

¹ This bandwidth includes a staff member that received leave entitlement payments upon resignation.

² This bandwidth includes a staff member that received a targeted voluntary separation package (TVSP) payment and leave entitlement payments.

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, TVSP's, superannuation contributions, fringe benefits, fringe benefits tax paid or payable and any salary sacrifice benefits. The total remuneration received or receivable by these staff for the year was \$836 000 (\$296 000). The total remuneration received or receivable by ongoing senior management staff for the year was \$460 000 (\$296 000).

Targeted voluntary separation packages (TVSPs)	2015	2014
	\$'000	\$'000
Amount paid during the reporting period to separated staff:		
TVSPs	87	-
Annual leave, long service leave and skills and experience retention leave paid to those staff	41	-
	128	-
Recovery from the Department of Treasury and Finance	-	-
Net cost to the Board	128	-

There was one TVSP paid in 2014-15. No TVSPs were paid in 2013-14.

Note 5 Remuneration of board members

Members that were entitled to receive remuneration for membership during the 2014-15 financial year were:

Art Gallery Board

Mrs T Whiting (Chairman) (appointed Member 7 August 2014, appointed Chairman 7 August 2014)

Mr M Abbott Q.C. (Chairman) (term expired 2 August 2014)

Ms S Armitage (appointed 4 June 2015)

Mr NR Balnaves

Ms A Edwards

Mr JN Phillips

Ms S Sdraulig (term expired 27 July 2014)

Ms S Tweddell

Mr R Whittington Q.C.

Ms J Yuile (appointed 15 September 2014)

	2015 Number	2014 Number
The number of board members whose remuneration received or receivable falls within the following bands:		
\$0 - \$9 999	10	10
Total number of board members	10	10

Remuneration of board members reflects all costs of performing board member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by the board members for the year was \$32 000 (\$37 000).

Amounts paid or payable to superannuation plans for board members were \$3 000 (\$3 000).

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

Note 6 Supplies and services

	2015 \$'000	2014 \$'000
Administration expenses	398	299
Business services charge	205	187
Catering	124	119
Conservation work	850	653
Consultants	69	-
Contractors	215	260
Cost of goods sold	589	412
Freight, courier and postage	443	381
Entertainment	22	28
Fees – exhibitions and publications	1 727	150
Foreign currency losses	11	5
Information technology	202	105
Insurance & risk management	531	527
Inventory written-off	172	82
Maintenance	173	315
Marketing and promotion	3 083	2 605
Materials	155	194
Minor equipment purchases and leasing	238	174
Motor vehicle expenses	39	39
Preservation activities	491	43
Public education	21	3
Travel and accommodation	384	251
Other	204	109
Total supplies and services	10 346	6 941

Payments to consultants

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

	2015 Number	2015 \$'000	2014 Number	2014 \$'000
Below \$10 000	4	8	-	-
Above \$10 000	3	61	-	-
Total paid/payable to the consultants engaged	7	69	-	-

Note 7 Accommodation and facilities

	2015 \$'000	2014 \$'000
Accommodation	652	680
Facilities	672	660
Security	1 460	1 227
Total accommodation and facilities	2 784	2 567

Note 8 Depreciation & amortisation

	2015 \$'000	2014 \$'000
Buildings and improvements depreciation	1 191	1 176
Plant and equipment depreciation	52	44
Intangibles amortisation	6	-
Total depreciation and amortisation	1 249	1 220

Note 9 Bequests and donations of cash

	2015 \$'000	2014 \$'000
Bequests	192	104
Donations	1 710	3 427
Total bequests and donations of cash	1 902	3 531

Bequests and donations can only be used in accordance with the terms and conditions attributable. Therefore depending on the terms and conditions, they are not available for the operating activities of the Board

Note 10 Fees and charges

	2015 \$'000	2014 \$'000
Fees for services	412	372
Admissions to temporary exhibitions	1 055	116
Total fees and charges	1 467	488

Note 11 Grants

	2015 \$'000	2014 \$'000
Commonwealth Government	143	161
State Government	1 376	404
Other external grants	394	378
Total grants	1 913	943

Note 12 Investment income

	2015	2014
	\$'000	\$'000
Interest income	94	182
Dividends	288	201
Dividend imputation credits	123	86
Total interest and investment income	505	469

Note 13 Net gain (loss) from the disposal of non-current assets

	2015	2014
	\$'000	\$'000
Heritage collections		
Proceeds from disposal of heritage collections	-	4
Less: Net book value of heritage collections disposed of	-	-
Net gain from disposal of heritage collections	-	4
Investments		
Proceeds from the sale of investments	185	2 504
Less: Net book value of investments disposed of	(203)	(2 207)
Net (loss) gain from sale of investments	(18)	297
Total assets		
Total proceeds from disposal	185	2 508
Less: Total net book value of assets disposed of	(203)	(2 207)
Total net (loss) gain from disposal of non-current assets	(18)	301

Note 14 Resources received free of charge

	2015	2014
	\$'000	\$'000
Conservation services	745	537
Business services	205	187
Total resources received free of charge	950	724

Note 15 Sponsorships

	2015	2014
	\$'000	\$'000
Cash sponsorships	276	177
In-kind sponsorships	2 132	894
Total sponsorships	2 408	1 071

Note 16 Other income

	2015	2014
	\$'000	\$'000
Fundraising	140	31
Insurance recoveries	-	57
Other receipts	36	33
Total other income	176	121

Note 17 Recurrent operating grant

	2015 \$'000	2014 \$'000
Recurrent operating grant - (excluding additional exhibition funding) from Arts SA per initial budget advice	8 343	8 323
Recurrent operating grant - additional exhibition funding from Arts SA per initial budget advice	1 850	-
Additional one-off exhibition funding provided by Arts SA	50	150
Additional other one-off funding provided by Arts SA	322	81
Total recurrent operating grant	10 565	8 554

Note 18 Auditor's remuneration

	2015 \$'000	2014 \$'000
Audit fees paid/payable to the Auditor-General's Department for the audit of the financial statements	38	41
Audit fees paid/payable to other auditors for the audit of the Art Gallery Foundation	10	16
Total audit fees	48	57

Other services

No other services were provided to the Board by the Auditor-General's Department or the other auditors.

Note 19 Cash and cash equivalents

	2015 \$'000	2014 \$'000
Deposits with the Treasurer	1 806	2 279
Deposits with banks	1 509	1 000
Cash on hand	7	10
Total cash and cash equivalents	3 322	3 289

Deposits with the Treasurer

Deposits with the Treasurer are a combination of funds held in the "Art Gallery Board Account", an account held with the Treasurer of South Australia pursuant to section 21 of the *Public Finance and Audit Act 1987*, and funds held in the Arts SA Operating Account, an account held with the Treasurer of South Australia pursuant to section 8 of the *Public Finance and Audit Act 1987*.

Deposits with banks

Deposits with the Bank of South Australia (BankSA) and the Australian and New Zealand Banking Group Limited (ANZ) are funds held in term deposit facilities.

Cash on hand

Cash on hand includes petty cash, floats and change machines.

Interest rate risk

Cash and cash equivalents are recorded at nominal value. Interest is calculated based on the average daily balances of the interest bearing funds. The interest bearing funds of the Board are held in the section 21 interest bearing account titled the "Art Gallery Board Account" and the BankSA and ANZ accounts.

In 2014-15 deposits with the Treasurer were bearing a floating interest rate between 2.07% and 2.35% (2.35% and 2.53%). The interest rate for the term deposits held with BankSA and ANZ as at 30 June 2015 is 2.0% and 3.31% (3.75%) respectively.

Note 20 Receivables

	2015 \$'000	2014 \$'000
Current		
Prepayments	9	14
Receivables	278	69
Accrued income	189	145
Total current receivables	476	228
Non-current		
Receivables	5	5
Total non-current receivables	5	5
Total receivables	481	233

Interest rate and credit risk

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

It is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

(a) Maturity analysis of receivables- refer to note 34.

(b) Categorisation of financial instruments and risk exposure information- refer to note 34.

Note 21 Property, plant and equipment

	2015 \$'000	2014 \$'000
Land, buildings and improvements		
Land at fair value	5 130	5 130
Buildings and improvements at fair value	71 519	70 889
Accumulated depreciation at the end of the period	(32 656)	(31 466)
Total land, buildings and improvements	43 993	44 553
Work in progress		
Work in progress at cost	-	262
Total work in progress	-	262
Plant and equipment		
Plant and equipment at cost (deemed fair value)	876	641
Accumulated depreciation at the end of the period	(456)	(403)
Total plant and equipment	420	238
Total property, plant and equipment	44 413	45 053

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*.

The valuation was based on recent market transactions for similar land and buildings (non specialised) in the area and includes adjustment for factors specific to the land and building being valued such as size and location. The valuer arrived at fair value using the market approach.

The valuer used depreciated replacement cost (DRC) for specialised land and buildings, due to there not being an active market for such land and buildings. 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 and location. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

Carrying amount of plant and equipment

All items of plant and equipment had 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', and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These asset are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the asset's condition and remaining useful life.

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

Impairment

There were no indications of impairment of property, plant and equipment as at 30 June 2015.

Movement reconciliation of property, plant and equipment

	Land \$'000	Buildings & improv \$'000	Work in progress \$'000	Plant & equip \$'000	Total Tangible Assets \$'000	Computer software \$'000	Total Intangible Assets \$'000
2015							
Carrying amount at the beginning of the period	5 130	39 423	262	238	45 053	-	-
Additions	-	-	409	234	643	-	-
Depreciation / amortisation expense	-	(1 191)	-	(52)	(1 243)	(6)	(6)
Transfers from capital work in progress	-	631	(671)	-	(40)	40	40
Carrying amount at the end of period	5 130	38 863	-	420	44 413	34	34

	Land \$'000	Buildings & improv \$'000	Work in progress \$'000	Plant & equip \$'000	Total Tangible Assets \$'000	Computer software \$'000	Total Intangible Assets \$'000
2014							
Carrying amount at the beginning of the period	4 600	37 002	2 773	282	44 657	-	-
Additions	-	56	781	-	837	-	-
Depreciation expense	-	(1 176)	-	(44)	(1 220)	-	-
Transfers from capital work in progress	-	3 292	(3 292)	-	-	-	-
Revaluation increment	530	249	-	-	779	-	-
Carrying amount at the end of period	5 130	39 423	262	238	45 053	-	-

Note 22 Intangibles

	2015 \$'000	2014 \$'000
Intangibles		
Computer software	40	-
Less: accumulated amortisation	(6)	-
Total Intangibles	34	-

Impairment

There were no indications of impairment of intangibles as at 30 June 2015.

Note 23 Heritage collections

	2015			2014		
	At valuation \$'000	At cost \$'000	Total \$'000	At valuation \$'000	At cost \$'000	Total \$'000
Australian paintings and sculptures	240 103	11 989	252 092	240 103	9 533	249 636
Australian and European decorative arts	28 363	2 274	30 637	28 363	1 214	29 577
Asian art	44 301	3 241	47 542	44 301	2 501	46 802
European paintings and sculptures	223 714	7 929	231 643	223 714	6 733	230 447
Prints, drawings and photographs	35 814	1 935	37 749	35 814	1 346	37 160
Numismatics	6 753	-	6 753	6 753	-	6 753
Philatelic material	450	-	450	450	-	450
Library	1 744	75	1 819	1 744	59	1 803
Collections on instalments	-	190	190	-	321	321
Total heritage collections	581 242	27 633	608 875	581 242	21 707	602 949

Reconciliation of carrying amounts of heritage collections 2015

	Balance 1 July	Additions	Balance 30 June
	\$'000	\$'000	\$'000
Australian paintings and sculptures	249 636	2 456	252 092
Australian and European decorative arts	29 577	1 060	30 637
Asian art	46 802	740	47 542
European paintings and sculptures	230 447	1 196	231 643
Prints, drawings and photographs	37 160	589	37 749
Numismatics	6 753	-	6 753
Philatelic material	450	-	450
Library	1 803	16	1 819
Collections on instalments	321	(131)	190
Total heritage collections carrying amounts	602 949	5 926	608 875

Reconciliation of carrying amounts of heritage collections 2014

	Balance 1 July	Additions	Balance 30 June
	\$'000	\$'000	\$'000
Australian paintings and sculptures	245 410	4 226	249 636
Australian and European decorative arts	29 414	163	29 577
Asian art	46 071	731	46 802
European paintings and sculptures	225 292	5 155	230 447
Prints, drawings and photographs	36 638	522	37 160
Numismatics	6 753	-	6 753
Philatelic material	450	-	450
Library	1 781	22	1 803
Collections on instalments	319	2	321
Total heritage collections carrying amounts	592 128	10 821	602 949

Note 24 Fair value measurement*Fair value hierarchy*

The Board categorises non-financial assets measured at fair value into a hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2015:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

The Board has no valuations categorised into level 1.

Fair value measurements as at 30 June 2015

	Fair value	Level 2	Level 3
	\$'000	inputs	inputs
		\$'000	\$'000
<i>Recurring fair value measurements</i>			
Land (note 21)	5 130	1 940	3 190
Buildings and improvements (note 21)	38 863	862	38 001
Plant & equipment (note 21)	420	-	420
Heritage collections (note 23)	608 875	1 262	607 613
Total recurring fair value measurements	653 288	4 064	649 224

Fair value measurements as at 30 June 2014

	Fair value	Level 2	Level 3
	\$'000	inputs	inputs
		\$'000	\$'000
<i>Recurring fair value measurements</i>			
Land (note 21)	5 130	1 940	3 190
Buildings and improvements (note 21)	39 423	252	39 171
Plant & equipment (note 21)	238	-	238
Heritage collections (note 23)	602 949	1 393	601 556
Total recurring fair value measurements	647 740	3 585	644 155

The Board did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2015.

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. The Board's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Fair value measurement - highest & best use

The Board's assets are held for preservation, cultural and heritage purposes and not held to derive a profit. The current use of all controlled assets is considered their highest and best use.

Reconciliation for recurring Level 3 fair value measurements

Recurring Level 3 fair value measurements - reconciliation for assets

2014-15	Land	Buildings & improv	Plant & equip	Heritage collections	Total
	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	3 190	39 171	238	601 556	644 155
Acquisitions and transfers from work in progress	-	-	234	1 825	2 059
Donated assets	-	-	-	4 101	4 101
Transfers into Level 3	-	-	-	131	131
Total losses for the period recognised in net result:					
Depreciation	-	(1 170)	(52)	-	(1 222)
	-	(1 170)	(52)	-	(1 222)
Closing balance at the end of the period	3 190	38 001	420	607 613	649 224

Recurring Level 3 fair value measurements - reconciliation for assets

2013-14	Land	Buildings & improv	Plant & equip	Heritage collections	Total
	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 900	37 002	282	590 737	630 921
Acquisitions and transfers from work in progress	-	3 092	-	6 678	9 770
Donated assets	-	-	-	4 141	4 141
Total gains (losses) for the period recognised in net result:					
Depreciation	-	(1 172)	(44)	-	(1 216)
	-	(1 172)	(44)	-	(1 216)
Total gains for the period recognised in other comprehensive income:					
Revaluation increment	290	249	-	-	539
	290	249	-	-	539
Closing balance at the end of the period	3 190	39 171	238	601 556	644 155

Note 25 Investments

	2015	2014
	\$'000	\$'000
Non-current		
Shares and other direct investments in companies	3 788	3 440
Total non-current investments	3 788	3 440
Total investments	3 788	3 440

The market value of investments as at 30 June 2015 is \$4.6 million (\$4.4 million).

Note 26 Other assets

	2015 \$'000	2014 \$'000
Current		
Forward foreign exchange contract receivable	173	-
Total current other assets	173	-
Non-current		
Forward foreign exchange contract receivable	159	-
Total non-current other assets	159	-
Total other assets	332	-

Note 27 Payables

	2015 \$'000	2014 \$'000
Current		
Creditors and accruals	877	549
Staff on-costs	99	91
Total current payables	976	640
Non-current		
Staff on-costs	78	76
Total non-current payables	78	76
Total payables	1 054	716

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has decreased from the 2014 rate of 40% to 37%. The average factor for the calculation of employer superannuation on-cost has remained unchanged from 2014 at 10.3%. These rates are used in the employment on-cost calculation.

The financial effect of the above change on staff on-costs and staff benefit expense is immaterial.

Interest rate and credit risk

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

(a) Maturity analysis of payables- refer to note 34.

(b) Categorisation of financial instruments and risk exposure information- refer to note 34.

Note 28 Staff benefits

	2015	2014
	\$'000	\$'000
Current		
Annual leave	453	444
Long service leave	185	151
Skills and experience retention leave	24	22
Accrued salaries and wages	43	18
Total current staff benefits	705	635
Non-current		
Long service leave	871	821
Total non-current staff benefits	871	821
Total staff benefits	1 576	1 456

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a set level of liability for the measurement of long service leave.

AASB 119 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 decreased from 2014 (3.5%) to 2015 (3.0%). The resulting financial effect is immaterial.

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

The net financial effect of the changes in the methodology and actuarial assumptions is immaterial.

The salary inflation rate remained unchanged at 4% for long service leave. The salary inflation rate applied to annual leave and skills and experience retention leave has decreased from 2014 (4.0%) to 2015 (3.0%). The resulting financial effect of the change is immaterial.

Note 29 Provisions

	2015	2014
	\$'000	\$'000
Current		
Provision for workers compensation	24	39
Total current provisions	24	39
Non-current		
Provision for workers compensation	72	138
Total non-current provisions	72	138
Total provisions	96	177
Carrying amount at the beginning of the period	177	163
(Decrease) increase in provision recognised	(81)	14
Carrying amount at the end of the period	96	177

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector.

Note 30 Other liabilities

	2015 \$'000	2014 \$'000
Current		
Deferred assets	26	-
Forward foreign exchange contract payable	175	-
Total current other liabilities	201	-
Non-current		
Deferred assets	19	-
Forward foreign exchange contract payable	166	-
Total non-current other liabilities	185	-
Total other liabilities	386	-

Note 31 Unrecognised contractual commitments

	2015 \$'000	2014 \$'000
Operating lease commitments		
Commitments under non-cancellable operating leases at the reporting date not recognised as liabilities in the financial statements are payable as follows:		
Within one year	59	63
Later than one year and not later than five years	28	57
Total operating lease commitments	87	120

The operating lease commitments comprise:

- Non-cancellable motor vehicle leases, with rental payable 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 terms;
- A non-cancellable office under-lease, with rental payable monthly in advance. No contingent rental provisions exist within the lease agreement and no option exists to renew the lease at the end of its term; and
- A non-cancellable photocopier lease, with rental payable monthly in arrears. No contingent rental provisions exist within the lease agreement and no option exists to renew the lease at the end of its term.

Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:

Within one year	-	74
Total capital commitments	-	74

Remuneration commitments

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

Within one year	336	285
Later than one year and not later than five years	1 260	19
Later than five years	21	-
Total remuneration commitments	1 617	304

Amounts disclosed include commitments arising from executive and other service contracts. The Board does not offer remuneration contracts greater than five years. Executive contracts disclosed as at 30 June 2015 for later than five years relates to contracts effective from July 2015, but signed prior to 1 July 2015.

Other commitments

The Board's other commitments are for contracts for works of art, exhibitions, investment settlements, security and cleaning.

Not later than one year	4 732	8 128
Later than one year and not later than five years	1 160	3 010
Total other commitments	5 892	11 138

Contingent rental provisions within the security and cleaning contracts require the minimum contract payments to be increased by variable operating costs and wage rises. Options exist to renew the contracts for another 12 months.

Note 32 Contingent assets and liabilities**Contingent Assets**

The Board has been named as a beneficiary in a number of testamentary bequests. By their nature it is not possible to accurately estimate the amount and timing of these bequests. Amounts paid to the Board as a result of these bequests will be recognised on receipt.

Contingent Liabilities

The Board is not aware of any contingent liabilities as at 30 June 2015.

Note 33 Cash flow reconciliation**Reconciliation of cash and cash equivalents at the end of the reporting period:**

	2015	2014
	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	3 322	3 289
Balance as per the Statement of Cash Flows	3 322	3 289

	2015	2014
	\$'000	\$'000
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	2 643	3 005
Less: Revenues from SA Government	(10 973)	(9 295)
Add / (less) non-cash items:		
Depreciation / amortisation expense	(1 249)	(1 220)
Donations of heritage assets	4 101	4 141
Gain / (loss) on sale of non-current assets	(18)	301
Changes in assets and liabilities		
Increase (decrease) in receivables	248	(488)
Increase in other assets	332	-
(Decrease) increase in inventories	(148)	46
(Increase) decrease in payables	(151)	305
(Increase) in staff benefits	(120)	(109)
Decrease (Increase) in provisions	81	(14)
(Increase) in other liabilities	(349)	-
Net cost of providing services	(5 603)	(3 328)

34.1 Financial risk management

Risk management is managed by the Board's Audit Committee and Board 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 Board is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

Table 34.2 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 and financial liability are disclosed in note 2 *Summary of significant accounting policies*.

Category of financial asset and financial liability	Statement of Financial Position line item	Note number	2015		2014	
			Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets						
Cash and cash equivalents	Cash and cash equivalents	19	3 322	3 322	3 289	3 289
Loans and receivables	Receivables (1) (2)	20	467	467	211	211
Available for sale financial assets	Investments	25	3 788	4 649	3 440	4 446
Forward foreign exchange contract receivable	Other assets	26	332	332	-	-
Financial liabilities						
Financial liabilities (at cost)	Payables (1)	27	839	839	512	512
Deferred assets	Other liabilities	30	45	45	-	-
Forward foreign exchange contract payable	Other liabilities	30	341	341	-	-

(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, audit payables, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) The receivables amount disclosed here, excludes prepayments. Prepayments are presented in note 20 as receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 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.

Foreign currency risk

Foreign currency risk arises from changes in the value of assets and liabilities denominated in foreign currency as exchange rates fluctuate.

The Board is exposed to currency risk on purchases of works of art made in currencies other than Australian dollars. The Board generally does not hedge any future foreign currency purchases when contracted, but will if significant.

Credit risk

Credit risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations resulting in financial loss to the Board. The Board measures credit risk on a fair value basis and monitors risk on a regular basis.

The carrying amount of financial assets as detailed in table 34.2 represents the Board's maximum exposure to credit risk.

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

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Currently the Board does not hold any collateral as security for any of its financial assets. There is no evidence to indicate that the financial assets are impaired.

The following table discloses the ageing of financial assets past due:

Table 34.3 Ageing analysis of financial assets

	Past due by			Total \$'000
	Overdue for < 30 days \$'000	Overdue for 30 to 60 days \$'000	Overdue for > 60 days \$'000	
2015				
Not impaired				
Receivables	6	-	9	15
2014				
Not impaired				
Receivables	8	-	8	16

The following table discloses the maturity analysis of financial assets and financial liabilities.

Table 34.4 Maturity analysis of financial assets and financial liabilities

Financial statements item	Carrying amount \$'000	Contractual maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
2015				
Financial assets				
Cash and cash equivalents	3 322	3 322	-	-
Receivables	467	467	-	-
Investments	3 788	-	-	3 788
Forward foreign exchange contract receivable	332	173	159	-
Total financial assets	7 909	3 962	159	3 788
Financial liabilities				
Payables	839	839	-	-
Forward foreign exchange contract payable	341	175	166	-
Deferred assets	45	26	19	-
Total financial liabilities	1 225	1 040	185	-
2014				
Financial assets				
Cash and cash equivalents	3 289	3 289	-	-
Receivables	211	211	-	-
Investments	3 440	-	-	3 440
Total financial assets	6 940	3 500	-	3 440
Financial liabilities				
Payables	512	512	-	-
Total financial liabilities	512	512	-	-

Liquidity risk

Liquidity risk arises where the Board is unable to meet its financial obligations as they are due to be settled. The Board is funded principally from grants from the South Australian Government. The Board works with Arts SA 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. The Board generally settles accounts within 30 days from the date of the invoice or date the invoice is first received.

The Board's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in Table 34.2 represents the Board's maximum exposure to liquidity risk.

Note 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.

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	Expenses						
4	Staff benefits	290	258	5 864	5 185	6 154	5 443
6	Supplies and services						
	Administration expenses	69	55	329	244	398	299
	Business services charge	205	187	-	-	205	187
	Catering	-	-	124	119	124	119
	Conservation work	839	615	11	38	850	653
	Consultants	-	-	69	-	69	-
	Contractors	-	-	215	260	215	260
	Cost of goods sold	-	-	589	412	589	412
	Freight, courier and postage	-	-	443	381	443	381
	Entertainment	-	2	22	26	22	28
	Fees	47	24	1 680	126	1 727	150
	Foreign currency losses	8	-	3	5	11	5
	Information technology	38	30	164	75	202	105
	Insurance & risk management	522	527	9	-	531	527
	Inventory written-off	-	-	172	82	172	82
	Maintenance	20	206	153	109	173	315
	Marketing and promotion	200	146	2 883	2 459	3 083	2 605
	Materials	1	1	154	193	155	194
	Minor equipment purchases and leasing	2	-	236	174	238	174
	Motor vehicle expenses	31	27	8	12	39	39
	Preservation activities	24	-	467	43	491	43
	Public education	-	-	21	3	21	3
	Travel and accommodation	-	-	384	251	384	251
	Other	47	38	157	71	204	109
7	Accommodation and facilities						
	Accommodation	87	80	565	600	652	680
	Facilities	448	405	224	255	672	660
	Security	8	5	1 452	1 222	1 460	1 227
8	Depreciation and amortisation	-	-	1 249	1 220	1 249	1 220
13	Net loss from the disposal of non-current assets	-	-	18	-	18	-
	Total expenses	2 886	2 606	17 665	13 565	20 551	16 171

Note	SA Government		Non-SA Government		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Income						
9	Bequests and donations of cash					
10	Fees and charges					
11	Grants					
12	Investment income					
13	Net gain from the disposal of non-current assets					
14	Resources received free of charge					
15	Sponsorships					
16	Other income					
	Revenues from SA Government					
17						
	Total income	13 330	10 583	12 591	11 555	25 921
						22 138
Financial assets						
20	Receivables					
25	Investments					
26	Other assets					
	Total financial assets	376	58	4 740	4 278	5 116
						4 336
Financial liabilities						
27	Payables					
30	Other liabilities					
	Total financial liabilities	523	303	917	413	1 440
						716

Note 36 Events after the reporting period

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the members of the Board, to affect significantly the operations of the Board, the results of those operations, or the state of affairs of the Board in subsequent financial years.

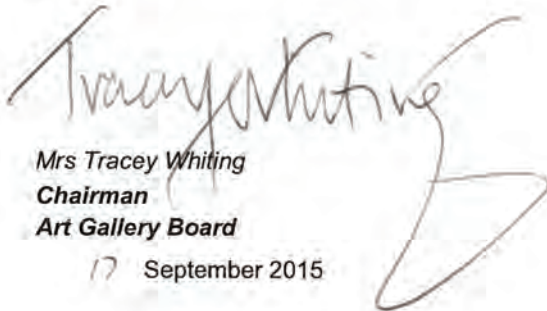
Art Gallery Board

Certification of the 2014-2015 Financial Statements

We certify that the financial statements of the Art Gallery Board:

- 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 Art Gallery Board; and
- present a true and fair view of the financial position of the Art Gallery Board as at 30 June 2015 and the results of its operations and cash flows for the financial year.

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



Mrs Tracey Whiting
Chairman
Art Gallery Board
17 September 2015



Mr Nick Mitzevich
Director
Art Gallery of South Australia
September 2015



Mr Mark Horton
Deputy Director
Art Gallery of South Australia
17 September 2015



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**To the Chairman
Art Gallery Board**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 20(3) of the *Art Gallery Act 1939*, I have audited the accompanying financial report of the Art Gallery Board for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chairman, Art Gallery Board, the Director, Art Gallery of South Australia and the Deputy Director, Art Gallery of South Australia.

The members of the Art Gallery Board's Responsibility for the Financial Report

The members of the Art Gallery Board are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated 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 Art Gallery Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of the Art Gallery Board, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Art Gallery Board as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

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

Andrew Richardson
Auditor-General
20 September 2015

Attorney-General's Department

Financial report
for the year ended
30 June 2015

ATTORNEY-GENERALS DEPARTMENT
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Expenses			
Employee benefits expenses	5	145,688	132,669
Supplies and services	6	67,918	53,088
Grants and subsidies	7	14,029	10,677
Depreciation and amortisation	8	3,350	2,175
Donated asset		36	5
Net loss from the disposal of non-current assets	33	54	20
Other expenses	9	4,910	1,028
Total expenses		235,985	199,662
Income			
Revenues from fees and charges	11	91,433	76,047
Recoveries	12	15,868	15,078
Commonwealth revenue		5,028	5,376
Grants and subsidies	13	15,176	3,629
Resources received free of charge	31	700	11
Other income	14	2,001	1,551
Total income		130,206	101,692
Net cost of providing services		(105,779)	(97,970)
Revenues from / payments to SA Government			
Revenues from SA Government	15	106,055	98,944
Net result		276	974
Other Comprehensive Income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		4,983	-
Total other comprehensive result		4,983	-
Total comprehensive result		5,259	974

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

ATTORNEY-GENERAL'S DEPARTMENT

STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	16	30,594	25,836
Receivables	17	11,607	10,431
Lease incentive receivable		642	-
Total current assets		42,843	36,267
Non-current assets			
Property, plant and equipment	18A	25,821	10,830
Intangible assets	19A	7,629	3,934
Total non-current assets		33,450	14,764
Total assets		76,293	51,031
Current liabilities			
Payables	21	14,141	11,048
Employee benefits	22	13,312	12,120
Provisions	23	535	464
Lease incentives liability		749	678
Other current liabilities	24	72	76
Total current liabilities		28,809	24,386
Non-current liabilities			
Payables	21	2,721	1,997
Employee benefits	22	30,399	21,487
Provisions	23	1,793	1,537
Lease incentives liability		1,291	1,470
Total non-current liabilities		36,204	26,491
Total liabilities		65,013	50,877
Net assets		11,280	154
Equity			
Asset revaluation surplus		5,379	396
Retained earnings		5,901	(242)
Total equity		11,280	154

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments	26
Contingent assets and liabilities	28

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

ATTORNEY-GENERAL'S DEPARTMENT **STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2015

	Note No.	Asset revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2013		396	(1,137)	(741)
Net result for 2013-14		-	2,418	2,418
Prior period adjustments taken to equity 2013-14	32	-	(1,444)	(1,444)
Restated net result for 2013-2014		-	974	974
Restated Total comprehensive result for 2013-14		-	974	974
Transactions with SA Government as owner				
Other movements for administrative restructure		-	(56)	(56)
Balance at 30 June 2014		396	(219)	177
Prior period adjustments to equity 2013-14	32	-	(23)	(23)
Restated balance at 30 June 2014		396	(242)	154
Net result for 2014-15		-	276	276
Gain on revaluation of leasehold improvements during 2014-15		4,983	-	4,983
Total comprehensive result for 2014-15		4,983	276	5,259
Transactions with SA Government as owner				
Net assets received from an administrative restructure	27	-	5,867	5,867
Balance at 30 June 2015		5,379	5,901	11,280

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

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

ATTORNEY-GENERAL'S DEPARTMENT
STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note No.	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(140,913)	(131,471)
Payments for supplies and services		(81,715)	(58,022)
GST paid to the ATO and suppliers		-	(9,534)
Grants and subsidies		(14,662)	(10,677)
Payments for paid parental leave scheme		(390)	(437)
Other payments		(1,044)	(1,022)
Cash used in operations		(238,724)	(211,163)
Cash inflows			
Fees and charges		98,252	75,987
Recoveries		17,455	15,516
GST recovered from the ATO and customers		4,703	9,307
Receipts from Commonwealth		5,028	5,376
Grants and subsidies received		16,694	3,629
Receipts for paid parental leave scheme		391	432
Other receipts		2,201	1,551
Cash generated from operations		144,724	111,798
Cash flows from SA Government			
Receipts from SA Government		106,055	98,944
Cash generated from SA Government		106,055	98,944
Net cash provided (used in) by operating activities	25	12,055	(421)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(3,634)	(1,310)
Purchase of intangible assets		(3,699)	(2,229)
Cash used in investing activities		(7,333)	(3,539)
Net cash (used in) investing activities		(7,333)	(3,539)
Cash flows from financing activities			
Cash inflows			
Cash received from restructuring activities		36	1,144
Cash generated from financing activities		36	1,144
Net cash (used in) provided by financing activities		36	1,144
Net (decrease) increase in cash and cash equivalents		4,758	(2,816)
Cash and cash equivalents at the beginning of the financial year		25,836	28,652
Cash and cash equivalents at the end of the financial year	16	30,594	25,836

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

Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015

Controlled Activities (Refer Note 4)

	1 Legal and Justice Services 2015	2 Legislation & Policy, Planning 2015	3 Registration Services 2015	4 Advocacy and Guardianship Services 2015	5 Equal Opportunity 2015	6 Police Ombudsman 2015	7 Ombudsman Services 2015	8 Industrial Relations 2015	9 Fines Enforcement and Recovery 2015	10 Consumer and Business Services 2015	Unallocated 2015	Total 2015
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Expenses												
Employee benefits expenses	(77,472)	(4,935)	(24,434)	(4,549)	(921)	(1,374)	(1,928)	(22,142)	(7,248)	(685)	-	(145,688)
Supplies and services	(31,635)	(842)	(6,987)	(1,109)	(380)	(191)	(483)	(17,483)	(7,800)	(1,008)	-	(67,918)
Grants and subsidies	(1,111)	(8,791)	(98)	-	(5)	-	-	(3,841)	-	(183)	-	(14,029)
Depreciation and amortisation	(1,678)	(13)	(30)	(65)	(9)	(29)	(23)	(1,026)	(232)	(245)	-	(3,350)
Donated Asset	(36)	-	-	-	-	-	-	-	-	-	-	(36)
Net Loss from the disposal of non current assets	(49)	-	-	-	-	-	-	(5)	-	-	-	(54)
Other expenses	(673)	-	(23)	-	-	-	-	(4,214)	-	-	-	(4,910)
Total Expenses	(112,854)	(14,581)	(31,572)	(5,723)	(1,315)	(1,594)	(2,434)	(48,711)	(15,280)	(2,121)	-	(235,985)
Income												
Revenues from fees and charges	41,856	-	922	-	65	-	-	11,628	-	35,952	-	91,433
Recoveries	8,178	525	31	12	11	1	8	6,329	85	688	-	15,668
Commonwealth revenue	1	4,744	-	-	5	-	-	278	-	-	-	5,028
Grants and subsidies	404	25	25	20	86	6	8	14,469	-	133	-	15,176
Resource received free of charge	-	-	-	-	-	-	-	700	-	-	-	700
Other income	521	-	1,379	-	35	-	-	45	21	-	-	2,001
Total Income	50,960	5,294	2,357	32	202	7	16	33,449	106	37,783	-	130,206
Net cost of providing services	(61,894)	(9,287)	(29,215)	(5,691)	(1,113)	(1,587)	(2,418)	(15,262)	(15,174)	35,662	-	(105,779)
Revenues from SA Government	-	-	-	-	-	-	-	-	-	-	106,055	106,055
Net Result	(61,894)	(9,287)	(29,215)	(5,691)	(1,113)	(1,587)	(2,418)	(15,262)	(15,174)	35,662	106,055	276

Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2014

Controlled Activities (Refer Note 4)

	1 Legal and Justice Services 2014	2 Legislation & Policy, Planning 2014	3 Registration Services 2014	4 Advocacy and Guardianship Services 2014	5 Equal Opportunity 2014	6 Police Ombudsman 2014	7 Ombudsman Services 2014	8 Industrial Relations 2014	9 Fines Enforcement and Recovery 2014	10 Consumer and Business Services 2014	Unallocated 2014	Total 2015
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	
Expenses												
Employee benefits expenses	(81,291)	(5,789)	(4,474)	(5,457)	(1,061)	(1,358)	(1,808)	(7,305)	(3,746)	(20,380)	-	(132,669)
Supplies and services	(32,710)	(965)	(1,996)	(1,360)	(256)	(321)	(669)	(5,991)	(3,580)	(5,550)	-	(53,088)
Grants and subsidies	(1,118)	(8,782)	-	-	(10)	-	(5)	(1)	-	(761)	-	(10,677)
Depreciation and amortisation	(1,496)	(14)	(52)	(74)	(10)	(12)	(6)	(315)	(82)	(114)	-	(2,175)
Donated Asset	-	-	-	-	-	-	-	-	-	(5)	-	(5)
Net Loss from the disposal of non current assets	(20)	-	-	-	-	-	-	-	-	-	-	(20)
Other expenses	(772)	-	-	-	-	-	-	-	-	(256)	-	(1,028)
Total Expenses	(117,407)	(15,550)	(6,222)	(6,891)	(1,337)	(1,691)	(2,486)	(13,602)	(7,408)	(27,066)	-	(199,662)
Income												
Revenues from fees and charges	38,423	-	7,084	-	82	-	-	-	-	30,458	-	76,047
Recoveries	8,123	574	22	10	9	2	3	5,627	108	600	-	15,078
Commonwealth revenues	-	5,070	-	-	20	-	-	286	-	-	-	5,376
Grants and subsidies	494	71	28	23	9	7	10	2,833	-	154	-	3,629
Resource received free of charge	11	-	-	-	-	-	-	-	-	-	-	11
Other income	-	-	1,438	-	44	-	65	-	-	4	-	1,551
Total Income	47,051	6,715	8,572	33	164	9	78	8,746	108	31,216	-	101,692
Net cost of providing services	(70,356)	(9,835)	2,350	(6,858)	(1,173)	(1,682)	(2,410)	(4,856)	(7,300)	4,150	-	(97,970)
Revenues from SA Government	-	-	-	-	-	-	-	-	-	-	98,944	98,944
Net Result	(70,356)	(9,835)	2,350	(6,858)	(1,173)	(1,682)	(2,410)	(4,856)	(7,300)	4,150	98,944	974

Disaggregated Disclosures - Assets and Liabilities as at 30 June 2015

Controlled Activities (Refer Note 4)

	1 Legal and Justice Services 2015	2 Legislation & Policy, Planning 2015	3 Registration Services 2015	4 Advocacy and Guardianship Services 2015	5 Equal Opportunity 2015	6 Police Ombudsman 2015	7 Ombudsman Services 2015	8 Industrial Relations 2015	9 Fines Enforcement and Recovery 2015	10 Consumer and Business Services 2015	11 Unallocated 2015	Total 2015
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Assets												
Current												
Cash and cash equivalents	173	-	-	-	-	-	-	46	-	-	30,375	30,594
Receivables	6,972	35	858	5	14	-	-	3,434	146	143	-	11,607
Lease incentive receivable	385	2	47	-	1	-	-	191	8	8	-	642
Non-Current												
Property, plant and equipment	7,634	18	112	673	83	515	534	15,030	1,085	137	-	25,821
Intangible assets	3,287	-	-	-	-	-	-	-	382	3,980	-	7,629
Total Assets	18,451	55	1,017	678	98	515	534	18,701	1,601	4,268	30,375	76,293
Liabilities												
Current												
Payables	(7,211)	(154)	(611)	(85)	(29)	(36)	(49)	(2,808)	(2,337)	(821)	-	(14,141)
Employee benefits	(7,148)	(425)	(561)	(216)	(64)	(155)	(211)	(2,552)	(600)	(1,380)	-	(13,312)
Provisions	(281)	(17)	(22)	(8)	(3)	(8)	(8)	(111)	(24)	(55)	-	(535)
Lease incentives liability	(222)	(1)	(3)	(20)	(2)	(15)	(15)	(436)	(31)	(4)	-	(749)
Other current liabilities	-	-	-	-	-	-	-	(20)	(52)	-	-	(72)
Non-Current												
Payables	(1,504)	(86)	(201)	(34)	(14)	(34)	(34)	(418)	(87)	(309)	-	(2,721)
Employee benefits	(16,808)	(958)	(2,246)	(383)	(158)	(376)	(381)	(4,676)	(969)	(3,444)	-	(30,399)
Provisions	(975)	(56)	(130)	(22)	(9)	(22)	(22)	(301)	(56)	(200)	-	(1,793)
Lease incentives liability	(382)	(1)	(6)	(34)	(4)	(26)	(27)	(751)	(54)	(6)	-	(1,291)
Total Liabilities	(34,531)	(1,698)	(3,760)	(802)	(283)	(670)	(747)	(12,073)	(4,210)	(6,219)	-	(65,013)
Net Assets	(16,080)	(1,643)	(2,763)	(124)	(185)	(155)	(213)	6,628	(2,609)	(1,951)	30,375	11,280

Disaggregated Disclosures - Assets and Liabilities as at 30 June 2014

Controlled Activities (Refer Note 4)

	1	2	3	4	5	6	7	8	9	10	11	Total
	Legal and Justice Services 2014	Legislation & Policy, Planning 2014	Registration Services 2014	Advocacy and Guardianship Services 2014	Equal Opportunity 2014	Police Ombudsman 2014	Ombudsman Services 2014	Industrial Relations 2014	Fines Enforcement and Recovery 2014	Consumer and Business Services 2014	Unallocated 2014	2014
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Assets												
Current												
Cash and cash equivalents	173	-	-	-	-	-	-	10	-	-	25,653	25,836
Receivables	5,349	63	1,503	4	56	-	24	3,239	161	32	-	10,431
Lease incentive receivable	-	-	-	-	-	-	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current												
Property, plant and equipment	5,521	21	117	554	96	13	15	3,287	1,188	18	-	10,830
Intangible assets	645	-	-	-	-	-	-	7	339	2,943	-	3,934
Lease incentive receivable	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	11,688	84	1,620	558	152	13	39	6,543	1,688	2,993	25,653	51,031
Liabilities												
Current												
Payables	(7,400)	(225)	(250)	(192)	(55)	(30)	(61)	(732)	(1,254)	(849)	-	(11,048)
Employee benefits	(7,669)	(458)	(426)	(351)	(83)	(128)	(216)	(652)	(519)	(1,518)	-	(12,120)
Provisions	(294)	(18)	(16)	(13)	(3)	(5)	(8)	(25)	(20)	(62)	-	(464)
Lease incentives liability	(346)	(1)	(7)	(35)	(6)	(1)	(1)	(208)	(74)	(1)	-	(678)
Other current liabilities	(38)	-	-	-	-	-	-	-	(38)	-	-	(76)
Non-Current												
Payables	(1,275)	(79)	(66)	(37)	(14)	(18)	(30)	(135)	(67)	(276)	-	(1,997)
Employee benefits	(13,719)	(647)	(708)	(401)	(155)	(196)	(319)	(1,451)	(719)	(2,972)	-	(21,487)
Provisions	(981)	(51)	(51)	(29)	(11)	(14)	(23)	(104)	(51)	(212)	-	(1,537)
Lease incentives liability	(748)	(3)	(15)	(75)	(13)	(2)	(2)	(446)	(161)	(3)	-	(1,470)
Total Liabilities	(32,471)	(1,692)	(1,540)	(1,133)	(340)	(394)	(660)	(3,751)	(2,903)	(5,993)	-	(50,877)
Net Assets	(20,783)	(1,608)	80	(575)	(188)	(381)	(621)	2,792	(1,215)	(3,000)	25,653	154

Attorney Generals Department
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Attorney Generals Department
NOTES TO THE ACCOUNTS
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Note 1 Objectives of the Attorney-General's Department

The objective of the Attorney-General's Department is to help create an inclusive, safe and fair South Australia. The department promotes justice through protecting rights and holding people to account according to the law, improving safety and contributing to an efficient and fair justice system.

Note 2 Summary of Significant Accounting Policies

a) Statement of compliance

The Attorney-General's Department has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements which have been prepared in accordance with applicable 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.

Except for AASB 2015-7 which the department has early adopted, 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 reporting period ending 30 June 2015. Refer to Note 3.

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the department's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - b) expenses incurred as a result of engaging consultants;
 - c) employee targeted voluntary separation package information;
 - d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

Attorney Generals Department
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For the year ended 30 June 2015

The Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

c) 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 department produces both Controlled and Administered financial statements. The Controlled financial statements include income, expenses, assets and liabilities, controlled or incurred by the department in its own right. The Administered financial statements include income, expenses, assets and liabilities which the department administers on behalf of the SA Government but does not control. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for controlled items.

For the purposes of accrual accounting and external financial reporting, the Ombudsman, Police Ombudsman, South Australian Civil and Administrative Tribunal and Office for the Public Advocate are included in the controlled reporting entity of the department.

Administered items of the department include:

- Liquor Subsidies
- Taxation Receipts
- Agents Indemnity Fund
- Second Hand Vehicles Compensation Fund
- Residential Tenancies Fund
- Victims of Crime Fund
- Crown Solicitor's Trust Account
- SA Computer Aided Dispatch
- SA Government Radio Network
- Legal Services Commission Grants
- State Rescue Helicopter Service
- Child Abuse Protection Program
- Expensive State Criminal Cases
- Fines Enforcement and Recovery Unit (revenue)
- Industrial Relations Court and Commission & Workers Compensation
- Independent Commissioner Against Corruption & Office for Public Integrity
- Professional Standards Council
- Native Title
- Special Acts - Payment of Ministerial Salary and Allowances
- Special Acts - Payment of Statutory Officer Salaries
- War Graves

Attorney Generals Department
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

d) Transferred functions
2014-15

Under the Public Sector (Reorganisation of Public Sector Operations) Notice 2013, from 1 July 2014 the department took on responsibility for SafeWork SA from the Department for Premier and Cabinet.

2013-14

The *Statute Amendment (Fines Enforcement and Recovery) Bill 2013* passed Parliament on 23 July 2013. As part of this Bill, responsibility for the administration of fines moved, during 2013-14, from the Courts Administration Authority and a dedicated Fines Enforcement and Recovery Unit was established within the Attorney-General's Department.

e) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. The budget process is not subject to audit.

f) Comparative information

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

Where presentation or classification of items in the financial statements has 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.

g) Rounding

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

h) Taxation

The department is not subject to income tax. The department is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, and local government rate equivalents.

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, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office 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 Australian Taxation Office is classified as part of operating cash flows.

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

Attorney Generals Department
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

i) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provides information about conditions that existed at 30 June. Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

j) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to The department will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Contributions (grants)

Contributions are recognised as an asset and income when The department obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met i.e. the amount can be reliably measured and the flow of resources is probable.

Contributions can be either for general assistance or a particular purpose and will usually be subject to terms and conditions set out in a contract, correspondence, or by legislation governing the contribution.

Generally, the department has obtained control or the right to receive for:

- Contributions with unconditional stipulations - this will be when the agreement becomes enforceable ie the earlier of when the receiving entity has formally been advised that the contribution (eg grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

All contributions received by the department have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Revenues from SA Government

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

Net gain on non-current assets

Attorney Generals Department
NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation increments are transferred to retained earnings.

Other Income

Other income consists of refunds and other recoveries.

k) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the department will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefit expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the department to the superannuation plan in respect of current services of current departmental staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

Gain or loss on sale of investments

A gain or loss on an available-for-sale financial asset shall be recognised in other comprehensive income until the financial asset is derecognised. At that time, the cumulative gain or loss previously recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

Depreciation and Amortisation

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. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

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.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

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

Attorney Generals Department
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

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

<u>Class of assets</u>	<u>Depreciation method</u>	<u>Useful life</u>
Buildings and Other Structures	Straight line	5-80
Leasehold Improvements	Straight line	life of lease
Plant and Equipment	Straight line	1-16
Intangible Assets	Straight line	1-10
Information Technology	Straight line	3-12
Mobile Transport Assets	Straight line	2-16
Radio Network Assets	Straight line	5-40

Grants and Subsidies

For contributions payable, the contribution will be recognised as a liability and expense when the entity has a present obligation to pay the contribution and expense recognition criteria are met.

All contributions paid by the department have been contributions with unconditional stipulations

Contributions can be either for general assistance or a particular purpose and will usually be subject to terms and conditions set out in a contract, correspondence, or by legislation governing the contribution.

Payments to SA Government

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy, taxation revenue and fines and related fees paid directly to the Consolidated Account.

l) Current and Non-Current Classification

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 even when they are not expected to be realised within twelve months after the reporting date 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 twelve months and more than twelve months, the department has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

m) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents in the statement of Financial Position includes cash at bank and on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

Attorney Generals Department
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Other debtors arise outside the normal course of providing goods and services to other agencies and to the public.

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. These are generally receivables that are 90 days or more overdue. Bad debts are written off when identified.

Other financial assets

Investments represent funds deposited with the Public Trustee. These investments have been designated as available for sale financial assets as they are held with the intention to dispose of the asset if required to ensure sufficient cash flow to meet bond repayments or claims on Administered funds. Investments are made by way of notional unit holdings in a selection of common funds managed by Public Trustee. The proportion of unit holdings is dependent upon the investment strategy adopted.

Investments are measured at fair value in accordance with unit prices at balance date as advised by the applicable fund manager.

Investments are classified as either current or non-current. Those to be rolled over within 12 months are classified as current investments.

Revaluation increments and decrements are recognised in the Investment market value reserve except where, and to the extent, the decrement exceeds the balance of the reserve which is recognised as expenses or the increment reverses previous decrements which are recognised as revenue.

Non-Current Asset 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 less 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 cost as part of a restructuring of administrative arrangements then the assets are recognised at book value i.e. the amount recorded by the transferor Public Authority immediately prior to restructure.

The department capitalises all non-current physical assets with a value of \$10,000 or greater. Items with an acquisition cost less than \$10,000 are expensed in the year of acquisition except for SA Government Radio Network assets which are recorded in the asset register with an acquisition cost greater than \$1,000.

Revaluation of Non-Current Assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Attorney Generals Department
NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Every three years, the department revalues its leasehold improvements, library collections, plant and equipment, IT Equipment, Buildings and Structures and Radio Network. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place. 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 revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in revaluations reserve for that asset class.

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.

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets an impairment loss is offset against the respective asset revaluation surplus.

Intangible assets

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 department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

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

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

Subsequent expenditure on intangible assets has not been capitalised. This is because the department has been unable to attribute this expenditure to the intangible asset rather than to the department as a whole.

Fair Value measurement

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The department classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

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- 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.

Non-financial assets

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

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

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

Refer to Note 20 and 30 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

n) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors, accrued expenses, employment on-costs and paid parental leave scheme payable.

Creditors represent the amounts owing for goods and services received prior to 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 received.

The 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.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefit on-costs include superannuation contributions and payroll tax in respect to outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention 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.

Leases

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

The department has a number of operating leases and payments are expensed on a basis which is representative of the pattern of benefits derived from the leased asset.

Lease Incentives

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

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

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

Employee Benefits

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.

Wages, salaries, annual leave, sick leave and skills and experience retention leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date. In 2014-15, employees were paid on 25 June for the pay period ending 26 June 2015. Accordingly, at 30 June 2015, there was a two day salary and wages accrual.

The annual leave liability and the skills and experience retention leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and the skills and experience retention leave liability are payable later than 12 months, the liability is measured at present value.

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.

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. 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.

The current portion of long service leave reflects the department's past experience of long service leave.

Provisions

Provisions are recognised when the department has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the department expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

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Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

A liability has been reported to reflect workers compensation claims. The workers compensation liability, which was based on an actuarial assessment, was provided by the Office for the Public Sector of the outstanding liability as at 30 June 2015. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The workers compensation provision is based on an actuarial assessment prepared by Taylor Fry Consulting Actuaries.

The department is responsible for the payment of workers compensation claims.

o) Unrecognised contractual commitments and contingent assets and liabilities

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

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

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 3 New and revised accounting standards and policies

The Department did not voluntarily change any of its accounting policies during 2014-15.

In accordance with the new AASB 1055 Budgetary Reporting, which became effective for the first time in 2014-15, the department has included a comprehensive new note 'Budgetary reporting and explanations of major variances' (notes 36 and A30). These notes disclose, in respect of the Statement of Comprehensive Income and Investing Expenditure Summary for both controlled and administered amounts:

- the original budget as published in the 2014-15 Budget Papers, Budget Paper 4
- a comparison of the original budget information to actual results
- explanations of major variances.

Except for AASB 2015-7 which the department has early adopted, 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 2015. The department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the department.

Note 4 Activities of the department

Information about the department's activities are set out in the disaggregated disclosures schedule. An activity is a grouping of related sub activities that contribute to the achievement of agency and government objectives.

Activity 1: Legal and Justice Services

This activity is responsible for the provision of legal services by the Crown Solicitor's Office, Office for the Director of Public Prosecutions, Solicitor-General as well as services provided by Forensic Science SA for coronial and police investigations. This activity also includes the Parliamentary Counsel and Justice Technology Services who provide a range of information technology services to justice related agencies.

From 2014-15, the activity also includes the operations of the South Australian Civil and Administrative Tribunal which commenced operation on 30 March 2015.

Activity 2: Legislation and Policy Services

This activity is responsible for providing specialist legal policy advice and developing and reviewing legislative proposals. It also undertakes research and policy development, and provides statistical and evaluation services related to criminal, civil and social justice matters.

Activity 3: Registration Services

This activity is responsible for registering and maintaining the particulars relating to births, deaths and marriages, Justices of the Peace, incorporated associations and security and investigation agents. The registration of these particulars ensures transparency in business dealings.

Activity 4: Advocacy and Guardianship Services

This activity is responsible for:

- providing information and advice about the operation of the state mental health, guardianship and administration and advance care directives legislation and related issues;
- ensuring persons with a mental incapacity have their rights to autonomy and least restrictive intervention respected;
- determining matters regarding involuntary treatment for mental health issues as well as guardianship and administration matters for people who have a mental incapacity; and
- acting as a guardian of last resort.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Activity 5: Equal Opportunity

This activity is responsible for promoting equality of opportunity for all South Australians through the administration of anti-discrimination legislation. This is achieved through:

- promoting equal opportunity principles to all South Australians;
- examining and responding to complaints of discrimination;
- providing information, education and training to encourage compliance with the legislation.

Activity 6: Police Ombudsman

Included in this activity is the requirement to maintain public confidence in, and proper accountability of the SA Police Department. These objectives are pursued through the provision of investigation oversight and where misconduct is found, recommendations of disciplinary measures are made.

Activity 7: Ombudsman Services

The objective of this activity is to ensure that the public receives fair treatment from government bodies and that public administration is reasonable and just. This is pursued through the provision of investigation and resolution services including the review of freedom of information determinations.

Activity 8: Industrial Relations

The objective of this activity is to provide services to ensure the rights and obligations of employees are protected and the relevant law applied to prevent and resolve workplace disputes.

Activity 9: Fines Enforcement and Recovery

The Fines Enforcement and Recovery Unit delivers an effective fines collection function for the state. The Unit is under the direction of the Fines Enforcement and Recovery Officer who has the necessary powers to operate an efficient and contemporary debt collection and enforcement function.

Activity 10: Consumer and Business Services

Consumer and Business Services is responsible for the promotion and protection of consumer's interests in South Australia.

Consumer and Business Services carries out a diversified role such as licensing, dispute resolution, revenue collection, and compliance with various legislative requirements. It includes services to consumers, businesses, licensed traders, and parties to residential tenancy agreements. Consumer and Business Services is also responsible for the regulation of liquor licensing, gambling (including the casino) and wagering.

Consumer and Business Services leads policy development and provides educational and awareness campaigns to ensure an informed community that is able to conduct its business fairly, efficiently, competitively and safely.

Activity 11: General/not attributable

Certain items of the Department are not allocated to activities.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 5 Employee benefits expenses

	2015	2014
	\$'000	\$'000
Salaries and wages	106,941	90,787
Employee on-costs - superannuation	12,832	12,592
Annual leave	9,570	8,924
Employee on-costs - other	6,818	5,995
Long service leave	6,138	3,542
Board fees	1,575	1,682
Workers Compensation	967	480
Skills and experience retention leave	661	491
TVSPs (refer below)	86	7,609
Other	100	567
Total employee benefit expenses	145,688	132,669

	2015	2014
	\$'000	\$'000
Targeted voluntary separation packages (TVSPs)		
Amount paid during the reporting period to separated employees:		
TVSPs	86	7,609
Annual leave, long service leave and retention leave paid	6	2,247
Recovery from the Department of Treasury and Finance	-	(7,998)
Net cost to the Department	92	1,858

The number of employees who received TVSPs during the reporting period was 1 (67).

Remuneration of officers	2015	2014
The number of officers whose remuneration received or receivable falls	No.	No.
\$141 500 to \$151 499 *	50	47
\$151 500 to \$161 499	11	9
\$161 500 to \$171 499 *	12	9
\$171 500 to \$181 499	4	3
\$181 500 to \$191 499 *	6	5
\$191 500 to \$201 499 *	8	2
\$201 500 to \$211 499	11	13
\$211 500 to \$221 499	7	14
\$221 500 to \$231 499	5	5
\$231 500 to \$241 499	3	-
\$241 500 to \$251 499 *	4	3
\$251 500 to \$261 499 *	4	3
\$261 500 to \$271 499	4	3
\$271 500 to \$281 499 *	9	10
\$281 500 to \$291 499	1	1
\$291 500 to \$301 499	2	2
\$301 500 to \$311 499 *	5	5
\$311 500 to \$321 499 *	2	3
\$321 500 to \$331 499 *	1	4
\$331 500 to \$341 499 *	1	2
\$341 500 to \$351 499 *	1	3
\$351 500 to \$361 499	-	1
\$361 500 to \$371 499	2	1
\$371 500 to \$381 499 *	-	1
\$381 500 to \$391 499 *	-	1

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

\$391 500 to \$401 499 *	-	1
\$421 500 to \$431 499 *	-	1
\$431 500 to \$441 499 *	-	1
\$451 500 to \$461 499	2	1
\$461 500 to \$471 499	-	1
\$491 500 to \$501 499	1	1
\$501 500 to \$511 499 *	-	1
\$521 500 to \$531 499	1	-
\$531 500 to \$541 499	-	2
\$541 500 to \$551 499 *	2	1
\$551 500 to \$561 499 *	1	1
Total number of officers	160	161

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

Remuneration of officers by category	2015	2014
Legal	110	109
Executive	20	22
Other	30	30
Total number of officers	160	161

The table includes all officers who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of officers reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. Total remuneration received or due and receivable by these officers was \$34 million (2014 - \$36.7 million).

NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 6 Supplies and services

	2015	2014
	\$'000	\$'000
Accommodation	20,641	16,115
Information and communications technology	16,887	14,901
Outsourced services	4,041	1,866
Contract staff	2,896	1,621
Office expenses	2,723	2,056
Staff payments	2,097	1,545
Shared Services SA charges	2,043	1,556
Legal fees	1,980	1,608
Telephone related expenses	1,801	1,311
Motor vehicle expenses	1,637	909
Laboratory supplies	1,309	1,278
Promotions and publications	1,152	1,071
Repairs, maintenance and minor purchases	1,011	987
Tax payments	855	644
Storage and archive costs	818	460
Consultancies	791	661
Insurance	277	137
Minor works	42	94
Other	4,917	4,268
Total supplies and services	67,918	53,088

The total supplies and services amount disclosed includes GST amounts not-recoverable from the ATO due to the Department not holding a valid tax invoice or payments relating to third party arrangements.

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

	No.	2015	No.	2014
		\$'000		\$'000
Below \$10,000	22	104	12	42
Between \$10,000 and \$50,000	15	364	15	302
Above \$50,000	4	323	4	317
Total paid/payable to the consultants engaged	41	791	31	661

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 7 Grants and subsidies

	2015	2014
	\$'000	\$'000
Community Legal Centres	5,642	6,080
SafeWork SA grants	3,808	-
Crime Prevention & Safe City Program	2,297	1,452
Native Title	875	875
Other	1,407	2,270
Total grants and subsidies	14,029	10,677

Note 8 Depreciation and amortisation

	2015	2014
	\$'000	\$'000
Depreciation		
Leasehold improvements	1,622	858
Plant and equipment	863	858
Information technology	220	252
Buildings and other structures	177	-
Total depreciation	2,882	1,968

Amortisation

Intangible assets	468	207
Total amortisation	468	207
Total depreciation and amortisation	3,350	2,175

Note 9 Other expenses

	2015	2014
	\$'000	\$'000
Loss on revaluation	3,961	-
Witness expenses	632	502
Doubtful debt expense	-	1
Transfer of asset to Administered Items	-	227
Other	317	298
Total other expenses	4,910	1,028

Note 10 Auditor's remuneration

	2015	2014
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements	317	298
Total auditor's remuneration	317	298

Other Services

No other services were provided by the Auditor-General's Department.

NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 11 Revenues from fees and charges

	2015	2014
	\$'000	\$'000
Licence and regulatory fees	42,985	29,988
Legal services	23,594	19,963
Network services	11,558	12,839
Recovery of expenditure	7,395	7,895
Forensic services	5,425	5,190
Other	476	172
Total revenues from fees and charges	91,433	76,047

Note 12 Recoveries

	2015	2014
	\$'000	\$'000
Recovery of expenditure for:		
Crown Solicitor's Office	7,029	6,961
Industrial Relations Court and Commission	5,267	5,135
Consumer and Business Services	678	550
Crime Statistics	-	475
Business Operations	183	114
Human Resources	58	57
Other	2,653	1,786
Total recoveries	15,868	15,078

Note 13 Grants and subsidies

	2015	2014
	\$'000	\$'000
Grants and subsidies received:		
SafeWork SA	10,951	-
Medical Panels	2,579	2,382
Workcover Ombudsman	410	419
Crown Solicitor's Office	135	135
Other	1,101	693
Total Grants and subsidies received	15,176	3,629

Note 14 Other income

	2015	2014
	\$'000	\$'000
Other	2,001	1,551
Total other income	2,001	1,551

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 15 Revenues from / payments to SA Government

	2015	2014
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriation Act	104,291	85,898
Appropriations received from the Treasurer's Contingency Fund	1,764	13,046
Total revenues from SA Government	106,055	98,944

Total revenues from Government consists of \$104.3 million (\$85.9 million) for operational and capital funding. For details on the expenditure associated with the operational funding received refer to Note 5 to 10. There were no material variations between the amount appropriated and the expenditure associated with this appropriation. Additional amounts were received during the year from the Treasurer's Contingency Fund.

The original amount appropriated under the *Annual Appropriation Act* was \$97.4 million. However the actual amount appropriated in 2014-15 was \$104.3 million. The increase was mainly due to additional funding provided to the Fines Enforcement and Recovery Unit during the year.

Note 16 Cash and cash equivalents

	2015	2014
	\$'000	\$'000
Deposits with the Treasurer	30,502	25,656
Cash and cheques in transit	-	124
Cash on hand (including petty cash)	92	56
Total cash and cash equivalents	30,594	25,836

Deposits with the Treasurer

Includes funds held in the Accrual Appropriation Excess Funds Account of \$15.5 million (2014 - \$12.4 million). The balances of these funds are not available for general use ie funds can only be used in accordance with the Treasurer's/Under Treasurer's approval.

Interest rate risk

Cash on hand is non-interest bearing. 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.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 17 Receivables

	2015	2014
	\$'000	\$'000
Receivables	10,311	10,072
Less allowance for doubtful debts	(794)	(794)
GST receivable	1,336	536
Prepayments	754	617
Total receivables	11,607	10,431

Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (ie calculated on past experience and current and expected changes in client credit rating) that a receivable is impaired.

An allowance for impairment loss has been recognised in 'other expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Movements in the allowance for doubtful debts (impairment loss)	2015	2014
	\$'000	\$'000
Carrying amount at the beginning of the period	794	794
(Decrease)/Increase in the allowance	-	-
Carrying amount at the end of the period	794	794

Interest rate and credit risk

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

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

a) Maturity analysis of receivables - Refer to table in Note 30

b) Categorisation of financial instruments and risk exposure information - Refer to Note 30

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 18A Property, plant and equipment

	2015 \$'000	2014 \$'000
Land & buildings		
Land at fair value	590	-
Buildings	5,481	-
Accumulated depreciation	(1)	-
Total land and buildings	6,070	-
Leasehold improvements		
Leasehold improvements at fair value	18,452	13,849
Accumulated amortisation	(1,954)	(6,517)
Total leasehold improvements	16,498	7,332
Plant and equipment		
Plant and equipment at fair value	11,867	11,279
Accumulated depreciation	(9,727)	(9,122)
Total plant and equipment	2,140	2,157
Information technology		
Information technology at fair value	6,964	6,914
Accumulated depreciation	(6,579)	(6,359)
Total information technology	385	555
Library Collections		
Library collections at cost (deemed fair value)	407	407
Total library collections	407	407
Capital work in progress		
Capital work in progress at cost	321	379
Total capital work in progress	321	379
Total property, plant and equipment	25,821	10,830

⁽¹⁾ Valuations of land & buildings and leasehold improvements were performed by Martin Burns, M.B.A., B.App.Sc. Property Resource Management, AAPI, an independent Certified Practising Valuer of Liquid Pacific as at 30 June 2015.

⁽²⁾ There were no indications of impairment of plant and equipment at 30 June 2015.

Carrying amount of library collections

All items within the library collection had 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', and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These asset are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 18B Property, plant and equipment movement schedule

	Land & Buildings	Leasehold Improvements	Plant and Equipment
	\$'000	\$'000	\$'000
Carrying amount 1 July 2014	-	7,332	2,157
Additions	174	2,875	526
Depreciation and amortisation	(177)	(1,622)	(863)
Transfer in from restructure	10,034	2,819	96
Transfer from/to Work in Progress	-	111	258
Revaluation	(3,961)	4,983	-
Disposals	-	-	(34)
Other changes	-	-	-
Carrying amount 30 June 2015	6,070	16,498	2,140

	Information Technology	Library Collections	Capital Work in Progress	Total Property, Plant and Equipment
	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2014	555	407	379	10,830
Additions	50	-	311	3,936
Depreciation and amortisation	(220)	-	-	(2,882)
Transfer in from restructure	-	-	-	12,949
Transfer from/to Work in Progress	-	-	(369)	-
Revaluation	-	-	-	1,022
Disposals	-	-	-	(34)
Other changes	-	-	-	-
Carrying amount 30 June 2015	385	407	321	25,821

	Leasehold Improvements	Plant and Equipment
	\$'000	\$'000
Carrying amount 1 July 2013	7,446	2,579
Additions	744	450
Depreciation and amortisation	(858)	(858)
Asset donated free of charge	-	11
Donated Assets	-	(5)
Disposals	-	(20)
Other changes	-	-
Carrying amount 30 June 2014	7,332	2,157

	Information Technology	Library Collections	Capital Work in Progress	Total Property, Plant and Equipment
	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2013	623	407	14	11,069
Additions	184	-	592	1,970
Depreciation and amortisation	(252)	-	-	(1,968)
Asset donated free of charge	-	-	-	11
Donated Assets	-	-	-	(5)
Disposals	-	-	-	(20)
Other changes	-	-	(227)	(227)
Carrying amount 30 June 2014	555	407	379	10,830

NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 19A Intangible assets

	2015	2014
	\$'000	\$'000
Computer software		
Internally developed computer software	6,680	3,444
Accumulated amortisation	(3,355)	(2,932)
Total Computer software	3,325	512
	2015	2014
	\$'000	\$'000
Work in progress		
Intangible work in progress at cost	4,304	3,422
Total Work in progress	4,304	3,422
Total Intangible assets	7,629	3,934

Note 19B Intangibles movement schedule

	Computer Software \$'000	Intangible work in progress \$'000	Total Intangibles \$'000
Carrying amount 1 July 2014	512	3,422	3,934
Additions	2,111	2,110	4,221
Transfers from/to WIP	1,228	(1,228)	-
Depreciation and amortisation	(468)	-	(468)
Disposal	(22)	-	(22)
Donated out asset	(36)	-	(36)
Other changes	-	-	-
Carrying amount 30 June 2015	3,325	4,304	7,629

	Computer Software \$'000	Intangible work in progress \$'000	Total Intangibles \$'000
Carrying amount 1 July 2013	572	1215	1,787
Additions	147	2,207	2,354
Transfers from/to WIP	-	-	-
Depreciation and amortisation	(207)	-	(207)
Other changes	-	-	-
Carrying amount 30 June 2014	512	3,422	3,934

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 20 Fair Value Measurement

Fair Value Hierarchy

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

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2015.

Fair value measurements at 30 June 2015	Level 2	Level 3	2015
Recurring fair value measurements	\$'000	\$'000	\$'000
Land and building (note 18A)	590	5,480	6,070
Leasehold improvements (note 18A)	-	16,498	16,498
Information Technology (note 18A)	-	385	385
Library collections (note 18A)	-	407	407
Plant and Equipment (note 18A)	-	2,140	2,140
Total recurring fair value measurements	590	24,910	25,500

Fair value measurements at 30 June 2014	Level 2	Level 3	2014
Recurring fair value measurements	\$'000	\$'000	\$'000
Leasehold improvements (note 18A)	-	7,332	7,332
Information Technology (note 18A)	-	555	555
Library collections (note 18A)	-	407	407
Plant and Equipment (note 18A)	-	2,157	2,157
Total recurring fair value measurements	-	10,451	10,451

Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard.

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. The Department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Reconciliation of recurring fair value measurements - Level 3

	Land and building	Leasehold improvements	Information Technology	Library Collections	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount at 1 July 2014	-	7,332	555	407	2,157	10,451
Additions	174	2,875	50	-	526	3,625
Transfer from/to Work in Progress	-	111	-	-	258	369
Transfer in from restructure	9,284	2,819	-	-	96	12,199
Assets donated free of charge	-	-	-	-	-	-
Disposals	-	-	-	-	(34)	(34)
Donated asset	-	-	-	-	-	-
Gains/(losses) for the period recognised in the net result:						
Revaluation	(3,801)	-	-	-	-	(3,801)
Depreciation and amortisation	(177)	(1,622)	(220)	-	(863)	(2,882)
Total gains/(losses) for the period recognised in net result	(3,978)	(1,622)	(220)	-	(863)	(6,683)
Gains/(losses) for the period recognised in other comprehensive income:						
Revaluation	-	4,983	-	-	-	4,983
Total gains/(losses) recognised in OCI	-	4,983	-	-	-	4,983
Carrying Amount at 30 June 2015	5,480	16,498	385	407	2,140	24,910

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Reconciliation of recurring fair value measurements - Level 3

	Leasehold Improvements	Information Technology	Library Collections	Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount at 1 July 2013	7446	623	407	2579	11055
Additions	744	184	-	450	1378
Assets donated free of charge	-	-	-	11	11
Disposals	-	-	-	(20)	(20)
Donated asset	-	-	-	(5)	(5)
Subtotal	8,190	807	407	3,015	12,419
Gains/(losses) for the period recognised in net result:					
Depreciation and amortisation	(858)	(252)	-	(858)	(1,968)
Subtotal	(858)	(252)	-	(858)	(1,968)
Gains/(losses) for the period recognised in other comprehensive income:	-	-	-	-	-
Subtotal	-	-	-	-	-
Carrying Amount at 30 June 2014	7,332	555	407	2,157	10,451

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 21 Payables

	2015	2014
	\$'000	\$'000
Current		
Accruals	9,291	6,902
Creditors	2,898	2,425
Employee on-costs	1,923	1,675
Other current payables	29	46
Total current payables	14,141	11,048
Non-Current		
Employee on-costs	2,721	1,997
Total non-current payables	2,721	1,997
Total payables	16,862	13,045

The Department of Treasury and Finance has performed an actuarial assessment of long service leave as at 30 June 2015. The percentage of the proportion of long service leave taken as leave has decreased from the 30 June 2014 percentage rate of 40% to 37% for 30 June 2015 and the average factor for the calculation of employer superannuation on-cost is 10.3% (10.3% 2014). These rates are used in the employment on-cost calculation. The financial effect of the change in the superannuation on-cost rate on employment on-costs and employee benefit expense is immaterial.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed. Employment on-costs are settled when the respective employee benefit they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

- a) Maturity analysis of payables - Refer to table in Note 30
- b) Categorisation of financial instruments and risk exposure - Refer to Note 30

Note 22 Employee benefits

	2015	2014
	\$'000	\$'000
Current		
Annual leave	8,800	7,356
Long service leave	2,597	3,792
Skills and experience retention leave	980	593
Accrued salaries and wages	935	379
Total current employee benefits	13,312	12,120
Non-Current		
Long service leave	30,399	21,487
Total non-current employee benefits	30,399	21,487
Total employee benefits	43,711	33,607

AASB 119 contains the calculation methodology for long service leave liability. An actuarial assessment performed by the Department of Treasury and Finance was used to calculate the liability.

AASB 119 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 decreased from 2014 (3.5%) to 2015 (3%).

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

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$1.15 million and employee benefit expense of \$1.15 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability.

The Public Sector Skills and Experience Retention leave entitlement applies as from 1 July 2012 to public sector employees who have completed 15 or more years of effective service who are employed under the *Public Sector Act 2009*.

Note 23 Provisions

	2015	2014
	\$'000	\$'000
Current		
Provision for workers compensation	535	464
Total current provisions	535	464
Non-Current		
Provision for workers compensation	1,793	1,537
Total non-current provisions	1,793	1,537
Total provisions	2,328	2,001
Movement in provisions		
Carrying amount at the beginning of the period	2,001	1,804
Increase (reduction) in provisions recognised	327	197
Carrying amount at the end of the period	2,328	2,001

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector.

Note 24 Other liabilities

	2015	2014
	\$'000	\$'000
Current		
Other	72	76
Total current other liabilities	72	76

Other liabilities relate to unclaimed monies and accounts receivable refunds.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 25 Cash flow reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Balance as per the Statement of Cash Flows	30,594	25,836
Cash and cash equivalents disclosed in the Statement of Financial Position	30,594	25,836
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by (used in) operating activities	12,055	(421)
Less Revenues from SA Government	(106,055)	(98,944)
Add Payments to SA Government	-	-
Add/(less) non cash items		
Depreciation and amortisation expense	(3,350)	(2,175)
Loss on disposal	(54)	(20)
Donated Assets	(36)	(16)
Non-current assets accrual in payables	824	556
Decrements on revaluation of non-current assets	(3,961)	-
Adjustment on restructure	7,119	-
Other non-cash items	(2)	1,224
Movement in assets and liabilities		
Increase/(Decrease) in receivables	1,175	(106)
Increase/ (Decrease) in lease incentive receivable	642	-
Decrease/(Increase) in payables	(3,817)	3,165
Decrease/(Increase) in employee benefits	(10,104)	(1,675)
Decrease/(Increase) in provisions	(327)	(197)
Decrease in lease incentive liability	108	687
Decrease/(Increase) in other liabilities/borrowings	4	(48)
Net cost of providing services	(105,779)	(97,970)

Note 26 Unrecognised Contractual Commitments

Operating Leases Commitments

Commitments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2015	2014
	\$'000	\$'000
Within one year	17,585	13,740
Later than one year but not longer than five years	43,631	33,794
Later than five years	18,932	8,837
Total operating leases commitments	80,148	56,371

The accommodation and office equipment leases are non-cancellable leases with rental payable monthly in advance.

Contingent rental provisions within the accommodation lease agreements provide for the minimum lease payments to be increased on specified rent review dates. Options exist to renew the accommodation leases at the end of the term of the lease.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Remuneration Commitments

Expenditure commitments - Remuneration

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2015	2014
	\$'000	\$'000
Within one year	16,966	18,184
Later than one year but not longer than five years	28,262	37,774
Later than five years	37	40
Total remuneration commitments	<u>45,265</u>	<u>55,998</u>

Amounts disclosed include commitments arising from executive contracts. The Department does not normally offer fixed-term remuneration contracts greater than five years.

	2015	2014
	\$'000	\$'000
Other Commitments		
Grants (1)	2,124	50
Motor Vehicles (2)	1,639	1,059
Other (3)	644	637
Total	<u>4,407</u>	<u>1,746</u>
Within one year	3,410	1,302
Later than one year but not longer than five years	997	444
Total other commitments	<u>4,407</u>	<u>1,746</u>

(1) Grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement.

(2) Agreements for the provision of motor vehicles to executive officers or sections (i.e. pool vehicles) are leased from SAFA through their agent LeasePlan Australia. There are no purchase options available to the Department.

(3) Other commitments relate to purchase orders placed for goods and services before 30 June 2015, maintenance agreements for Forensic Science, contractor agreements for Fines Enforcement and Recovery Unit.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 27 Transferred functions 2014-15

Under the Public Sector (Reorganisation of Public Sector Operations) Notice 2013, from 1 July 2014 the Department took on responsibility for SafeWork SA from the Department of Premier and Cabinet.

Assets and liabilities relating to SafeWork SA were transferred to the Department as at 1 July 2014.

	SafeWork SA \$'000	Total \$'000
Current Assets		
Cash and cash equivalents	36	36
Receivables	193	193
Total current assets	229	229
Non-Current Assets		
Receivables	1	1
Property, plant and equipment	12,949	12,949
Total non-current assets	12,950	12,950
Total assets	13,179	13,179
Current Liabilities		
Payables	865	865
Employee benefits	2,400	2,400
Provisions	12	12
Total current liabilities	3,277	3,277
Non-Current Liabilities		
Payables	340	340
Employee benefits	3,664	3,664
Provisions	31	31
Total non-current liabilities	4,035	4,035
Total liabilities	7,312	7,312
Net Assets transferred in	5,867	5,867

Net assets transferred into the Department as a result of the administrative restructure were at the carrying amount. The net assets transferred in were treated as a contribution from the Government as owner.

2013-14

Under the Public Sector (Reorganisation of Public Sector Operations) Notice 2013, from 3 February 2014 the Department took on responsibility for the Fines Enforcement and Recovery function from the Courts Administration Authority.

Assets and liabilities relating to this function were transferred to the Department as at 3 February 2014.

NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

	Fines Enforcement and Recovery \$'000	Total \$'000
Current Assets		
Cash and cash equivalents	906	906
Total current assets	906	906
Non-Current Assets		
Receivables	-	-
Property, plant and equipment	10	10
Intangible assets	-	-
Total non-current assets	10	10
Total assets	916	916
Current Liabilities		
Payables	36	36
Employee benefits	254	254
Total current liabilities	290	290
Non-Current Liabilities		
Payables	57	57
Employee benefits	559	559
Total non-current liabilities	616	616
Total liabilities	906	906
Net Assets transferred in	10	10

Net assets transferred into the Department as a result of the administrative restructure were at the carrying amount. The net assets transferred in were treated as a contribution from the Government as owner.

Total income and expenses attributable to the Fines Enforcement and Recovery function for 2013-14 were:

	CAA 1.7.13 - 31.01.14 \$'000	AGD 3.2.14 - 30.06.14 \$'000	Total \$'000
Revenues from SA Government	7,382	3,896	11,278
Fees, Fines and Penalties	1,931	100	2,031
Total income	9,313	3,996	13,309
Employee benefits	4,901	3,182	8,083
Supplies and services	2,824	2,692	5,516
Other expenses	1,525	-	1,525
Total expenses	9,250	5,874	15,124
Net result	63	(1,878)	(1,815)

Note 28 Contingent assets and liabilities

There are no contingent assets and liabilities as at 30 June 2015.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 29 Remuneration of Board and Committee Members

Members that were entitled to receive remuneration for membership during the 2014-15 financial year were:

Guardianship Board (Exp: 30 March 2015)

J E Anderson (Exp: 16/12/14)

M Bagato

G M Berce

E M Bishop

G B Box

R A Clancy

L Clark*

J F Clarke

D T Coyte

K M J Dahl*

B M Day

L A Denson

D Dorstyn

A P Durkin (Apt: 16/10/2014)

P C Gaughwin

L Gilfillan (Apt: 16/10/2014)

D E Gursansky

R C Halliday

K J Hoffensetz

E Huxtable

A G King

J Lammersma (Exp: 20/07/2014)

F H Lampard

S A Langton

C D Lester

A Macolino

R Maerschel

A V McLean

K J Millar

J J Moore*

S McLean

J M Petrie

N J Rainford

G L D Rawson (Apt: 21/07/2014)

T M Rymill

I L Shephard (Exp: 16/12/2014)

L V Sheppeard

P L Simpson

E F Skinner (Apt: 21/07/2014)

G N Twohig

Residential Tenancies Tribunal (Exp: 30 March 2015)

M S Alvino

H J Anderson

S W Andrew

J Bakas

J Barnes

P V Carey

P J Duffy

J S Dunstone

I W Garnham

S Georgiadis

B E Johns

P K Mickan

A M Radin

T M Rymill

S J G Thomas

G N Twohig

R T Vincent

South Australian Sentencing Advisory Council

P J Alexander (Apt: 31/01/2015)

L J Chapman (Apt: 31/01/2015)

K P Duggan (Apt: 31/01/2015)

I D Leader-Elliott (Apt: 31/01/2015)

D A McLennan

G Mead (Apt: 1/02/2015)

C M Mealor (Apt: 1/02/2015)*

E F Nelson (Apt: 1/02/2015)

M J O'Connell (Apt: 31/01/2015)*

I D Press (Apt: 31/01/2015)*

K K Thomas*

L Williams

M R Woods (Apt: 1/02/2015)

Forensic Science Advisory Committee

B J Kearney*

A P Kimber*

C M Mealor*

G J Stevens*

M J Wieszyk*

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Health Practitioners Tribunal (Exp: 30 March 2015)

T W Abrahams
K A Adams-Leask*
J P Adley
C P Alderman*
K R Allen
M L B Ardlie*
L J Banner
C C Bindon
A Booth*
R D Boyd
B D Branson*
G M Brideson
M E Burnett
N Burton
L Z Chen
M C De Rohan
L E Denley
B M Dilettoso
D J Donaghey*
K M Duffy*
J S Dunstone
V Farmer
M H Feldman
L Feng
C D Field
N C Galatis
P C Gaughwin
P A Glover
E Golding
J L Graham*
D E Gursansky
N M Haensel*
R E Hardy
W A Harvey*
R C Heah
P J Henschke
A C Holliday*
R F Horden
K A Hough*
D M Jeffries
D M Kay
M A Kirkman
L R Knolder
A T Lindschau
R A Mack
C Maiolo
R J Marotti*
J C McMahon
K H McEwen
J M McKat
D J Mensforth

A M Milich*
A M Milln
H L Moddy
M R Moy
N B Murray
T Namow
D Ng
M F O'Keefe
K O Osborne
T Parmiter*
M P W Parsons
A C Patten
M B Pattison
A M Pierce
C J Pirone*
G R Pitcher
K L Plastow
M B Porter
C Pratten
T L R Quarmby
S M Raphael
N P Reynolds
D T Riseley
S D Rogers
L Rose
D A Sainsbury*
J F Scott
L M Siegloff
C J Simpson
J E Smith
W H Squire
B H Steele
B B Stefan-Rasmus*
M A Steffens
B R Supple
D N Thakur
K A Thornton
R L Timbs
I P Todd
D Tsiopelas
A L Van Essen
C A Wagner
S M Waters
D J Welch*
M Wharton*
S E White*
C L Whiteford
L M Whiteway
L K M Wiles
A Willson

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

SafeWork SA Advisory Council

D Blairs (Exp: 8/02/2015)
M Boland
R Cairney
A M Cartledge*
J M Cavanough*
B J Grant* (Exp: 8/02/2015)
M N Heylen
G McCarthy
T R Phillips*
J Szakacs (Exp: 30/11/2014)
D Thompson (Exp: 30/06/2015)

Mining and Quarrying Occupational Health and Safety Committee

A M Cartledge
W Hanson
E McInerney
E L Munchenberg
G J Murray
M J O'Malley
K S Tolotta*
M Hanson
G J Sauer*
N R Long
H J McDonald

Industrial Relations Advisory Committee

D Blairs
M Boland
R Cairney
W A Campana
T E Evans
D Gray
J E Hanson
S A Hills
J McMahon
A L Moeller
A Purdy
J Rau*
C Starr
A Story

Audit and Risk Management Committee

T. Brumfield *
M. Hanson *
G. Jaksa *
P. Martin
K. Tolotta *
M. Turner *
D. Soulio *
A. Gale *

Work Health and Safety Act 2012 Review Committee Panels

D A Black
R Cairney
J M Cavanough*
C J Cini
M J Donald
T Earls
T E Evans
A P Fairley
J M Giles
A M Gleeson
R Harding
D L Hegarty

S A Hills
N E Kitchen
B Mitropoulos
A L Moeller
V Moore
D J Roberts
R Wormald

Asbestos Advisory Committee

T Altman (Exp: 2/11/2014)
A Amorosi (Exp: 2/11/2014)
J L Barkla (Exp: 2/11/2014)*
M Boland
C Brown (Exp: 2/11/2014)
J A Flavel (Exp: 2/11/2014)
P A Jamieson
C Jones (Exp: 2/11/2014)
S Mangas (Exp: 2/11/2014)
T W Miller (Exp: 2/11/2014)
K Mitchell
D J Roberts (Exp: 2/11/2014)
J K Szakacs

SA Classification Council

B E Biggins
M J Dawson
A P Durkin
E Huxtable
G S Karzis
J J Redman

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

South Australian Civil and Administrative Tribunal (operational from 30 March 2015)

M Alvino (Apt: 16/03/2015)	J Lammersma (Apt: 1/10/2014)
M Bagato (Apt: 1/10/2014)	F Lampard (Apt: 1/10/2014)
J Bakas (Apt: 16/03/2015)*	S Langton (Apt: 1/10/2014)
J Barnes (Apt: 1/10/2014)	C Lester (Apt: 16/03/2015)*
G Berce (Apt: 1/10/2014)	R Maerschel (Apt: 1/10/2014)
G Box (Apt: 1/10/2014)	H Mares (Apt: 1/10/2014)
A Burgess (Apt: 1/10/2014)	K McEvoy (Apt: 5/02/2015)
L A Clark (Apt: 3/03/2014)	P Mickan (Apt: 1/10/2014)
D Coyte (Apt: 1/10/2014)	K Millar (Apt: 1/10/2014)
B Day (Apt: 1/10/2014)	G Parker (Apt: 14/11/2013)
M D Rohan (Apt: 1/10/2014)	J Petrie (Apt: 1/10/2014)
P Duffy (Apt: 1/10/2014)	M Radin (Apt: 1/10/2014)
J Dunstone (Apt: 1/10/2014)	N Rainford (Apt: 16/03/2015)*
A Faulkner (Apt: 1/10/2014)	G Rawson (Apt: 1/10/2014)
J Forgan (Apt: 1/10/2014)	J Richardson (Apt: 1/10/2014)
I Garnham (Apt: 1/10/2014)	E Skinner (Apt: 1/10/2014)
S Georgiadis (Apt: 16/03/2015)	D Stevens (Apt: 1/10/2014)
L Gilfillan (Apt: 16/03/2015)*	M Stevens (Apt: 19/01/2015)*
J Gipslis (Apt: 1/10/2014)	L Sudano (Apt: 1/10/2014)
D Gursansky (Apt: 1/10/2014)	S Thomas (Apt: 1/10/2014)
R Halliday (Apt: 1/10/2014)	K Tredrea (Apt: 19/01/2015)*
L Hastwell (Apt: 1/10/2014)	N Twohig (Apt: 1/10/2014)
E Huxtable (Apt: 1/10/2014)	L Valentine (Apt: 1/10/2014)
A King (Apt: 1/10/2014)	D Watson (Apt: 1/10/2014)

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

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

	2015	2014
\$0 - \$9 999	264	187
\$10 000 - \$19 999	19	17
\$20 000 - \$29 999	7	6
\$30 000 - \$39 999	3	4
\$40 000 - \$49 999	2	2
\$50 000 - \$59 999	5	3
\$60 000 - \$69 999	2	4
\$70 000 - \$79 999	1	2
\$100 000 - \$109 998	-	1
\$120 000 - \$129 999	1	-
\$140 000 - \$149 999	-	1
\$180 000 - \$189 999	1	-
\$270 000 - \$279 999	-	1
Total number of members	305	228

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$1.7 million (2014 - \$1.8 million).

Amounts paid to a superannuation plan for board/committee members was \$0.14 million (2014 - \$0.15 million).

The Guardianship Board, Residential Tenancies Tribunal and Health Practitioners Tribunal were abolished in March 2015 and some members transitioned to the South Australian Civil and Administrative Tribunal.

Remuneration for members of the Residential Tenancies Tribunal is paid for by the Residential Tenancies Fund (the Fund). Activities of the Fund are administered by the Attorney-General's Department and included within administered activity 5 'Trust Accounts'. Payments to these members are included above.

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.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 30 Financial Instruments/Financial Risk Management.

Risk management is managed by the Department's corporate services section and the 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 is exposed to financial risk - liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

(a) Categorisation of financial instruments

Details of 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 2 "Summary of Significant Accounting Policies".

Category of financial assets and financial liabilities	Statement of Financial Position line item	Note	Carrying Amount 2015 \$'000	Fair Value 2015 \$'000	Carrying Amount 2014 \$'000	Fair Value 2014 \$'000
Financial assets						
Cash and cash equivalents	Cash and cash equivalents	16	30,594	30,594	25,836	25,836
Loans and receivables	Receivables ^{(1) (2)}	17	9,517	9,517	9,278	9,278
Financial liabilities						
Financial liabilities - at cost	Payables ⁽¹⁾	21	10,427	10,427	7,980	7,980
	Other liabilities	24	72	72	76	76

(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 the disclosure. The standard defines 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 17 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 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.

Fair Value

The Department does not recognise any financial assets or financial liabilities at fair value (refer to Note 2 Summary of Significant Accounting Policies).

Credit Risk

The Department has no significant concentration of credit risk. The Department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Allowances for impairment of financial assets are calculated on past experiences and expected changes in client credit rating. Currently the Department does not hold any collateral as security for any of its financial assets. Other than receivables there is no evidence to indicate that financial assets are impaired. The following table discloses the ageing of financial assets past due. There are no Financial Assets administered by the Department past due.

(b) Ageing analysis of financial assets

The following table discloses the ageing of financial assets which are past due, analysed into those assets which are impaired and not impaired.

	Past due by			Total \$'000
	Overdue for < 30 days \$'000	Overdue for 30 - 60 days \$'000	Overdue for > 60 days \$'000	
2015				
Not impaired				
Receivables (1)	9,520	496	294	10,310
Impaired				
Receivables	-	-	794	794
2014				
Not impaired				
Receivables (1)	679	172	1,147	1,998
Impaired				
Receivables	-	-	794	794

(c) Maturity analysis of financial assets and liabilities

The following table discloses the maturity analysis of financial assets and financial liabilities.

	Contractual Maturities			
	Carrying amount (\$'000)	< 1 year (\$'000)	1-5 years (\$'000)	> 5 years (\$'000)
2015				
Financial assets				
Cash & cash equivalents	30,594	30,594	-	-
Receivables (1)	9,517	9,517	-	-
Total Financial assets	40,111	40,111	-	-
Financial liabilities				
Payables (1)	10,427	10,427	-	-
Other liabilities	72	72	-	-
Total Financial liabilities	10,499	10,499	-	-
	Contractual Maturities			
	Carrying amount (\$'000)	< 1 year (\$'000)	1-5 years (\$'000)	> 5 years (\$'000)
2014				
Financial assets				
Cash & cash equivalents	25,836	25,836	-	-
Receivables (1)	9,278	9,278	-	-
Total Financial assets	35,114	35,114	-	-
Financial liabilities				
Payables (1)	7,980	7,980	-	-
Other liabilities	76	76	-	-
Total Financial liabilities	8,056	8,056	-	-

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables.

Liquidity Risk

The Department is funded principally from appropriations by the SA Government. The Department works with the Department of Treasury and Finance 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 outflows.

The continued existence of the Department in its present form, and with its present programs, is dependent on State Government policy and on continuing appropriations by Parliament for the Department's administration and programs. The Department aims to settle undisputed accounts within 30 days from the date the invoice is first received.

The Department's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

Market Risk

The Department currently holds no interest bearing financial instruments and is not exposed to interest rate risk.

Sensitivity Disclosure Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Department as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

Note 31 Resources received free of charge

	2015 \$'000	2014 \$'000
Goods received free of charge	-	11
Services received free of charge	700	-
Total resources received free of charge	700	11

During 2014-15, ReturnToWorkSA provided in-kind services to SafeWork SA in relation to work, health and safety preventative activities valued at \$700,000.

Note 32 Prior Period adjustments to equity

Adjustments have been made relating to 2013-14 transactions that were not recorded in the 2013-14 financial statements. This amounts to \$1.4 million and has been disclosed as a prior period adjustment to retained earnings in the Statement of Changes in Equity. This includes a receivables and revenue from fees and charges adjustment of \$438,000 for the Crown Solicitors Office, a payables adjustment of \$1.05 million for Supplies and Services invoices received late.

Note 33 Net Loss from the disposal of non current assets

	2015 \$'000	2014 \$'000
Plant and equipment		
Proceeds from disposal	-	-
Less net book value of assets disposed	54	20
Net loss from disposal of plant and equipment	54	20
Total net loss from disposal of assets	54	20

Note 34 Events after reporting period

As a result of restructuring of administrative arrangements outlined in the Government Gazette on 21 May 2015, the Department gained administrative responsibility for State Records SA from the Department of the Premier and Cabinet effective 1 July 2015.

NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

Note 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	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	EXPENSES						
5	Employee benefits expenses	6,818	5,995	138,870	126,674	145,688	132,669
6	Supplies and services						
	Accommodation	19,685	15,577	956	538	20,641	16,115
	Information and communications technology	5,307	2,821	11,580	12,080	16,887	14,901
	Outsourced services	198	-	3,843	1,866	4,041	1,866
	Contract staff	13	-	2,883	1,621	2,896	1,621
	Office expenses	2	98	2,721	1,958	2,723	2,056
	Staff payments	153	-	1,944	1,545	2,097	1,545
	Shared Services SA charges	2,043	1,541	-	15	2,043	1,556
	Legal fees	155	-	1,825	1,608	1,980	1,608
	Telephone related expenses	1,199	841	602	470	1,801	1,311
	Motor vehicle expenses	1,558	15	79	894	1,637	909
	Laboratory supplies	-	-	1,309	1,278	1,309	1,278
	Promotions and publications	21	31	1,131	1,040	1,152	1,071
	Repairs, maintenance and minor purchases	8	81	1,003	906	1,011	987
	Tax payments	74	-	781	644	855	644
	Storage and archive costs	15	12	803	448	818	460
	Consultancies	-	-	791	661	791	661
	Insurance	277	137	-	-	277	137
	Minor works	3	-	39	94	42	94
	Other	4,161	954	756	3,314	4,917	4,268
7	Grants and subsidies						
	Community Legal Centres	-	-	5,642	6,080	5,642	6,080
	SafeWork SA	-	-	3,808	-	3,808	-
	Crime Prevention & Safe City Program	940	283	1,357	1,169	2,297	1,452
	Native Title	-	-	875	875	875	875
	Other	562	152	845	2,118	1,407	2,270
8	Depreciation and amortisation expense	3,350	2,175	-	-	3,350	2,175
	Donated asset	36	5	-	-	36	5
33	Net loss from disposal of non-current assets	54	20	-	-	54	20
9	Other expenses						
	Loss on revaluation	3,961	-	-	-	3,961	-
	Witness expenses	632	502	-	-	632	502
	Doubtful debt expense	-	-	-	1	-	1
	Transfer of asset to Administered Items	-	227	-	-	-	227
	Other	317	298	-	-	317	298
	TOTAL EXPENSES	51,542	31,765	184,443	167,897	235,985	199,662

NOTES TO THE ACCOUNTS
For the year ended 30 June 2015

	INCOME						
11	Revenues from fees and charges						
	Licence and regulatory fees	-	-	42,985	29,988	42,985	29,988
	Legal services	13,711	13,989	9,883	5,974	23,594	19,963
	Network services	11,022	12,839	536	-	11,558	12,839
	Recovery of expenditure	5,862	7,895	1,533	-	7,395	7,895
	Forensic services	4,303	4,455	1,122	735	5,425	5,190
	Other	98	19	378	153	476	172
12	Recoveries						
	Crown Solicitor's Office	5,840	5,545	1,189	1,416	7,029	6,961
	Industrial Relations Court & Commission	4,496	5,135	771	-	5,267	5,135
	Consumer and Business Services	48	-	630	550	678	550
	Crime Statistics	-	-	-	475	-	475
	Business Operations	84	84	99	30	183	114
	Human Resources	4	39	54	18	58	57
	Other	-	-	2,653	1,786	2,653	1,786
	Commonwealth revenue	-	-	5,028	5,376	5,028	5,376
13	Grants and subsidies						
	SafeWork SA	10,951	-	-	-	10,951	-
	Medical Panels	2,571	2,382	8	-	2,579	2,382
	Workcover Ombudsman	314	-	96	419	410	419
	Crown Solicitor's Office	135	135	-	-	135	135
	Other	382	689	719	4	1,101	693
31	Donated asset	700	11	-	-	700	11
14	Other income	-	-	2,001	1,551	2,001	1,551
15	Revenues from SA Government	106,055	98,944	-	-	106,055	98,944
	TOTAL INCOME	166,576	152,161	69,685	48,475	236,261	200,636
	FINANCIAL ASSETS						
17	Receivables						
	Receivables	8,681	10,072	1,630	-	10,311	10,072
	Less allowance for doubtful debts	(741)	(741)	(53)	(53)	(794)	(794)
	GST receivable	-	-	1,336	536	1,336	536
	Prepayments	-	-	754	617	754	617
	Lease incentive receivable	642	-	-	-	642	-
	TOTAL FINANCIAL ASSETS	8,582	9,331	3,667	1,100	12,249	10,431
	FINANCIAL LIABILITIES						
21	Payables						
	Accruals	2,899	2,409	6,392	3,442	9,291	5,851
	Creditors	1,455	613	1,443	1,812	2,898	2,425
	Employee on-costs	666	629	1,257	1,046	1,923	1,675
	Other current payables	-	-	29	23	29	23
	FINANCIAL LIABILITIES	5,020	3,651	9,121	6,323	14,141	9,974

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

Note 36 Budgetary Reporting and Explanations of major variances between budget and actual amounts

Explanations are required to be provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses. Based on this threshold, there are no material variances listed below.

	Original Budget ¹ 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
Note			
Expenses			
Employee benefits expenses	143,511	145,688	2,177
Supplies and services	69,968	67,918	(2,050)
Grants and subsidies	14,579	14,029	(550)
Depreciation and amortisation	5,802	3,350	(2,452)
Donated asset	-	36	36
Net loss from the disposal of non-current assets	-	54	54
Other expenses	1,408	4,910	3,502
Total expenses	235,268	235,985	717
Income			
Revenues from fees and charges	95,611	91,433	(4,178)
Recoveries	19,479	15,868	(3,611)
Commonwealth revenue	5,791	5,028	(763)
Grants and subsidies	9,261	15,176	5,915
Resources received free of charge	700	700	-
Other income	5,212	2,001	(3,211)
Total income	136,054	130,206	(5,848)
Net cost of providing services	(99,214)	(105,779)	(6,565)
Revenues from / payments to SA Government			
Revenues from SA Government	97,446	106,055	8,609
Net result	(1,768)	276	2,044
Other Comprehensive Income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus	-	4,983	4,983
Total other comprehensive result	-	4,983	4,983
Total comprehensive result	(1,768)	5,259	7,027

¹ These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

NOTES TO THE ACCOUNTS

For the year ended 30 June 2015

		Original Budget ¹ 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
Investing Expenditure Summary	Note			
Total new projects				
Total existing projects		3,073	4,517	1,444
Total annual programs		1,313	3,640	2,327
Total investing expenditure		4,386	8,157	3,771

¹ These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

Attorney-General's Department

STATEMENT OF ADMINISTERED COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Expenses			
Payments to Consolidated Account		358,477	349,766
Grants and subsidies	A8	42,931	44,389
Victims of Crime payments	A9	12,578	12,302
State Rescue Helicopter Service charges	A10	11,875	11,593
Employee benefits expenses	A11	21,231	18,692
Depreciation and amortisation	A12	6,747	6,317
Donated asset	A17B	6,170	11
Net loss from the disposal of non-current assets	A7	51	610
Other expenses	A13	71,409	46,007
Total expenses		531,469	489,687
Income			
Taxation revenue	A2	290,823	302,856
Revenues from SA Government	A3	97,017	75,904
Fines and related fees		78,954	29,285
Victims of Crime levies		42,668	37,638
Government Radio Network recoveries		25,046	24,300
Commonwealth revenue		16,194	15,893
Grants and subsidies received	A4	2,610	2,516
Interest and investment revenues	A5	20,259	19,105
Fees and charges		2,814	2,959
Donated asset		36	-
Recoveries and other income	A6	11,329	28,852
Total income		587,750	539,308
Net result		56,281	49,621
Other Comprehensive Income			
Changes in property, plant and equipment asset revaluation surplus		132	-
Other movements for restructure activities		-	(52)
Market value movement of investments		3,048	7,884
Total comprehensive result		59,461	57,453

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

Attorney-General's Department

STATEMENT OF ADMINISTERED FINANCIAL POSITION

As at 30 June 2015

	Note No.	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	A14	405,703	366,973
Receivables	A15	32,566	32,692
Investments	A16	114,963	107,022
Total current assets		553,232	506,687
Non-current assets			
Investments	A16	138,841	127,995
Intangible assets	A18A	608	728
Property, plant and equipment	A17A	60,587	64,054
Total non-current assets		200,036	192,777
Total assets		753,268	699,464
Current liabilities			
Payables	A20	8,423	7,948
Employee benefits	A21	1,357	1,132
Lease incentives liability		116	72
Other current liabilities	A22	116,736	125,480
Total current liabilities		126,632	134,632
Non-current liabilities			
Payables	A20	164	115
Employee benefits	A21	1,831	1,246
Lease incentives liability		814	580
Other non-current liabilities	A22	89,524	88,049
Total non-current liabilities		92,333	89,990
Total liabilities		218,965	224,622
Net assets		534,303	474,842
Equity			
Investments market value reserve		15,671	12,623
Asset revaluation surplus		18,501	18,369
Retained earnings		500,131	443,850
Total equity		534,303	474,842
Unrecognised contractual commitments	A24		
Contingent assets and liabilities	A25		

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

Attorney-General's Department

STATEMENT OF ADMINISTERED CHANGES IN EQUITY

For the year ended 30 June 2015

	Note No.	Investments Market Value Reserve \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2013		4,739	18,369	394,267	417,375
Net result for 2013-14		-	-	49,608	49,608
Prior period adjustments to equity	A28			13	13
Restated net result for 2013-14		-	-	49,621	49,621
Other movements for restructure activities		-	-	(52)	(52)
Gain or losses taken to equity		7,884	-	-	7,884
Total comprehensive result for 2013-14		7,884	-	49,569	57,453
Balance at 30 June 2014		12,623	18,369	443,836	474,828
Prior period adjustments to equity	A28	-	-	14	14
Restated balance at 30 June 2014		12,623	18,369	443,850	474,842
Net result for 2014-15		-	-	56,281	56,281
Gain on revaluation of leasehold improvements		-	132	-	132
Gain or losses taken to equity		3,048	-	-	3,048
Total comprehensive result for 2014-15		3,048	132	56,281	59,461
Balance at 30 June 2015		15,671	18,501	500,131	534,303

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

Attorney-General's Department

STATEMENT OF ADMINISTERED CASH FLOWS

For the year ended 30 June 2015

	Note No.	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash inflows			
Taxation receipts		290,823	302,856
Receipts from SA Government		96,973	75,759
Bond lodgements		88,074	83,927
Fines and related fees		80,851	27,260
Victims of Crime levies		42,634	39,039
Government Radio Network recoveries		25,046	24,300
Receipts from Commonwealth		16,194	15,893
Interest and investment receipts		12,098	10,687
Bond guarantee receipts		7,896	7,328
Fees and charges		2,814	2,959
Grants and subsidies received		2,610	2,516
Other receipts		10,070	32,893
Cash generated from operations		676,083	625,417
Cash outflows			
Payments to Consolidated Account		(373,421)	(329,722)
Bond refunds		(81,831)	(76,887)
Grants		(42,931)	(44,389)
Employee benefit payments		(20,269)	(17,981)
Victims of Crime payments		(12,578)	(12,302)
Bond guarantee payments		(7,716)	(7,158)
Other payments		(81,645)	(56,252)
Cash used in operations		(620,391)	(544,691)
Net cash provided by operating activities	A23	55,692	80,726
Cash flows from investing activities			
Cash outflows			
Payments for investments		(7,800)	-
Purchase of property, plant and equipment		(9,440)	(9,108)
Cash used in investing activities		(17,240)	(9,108)
Net cash used in investing activities		(17,240)	(9,108)
Cash flows from financing activities			
Cash inflows			
Proceeds from lease fitout		278	724
Cash used in financing activities		278	724
Net cash used in financing activities		278	724
Net increase in cash and cash equivalents		38,730	72,342
Cash and cash equivalents at the beginning of the financial year		366,973	294,631
Cash and cash equivalents at the end of the financial year	A14	405,703	366,973

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

Schedule of Expenses and Income attributable to Administered activities for the year ended 30 June 2015

Administered Activities (Refer Note A1)

	1	2	3	4	5	6	7	8	9	10	11	Total
	Liquor and Gambling Services 2015	Consumer and Business Affairs 2015	Victims of Crime 2015	State Rescue Helicopter Service 2015	Trust Accounts 2015	Emergency Management Communications 2015	Legal Aid 2015	SAGRN 2015	Fines Enforcement and Recovery 2015	Independent Commission Against Corruption and Office for Public Integrity 2015	Other 2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Income and Expenses												
Expenses												
Payments to Consolidated Account	(292,891)	-	-	(1,051)	-	-	-	-	(63,905)	-	(630)	(358,477)
Grants and subsidies	(2,663)	(482)	(3,640)	-	-	(206)	(33,974)	(73)	-	(107)	-	(42,931)
Victims of Crime payments	-	-	(12,578)	-	-	-	-	-	-	-	-	(12,578)
State Rescue Helicopter Service charges	-	-	-	(11,875)	-	-	-	-	-	-	-	(11,875)
Employee benefits expenses	-	-	(486)	(221)	(3,572)	(1,358)	-	(1,982)	-	(4,940)	-	(21,231)
Depreciation and amortisation	-	-	-	-	(167)	(2,026)	-	(3,952)	-	(572)	(30)	(6,747)
Donated Asset	-	-	-	-	-	-	-	(6,170)	-	-	-	(6,170)
Net loss from the disposal of non-current assets	-	-	-	-	-	-	-	(51)	-	-	-	(51)
Other expenses	(3,726)	(6,765)	(2,627)	(92)	(2,302)	(3,439)	-	(20,214)	(15,305)	(2,660)	(14,279)	(71,409)
Total Administered Expenses	(299,280)	(7,247)	(19,331)	(13,239)	(6,041)	(7,029)	(33,974)	(32,442)	(79,210)	(8,279)	(25,397)	(551,469)

Income												
Taxation revenue	290,823	-	-	-	-	-	-	-	-	-	-	290,823
Revenues from SA Government	2,502	-	9,303	9,451	-	5,735	17,757	8,993	-	10,547	32,729	97,017
Fines and related fees	-	-	-	-	-	-	-	-	78,954	-	-	78,954
Victims of Crime levies	-	-	42,668	-	-	-	-	-	-	-	-	42,668
Government Radio Network recoveries	-	-	-	-	-	-	-	25,046	-	-	-	25,046
Commonwealth revenue	-	-	-	-	-	-	16,194	-	-	-	-	16,194
Grants and subsidies received	-	-	-	638	-	871	23	-	-	-	1,078	2,610
Interest and investment revenues	-	8,755	4,168	-	7,325	-	-	-	-	-	11	20,259
Fees and charges	2,623	-	-	-	-	-	-	-	-	-	191	2,814
Donated asset	-	-	-	-	36	-	-	-	-	-	-	36
Recoveries and other income	3,751	794	1,957	3,605	622	-	-	35	-	3	562	11,329
Total Administered Income	299,699	9,549	58,096	13,694	7,983	6,606	33,974	34,074	78,954	10,550	34,571	587,760

Net cost of providing services	419	2,302	38,765	455	1,942	(423)	-	1,632	(256)	2,271	9,174	56,281
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Schedule of Expenses and Income attributable to Administered activities for the year ended 30 June 2014

Administered Activities (Refer Note A1)

	1	2	3	4	5	6	7	8	9	10	11	
	Liquor and Gambling Services 2014	Consumer and Business Affairs 2014	Victims of Crime 2014	State Rescue Helicopter Service 2014	Trust Accounts 2014	Emergency Management Communications 2014	Legal Aid 2014	SAGRN 2014	Fines Enforcement and Recovery 2014	Independent Commission Against Corruption 2014	Other 2014	Total 2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Income and Expenses:												
Expenses												
Payments to Consolidated Account	(327,917)	-	-	(1,022)	-	-	-	-	(20,051)	-	(776)	(349,766)
Grants and subsidies	(2,692)	(625)	(3,232)	-	-	(305)	(36,175)	(79)	-	-	(1,291)	(44,389)
Victims of Crime payments	-	-	(12,302)	-	-	-	-	-	-	-	-	(12,302)
State Rescue Helicopter Service charges	-	-	-	(11,593)	-	-	-	-	-	-	-	(11,593)
Employee benefit expenses	-	-	(846)	(1)	(4,502)	(1,004)	-	(1,847)	(4)	(3,689)	(6,799)	(18,692)
Depreciation and amortisation expense	-	-	(7)	-	(17)	(1,765)	-	(4,254)	-	(244)	(30)	(6,317)
Donated Asset	-	-	(11)	-	-	-	-	-	-	-	-	(11)
Net loss from the disposal of non current assets	-	-	-	-	-	-	-	(610)	-	-	-	(610)
Other expenses	(2,169)	(1,086)	(3,110)	(89)	(1,655)	(3,335)	-	(19,799)	(7,244)	(1,851)	(5,669)	(46,007)
Total Administered Expenses	(332,768)	(1,711)	(19,508)	(12,705)	(6,174)	(6,409)	(36,175)	(26,589)	(27,299)	(5,784)	(14,565)	(489,687)
Income												
Taxation receipts	302,856	-	-	-	-	-	-	-	-	-	-	302,856
Revenues from SA Government	2,801	-	7,946	9,027	-	5,752	20,282	7,647	-	8,189	14,260	75,904
Commonwealth revenue	-	-	-	-	-	-	15,893	-	-	-	-	15,893
Grants and subsidies received	-	-	-	622	-	787	-	-	-	-	1,107	2,516
Interest and investment revenue	-	8,521	3,537	-	7,035	-	-	-	-	-	12	19,105
Victims of Crime levies	-	-	37,638	-	-	-	-	-	-	-	-	37,638
Fines and related fees	-	-	-	-	-	-	-	-	29,285	-	-	29,285
Fees and charges	2,774	-	-	-	-	-	-	-	-	-	185	2,959
Government Radio Network recoveries	-	-	-	-	-	-	-	24,300	-	-	-	24,300
Donated Asset	-	-	-	-	-	-	-	-	-	3,895	(3,895)	-
Recoveries and other income	22,070	460	2,376	3,447	517	83	-	(204)	-	19	84	28,852
Total Administered Income	330,501	8,981	51,497	13,096	7,562	6,622	36,175	31,743	29,285	12,103	11,753	539,308
Net result	(2,267)	7,270	31,989	391	1,378	213	-	5,154	1,986	6,319	(2,812)	49,621

Schedule of Assets and Liabilities attributable to Administered Activities as at 30 June 2015

Administered Activities (Refer Note A1)

	1	2	3	4	5	6	7	8	9	10	11	Total
	Liquor and Gambling Services 2015	Consumer and Business Affairs 2015	Victims of Crime 2015	State Rescue Helicopter Service 2015	Trust Accounts 2015	Emergency Management Communications 2015	Legal Aid 2015	SAGRN 2015	Fines Enforcement and Recovery 2015	Independent Commission Against Corruption and Office for Public Integrity 2015	Other 2015	2015
Assets												
Current												
Cash and cash equivalents	29,533	71,080	204,021	2,322	10,002	5,911	(24)	57,949	6,603	5,008	13,298	405,703
Receivables	22,748	1,644	1,605	369	2,920	252	25	1,340	569	485	609	32,566
Investments	-	29,955	-	-	85,008	-	-	-	-	-	-	114,963
Non-Current												
Investments	-	28,563	-	-	110,278	-	-	-	-	-	-	138,841
Intangible Assets	-	-	-	-	608	-	-	-	-	-	-	608
Property, plant and equipment	-	-	-	-	159	12,899	-	42,060	-	5,150	319	60,587
Total Administered Assets	52,281	131,242	205,626	2,691	208,975	19,062	1	107,349	7,172	10,643	14,226	753,268
Liabilities												
Current												
Payables	(157)	(62)	(637)	(1,845)	(1,250)	(128)	-	(3,357)	18	(341)	(664)	(8,423)
Employee benefits	-	-	(50)	(13)	-	(104)	-	(160)	-	(539)	(491)	(1,357)
Lease incentives liability	-	-	-	-	-	-	-	-	-	(116)	-	(116)
Other current liabilities	(24,723)	-	-	(8)	(86,359)	-	-	-	(5,582)	-	(64)	(116,736)
Non-Current												
Payables	-	-	(10)	(3)	-	(18)	-	(32)	-	(20)	(81)	(164)
Employee benefits	-	-	(112)	(36)	-	(201)	-	(355)	-	(222)	(905)	(1,831)
Lease incentives liability	-	-	-	-	-	-	-	-	-	(814)	-	(814)
Other non-current liabilities	-	-	-	-	(89,524)	-	-	-	-	-	-	(89,524)
Total Administered Liabilities	(24,880)	(62)	(809)	(1,905)	(177,133)	(451)	-	(3,904)	(5,564)	(2,052)	(2,205)	(218,965)
Net Assets	27,401	131,180	204,817	786	31,842	18,611	1	97,445	1,608	8,591	12,021	534,303

Schedule of Assets and Liabilities attributable to Administered Activities as at 30 June 2014

Administered Activities (Refer Note A1)

	1	2	3	4	5	6	7	8	9	10	11	
	Liquor and Gambling Services 2014	Consumer and Business Affairs 2014	Victims of Crime 2014	State Rescue Helicopter Service 2014	Trust Accounts 2014	Emergency Management Communications 2014	Legal Aid 2014	SAGRN 2014	Fines Enforcement and Recovery 2014	Independent Commission Against Corruption 2014	Other 2014	Total 2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered Assets and Liabilities												
Assets												
Current												
Cash and cash equivalents	29,841	70,628	165,693	153	13,669	4,733	2	52,977	21,511	4,316	3,450	366,973
Receivables	22,328	1,640	1,488	1,107	2,608	219	-	615	2,025	89	573	32,692
Investments	-	28,061	-	-	78,961	-	-	-	-	-	-	107,022
Non-Current												
Investments	-	27,690	-	-	100,305	-	-	-	-	-	-	127,995
Intangible Assets	-	-	-	-	728	-	-	-	-	-	-	728
Property, plant and equipment	-	-	-	-	35	14,602	-	45,520	-	3,879	18	64,054
Total Administered Assets	52,169	128,019	167,181	1,260	196,306	19,554	2	99,112	23,536	8,284	4,041	699,464
Liabilities												
Current												
Payables	(40)	(13)	(873)	(929)	(958)	(242)	-	(2,888)	(1,136)	(587)	(282)	(7,948)
Employee benefits	-	-	(82)	(1)	-	(101)	-	(139)	(15)	(476)	(318)	(1,132)
Lease incentives liability	-	-	-	-	-	-	-	-	-	(72)	-	(72)
Other current liabilities	(25,147)	-	-	-	(79,716)	-	-	-	(20,536)	-	(81)	(125,480)
Non-Current												
Payables	-	-	(15)	-	-	(15)	-	(23)	(2)	(21)	(39)	(115)
Employee benefits	-	-	(158)	-	-	(160)	-	(251)	(21)	(229)	(427)	(1,246)
Lease incentives liability	-	-	-	-	-	-	-	-	-	(580)	-	(580)
Other non-current liabilities	-	-	-	-	(88,049)	-	-	-	-	-	-	(88,049)
Total Administered Liabilities	(25,187)	(13)	(1,128)	(930)	(168,723)	(518)	-	(3,301)	(21,710)	(1,965)	(1,147)	(224,622)
Net Assets	26,982	128,006	166,053	330	27,583	19,036	2	95,811	1,826	6,319	2,894	474,842

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

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NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

The disclosures in Notes 1 to 3 of the Controlled Statements are equally applicable to the Administered Items of the Department.

Note A1 Administered Activities

Activity 1: Liquor and Gambling Services

This administered activity recognises activities in relation to the receipt of payments associated with Casino Operations, Gaming Machines and Gaming Taxation. It also recognises receipts and payments associated with Betting Services, Racing Operations, Lottery Licences and Liquor Subsidies.

Activity 2: Consumer and Business Services

This administered activity includes activities in relation to the Agents Indemnity Fund and the Second Hand Vehicles Compensation Fund.

Activity 3: Victims of Crime

This administered activity relates to receipts and payments associated with the *Victims of Crime Act 2001*. The Act provides for payment of compensation to persons who suffer injury as a result of criminal acts and the recovery from the offenders. Payments to victims and the monies recovered from offenders are processed through an interest bearing special deposit account.

Activity 4: State Rescue

This administered activity relates to the activities of the State Rescue Helicopter Service used by the SA Police Department, Department of Health, SA Country Fire Service, SA Ambulance Service and other non-government organisations.

Activity 5: Trust Accounts

This administered activity relates to activities associated with the Residential Tenancies Fund and the Crown Solicitor's Trust Account. The Department receives monies which are held in trust pending the outcome of future events or settlements. The Department does not have direct control over these funds and acts in the capacity as trustee. Beneficiaries include other government departments for the sale of government property, claims from individuals and funding for the administration of these trusts (funded by the income earned from investing the Funds' monies).

Activity 6: Emergency

This administered activity relates to activities associated with the ongoing maintenance and support of the SA Computer Aided Dispatch (SACAD) systems and services relied on by the State's police, ambulance and emergency services.

Activity 7: Legal Aid

This administered activity relates to grant payments made to the Legal Services Commission. The Department receives annual specific grant funding from the Commonwealth which, together with the State Government component, is paid to the Legal Services Commission. The Commonwealth grant funding provides legal assistance for matters arising under Commonwealth law, while the State Government grant funding is expended on State law matters.

Activity 8: SA Government Radio

This administered activity relates to a significant project to upgrade the existing SA Government Radio Network (SAGRN), together with the ongoing maintenance and support of the SAGRN systems and services on which South Australian public safety organisations and government agencies rely to meet their radio communications needs.

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Activity 9: Fines Enforcement and Recovery

This administered activity relates to the collection of revenue from the Fines Enforcement and Recovery Unit.

Activity 10: Independent Commission Against Corruption and Office for Public Integrity

This administered activity seeks to:

- identify and investigate corruption in public administration;
- assist in identifying and dealing with misconduct and maladministration in public administration; and
- prevent or minimise corruption, misconduct and maladministration in public administration through education and evaluation of practices, policies and procedures.

Activity 11: Other

This administered activity reflects the financial performance and position of various administered activities, including the payment of Special Act salaries, the Child Abuse Protection Program, Expensive State Criminal Cases and the Professional Standards Council.

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A2 Taxation revenue

	2015	2014
	\$'000	\$'000
Taxation gaming machines	286,991	288,284
Taxation casino operations	-	10,701
Taxation off-course totalisator	3,832	3,871
Total taxation revenue	290,823	302,856

Note A3 Revenues from SA Government

	2015	2014
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the Appropriations Act	77,365	62,300
Appropriations received from the Treasurer's Contingency Fund	7,251	1,321
Appropriations under other Acts	12,401	12,283
Total revenues from SA Government	97,017	75,904

Total revenues from Government consists of \$77.3 million (\$62.3 million) for operational and capital funding. For details on the expenditure associated with the operational funding received refer to Note A7 to A13. There were no material variations between the amount appropriated and the expenditure associated with this appropriation. Additional amounts were received during the year from the Treasurer's Contingency Fund.

Note A4 Grants and subsidies received

	2015	2014
	\$'000	\$'000
Grants from SA Government		
SA Computer Aided Dispatch	871	787
State Rescue Helicopter Service	638	622
Other	1,101	1,107
Total Grants and subsidies received	2,610	2,516

Note A5 Interest and investment revenues

	2015	2014
	\$'000	\$'000
Interest from the Department of Treasury and Finance	6,047	5,343
Interest from Agents	5,294	5,139
Distribution from investments	4,743	4,307
Interest from investments	3,015	3,190
Interest from Housing SA	1,160	1,126
Total interest revenues	20,259	19,105

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A6 Recoveries and other income

	2015	2014
	\$'000	\$'000
Contribution from Skycity Adelaide Pty Ltd	-	20,000
Recoveries for State Rescue Helicopter Service	2,530	2,410
Gaming Machine Trading Round revenue	3,734	2,066
Confiscation of profits	1,162	1,697
Sundry recoveries	2,752	1,697
Recoveries from offenders	770	619
Other	381	363
Total recoveries and other income	11,329	28,852

Note A7 Net Loss from the disposal of non current assets

	2015	2014
	\$'000	\$'000
Radio network assets		
Proceeds from disposal	-	-
Less net book value of assets disposed	51	609
Net loss from disposal of assets	51	609
Information technology		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	1
Net loss from disposal of assets	-	1
Total net loss from disposal of assets	51	610

Note A8 Grants and Subsidies

	2015	2014
	\$'000	\$'000
Legal Services Commission	33,974	36,175
Victims of Crime	3,640	3,232
Liquor Subsidies	2,663	2,681
Other	2,654	2,301
Total grants and subsidies	42,931	44,389

Note A9 Victims of crime payments

	2015	2014
	\$'000	\$'000
Victims of Crime payments	12,578	12,302
Total Victims of Crime payments	12,578	12,302

Note A10 State Rescue Helicopter Service charges

	2015	2014
	\$'000	\$'000
State Rescue Helicopter Service charges	11,875	11,593
Total State Rescue Helicopter Service charges	11,875	11,593

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A11 Employee benefit expenses

	2015	2014
	\$'000	\$'000
Salaries and wages	16,078	13,385
Employee on-costs - superannuation	2,217	2,191
Board fees	798	1,000
Employee on-costs - other	973	847
Long service leave	731	766
Annual leave	409	479
Skills and experience retention leave	20	24
Other	5	-
Total employee benefit expenses	21,231	18,692

	2015	2014
	No.	No.
Remuneration of officers		
The number of officers, including judicial officers, whose remuneration received or receivable falls within the following bands:		
\$141 500 to \$151 499	6	2
\$151 500 to \$161 499	1	-
\$161 500 to \$171 499	3	1
\$171 500 to \$181 499	1	-
\$181 500 to \$191 499	-	1
\$211 500 to \$221 499	1	-
\$241 500 to \$251 499	1	-
\$251 500 to \$261 499	-	1
\$261 500 to \$271 499	2	1
\$271 500 to \$281 499	-	1
\$321 500 to \$331 499	3	1
\$331 500 to \$341 499	-	1
\$371 500 to \$381 499	-	1
\$411 500 to \$421 499	1	1
\$481 500 to \$491 499	2	4
\$491 500 to \$501 499	1	-
\$501 500 to \$511 499	1	-
\$511 500 to \$521 499	-	2
\$521 500 to \$531 499	2	-
\$551 500 to \$561 499	1	-
\$571 500 to \$581 499	-	1
Total number of officers	26	18

The table includes all officers who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of officers reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits. Total remuneration received or due and receivable by these officers was \$7.6 million (2014 - \$6.5 million).

There were no TVSPs paid during the reporting period and nil for 2013-14.

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A12 Depreciation and amortisation expense

	2015	2014
	\$'000	\$'000
Depreciation		
Radio Network Assets	5,601	5,637
Information Technology	545	350
Leasehold Improvements	340	223
Buildings and Other Structures	55	55
Plant and Equipment	50	52
Total depreciation expense	6,591	6,317
Amortisation		
Intangible Assets	156	-
Total amortisation	156	-
Total depreciation and amortisation expense	6,747	6,317

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A13 Other expenses

	2015	2014
	\$'000	\$'000
Radio Network expenditure	17,985	17,275
Suitor Payments	15,306	7,244
Claims	16,819	3,817
Gaming Machine Trading Round disbursements	3,654	2,040
Information and communications technology	3,576	2,912
Transfer from Victims of Crime Fund	2,334	2,727
Accommodation	2,603	2,046
Contract staff	2,141	1,006
Legal fees	1,233	1,312
Contract maintenance	876	817
Office expenses	851	827
Telephone related expenses	164	1,431
Consultants	249	185
Promotions and publications	252	164
Other	3,366	2,204
Total other expenses	71,409	46,007

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

	No.	2015 \$'000	No.	2014 \$'000
Below \$10,000	11	48	6	28
Between \$10,000 and \$50,000	5	136	4	157
Above \$50,000	1	65	-	-
Total paid/payable to the consultants engaged	17	249	10	185

	2015 \$'000	2014 \$'000
Auditor's remuneration		
Audit fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements	94	76
Total auditor's remuneration	94	76

No other services were provided by the Auditor-General's Department

Note A14 Cash and cash equivalents

	2015 \$'000	2014 \$'000
Deposits with the Treasurer	405,703	366,973
Total cash and cash equivalents	405,703	366,973

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.

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Crown Solicitor's Trust Account Residential Tenancies Fund

	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Movement in Trust Accounts				
Balance at 1 July	2,677	1,803	10,992	9,013
Receipts	44,394	58,304	97,546	92,419
Payments	(42,564)	(57,430)	(103,043)	(90,440)
Balance at 30 June	4,507	2,677	5,495	10,992

Note A15 Receivables

	2015	2014
	\$'000	\$'000
Receivables	24,397	23,680
Accrued interest	3,817	3,595
Prepayments	394	346
Other	3,958	5,071
Total receivables	32,566	32,692

Interest rate and credit risk

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

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

- a) Maturity analysis of receivables - Refer to table in Note A26
- b) Categorisation of financial instruments and risk exposure information - Refer to Note A26

Note A16 Investments

	2015	2014
	\$'000	\$'000
Current		
Funds invested with the Public Trustee	114,963	107,022
Total current investments	114,963	107,022
Non-Current		
Funds invested with the Public Trustee	138,841	127,995
Total non-current investments	138,841	127,995
Total investments	253,804	235,017

Investments represent funds invested with the Public Trustee as follows:

Residential Tenancies Fund	195,286	179,265
Agents Indemnity Fund	54,868	52,270
Second Hand Vehicles Compensation Fund	3,650	3,482
Total investments	253,804	235,017

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A17A Property, plant and equipment

	2015	2014
	\$'000	\$'000
Buildings & other structures		
Buildings & other structures at fair value	1,934	1,934
Accumulated depreciation	(400)	(345)
Total buildings & other structures	1,534	1,589
Leasehold improvements		
Leasehold improvements at fair value	4,437	2,920
Accumulated amortisation	(706)	(551)
Total leasehold improvements	3,731	2,369
Plant and equipment		
Plant and equipment at fair value	793	590
Accumulated depreciation	(284)	(234)
Total plant and equipment	509	356
Information technology		
Information technology at fair value	4,799	3,361
Accumulated depreciation	(3,197)	(2,653)
Total information technology	1,602	708
Capital work in progress		
Capital work in progress at cost	6,444	1,425
Total capital work in progress	6,444	1,425
Radio network assets		
Radio network assets at fair value	73,341	79,087
Accumulated depreciation	(26,574)	(21,480)
Total radio network assets	46,767	57,607
Total property, plant and equipment	60,587	64,054

(1) Valuations of land & buildings and leasehold improvements were performed by Martin Burns, M.B.A., B.App.Sc. Property Resource Management, AAPI, an independent Certified Practising Valuer of Liquid Pacific as at 30 June 2015.

(2) Valuations of buildings and improvements and radio network assets were performed by an independent valuer, Mark Ochota, Principal Consultant of UXC Consulting as at 30 June 2012.

(3) There were no indications of impairment of property, plant and equipment and infrastructure at 30 June 2015.

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A17B Property, plant and equipment movement schedule - Administered Items

	Leasehold Improvements	Information Technology	Plant and Equipment	Capital work in progress
	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2014	2,369	708	356	1,425
Additions	1,570	331	203	6,211
Depreciation and amortisation	(340)	(545)	(50)	-
Donated Asset	-	-	-	-
Transfers (from) to work in progress	-	1,108	-	(1,184)
Revaluation	132	-	-	-
Disposal	-	-	-	-
Other	-	-	-	(8)
Carrying amount 30 June 2015	3,731	1,602	509	6,444

	Buildings & Other Structures	Radio Network Assets	Total Property, Plant and Equipment
	\$'000	\$'000	\$'000
Carrying amount 1 July 2014	1,589	57,607	64,054
Additions	-	906	9,221
Depreciation and amortisation	(55)	(5,601)	(6,591)
Donated Asset	-	(6,170)	(6,170)
Transfers (from) to work in progress	-	76	-
Revaluation	-	-	132
Disposal	-	(51)	(51)
Other	-	-	(8)
Carrying amount 30 June 2015	1,534	46,767	60,587

SA Government Radio Network donated voice terminals to various other government agencies total value of \$6.2 million.

	Leasehold Improvements	Information Technology	Plant and Equipment	Capital work in progress
	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2013	45	973	36	964
Additions	2,435	86	376	1,331
Depreciation and amortisation	(223)	(350)	(52)	-
Donation	-	-	(11)	-
Transfers (from) to work in progress	112	-	-	(370)
Transfer in	-	-	-	(500)
Revaluation	-	-	-	-
Disposal	-	(1)	-	-
Other	-	-	7	-
Carrying amount 30 June 2014	2,369	708	356	1,425

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

	Buildings & Other Structures	Radio Network Assets	Total Property, Plant and Equipment
	\$'000	\$'000	\$'000
Carrying amount 1 July 2013	1,644	57,667	61,329
Additions	-	5,927	10,155
Depreciation and amortisation	(55)	(5,637)	(6,317)
Donation	-	-	(11)
Transfers (from) to work in progress	-	258	-
Transfer in	-	-	(500)
Revaluation	-	-	-
Disposal	-	(609)	(610)
Other	-	1	8
Carrying amount 30 June 2014	1,589	57,607	64,054

Note A18A Intangible assets

Intangible Assets	\$'000	\$'000
Intangible assets at cost	789	740
Accumulated amortisation	(181)	(12)
Total Intangible Assets	608	728

Note A18B Intangibles movement schedule

	Intangibles \$'000	Total Intangibles \$'000
Carrying amount 1 July 2014	728	728
Transfers from (to) work in progress	-	-
Transfer in	-	-
Donated in	36	36
Depreciation and amortisation	(156)	(156)
Carrying amount 30 June 2015	608	608

	Intangibles \$'000	Total Intangibles \$'000
Carrying amount 1 July 2013	-	-
Transfers from (to) work in progress	500	500
Transfer in	228	228
Carrying amount 30 June 2014	728	728

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A19 Fair Value Measurement

Fair Value Hierarchy

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

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2015.

Fair value measurements at 30 June 2015	Level 3	2015
Recurring fair value measurements	\$'000	\$'000
Radio Network assets (note A17B)	46,767	46,767
Leasehold improvements (note A17B)	3,731	3,731
Information Technology (note A17B)	1,602	1,602
Buildings & other structures (note A17B)	1,534	1,534
Plant and Equipment (note A17B)	509	509
Total recurring fair value measurements	54,143	54,143

Fair value measurements at 30 June 2014	Level 3	2014
Recurring fair value measurements	\$'000	\$'000
Radio Network assets (note A17B)	57,607	57,607
Leasehold improvements (note A17B)	2,369	2,369
Information Technology (note A17B)	708	708
Buildings & other structures (note A17B)	1,589	1,589
Plant and Equipment (note A17B)	356	356
Total recurring fair value measurements	62,629	62,629

Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new standard.

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. The Department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Reconciliation of fair value measurements - Level 3

All assets have been determined to be at Level 3. The fair values were determined using depreciated replacement cost approach. Key assumptions were assessing the remaining useful life and the purpose of the assets.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement.

	Leasehold Improvements \$'000	Information Technology \$'000	Plant and Equipment \$'000	Building & other Structures \$'000	Radio Network Assets \$'000	Total \$'000
Carrying Amount at 1 July 2014	2,369	708	356	1,589	57,607	62,629
Additions	1,570	331	203	-	906	3,010
Transfer from/to Work in Progress	-	1,108	-	-	76	1,184
Disposals	-	-	-	-	(51)	(51)
Subtotal	3,939	2,147	559	1,589	58,538	66,772
Gain/(losses) for the period recognised in net result:						
Depreciation and amortisation	(340)	(545)	(50)	(55)	(5,601)	(6,591)
Subtotal	(340)	(545)	(50)	(55)	(5,601)	(6,591)
Gain/(losses) for the period recognised in other						
Revaluation	132	-	-	-	-	132
Subtotal	132	-	-	-	-	132
Carrying Amount at 30 June 2015	3,731	1,602	509	1,534	52,937	60,313

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Reconciliation of fair value measurements - Level 3

All assets have been determined to be at Level 3. The fair values were determined using depreciated replacement cost approach. Key assumptions were assessing the remaining useful life and the purpose of the assets.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurement.

	Leasehold Improvements \$'000	Information Technology \$'000	Plant and Equipment \$'000	Building & other Structures \$'000	Radio Network Assets \$'000	Total \$'000
Carrying Amount at 1 July 2013	45	973	36	1,644	57,667	60,365
Additions	2,435	1,074	376	-	5,927	9,812
Revaluation	-	-	-	-	-	-
Transfer from/to Work in Progress	112	-	-	-	258	370
Transfer in	-	-	-	-	-	-
Assets donated free of charge	-	-	(11)	-	-	(11)
Disposals	-	(1)	-	-	(609)	(610)
Other changes	-	-	7	-	1	8
Subtotal	2,592	2,046	408	1,644	63,244	69,934
Gain/(losses) for the period recognised in net result:						
Depreciation and amortisation	(223)	(363)	(52)	(55)	(5,637)	(6,330)
Subtotal	(223)	(363)	(52)	(55)	(5,637)	(6,330)
Gain/(losses) for the period recognised in other						
Subtotal	-	-	-	-	-	-
Carrying Amount at 30 June 2014	2,369	1,683	356	1,589	57,607	63,604

The gains/(losses) in operating result include changes in unrealised gains/(losses) for assets still held at the end of the reporting period. The amounts of these changes included in the various line items are as follows:

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A20 Payables - Administered Items

	2015	2014
	\$'000	\$'000
Current		
Accruals	6,959	6,874
Creditors	1,208	921
Employee on-costs	256	153
Total current payables	8,423	7,948
Non-Current		
Employee on-costs	164	115
Total non-current payables	164	115
Total payables	8,587	8,063

The Department of Treasury and Finance has performed an actuarial assessment of long service leave as at 30 June 2015. The percentage of the proportion of long service leave taken as leave has decreased from the 30 June 2014 percentage rate of 40% to 37% for 30 June 2015 and the average factor for the calculation of employer superannuation on-cost is 10.3% (10.3% 2014). These rates are used in the employment on-cost calculation. The financial effect of the change in the superannuation on-cost rate on employment on-costs and employee benefit expense is immaterial.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed. 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 represents fair value due to the amounts being payable on demand.

- a) Maturity analysis of receivables - Refer to table in Note A26
- b) Categorisation of financial instruments and risk exposure information - Refer to Note A26

Note A21 Employee benefits - Administered Items

	2015	2014
	\$'000	\$'000
Current		
Annual leave	770	617
Long service leave	421	436
Accrued salaries and wages	115	48
Skills and experience retention leave	51	31
Total current employee benefits	1,357	1,132
Non-Current		
Long service leave	1,831	1,246
Total non-current employee benefits	1,831	1,246
Total employee benefits	3,188	2,378

AASB 119 contains the calculation methodology for long service leave liability. An actuarial assessment performed by the Department of Treasury and Finance was used to calculate the liability.

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

AASB 119 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 decreased from 2014 (3.5%) to 2015 (3%).

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

The net financial effect of the changes in the current financial year is an increase in the long service leave liability of \$71,000 and employee benefit expense of \$71,000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability.

Note A22 Other liabilities - Administered Items

	2015	2014
	\$'000	\$'000
Current		
Security bonds lodged	81,852	76,889
Gaming, fines and other receipts payable to the Department of Treasury and Finance	29,772	44,716
Crown Solicitor's Trust Account	4,507	2,677
Other	605	1,198
Total other current liabilities	116,736	125,480
Non-Current		
Security bonds lodged	89,524	88,049
Total other non-current liabilities	89,524	88,049
Total other liabilities	206,260	213,529

Note A23 Cash flow reconciliation - Administered Items

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Balance as per the Statement Administered Cash Flows	405,703	366,973
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	405,703	366,973
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by operating activities	55,692	80,726
Add/(less) non cash items		
Depreciation expense	(6,747)	(6,317)
Donated asset expense	(6,170)	(11)
Donated asset revenue	36	-
Loss on Disposal of assets	(51)	(610)
Lease Incentive	-	72
Other non cash items	(6)	63
Assets in Payables	(223)	1,272

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Movement in assets and liabilities

Increase/(Decrease) in receivables	(126)	(2,609)
Increase/(Decrease) in investments	7,941	7,626
Decrease/(Increase) in payables	(524)	(1,283)
Decrease/(Increase) in employee benefits	(810)	(640)
Decrease/(Increase) in other liabilities	7,269	(28,668)
Net result	56,281	49,621

Note A24 Unrecognised Contractual Commitments - Administered Items

Operating Leases Commitments

Commitments under non-cancellable operating leases contracted for at the reporting date but not

	2015	2014
	\$'000	\$'000
Within one year	875	4,896
Later than one year but not longer than five years	3,439	852
Later than five years	1,996	528
Total operating leases commitments	6,310	6,276

The accommodation and office equipment leases are non-cancellable leases with rental payable monthly in advance.

Contingent rental provisions within the accommodation lease agreements provide for the minimum lease payments to be increased on specified rent review dates. Options exist to renew the accommodation leases at the end of the term of the lease.

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Leases receivable contracted for at the reporting date but not recognised as assets are receivable as follows:

	2015	2014
	\$'000	\$'000
Within one year	1,057	800
Later than one year but not longer than five years	3,417	1,210
Later than five years	1,192	84
Total operating leases commitments	<u>5,666</u>	<u>2,094</u>

When acting as lessor leases are non-cancellable leases for access rights to State owned land sites. The leases have terms ranging from 1 to 25 years with some having a right of renewal.

Expenditure commitments - Remuneration

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2015	2014
	\$'000	\$'000
Within one year	1,349	1,918
Later than one year but not longer than five years	3,074	4,494
Later than five years	135	898
Total remuneration commitments	<u>4,558</u>	<u>7,310</u>

Amounts disclosed include commitments arising from executive contracts and statutory appointments.

Other Commitments

	2015	2014
	\$'000	\$'000
Grants (1)	80,129	34,351
Motor Vehicles (2)	60	-
Capital (3)	92,473	-
Other (4)	104,868	-
Total	<u>277,530</u>	<u>34,351</u>
Within one year	91,601	34,351
Later than one year but not longer than five years	160,102	-
Later than five years	25,827	-
Total other commitments	<u>277,530</u>	<u>34,351</u>

(1) Grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement. The grant commitments as at 30 June 2015 relates to the National Partnership Agreement on Legal Assistance Services between the Commonwealth of Australia and the States and Territories.

(2) Agreements for the provision of motor vehicles to executive officers or sections (i.e. pool vehicles) are leased from SAFA through their agent LeasePlan Australia. There are no purchase options available to the Department.

(3) Includes the SA Government Radio Network Upgrade.

(4) Other commitments relate to purchase orders placed for goods and services before 30 June 2015 and annual service and maintenance for the SA Computer Aided Dispatch, SA Government Radio Network and SA State Rescue Helicopter Service.

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A25 Contingent assets and liabilities - Administered Items

The Department is not aware of any contingent assets.

The Agents Indemnity Fund has an estimated contingent obligation to pay \$2.58 million (\$6 million) relating to current and expected claims against the Fund.

The Department is of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Under the *Residential Tenancies Act 1995*, interest is paid to tenants when a bond is repaid to them, interest is not paid when a bond is paid to landlords or third parties such as Housing SA. The interest payable to tenants has not been recorded as a liability, as the Residential Tenancies Fund does not have a present obligation until the tenant lodges a claim for the repayment of the bond. It is estimated that the interest liability as at 30 June 2015 is \$109,000 (\$111,000).

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A26 Financial Instruments - Administered Items

Financial risk management

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

(a) Categorisation of financial instrument

Category of financial asset and financial liabilities	Statement of Financial Position line item	Note	Carrying amount 2015 \$'000	Fair value 2015 \$'000	Carrying amount 2014 \$'000	Fair value 2014 \$'000
Financial assets						
Cash and cash equivalents	Cash and cash equivalents	A14	405,703	-	366,973	-
Loans and receivables	Receivables (1)(2)	A15	32,172	-	32,346	-
Available for sale investments	Investments	A16	253,804	253,804	235,017	235,017
	Total financial assets at cost		691,679	253,804	634,336	235,017
Financial liabilities						
Financial liabilities at cost	Payables (1)	A20	8,090	-	7,809	-
	Other financial liabilities	A22	206,260	-	213,529	-
	Total financial liabilities at cost		214,350	-	221,338	-

(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 the disclosure. The standard defines 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 A14 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 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.

Financial Assets

Cash and Receivables are recorded at the carrying amount which approximates net fair value.

Investments represent funds held by the Public Trustee on behalf of the Residential Tenancies Fund, Agents Indemnity Fund and the Second Hand Vehicles Compensation Fund (the Funds). The Public Trustee has invested in collective investment vehicles for the purpose of gaining exposure to Australian and international equities. The managers of such vehicles have invested in a variety of financial instruments which expose the Funds to investment risks, including market, credit, interest and currency risk. These investments are valued by the Public Trustee at reporting date and recognised at fair value.

Financial Liabilities

Financial liabilities principally represent security bonds held on behalf of third parties and taxation receipts payable to the Treasurer. The carrying amount of all financial liabilities is considered to be a reasonable estimate of net fair value.

Credit Risk

At reporting date funds totalling \$253.0 million were invested with the Public Trustee. Pooled investment funds are not rated for credit risk. The Public Trustee considers the credit risk of individual fund managers prior to investing funds and reviews these assessments quarterly.

Other than pooled investments, the Department has no significant concentration of credit risk. The Department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Allowances for impairment of financial assets are calculated on past experiences and expected changes in client credit rating. Currently the Department does not hold any collateral as security for any of its financial assets. There are no financial assets administered by the Department.

(b) Ageing analysis of financial assets

The following table discloses the ageing of financial assets which are past due, analysed into those assets which are impaired and not impaired.

	Past due by			Total \$'000
	Overdue for < 30 days \$'000	Overdue for 30 - 60 days \$'000	Overdue for > 60 days \$'000	
2015				
Not impaired				
Receivables	31,297	-	-	31,297
Impaired				
Receivables (1)	-	-	-	-
2014				
Not impaired				
Receivables	700	-	212	912
Impaired				
Receivables (1)	-	-	-	-

(c) Maturity analysis of financial assets and liabilities

The following table discloses the maturity analysis of financial assets and financial liabilities.

	Carrying amount (\$'000)	Contractual Maturities		
		< 1 year (\$'000)	1-5 years (\$'000)	> 5 years (\$'000)
2015				
Financial assets				
Cash & cash equivalents	405,703	405,703	-	-
Investments	253,804	114,963	138,841	-
Receivables (1)	32,172	32,172	-	-
Total Financial assets	691,679	552,838	138,841	-
Financial liabilities				
Payables (1)	8,090	8,090	-	-
Other financial liabilities	206,260	116,736	89,524	-
Total Financial liabilities	214,350	124,826	89,524	-

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

	Carrying amount (\$'000)	Contractual Maturities		
		< 1 year (\$'000)	1-5 years (\$'000)	> 5 years (\$'000)
2014				
Financial assets				
Cash & cash equivalents	366,973	366,973	-	-
Investments	235,017	107,022	127,995	-
Receivables (1)	32,346	32,346	-	-
Total Financial assets	634,336	506,341	127,995	-
Financial liabilities				
Payables (1)	7,809	7,809	-	-
Other financial liabilities	213,529	125,480	88,049	-
Total Financial liabilities	221,338	133,289	88,049	-

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables.

Liquidity Risk

Financial liabilities principally represent security bonds held on behalf of third parties and taxation receipts payable to the Treasurer. Security bonds are payable on receipt of an application from the tenant or lessee. Cash balances and Cash Common Funds held with the Public Trustee are available at call.

(d) Market risk

Activities administered by the Department are exposed to price risk. Price risk represents the risk that the fair value of investments held with the Public Trustee will fluctuate due to changes in the market price for the underlying asset.

Investments held with the Public Trustee are classified as 'available for sale' financial assets. Net gains or losses resulting from movements in the fair value of investments are recognised directly in equity. Accordingly there is no impact on administered income and expenses.

Cash administered by the Department is also subject to interest rate risk.

Sensitivity Analysis

The impact of a 1% movement in interest rates and a 1% movement in equity indexes on financial assets administered by the Department is shown in the following table.

	Carrying Amount (\$'000)	Interest Rate Risk		Price Risk	
		-1% Operating surplus (\$'000)	1% Operating surplus (\$'000)	-1% Equity (\$'000)	1% Equity (\$'000)
2015					
Financial Assets					
Cash and Cash Equivalents	405,703	(4,057)	4,057	-	-
Investments	253,804	-	-	(2,538)	2,538
Total increase/(decrease)		(4,057)	4,057	(2,538)	2,538
2014					
Financial Assets					
Cash and Cash Equivalents	366,973	(3,670)	3,670	-	-
Investments	235,017	-	-	(2,350)	2,350
Total increase/(decrease)		(3,670)	3,670	(2,350)	2,350

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A27 Transferred functions

2013-14

Under the Public Sector (Reorganisation of Public Sector Operations) Notice 2013, from 3 February 2014 the Department took on responsibility for the Fines Enforcement and Recovery function from the Courts Administration Authority.

Assets and liabilities relating to this function were transferred to the Department as at 3 February 2014.

Total income and expenses attributable to the Fines Enforcement and Recovery function for 2013-14 were:

	CAA 1.7.13 - 31.01.14 \$'000	AGD 3.2.14 - 30.06.14 \$'000	Total \$'000
Victims of Crime Levies	13,815	10,495	24,310
Fees, Fines and Penalties	28,185	29,285	57,470
Total income	42,000	39,780	81,780
Payments to Consolidated Account	28,022	20,051	48,073
Suitor Payments	-	7,244	7,244
Victim of Crimes Payments	13,815	-	13,815
Other expenses	163	5	168
Total expenses	42,000	27,300	69,300
Net result	-	12,480	12,480

Note A28 Prior Period adjustments to equity

Adjustments totalling \$27,000 have been made relating to 2013-14 transactions that were not recorded in the 2013-14 financial statements.

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A29 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	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	EXPENSES						
	Payments to Consolidated Account	358,477	349,766	-	-	358,477	349,766
A8	Grants and subsidies						
	Legal Services Commission	-	-	33,974	36,175	33,974	36,175
	Victims of Crime	762	1,374	2,878	1,858	3,640	3,232
	Liquor subsidies	-	-	2,663	2,661	2,663	2,661
	Other	784	737	1,870	1,564	2,654	2,301
A9	Victims of crime payments	2	609	12,576	11,693	12,578	12,302
A10	State Rescue Helicopter Service charges	-	260	11,875	11,333	11,875	11,593
A11	Employee benefits expenses	1,031	847	20,200	17,845	21,231	18,692
A12	Depreciation and amortisation expense	6,747	6,317	-	-	6,747	6,317
	Donated asset	-	11	6,170	-	6,170	11
A7	Net loss from the disposal of non-current assets	51	610	-	-	51	610
A13	Other expenses						
	Radio Network expenditure	446	247	17,539	17,028	17,985	17,275
	Suitor Payments	-	3,549	15,306	3,695	15,306	7,244
	Information and communications technology	404	247	3,172	2,665	3,576	2,912
	Claims	-	-	16,819	3,817	16,819	3,817
	Transfer from Victims of Crime Fund	-	2,724	2,334	3	2,334	2,727
	Accommodation	2,456	2,002	147	44	2,603	2,046
	Gaming Machine Trading Round disbursements	10	-	3,644	2,040	3,654	2,040
	Telephone related expenses	71	50	93	1,381	164	1,431
	Legal fees	76	286	1,157	1,026	1,233	1,312
	Contract staff	11	-	2,130	1,006	2,141	1,006
	Office expenses	-	-	851	827	851	827
	Contract maintenance	-	-	876	817	876	817
	Consultants	-	-	249	185	249	185
	Promotions and publications	-	-	252	164	252	164
	Other	-	1,032	3,366	1,172	3,366	2,204
	TOTAL EXPENSES	371,328	370,668	160,141	119,019	531,469	489,687
	INCOME						
A2	Taxation Revenue	-	-	290,823	302,856	290,823	302,856
A3	Revenues from SA Government	97,017	75,904	-	-	97,017	75,904
	Commonwealth revenues	-	-	16,194	15,893	16,194	15,893
A4	Grants and subsidies received						
	SA Computer Aided Dispatch	871	787	-	-	871	787
	State Rescue Helicopter Service	638	622	-	-	638	622
	Other	808	1,107	293	-	1,101	1,107
A5	Interest and investment revenues						
	Interest from the Department of Treasury and Finance	6,047	5,343	-	-	6,047	5,343
	Interest from Agents	-	-	5,294	5,139	5,294	5,139
	Distribution from investments	3,459	4,307	1284	-	4,743	4,307
	Interest from investments	3,015	3,190	-	-	3,015	3,190
	Interest from Housing SA	1,160	1,126	-	-	1,160	1,126
	Victims of Crime levies	13,941	12,960	28,727	24,678	42,668	37,638
	Fines and related fees	1,312	-	77,642	29,285	78,954	29,285
	Fees and charges	-	-	2,814	2,959	2,814	2,959
	Government Radio Network recoveries	23,138	22,575	1,908	1,725	25,046	24,300
	Donated assets	36	-	-	-	36	-
A6	Recoveries and other income						
	Contribution from Skycity Adelaide Pty Ltd	-	-	-	20,000	-	20,000
	Recoveries for State Rescue Helicopter Service	1,716	2,074	814	336	2,530	2,410
	Gaming Machine Trading Round revenue	-	-	3,734	2,066	3,734	2,066
	Confiscation of profits	1,162	1,697	-	-	1,162	1,697
	Sundry recoveries	1,495	185	1,257	1,512	2,752	1,697
	Recoveries from offenders	-	-	770	619	770	619
	Other	-	14	381	349	381	363
	TOTAL INCOME	155,815	131,891	431,935	407,417	587,750	539,308

	FINANCIAL ASSETS						
A15	Receivables						
	Receivables	1,411	1,554	22,986	22,126	24,397	23,680
	Accrued interest	3,817	3,595	-	-	3,817	3,595
	Prepayments	-	8	394	338	394	346
	Other	1,760	3,442	2,198	1,629	3,958	5,071
A16	Investments	253,804	235,017	-	-	253,804	235,017
	TOTAL FINANCIAL ASSETS	260,792	243,616	25,578	24,093	286,370	267,709
	FINANCIAL LIABILITIES						
A20	Payables						
	Accruals	2,149	1,384	4,810	5,490	6,959	6,874
	Creditors	1,208	921	-	-	1,208	921
	Employee on-costs	90	56	166	97	256	153
A22	Other liabilities						
	Security bonds lodged	-	-	171,376	164,938	171,376	164,938
	Gaming, fines and other receipts payable to the Department of Treasury and Finance	29,772	44,716	-	-	29,772	44,716
	Crown Solicitor's Trust Account	4,507	2,677	-	-	4,507	2,677
	Other	605	173	-	1,025	605	1,198
	TOTAL FINANCIAL LIABILITIES	38,331	49,927	176,352	171,550	214,683	221,477

Attorney-General's Department

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

Note A30 Budgetary Reporting and Explanations of major variances between budget and actual amounts

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

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

	Note	Original Budget ¹ 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
Expenses				
Payments to Consolidated Account		371,547	358,477	(13,070)
Grants and subsidies		46,704	42,931	(3,773)
Victims of Crime payments		16,752	12,578	(4,174)
State Rescue Helicopter Service charges		12,237	11,875	(362)
Employee benefits expenses		15,769	21,231	5,462
Depreciation and amortisation		10,970	6,747	(4,223)
Donated asset		-	6,170	6,170
Net loss from the disposal of non-current assets		-	51	51
Other expenses		48,708	71,409	22,701
Total expenses		522,687	531,469	8,782
Income				
Taxation revenue		299,514	290,823	(8,691)
Revenues from SA Government	a	138,605	97,017	(41,588)
Commonwealth revenue		16,194	16,194	-
Grants and subsidies received		1,128	2,610	1,482
Interest and investment revenues		34,848	20,259	(14,589)
Victims of Crime levies		41,274	42,668	1,394
Fines and related fees		67,843	78,954	11,111
Fees and charges		2,649	2,814	165
Government Radio Network recoveries		24,748	25,046	298
Donated asset		-	36	36
Recoveries and other income		18,226	11,329	(6,897)
Total income		645,029	587,750	(57,279)
Net result		122,342	56,281	(66,061)
Other Comprehensive Income				
Changes in property, plant and equipment asset revaluation surplus		-	132	132
Market value movement of investments		-	3,048	3,048
Total comprehensive result		122,342	59,461	(62,881)

¹ These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

a The decrease in appropriation compared to original budget was mainly due to the upgrade to the SA Government Radio Network which was delayed due to a number of issues, including issues associated with the tender process and contract negotiations. The majority of the original budget for this project was moved into the 2015-16 financial year during 2014-15.

Attorney-General's Department

NOTES TO THE ADMINISTERED ACCOUNTS

For the year ended 30 June 2015

		Original Budget ¹ 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
Investing Expenditure Summary	Note			
Total new projects				
Total existing projects	a	73,089	8,841	(64,248)
Total annual programs		215	380	165
Total investing expenditure		73,304	9,221	(64,083)

¹ These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

a The decrease in investing expenditure compared to original budget was mainly due to the upgrade to the SA Government Radio Network which was delayed due to a number of issues, including issues associated with the tender process and contract negotiations. The majority of the original budget for this project was moved into the 2015-16 financial year during 2014-15.

ATTORNEY-GENERAL'S DEPARTMENT

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Attorney - Generals Department:

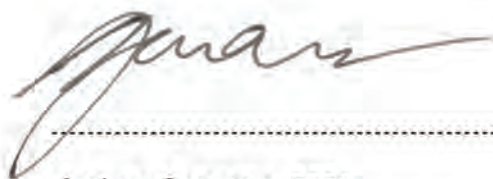
- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the department; and
- present a true and fair view of the financial position of the department as at 30 June 2015 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Attorney-General for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting.



Rick Persse
Chief Executive
Attorney-General's Department

17 Sep 2015



Andrew Swanson FCPA
Executive Director,
Finance, People and Performance

17 Sep 2015



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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 accompanying financial report of the Attorney-General's Department for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2015
- a Statement of Administered Financial Position as at 30 June 2015
- a Statement of Administered Changes in Equity for the year ended 30 June 2015
- a Statement of Administered Cash Flows for the year ended 30 June 2015
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2015
- a Schedule of Assets and Liabilities attributable to administered activities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Executive Director, Finance, People & Performance.

The Chief Executive's Responsibility 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 promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Attorney-General's Department as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
21 September 2015

Public Trustee

Financial report
for the year ended
30 June 2015

**Statement of Comprehensive Income
for the year ended 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Income			
Fees and charges	4(a)	20 820	20 956
Interest	4(b)	728	773
Gain from the disposal of fixed assets		1	1
Unrealised gains on financial assets		331	1 486
Other income	4(c)	766	384
Total income		22 646	23 600
Expenses			
Employee benefits	5(a), 5(b), 5(c), 5(d)	14 753	14 352
Supplies and services	5(e)	5 845	5 722
Depreciation and amortisation		892	777
Total expenses		21 490	20 851
Profit before income tax equivalents		1 156	2 749
Income tax equivalent	2(c)	347	825
Profit after income tax equivalents		809	1 924
Total comprehensive result		809	1 924

The profit after income tax equivalents and total comprehensive result are attributable to the SA Government as owner

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

**Statement of Financial Position
as at 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Assets:			
Current assets			
Cash and cash equivalents	16	6 759	11 305
Receivables	6	931	612
Total current assets		7 690	11 917
Non-current assets			
Financial assets	7, 8	21 361	17 419
Plant and equipment	9	3 474	4 150
Intangible assets	10	436	415
Total non-current assets		25 271	21 984
Total assets		32 961	33 901
Liabilities:			
Current liabilities			
Payables	11	1 289	1 793
Lease Incentive		268	268
Employee benefits	12	1 444	1 314
Provisions	13	16	15
Total current liabilities		3 017	3 390
Non-current liabilities			
Payables	11	419	421
Lease Incentive		1 048	1 316
Employee benefits	12	4 216	3 881
Provisions	13	35	36
Total non-current liabilities		5 718	5 654
Total liabilities		8 735	9 044
Net assets		24 226	24 857
Equity:			
Retained earnings		24 226	24 857
Total equity		24 226	24 857
Contingent assets and liabilities	14		
Unrecognised contractual commitments	17		

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

**Statement of Changes in Equity
for the year ended 30 June 2015**

	Note	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 30 June 2013		<u>-</u>	<u>24 239</u>	<u>24 239</u>
Profit/(Loss) after income tax equivalent		<u>-</u>	<u>1 924</u>	<u>1 924</u>
Total comprehensive result for 2013/14		<u>-</u>	<u>1 924</u>	<u>1 924</u>
Transactions with State Government as owner				
Dividends provided for	13	<u>-</u>	<u>(1 306)</u>	<u>(1 306)</u>
Balance as at 30 June 2014		<u>-</u>	<u>24 857</u>	<u>24 857</u>
Profit/(Loss) after income tax equivalent		<u>-</u>	<u>809</u>	<u>809</u>
Total comprehensive result for 2014/15		<u>-</u>	<u>809</u>	<u>809</u>
Transactions with State Government as owner				
Dividends paid	13	<u>-</u>	<u>(1 440)</u>	<u>(1 440)</u>
Balance as at 30 June 2015		<u>-</u>	<u>24 226</u>	<u>24 226</u>

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

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

Statement of Cash Flows
for the year ended 30 June 2015

	Note	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:			
Cash inflows			
Fees and charges		22 893	23 090
Sundry income		27	25
Interest		727	858
Distributions		397	279
Cash generated from operations		<u>24 044</u>	<u>24 252</u>
Cash outflows			
Employee benefits		(14 279)	(14 049)
Supplies and services		(6 685)	(7 174)
Tax equivalents		(889)	(475)
GST remitted to ATO		(1 450)	(1 370)
Cash used in operations		<u>(23 303)</u>	<u>(23 068)</u>
Net cash provided by operating activities	15(b)	<u>741</u>	<u>1 184</u>
Cash flows from investing activities:			
Cash inflows			
Proceeds from disposal of plant and equipment		1	1
Cash generated from investing activities		<u>1</u>	<u>1</u>
Cash outflows			
Financial assets		(3 611)	(4)
Purchase of plant and equipment		(101)	(67)
Purchase of intangibles		(136)	(168)
Cash used in investing activities		<u>(3 848)</u>	<u>(239)</u>
Net cash used in investing activities		<u>(3 847)</u>	<u>(238)</u>
Cash flows from financing activities:			
Cash outflows			
Dividend distribution to State Government	15(c)	<u>(1 440)</u>	<u>(1 528)</u>
Net cash used in financing activities		<u>(1 440)</u>	<u>(1 528)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(4 546)</u>	<u>(582)</u>
Cash and cash equivalents at 1 July		<u>11 305</u>	<u>11 887</u>
Cash and cash equivalents at 30 June	16	<u>6 759</u>	<u>11 305</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2014-15

1 Objectives of Public Trustee

The office of the Public Trustee was established in 1881 and is constituted under the provisions of the *Public Trustee Act 1995*. The Public Trustee is a statutory officer pursuant to the *Public Trustee Act 1995*. Public Trustee is a body corporate with the powers of a natural person.

The role of the Public Trustee is to provide all South Australians with access to will making services, powers of attorney preparation and deceased estate and trust administration. Public Trustee also has a role in managing the financial affairs of those people in the community who lack the capacity to manage their own affairs as determined by the courts, the South Australian Civil and Administrative Tribunal (SACAT) or through activation of powers of attorney.

2 Summary of significant accounting policies

The corporate statements present the financial performance, financial position and cash flows of Public Trustee as at 30 June 2015 together with the supporting notes.

Financial statements relating to funds administered by Public Trustee are prepared separately, detailing Trusts being Administered and Common Funds under Management.

a) Basis of accounting

Statement of Compliance

The financial statements are general purpose financial statements and 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*.

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

Except for AASB 2015-7 which has been early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by Public Trustee for the reporting period ending 30 June 2015. Refer to Note 3.

Basis of preparation

The preparation of the financial statements require;

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Public Trustee's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in these financial statements:
 - (i) revenues, expenses, financial assets and liabilities where the counter-party/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - (ii) expenses incurred as a result of engaging consultants;
 - (iii) employee targeted voluntary separation packages (TVSP) information;
 - (iv) employees whose normal remuneration is equal to or greater than the base executive remuneration level and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
 - (v) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Public Trustee Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable. The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented for the year ended 30 June 2014.

b) Comparative information

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

Where presentation or classification of items in the financial statements has been amended comparative amounts have been reclassified unless reclassification is impracticable. The restated comparative amounts do not replace the original financial statements for the preceding period.

For the year ended 30 June 2015 Public Trustee has not applied an accounting policy retrospectively or made a retrospective restatement of items or reclassified items in the financial statements.

c) Taxation and dividend

The *Public Trustee Act 1995*, through the provisions of Sections 47 and 48, provides for the payment to Government of taxation equivalents and dividends. The income tax liability is based on the Treasurer's accounting profit method, which requires that the corporate income tax rate be applied to the net profit. The Public Trustee consults with the Minister as to whether a dividend should be paid to the Treasurer for that financial year and, if so, as to the amount of the dividend.

Public Trustee is also liable for payroll tax, fringe benefits tax and goods and services tax.

d) Events after the reporting period

Where an event occurs after 30 June 2015 but provides information about conditions that existed at 30 June, adjustments are made to amounts recognised in the financial statements.

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

e) Basis of valuation

Non-current assets and liabilities with the exception of Employee Benefits, are carried at deemed fair value.

Fair Value measurement

AASB 13 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.

Public Trustee classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

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

Plant and Equipment

Plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation or amortisation. The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amounts from these assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets' employment and subsequent disposal. The expected

net cash flows have not been discounted to their present values in determining the recoverable amount. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. The acquisition of software is capitalised when the expenditure meets the definition and recognition criteria of an asset and when the amount of expenditure is greater than or equal to \$5,000. Software is measured at cost unless the asset is acquired for no cost or for a nominal amount and then the asset's fair value is deemed to be cost. All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 Intangible Assets are expensed.

Plant and equipment and intangible assets are depreciated or amortised on a straight-line basis over their estimated useful lives, commencing from the time the asset is held ready for use. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to physical assets such as plant and equipment.

The depreciation/amortisation rates used for each class of depreciable assets are:

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Plant and equipment	20% - 27%
Software	20% - 27%
Accommodation fit out	10%

Financial Instruments

Financial instruments are carried at fair value determined as below:

- Cash and cash equivalents: are valued at nominal amounts. This asset consists of cash at bank, on hand and short term money market deposits that are readily converted to cash and which are subject to insignificant risk of changes in value.
- Investments: on acquisition are brought to account at cost and subsequently revalued at the balance date to fair value. Fixed interest investments are classified as held at fair value through the profit or loss and valued at market value based on independently obtained market yields applying at the balance date. Australian and International equities currently held in pooled funds are valued at the fair value prices established by the managers of the collective investment vehicles in which Public Trustee has invested.

Financial Instruments - Recognition

Public Trustee recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

Financial Instruments - Measurement

Financial assets and liabilities held at fair value through the profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income. Fair value of financial instruments are classified, according to fair value hierarchy, at level 2 - fair values that are based on inputs that are directly or indirectly observable for the asset/liability.

- Fair value in an active market
The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.
- Fair value of unlisted unit trusts
Investments in other unlisted unit trusts are recorded at the fair value as reported by the managers of such funds.

Financial Instruments - Classification

Investments in financial assets such as equities and units in unlisted schemes have been classified as 'Fair value through the profit or loss' and recognised in the Statement of Financial Position at fair value, with changes in fair value during the period recognised in the Statement of Comprehensive Income.

If any indication of impairment exists, an impairment loss is recognised in the Statement of Comprehensive Income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the Statement of Comprehensive Income.

Receivables and Payables are valued on a historical cost basis and it is considered that carrying value approximates market value.

Distributions from trust investments are recognised on a present entitlement basis.

f) Rounding

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

g) Income and expenses

Income and expenses are recognised in Public Trustee's Statement of Comprehensive Income when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amounts.

h) Employee benefits

Provision has been made in the Financial Statements, where stated, for Public Trustee's liability for employee benefits arising from services rendered by employees to balance date that remain unpaid. Related on-costs consequential to the employment of employees (payroll tax and superannuation contributions) have been included under "Payables" (Refer Note 11).

Salaries and wages

Liability for salaries and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

Superannuation

Public Trustee makes contributions to several superannuation schemes operated by the State Government. These contributions are treated as an expense when they occur. There is no liability for payment to beneficiaries as the South Australian Superannuation Board (SASB) has assumed this liability. The only liability outstanding at balance date relates to any contributions due but not yet paid to the SASB.

Annual leave

Provision has been made for the unused component of annual leave to balance date. The provision has been calculated at nominal amounts based on current salary rates plus 3% inflation rate as recommended in Accounting Policy Framework IV, paragraphs 5.7 and 5.8.

Skills and experience retention leave

Skills and experience retention leave is recognised on a pro-rata basis up to balance date in respect of services provided by Public Trustee employees with greater than 15 years service. The skills and experience retention leave is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

Long service leave

Long service leave is recognised on a pro-rata basis in respect of services provided by Public Trustee employees up to balance date. The liability was measured by an actuarial assessment performed by the Department of Treasury and Finance based on Public Trustee employee data. 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. This calculation is consistent with Public Trustee's experience of employee retention and leave taken. The current liability portion has been based on the past history of annual payments.

Sick leave

No provision has been made in respect of sick leave, as entitlements are non-vesting. As sick leave taken by employees is considered to be taken from the current year's accrual, no liability is recognised.

i) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. Public Trustee has assessed whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. Public Trustee has entered into 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.

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 Public Trustee in respect of operating leases are recorded as a reduction of rental expense over the lease term, on a straight line basis.

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

j) Insurance

Public Trustee has insured for risks through the State Government's insurers, SAICORP, a division of the South Australian Government Financing Authority. The excess payable under this arrangement varies depending on each class of insurance held.

k) Current and non-current items

Assets and liabilities are characterised as either current or non-current in nature. Public Trustee has a clearly identifiable operating cycle of 12 months. Therefore assets and liabilities that will be realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

l) Receivables

Receivables comprise debtors, accrued investment income, income tax equivalent refund due, prepayments and doubtful debts. Debtors arise in the normal course of selling goods and services to the public and other agencies. Trade receivables are payable within 30 days after the issue of an invoice or the services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that Public Trustee will not be able to collect the debt. Bad debts are written off when identified.

m) Payables

Payables include creditors, accrued expenses, employment on-costs, income tax equivalents and Goods and Services Tax (refer Note 2(o)).

Creditors represent the amounts owing for goods and services received but not paid prior to the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of Public Trustee.

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 received.

All amounts are measured at their nominal amount and are normally settled within 30 days after Public Trustee receives an invoice.

Employment on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave, skis and experience retention leave and annual leave.

n) Provisions

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

Public Trustee is responsible for the payment of workers compensation claims.

o) Accounting for the Goods and Services tax (GST)

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

- The amount of GST incurred by Public Trustee as a purchaser that is not recoverable from the Australian Taxation Office 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 GST payable to or recoverable from, the Australian Taxation Office has been recognised as a payable or receivable in the Statement of Financial Position.

Cash flows are reported on a gross basis in the Statement of Cash Flows. The GST component of the cash flows arising from investing or financing activities, which is recoverable from, or payable to, the Australian Taxation Office, is classified as operating cash flows.

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

p) Disaggregated reporting

Disaggregated reporting has been deemed not appropriate for Public Trustee, as assets, liabilities, income and expenses attributable to different activities cannot be reliably determined.

q) Impairment

All assets are assessed annually for evidence of impairment at reporting date, where there is an indication of impairment, the recoverable amount is estimated. Any amount by which the carrying amount exceeds the recoverable amount is recorded as an impairment loss.

3 New and revised accounting standards

Except for AASB 2015-7 which Public Trustee has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Public Trustee for the period ending 30 June 2015. The Public Trustee has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements.

4 Income

a) Fees and charges

	2015	2014
	\$'000	\$'000
Commissions ¹	10 610	10 900
Fees and charges ¹	1 842	1 946
Management Fees ²	8 368	8 110
Total fees and charges	20 820	20 956

¹Commissions and fees are charged against estates pursuant to Sections 44 and 45 of the *Public Trustee Act 1995* and other Acts.

²A management fee is charged against common funds at the rate of one-twelfth of one percent of the value of each fund as at the first business day of the month.

b) Interest

	2015 \$'000	2014 \$'000
Interest on operating and reserve accounts	38	53
Interest on fixed term investments	690	720
Total interest	728	773

c) Other income

	2015 \$'000	2014 \$'000
Recoupment of salaries and oncosts	-	2
Sundry income	27	23
Distributions from trusts	739	359
Total other income	766	384

5 Expenditure

a) Superannuation

During 2014-15 Public Trustee paid an amount of \$1.3 million (\$1.3 million) to the Department of Treasury and Finance towards the accruing Government liability for superannuation in respect of its employees.

b) Remuneration of employees

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

	2015 Number of Employees	2014 Number of Employees
\$141 500 - \$151 499 ¹	1	1
\$221 500 - \$231 499	1	-
\$231 500 - \$241 499	-	1
\$241 500 - \$251 499	1	1
\$281 500 - \$291 499	1	1
	4	4

¹One officer received payments for accrued long service leave in lieu of leave in 2013-14.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013). Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any fringe benefits tax paid or payable in respect of those benefits. Total remuneration received or due and receivable by these employees was \$901 000 (\$924 000).

c) Targeted voluntary separation packages (TVSPs)

Public Trustee provided for no TVSPs during 2014-15 or the previous year.

d) Remuneration of board and committee members

Members that were entitled to receive remuneration for membership during the 2014-15 financial year were:

Public Trustee Audit and Risk Management Committee

Ms Christine Locher

Ms Virginia Hickey

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

	2015 Number of Members	2014 Number of Members
\$0 - \$9 999	1	3
\$10 000 - \$19 999	1	-
	2	3

The total remuneration received or receivable by members was \$19 000 (\$18 000).

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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.

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

e) **Supplies and services**

	2015 \$'000	2014 \$'000
Minor works, maintenance and equipment	13	15
Insurance	206	202
Information technology	1 493	1 552
Accommodation and telecommunication	1 850	1 773
Legal expenses	37	71
Service contractors	905	857
Other Supplies and services	1 164	1 018
Auditors remuneration ¹	177	173
Consultancies ²	-	61
Total supplies and services	5 845	5 722

¹ Audit fees paid/payable to the Auditor General's Department relating to the audit of financial statements. No other services were provided by the Auditor General's Department.

² Public Trustee paid for no consultancies in 2014-15. There were two consultancies in 2013-14 for amounts of between \$10 000 and \$50 000.

6 **Receivables**

	2015 \$'000	2014 \$'000
<i>Current receivables</i>		
Debtors	20	39
Doubtful debts	(3)	-
Accrued investment income	716	373
Prepayments	198	200
Total Receivables	931	612

Receivables are generally settled within 30 days after the issue of an invoice.

7 **Financial assets**

Public Trustee is required, pursuant to section 46(2)(c) of the *Public Trustee Act 1995*, to obtain the Treasurer's approval as to the manner of investment of corporate funds.

	2015 \$'000	2014 \$'000
<i>Non-current financial assets</i>		
Australian fixed interest	3 000	-
Australian fixed interest (pooled funds)	7 106	7 077
International equities (pooled funds)	4 420	4 263
Australian listed property (pooled funds)	1 575	1 354
Australian equities (pooled funds)	5 260	4 725
Total financial assets	21 361	17 419

8 Financial instruments

a) Fair value of financial assets and liabilities

Financial instruments are readily tradeable and carried at fair value based upon the valuation policies set out in Note 2(e). The aggregate carrying amounts for each class of financial instrument are as disclosed within the notes to the financial statements.

b) Investment in collective investment vehicles

In addition to holding financial instruments directly, Public Trustee has invested in collective investment vehicles for the purpose of gaining exposure to Australian and International assets. The managers of such vehicles have invested in a variety of financial instruments, which expose Public Trustee to investment risks, including market risk, credit risk, interest risk and currency risk. Public Trustee has assessed the investment rules of these collective investments and determined their suitability as investments.

c) Financial risk management

Public Trustee's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of Public Trustee. Only Australian domiciled pooled funds are used for investments in overseas assets. These funds are not directly exposed to foreign exchange risk as the pooled funds are fully hedged against currency risk.

Management of risk is focused on both strategic and business process risk. Annually, an analysis of strategic risk is undertaken which is comprehensive and covers investment, financial, operational and administrative responsibilities of Public Trustee. Business processes are documented, key risks are identified and management strategies used to control these risks are in place.

d) Market risk

Price risk

Public Trustee is exposed to equity securities price risk. This arises from investments held by Public Trustee and classified on the Statement of Financial Position as financial assets at fair value through the profit or loss. Public Trustee is not directly exposed to commodity price risk, as the classes of investments include Australian shares, International shares and listed properties.

To manage its price risk arising from investments, Public Trustee diversifies its portfolio. Diversification of the portfolio is done in accordance with its Investment Guidelines. The analysis detailed below is based on the assumption that the market indexes had increased/decreased by a set percentage with all other variables held constant and all instruments moving according to the historical correlation with the index.

Cash flow and interest rate risk

Public Trustee's interest rate risk arises from cash investments, short term investments and Australian fixed interest investments. Instruments issued at fixed interest rates expose Public Trustee to fair value interest rate risk and variable rate instruments expose Public Trustee to cash flow interest rate risk. Public Trustee invests in short term money market instruments with maturities less than one year and with credit ratings that satisfy the credit rating requirements of Public Trustee's Cash Common Fund.

A sensitivity analysis is provided below, outlining the exposure to each type of market risk at reporting date, showing how profit or loss would be affected by the changes in the relevant risk variable that were reasonably possible at that date. All instruments are designated as financial assets at fair value through the profit or loss; therefore there is no direct impact on equity.

Sensitivity analysis – 30 June 2015

	Carrying Amount \$'000	Interest Rate Risk		Price Risk	
		- 1% State- ment of Compre- hensive Income \$'000	+ 1% State- ment of Compre- hensive Income \$'000	- 20% State- ment of Compre- hensive Income \$'000	+ 10% State- ment of Compre- hensive Income \$'000
Financial assets					
Cash and cash equivalents	6759	(68)	68	-	-
Financial assets at fair value through profit or loss:					
Australian fixed interest FRN	3 000	(30)	30	-	-
Australian fixed interest (pooled funds)	7 106	(71)	71	-	-
International equities (pooled funds)	4 420	-	-	(884)	442
Australian listed property (pooled funds)	1 575	-	-	(315)	157
Australian equities (pooled funds)	5 260	-	-	(1 052)	526
Total (decrease)/increase		<u>(169)</u>	<u>169</u>	<u>(2 251)</u>	<u>1 125</u>

Sensitivity analysis – 30 June 2014

	Carrying Amount \$'000	Interest Rate Risk		Price Risk	
		- 1% State- ment of Compre- hensive Income \$'000	+ 1% State- ment of Compre- hensive Income \$'000	- 20% State- ment of Compre- hensive Income \$'000	+ 10% State- ment of Compre- hensive Income \$'000
Financial assets					
Cash and cash equivalents	11 305	(113)	113	-	-
Financial assets at fair value through profit or loss:					
Australian fixed interest (pooled funds)	7 077	(71)	71	-	-
International equities (pooled funds)	4 263	-	-	(853)	426
Australian listed property (pooled funds)	1 354	-	-	(271)	135
Australian equities (pooled funds)	4 725	-	-	(945)	473
Total (decrease)/increase		<u>(184)</u>	<u>184</u>	<u>(2 069)</u>	<u>1 034</u>

e) Credit risk

Credit risk is managed at the corporate level. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and committed transactions. Public Trustee has no direct exposure to derivative instruments, thus credit risk arises primarily through investments with banking corporations.

Short-term money market instruments must have a short-term Standard & Poor's (S&P) rating of A1 or in the case of the issuer being a bank under the *Banking Act 1959* a rating of A2 is accepted. Floating rate instruments must have a long-term S&P credit rating of A+ or better or where the counter party is a bank under the *Banking Act 1959* a rating of BBB or better is accepted.

If there is no independent rating, Public Trustee assesses the credit quality of the customer, taking into account its financial position and past experience. Pooled investment funds are not rated; however, Public Trustee has made a thorough assessment of all pooled funds managers in regard to credit and other risks prior to investing funds with each manager. The credit risk lies with the pooled fund manager responsible for the management of the underlying investments. Public Trustee continually monitors these assessments.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Public Trustee has no direct exposure to derivative instruments.

	2015 \$'000	2014 \$'000
<i>Cash at bank, short-term bank deposits and floating rate notes</i>		
A1+	1 759	2 805
A2	5 000	8 500
Total cash at bank, short-term bank deposits and floating rate notes	6 759	11 305
	2015 \$'000	2014 \$'000
<i>Long-term bank deposits</i>		
A	3 000	-
Total long-term bank deposits	3 000	-
	2015 \$'000	2014 \$'000
<i>Trade receivables</i>		
<i>Counterparties with external ratings</i>		
A1+	3	11
A2	31	46
A	7	-
<i>Counterparties without external ratings</i>		
Existing customers with no defaults in the past	890	555
Total trade receivables	931	612

f) Liquidity risk

Public Trustee has working capital policies in place in order to maintain liquidity. Short-term investment analysis assists in determining the amount, if any, to be invested or reinvested in order to maintain working capital. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. Public Trustee manage the liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

All current financial assets held to maturity have a maturity date within 12 months. Pooled Funds investments have no maturity date.

9 Plant and equipment

2015	Opening Balance	Addit- ions	Dispos- als	Deprec- iation	Revaluation / Other	Closing Balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant and equipment at cost	1 287	34	(13)	-	-	1 308
Accommodation fit-out	6 254	-	-	-	-	6 254
Work in progress at cost	-	67	-	-	-	67
Total plant and equipment	7 541	101	(13)	-	-	7 629
Less: accumulated depreciation						
Plant and equipment	(909)	-	13	(152)	-	(1 048)
Accommodation fit-out	(2 482)	-	-	(625)	-	(3 107)
Total accumulated depreciation	(3 391)	-	13	(777)	-	(4 155)
Net plant and equipment	4 150	101	-	(777)	-	3 474

2014	Opening Balance	Addit- ions	Dispos- als	Deprec- iation	Revaluation / Other	Closing Balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Plant and equipment at cost	1 011	360	(84)	-	-	1 287
Accommodation fit-out	6 254	-	-	-	-	6 254
Work in progress at cost	293	(293)	-	-	-	-
Total plant and equipment	7 558	67	(84)	-	-	7 541
Less: accumulated depreciation						
Plant and equipment	(859)	-	84	(134)	-	(909)
Accommodation fit-out	(1 857)	-	-	(625)	-	(2 482)
Total accumulated depreciation	(2 716)	-	84	(759)	-	(3 391)
Net plant and equipment	4 842	67	-	(759)	-	4 150

Plant and Equipment assets are classified as Level 3 assets for fair value purposes as valuation is based on management's assessment of useful life and condition. The significant input to the valuation is management's assessment of useful life which is disclosed in Note 2(e).

There have been no movements in the fair value of Plant and Equipment other than movements as a result of additions, disposals and current year depreciation as shown above.

10 Intangible assets

2015	Opening Balance \$'000	Addit- ions \$'000	Dispos- als \$'000	Amort- isation \$'000	Revaluation / Other \$'000	Closing Balance \$'000
Software at cost	6 525	6	-	-	-	6 531
Work in progress at cost	-	130	-	-	-	130
Less: accumulated ammortisation	(6 110)	-	-	(115)	-	(6 225)
Total intangible assets	415	136	-	(115)	-	436

Work in progress items are transferred to intangible assets when ready for use.

2014	Opening Balance \$'000	Addit- ions \$'000	Dispos- als \$'000	Amort- isation \$'000	Revaluation / Other \$'000	Closing Balance \$'000
Software at cost	6 100	425	-	-	-	6 525
Work in progress at cost	257	(257)	-	-	-	-
Less: accumulated ammortisation	(6 092)	-	-	(18)	-	(6 110)
Total intangible assets	265	168	-	(18)	-	415

11 Payables

	2015 \$'000	2014 \$'000
<i>Current liabilities</i>		
Trade creditors and accrued expenses	616	601
Income tax equivalents	141	683
GST payable	326	314
Employment on-costs	206	195
	<u>1 289</u>	<u>1 793</u>
<i>Non-current liabilities</i>		
Employment on-costs	419	421
Total payables	<u>1 708</u>	<u>2 214</u>

12 Employee benefits

	2015 \$'000	2014 \$'000
<i>Current Liabilities</i>		
Long service leave ¹	279	254
Accrued salaries	196	149
Recreation leave ²	820	800
Skills and experience retention leave ²	149	111
	<u>1 444</u>	<u>1 314</u>
<i>Non-current liabilities</i>		
Long service leave ¹	4 216	3 881
Total employee benefits	<u>5 660</u>	<u>5 195</u>

¹The actuarial assessment performed by the Department of Treasury and Finance has provided the basis for the calculation of the long service leave liability. AASB 119 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 decreased to 3% (3.5%). The net financial effect of the decrease in the bond yield is an increase in the long service leave liability of \$134 000 and employee benefits expense of \$146 000. The actuarial assessment did not change the salary inflation rate assumption of 4 % for long service leave liability. As a result, there is no net financial effect resulting from

inflation rate. Accounting Policy Framework IV outlines that the proportion of long service estimated to be taken as leave has decreased to 37% (40%).

²The actuarial assessment performed by the Department of Treasury and Finance revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability. The net financial effect of the changes in the current financial year are a decrease in the annual leave liability by \$7 900, skills, experience and retention leave liability of \$1400 and employee benefits expense of \$10 800.

13 Provisions

	2015 \$'000	2014 \$'000
<i>Current Liabilities</i>		
Provision for dividend to State Government ¹	-	-
Provision for workers' compensation ²	16	15
	<u>16</u>	<u>15</u>
<i>Non-current Liabilities</i>		
Provision for workers' compensation ²	35	36
Total provisions	<u>51</u>	<u>51</u>
	2015 \$'000	2014 \$'000
<i>Provisions for dividend</i>		
Provision for dividend to State Government at 1 July ¹	-	222
Add: additional provision recognised ¹	1 440	1 306
Less: payments to State Government	(1 440)	(1 528)
Provision for dividend at 30 June	<u>-</u>	<u>-</u>
	2015 \$'000	2014 \$'000
<i>Provision for workers' compensation</i>		
Provision for workers' compensation at 1 July ²	51	24
Add: Increase in provision	190	27
Less: payments from provision	(190)	-
Provision for workers' compensation at 30 June	<u>51</u>	<u>51</u>

¹In accordance with the Public Trustee Charter, agreed by the Attorney-General and Treasurer, any differences between forecast profit and audited profit will be addressed through an adjustment to the final dividend in the following financial year. In 2014-15 an interim dividend of \$460,000 (2013-14 interim dividend of \$655,000) was paid to the Government. An additional final 2013-14 dividend of \$980,000 was approved and paid in October 2014.

²A liability has been reported to reflect unsettled workers compensation claims. The workers' compensation provision is based on an actuarial assessment performed by the Public Sector Workforce Relations Division of the Department of Premier and Cabinet.

14 Contingencies

Public Trustee had no known contingent assets or liabilities as at balance date.

15 Cash flow reconciliation

a) Reconciliation of cash and cash equivalents	2015 \$'000	2014 \$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	6 759	11 305
Balance as per the Statement of Cash Flows	6 759	11 305

b) Reconciliation of profit/loss after income tax equivalents to net cash provided by operating activities

	2015 \$'000	2014 \$'000
Profit for the year after income tax equivalent	809	1 924
Add/Less non cash items:-		
Depreciation and amortisation	892	777
Lease incentive	(268)	(268)
Unrealised gain on financial assets	(331)	(1 486)
Realised gain on financial assets	-	-
Loss (Gain) on disposal of equipment	(1)	(1)
Change in assets and liabilities:-		
Decrease (Increase) in receivables	(319)	6
Increase (Decrease) in payables	15	(468)
Increase (Decrease) in employee benefits and on-costs	474	276
Increase (Decrease) in provisions	-	27
Increase (Decrease) in income tax equivalents	(542)	350
(Decrease) Increase in GST liability	12	47
Net cash provided by operating activities	<u>741</u>	<u>1 184</u>

c) Reconciliation of dividend paid to State Government

	2015 \$'000	2014 \$'000
Interim dividend paid for 2012-13	-	222
Final dividend paid for 2012-13	-	651
Interim dividend paid for 2013-14	-	655
Final dividend paid for 2013-14	980	-
Interim dividend paid for 2014-15	460	-
Total dividend paid	<u>1 440</u>	<u>1 528</u>

16 Cash and cash equivalents

	2015 \$'000	2014 \$'000
<i>Cash and cash equivalents</i>		
Cash	1 759	1 805
Short term financial assets held to maturity	5 000	9 500
	<u>6 759</u>	<u>11 305</u>

17 Unrecognised contractual commitments

Public Trustee has no capital contractual arrangements for 2013-14 or 2014-15.

	2015 \$'000	2014 \$'000
<i>Remuneration commitments</i>		
One year or less	722	714
Later than one year but no longer than five years	1 443	715
Total remuneration commitments	<u>2 165</u>	<u>1 429</u>

Amounts disclosed include commitments arising from executive service contracts. Public Trustee does not offer remuneration contracts greater than 5 years.

	2015 \$'000	2014 \$'000
<i>Operating lease commitments</i>		
One year or less	2 079	2 004
Later than one year but no longer than five years	8 921	8 796
Later than five years	-	2 204
Total operating lease commitments	<u>11 000</u>	<u>13 004</u>

Public Trustee's operating leases are for office accommodation. Office accommodation is leased from the Department of Planning, Transport and Infrastructure. The leases are non-cancellable and expire in May 2020. Rent is payable monthly in advance. In accordance with the lease agreement an independent rent assessment is currently underway.

18 Transactions with SA Government

	Note	SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Income							
Fees and charges	4(a)	-	-	20 820	20 956	20 820	20 956
<i>Interest</i>	4(b)						
Interest on operating account		-	-	38	53	38	53
Interest on fixed term investments		-	-	690	720	690	720
<i>Other income</i>	4(c)						
Recoupment of salaries and oncosts		-	2	-	-	-	2
Sundry Income		-	-	27	23	27	23
Distributions from trusts		-	-	739	359	739	359
Gain from disposal of fixed assets		-	-	1	1	1	1
Unrealised gains on financial assets		-	-	331	1 486	331	1 486
Total income		<u>-</u>	<u>2</u>	<u>22 646</u>	<u>23 598</u>	<u>22 646</u>	<u>23 600</u>

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	Note	SA Government		Non-SA Government		Total	
		2015	2014	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses							
<i>Employee Benefit Expenses</i>	5	649	642	14 104	13 710	14 753	14 352
<i>Supplies and services</i>	5(e)						
Insurance		206	202	-	-	206	202
Information technology		473	560	1020	992	1 493	1 552
Accommodation and telecommunication		1 815	1 743	35	30	1 850	1 773
Legal expenses		37	71	-	-	37	71
Service contractors		616	615	289	242	905	857
Other supplies and services		117	122	1 047	896	1 164	1 018
Auditors remuneration		177	173	-	-	177	173
Minor works, maintenance and equipment		-	-	13	15	13	15
Consultancies		-	-	-	61	-	61
<i>Total supplies and services</i>		3 441	3 486	2404	2 236	5 845	5 722
Total Expenses		4 090	4 128	16 508	15 946	20 598	20 074

	Note	SA Government		Non-SA Government		Total	
		2015	2014	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets							
<i>Current assets</i>							
<i>Cash</i>							
Cash and cash equivalents	16	1 759	1 805	5 000	9 500	6 759	11 305
<i>Receivables</i>							
Doubtful debts	6	1	11	19	28	20	39
Accrued investment income		-	-	(3)	-	(3)	-
Prepayments		3	4	713	369	716	373
<i>Total Current Assets</i>		-	-	198	200	198	200
		1 763	1 820	5 927	10 097	7 690	11 917
<i>Non-current assets</i>							
Financial assets	7,8	-	-	21 361	17 419	21 361	17 419
Total financial assets		1 763	1 820	27 288	27 516	29 051	29 336

	Note	SA Government		Non-SA Government		Total	
		2015	2014	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Liabilities							
<i>Payables</i>							
Trade creditors	11	321	425	295	176	616	601
Income tax equivalents		141	683	-	-	141	683
On-costs on employee benefits		292	269	333	347	625	616
Goods and services tax		-	-	326	314	326	314
Total financial liabilities		754	1 377	954	837	1 708	2 214

STATEMENT OF TRUSTS BEING ADMINISTERED

Statement of Trusts Being Administered
as at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Trust funds under administration	3		
Deceased Estates		161 754	155 059
Trusts		123 760	119 829
Administration Matters		40 620	38 978
Court Award Orders		398 241	385 965
Protected Estates		292 454	266 684
Workers Compensation Awards		203	200
Power of Attorney		60 905	58 877
Investors		301 116	278 770
Total funds		1 379 053	1 304 362
Represented by			
Investment in Common Funds	1(b), 2		
Non current assets			
Australian equities		158 450	157 686
International equities		127 229	121 013
Property securities		42 131	42 079
Australian fixed interest investments		189 830	215 195
International fixed interest investments		34 862	24 726
		<u>552 502</u>	<u>560 699</u>
Current assets			
Cash and cash equivalents		13 014	5 000
Australian fixed interest investments		316 659	298 748
Advances to estates		4 626	4 894
Other assets		29 318	17 897
		<u>363 617</u>	<u>326 539</u>
Current liabilities			
Bank overdraft		109	64
Income distribution payable		13 929	12 577
Other liabilities		47	19
		<u>14 085</u>	<u>12 660</u>
Net Common Fund assets		902 034	874 578
Estate assets	1(c)		
Non current assets			
Real estate		310 626	283 699
Superannuation		105 726	84 376
Personal chattels		19 277	18 245
Equities		19 956	21 893
Fixed interest and cash assets		15 525	13 738
Mortgages		59	138
		<u>471 169</u>	<u>422 089</u>
Current assets			
Other assets		16 557	15 719
		<u>16 557</u>	<u>15 719</u>
Current liabilities			
Other liabilities		10 707	8 024
		<u>10 707</u>	<u>8 024</u>
Net estate assets		477 019	429 784
Total net assets		1 379 053	1 304 362

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

I. Statement of Principal Accounting Policies

(a) Format of the Accounts

The Statement of Trusts Being Administered (the 'Statement') and related notes are special purpose financial statements that provide information on the value and nature of trusts being administered. The Statement consolidates all trusts being administered by Public Trustee. Accordingly, no Accounting Standards and other mandatory reporting requirements are applied in the preparation and presentation of this Statement.

Public Trustee has prepared the Statement, where appropriate, based on the general principles outlined in Australian Accounting Standards.

The Statement of Trusts Being Administered has been prepared using the accrual basis of accounting. Dividend income is recognised on the date that shares are quoted as ex-dividend. Distributions from trusts are recognised on a present entitlement basis.

(b) Basis of valuation of common fund assets and liabilities

For the 2014-15 reporting period assets for the Australian Shares Common Fund, Overseas Fixed Interest Common Fund, Overseas Shares Common Fund and the Property Common Fund are reported at market value to comply with current accounting standards.

Australian Fixed Interest Investments: Are valued at market value based on independently obtained market yields applying at balance date.

Advances to Estates: Are carried at their nominal amounts. Public Trustee is authorised by the Public Trustee Act 1995 to advance monies where an estate has insufficient monies to make payments as authorised or required to administer the estate, usually on a short term basis. Funds advanced are a first charge on the estate's property vested under the control of Public Trustee. The interest rate applicable on advances at 30 June 2015 was 2.30% (2.90%).

Cash at Bank and Cash Equivalents: Are carried at nominal amounts, translated at prevailing exchange rates where applicable. This asset consists of cash at bank and on hand, as well as other short term, highly liquid investments with original maturities of three months or less.

Other assets and other liabilities: Are carried at their nominal amounts.

(c) Basis of valuation for estate assets

Real Estate: For deceased estates, real estate is initially valued as at date of death. In other matters, the initial valuation is at the date Public Trustee is being appointed manager, administrator or new trustee. Public Trustee revalues all South Australian real estate other than accommodation bonds annually. All other real estate is revalued to current value where these values can be ascertained. Such revaluations are determined by reference to valuations established by the South Australian Valuer-General, with a revaluation last being carried out as at 30 June 2015. Accommodation bonds are valued annually at cost less retention amount until the retention terms have expired.

Superannuation: During the 2014-15 reporting period client moneys were invested within an approved superannuation provider and were valued at fair value.

Personal Chattels: For deceased estates, valuation is at date of death; in other matters, valuation is at the date of Public Trustee being appointed manager, administrator or new trustee. In the case of some sundry minor assets, nominal values are used for valuation purposes.

Investment by Estates in Common Funds: Valuation of estate investment in common funds is based on the underlying fair value of common funds as at balance date.

Other Estate Investments: Investments other than equities are shown at their face value. Valuation is performed at the date of the Public Trustee being appointed manager, administrator or new trustee or at the date of death in the case of deceased estates. Equities are valued at net fair value as at balance date.

STATEMENT OF TRUSTS BEING ADMINISTERED

2. Operation of the Common Funds

Common Funds managed by Public Trustee have been established pursuant to Section 29 of the *Public Trustee Act 1995* or its predecessor legislation. Financial Statements for each common fund operated by Public Trustee are presented within the annual report of Public Trustee.

Investment in Common Funds (with the exception of direct investment in the Cash Common Fund) are by way of notional unit holdings in the common funds. Contributors may invest in the Cash Common Fund or alternately invest in a selection of common funds in proportions determined by one or more of the following standard investment strategies provided by Public Trustee:

- Capital Stable
- Growth
- Balanced
- Equities

3 Trust Funds under Administration

	Number		Value	
	2015	2014	2015 \$'000	2014 \$'000
Deceased Estates				
Monies and assets held under the administration of the Public Trustee pursuant to the provisions of the <i>Public Trustee Act</i>	1 234	1 299	161 754	155 059
Trusts				
Monies and assets held under the administration of the Public Trustee pursuant to the terms of a Will or a Deed of Trust	1 313	1 344	123 760	119 829
Administration Matters				
Monies paid and assets transferred to the Public Trustee on account of minor beneficiaries pursuant to the <i>Public Trustee Act</i>	356	371	40 620	38 978
Court Award Orders				
Monies directed by the Court to be paid to the Public Trustee on behalf of clients and invested and applied by the Public Trustee as the Court directs and monies administered by the Public Trustee under the <i>Aged and Infirm Persons Property Act</i>	794	790	398 241	385 965
Protected Estates				
Monies administered by the Public Trustee under the <i>Guardianship and Administration Act 1993</i>	3 332	3 252	292 454	266 684
Workers Compensation Awards				
Monies directed by the Court to be paid to the Public Trustee on behalf of widows and minors and invested and applied by the Public Trustee as the Court directs	3	4	203	200
Powers of Attorney				
Monies and assets held on behalf of donors who have appointed the Public Trustee to act on their behalf	311	322	60 905	58 877
Investors				
Monies invested in Common Funds pursuant to Section 29 (1) of the <i>Public Trustee Act 1995</i> by classes of persons approved by the Minister	283	293	301 116	278 770
	<u>7 626</u>	<u>7 675</u>	<u>1 379 053</u>	<u>1 304 362</u>

4 Unclaimed Monies

During the reporting period, amounts totalling \$628 872 (\$343 000) in respect of estates became/were identified as unclaimed monies. Payment of these amounts to the Consolidated Account pursuant to Section 32 (1) of the Public Trustee Act 1995 is expected to occur in the next financial year.

**Cash Common Fund
Statement of Comprehensive Income
for the year ended 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Investment income			
Interest	2(c)	15 826	16 358
Net (loss) on financial assets held at fair value through profit or loss	2(b),3(d)	(987)	(333)
Total investment income		<u>14 839</u>	<u>16 025</u>
Expenses			
Public Trustee management fees	2(f)	4 407	4 119
Legal and advisory expenses		105	98
Other expenses		29	26
Total expenses		<u>4 541</u>	<u>4 243</u>
Net operating profit		<u>10 298</u>	<u>11 782</u>
Financing costs attributable to unitholders			
Undistributed income brought forward		1 243	1 497
Distributions to unitholders	2(h),4	(11 501)	(12 369)
Transfers from net assets to determine distributable income	2(i)	987	333
Total financing costs attributable to unitholders		<u>(9 271)</u>	<u>(10 539)</u>
(Increase) in net assets attributable to unitholders		<u>(1 027)</u>	<u>(1 243)</u>
Total comprehensive income for the year		<u>-</u>	<u>-</u>

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

**Cash Common Fund
Statement of Financial Position
as at 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Assets:			
Cash and cash equivalents	5	13 014	5 000
Advances to estates		4 626	4 894
Financial assets held at fair value through profit or loss	6	408 132	403 930
Other assets		3 316	3 742
Total assets		<u>429 088</u>	<u>417 566</u>
Liabilities:			
Income distribution payable		1 027	1 243
Bank overdraft	5	109	64
Funds deposited by other Common Funds		61 681	62 655
Other liabilities		45	40
Total liabilities (excluding net assets attributable to unitholders)		<u>62 862</u>	<u>64 002</u>
Net assets attributable to unitholders - liability	3	<u>366 226</u>	<u>353 564</u>
Represented by:			
Fair value of outstanding units based on net asset value		<u>366 226</u>	<u>353 564</u>

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

**Cash Common Fund
Statement of Cash Flows
for the year ended 30 June 2015**

	Note	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:			
Cash inflows			
Interest received		16 393	17 087
Cash generated from operations		<u>16 393</u>	<u>17 087</u>
Cash outflows			
Payments for expenses		(4 536)	(4 251)
Cash used in operations		<u>(4 536)</u>	<u>(4 251)</u>
Net cash provided by operating activities	10(b)	<u>11 857</u>	<u>12 836</u>
Cash flows from investing activities:			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit		171 059	161 367
Net repayments of advances to estates		268	470
Cash generated from investing activities		<u>171 327</u>	<u>161 837</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(176 396)	(177 499)
Cash used in investing activities		<u>(176 396)</u>	<u>(177 499)</u>
Net cash (used in) investing activities		<u>(5 069)</u>	<u>(15 662)</u>
Cash flows from financing activities:			
Cash inflows			
Net proceeds/payments from applications/redemptions from/(to) unitholders		13 654	7 514
Net proceeds/payments from applications/redemptions from/(to) other			
Common Funds		(972)	7 507
Cash generated from financing activities		<u>12 682</u>	<u>15 021</u>
Cash outflows			
Distributions paid		(11 501)	(12 369)
Cash used in financing activities		<u>(11 501)</u>	<u>(12 369)</u>
Net cash provided by financing activities		<u>1 181</u>	<u>2 652</u>
Net increase / (decrease) in cash and cash equivalents		<u>7 969</u>	<u>(174)</u>
Cash and cash equivalents at 1 July		<u>4 936</u>	<u>5 110</u>
Cash and cash equivalents at 30 June	5	<u>12 905</u>	<u>4 936</u>

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

Short Term Fixed Interest Common Fund
Statement of Comprehensive Income
for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Investment income			
Interest	2(e)	1 816	1 879
Net (loss) gain on financial assets held at fair value through profit or loss	2(b),3(d)	(72)	57
Total investment income		<u>1 744</u>	<u>1 936</u>
Expenses			
Public Trustee management fees	2(f)	345	336
Legal and advisory expenses		<u>8</u>	<u>8</u>
Total expenses		<u>353</u>	<u>344</u>
Net operating profit		<u>1 391</u>	<u>1 592</u>
Financing costs attributable to unitholders			
Undistributed Income brought forward		748	892
Distributions to unitholders	2(h),4	(1 524)	(1 679)
Transfers from (to) net assets to determine distributable income	2(i)	<u>72</u>	<u>(57)</u>
Total financing costs attributable to unitholders		<u>(704)</u>	<u>(844)</u>
(Increase) in net assets attributable to unitholders		<u>(687)</u>	<u>(748)</u>
Total comprehensive income for the year		<u>-</u>	<u>-</u>

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

Short Term Fixed Interest Common Fund
Statement of Financial Position
as at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Assets:			
Cash and cash equivalents	5	19 484	18 649
Financial assets held at fair value through profit or loss	6	32 250	33 178
Other assets		<u>312</u>	<u>359</u>
Total assets		<u>52 046</u>	<u>52 186</u>
Liabilities:			
Income distribution payable		687	748
Other liabilities		<u>1</u>	<u>1</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>688</u>	<u>749</u>
Net assets attributable to unitholders - liability	3	<u>51 358</u>	<u>51 437</u>
Represented by:			
Fair value of outstanding units based on net asset value		<u>51 358</u>	<u>51 437</u>

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

Short Term Fixed Interest Common Fund
Statement of Cash Flows
for the year ended 30 June 2015

	Note	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:			
Cash inflows			
Interest received		1 985	2 020
Cash generated from operations		<u>1 985</u>	<u>2 020</u>
Cash outflows			
Payments for expenses		(353)	(345)
Cash used in operations		<u>(353)</u>	<u>(345)</u>
Net cash provided by operating activities	10(b)	<u>1 632</u>	<u>1 675</u>
Cash flows from investing activities:			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		16 234	18 506
Cash generated from investing activities		<u>16 234</u>	<u>18 506</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(15 500)	(24 117)
Cash used in investing activities		<u>(15 500)</u>	<u>(24 117)</u>
Net cash provided by (used in) investing activities		<u>734</u>	<u>(5 611)</u>
Cash flows from financing activities:			
Cash inflows			
Proceeds from applications by unitholders		4 024	8 795
Cash generated from financing activities		<u>4 024</u>	<u>8 795</u>
Cash outflows			
Payments for redemptions by unitholders		(4 031)	(6 010)
Distributions paid		(1 524)	(1 678)
Cash used in financing activities		<u>(5 555)</u>	<u>(7 688)</u>
Net cash (used in) provided by financing activities		<u>(1 531)</u>	<u>1 107</u>
Net increase / (decrease) in cash and cash equivalents		835	(2 829)
Cash and cash equivalents at 1 July		18 649	21 478
Cash and cash equivalents at 30 June	5	<u>19 484</u>	<u>18 649</u>

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

Public Trustee
COMMON FUNDS

Long Term Fixed Interest Common Fund
Statement of Comprehensive Income
for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Investment income			
Interest	2(e)	3 708	3 896
Net gain on financial assets held at fair value through profit or loss	2(b),3(d)	727	1 545
Total investment income		<u>4 435</u>	<u>5 441</u>
Expenses			
Public Trustee management fees	2(f)	746	803
Legal and advisory expenses		18	19
Total expenses		<u>764</u>	<u>822</u>
Net operating profit		<u>3 671</u>	<u>4 619</u>
Financing costs attributable to unitholders			
Undistributed Income brought forward		1 722	1 739
Distributions to unitholders	2(h),4	(3 503)	(3 328)
Transfers (to) net assets to determine distributable income	2(i)	(431)	(1 308)
Total financing costs attributable to unitholders		<u>(2 212)</u>	<u>(2 897)</u>
(Increase) in net assets attributable to unitholders		<u>(1 459)</u>	<u>(1 722)</u>
Total comprehensive income for the year		<u>-</u>	<u>-</u>

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

Long Term Fixed Interest Common Fund
Statement of Financial Position
as at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Assets:			
Cash and cash equivalents	5	27 578	17 239
Financial assets held at fair value through profit or loss	6	66 107	76 834
Other assets		724	887
Total assets		<u>94 409</u>	<u>94 960</u>
Liabilities:			
Income Distribution Payable		1 459	1 722
Total liabilities (excluding net assets attributable to unitholders)		<u>1 459</u>	<u>1 722</u>
Net assets attributable to unitholders - liability	3	<u>92 950</u>	<u>93 238</u>
Represented by:			
Fair value of outstanding units based on net asset value		<u>92 950</u>	<u>93 238</u>

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

Long Term Fixed Interest Common Fund
Statement of Cash Flows
for the year ended 30 June 2015

	Note	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:			
Cash inflows			
Interest received		4 054	4 092
Cash generated from operations		<u>4 054</u>	<u>4 092</u>
Cash outflows			
Payments for expenses		(764)	(823)
Cash used in operations		<u>(764)</u>	<u>(823)</u>
Net cash provided by operating activities	10(b)	<u>3 290</u>	<u>3 269</u>
Cash flows from investing activities:			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		21 271	25 394
Cash generated from investing activities		<u>21 271</u>	<u>25 394</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(10 000)	(21 952)
Cash used in investing activities		<u>(10 000)</u>	<u>(21 952)</u>
Net cash provided by investing activities		<u>11 271</u>	<u>3 442</u>
Cash flows from financing activities:			
Cash inflows			
Proceeds from applications by unitholders		7 991	15 937
Cash generated from financing activities		<u>7 991</u>	<u>15 937</u>
Cash outflows			
Payments for redemptions by unitholders		(8 710)	(12 929)
Distributions paid		(3 503)	(3 329)
Cash used in financing activities		<u>(12 213)</u>	<u>(16 258)</u>
Net cash (used in) financing activities		<u>(4 222)</u>	<u>(321)</u>
Net increase in cash and cash equivalents		<u>10 339</u>	<u>6 390</u>
Cash and cash equivalents at 1 July		<u>17 239</u>	<u>10 849</u>
Cash and cash equivalents at 30 June	5	<u>27 578</u>	<u>17 239</u>

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

Overseas Fixed Interest Common Fund
Statement of Comprehensive Income
for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Investment income			
Trust Distributions		559	644
Interest	2(e)	176	300
Net gain on financial assets held at fair value through profit or loss	2(b),3(d)	732	959
Other Income		102	150
Total investment income		1 569	2 053
Expenses			
Public Trustee management fees	2(f)	335	255
Legal and advisory expenses		8	6
Total expenses		343	261
Net operating profit		1 226	1 792
Financing costs attributable to unitholders			
Undistributed Income brought forward		275	839
Distributions to unitholders	2(h),4	(461)	(1 397)
Transfers (to) net assets to determine distributable income	2(i)	(732)	(959)
Total Financing costs attributable to unitholders		(918)	(1 517)
(Increase) in net assets attributable to unitholders		(308)	(275)
Total comprehensive income for the year		-	-

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

Overseas Fixed Interest Common Fund
Statement of Financial Position
as at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Assets:			
Cash and cash equivalents	5	3 758	13 668
Financial assets held at fair value through profit or loss	6	34 862	24 726
Other assets		349	33
Total assets		38 969	38 427
Liabilities:			
Income distribution payable		308	275
Other liabilities		1	2
Total liabilities (excluding net assets attributable to unitholders)		309	277
Net assets attributable to unitholders - liability	3	38 660	38 150
Represented by:			
Fair value of outstanding units based on net asset value		38 660	38 150

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

Overseas Fixed Interest Common Fund
Statement of Cash Flows
for the year ended 30 June 2015

	Note	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:			
Cash inflows			
Trust distributions received		217	1 222
Interest received		202	297
Cash generated from operations		<u>419</u>	<u>1 519</u>
Cash outflows			
Payments for expenses		(344)	(262)
Cash used in operations		<u>(344)</u>	<u>(262)</u>
Net cash provided by operating activities	10(b)	<u>75</u>	<u>1 257</u>
Cash flows from investing activities:			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		13 698	-
Cash generated from investing activities		<u>13 698</u>	<u>-</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(23 000)	-
Cash used in investing activities		<u>(23 000)</u>	<u>-</u>
Net cash (used in) investing activities		<u>(9 302)</u>	<u>-</u>
Cash flows from financing activities:			
Cash inflows			
Proceeds from applications by unitholders		3 270	8 125
Cash generated from financing activities		<u>3 270</u>	<u>8 125</u>
Cash outflows			
Payments for redemptions by unitholders		(3 492)	(4 805)
Distributions paid		(461)	(1 397)
Cash (used in) financing activities		<u>(3 953)</u>	<u>(6 202)</u>
Net cash (used in) / provided by financing activities		<u>(683)</u>	<u>1 923</u>
Net (decrease) / increase in cash and cash equivalents		(9 910)	3 180
Cash and cash equivalents at 1 July		13 668	10 488
Cash and cash equivalents at 30 June	5	<u>3 758</u>	<u>13 668</u>

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

Public Trustee
COMMON FUNDS

Australian Shares Common Fund
Statement of Comprehensive Income
for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Investment income			
Trust Distributions		8 593	8 410
Interest	2(e)	143	144
Net gain on financial assets held at fair value through profit or loss	2(b),3(d)	229	21 150
Other Income		535	508
Total investment income		9 500	30 212
Expenses			
Public Trustee management fees	2(f)	1 717	1 713
Legal and advisory expenses		41	41
Total expenses		1 758	1 754
Net operating profit (loss)		7 742	28 458
Financing costs attributable to unitholders			
Undistributed Income brought forward		6 307	3 283
Distributions to unitholders	2(h),4	(8 675)	(6 124)
Transfers (to) net assets to determine distributable income	2(i)	(229)	(19 310)
Total financing costs attributable to unitholders		(2 597)	(22 151)
(Increase) in net assets attributable to unitholders		(5 145)	(6 307)
Total comprehensive income for the year		-	-

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

Australian Shares Common Fund
Statement of Financial Position
as at 30 June 2015

	Note	2015 \$'000	2014 \$'000
Assets:			
Cash and cash equivalents	5	3 717	8 936
Financial assets held at fair value through profit or loss	6	158 450	157 686
Other assets		5 655	5 598
Total assets		167 822	172 220
Liabilities:			
Income Distribution Payable		5 145	6 307
Total liabilities (excluding net assets attributable to unitholders)		5 145	6 307
Net assets attributable to unitholders - liability	3	162 677	165 913
Represented by:			
Fair value of outstanding units based on net asset value		162 677	165 913

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

**Australian Shares Common Fund
Statement of Cash Flows
for the year ended 30 June 2015**

	Note	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:			
Cash inflows			
Trust distributions received		8 522	5 670
Interest received		157	142
Cash generated from operations		<u>8 679</u>	<u>5 812</u>
Cash outflows			
Payments for expenses		(1 758)	(1 755)
Cash used in operations		<u>(1 758)</u>	<u>(1 755)</u>
Net cash provided by operating activities	10(b)	<u>6 921</u>	<u>4 057</u>
Cash flows from investing activities:			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		-	21 000
Cash generated from investing activities		<u>-</u>	<u>21 000</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		-	-
Cash used in investing activities		<u>-</u>	<u>-</u>
Net cash provided by investing activities		<u>-</u>	<u>21 000</u>
Cash flows from financing activities:			
Cash inflows			
Proceeds from applications by unitholders		12 540	16 369
Cash generated from financing activities		<u>12 540</u>	<u>16 369</u>
Cash outflows			
Payments for redemptions by unitholders		(16 005)	(32 820)
Distributions paid		(8 675)	(6 124)
Cash used in financing activities		<u>(24 680)</u>	<u>(38 944)</u>
Net cash (used in) financing activities		<u>(12 140)</u>	<u>(22 575)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(5 219)</u>	<u>2 482</u>
Cash and cash equivalents at 1 July		<u>8 936</u>	<u>6 454</u>
Cash and cash equivalents at 30 June	5	<u>3 717</u>	<u>8 936</u>

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

**Overseas Shares Common Fund
Statement of Comprehensive Income
for the year ended 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Investment income			
Trust Distributions		17 406	3 836
Interest	2(e)	87	66
Net gain on financial assets held at fair value through profit or loss	2(b),3(d)	5 707	19 474
Other Income		509	381
Total investment income		23 709	23 757
Expenses			
Public Trustee management fees	2(f)	1 379	1 376
Legal and advisory expenses		33	33
Total Expenses		1 412	1 409
Net operating profit		22 297	22 348
Financing costs attributable to unitholders			
Undistributed Income brought forward		205	662
Distributions to unitholders	2(h),4	(205)	(662)
Transfers (to) net assets to determine distributable income	2(i)	(21 514)	(22 143)
Total financing costs attributable to unitholders		(21 514)	(22 143)
(Increase) in net assets attributable to unitholders		(783)	(205)
Total comprehensive income for the year		-	-

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

**Overseas Shares Common Fund
Statement of Financial Position
as at 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Assets:			
Cash and cash equivalents	5	4 139	2 770
Financial assets held at fair value through profit or loss	6	127 229	121 013
Other assets		15 009	3 506
Total assets		146 377	127 289
Liabilities:			
Income distribution payable		783	205
Total liabilities (excluding net assets attributable to unitholders)		783	205
Net assets attributable to unitholders - liability	3	145 594	127 084
Represented by:			
Fair value of outstanding units based on net asset value		145 594	127 084

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

Overseas Shares Common Fund
Statement of Cash Flows
for the year ended 30 June 2015

	Note	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:			
Cash inflows			
Trust distributions received		5 902	2 185
Interest received		88	72
Cash generated from operations		<u>5 990</u>	<u>2 257</u>
Cash outflows			
Payments for expenses		(1 412)	(1 409)
Cash used in operations		<u>(1 412)</u>	<u>(1 409)</u>
Net cash provided by operating activities	10(b)	<u>4 578</u>	<u>848</u>
Cash flows from investing activities:			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		-	28 500
Cash generated from investing activities		<u>-</u>	<u>28 500</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		-	-
Cash used in investing activities		<u>-</u>	<u>-</u>
Net cash provided by investing activities		<u>-</u>	<u>28 500</u>
Cash flows from financing activities:			
Cash inflows			
Proceeds from applications by unitholders		9 832	10 249
Cash generated from financing activities		<u>9 832</u>	<u>10 249</u>
Cash outflows			
Payments for redemptions by unitholders		(12 836)	(40 515)
Distributions paid		(205)	(662)
Cash used in financing activities		<u>(13 041)</u>	<u>(41 177)</u>
Net cash (used in) financing activities		<u>(3 209)</u>	<u>(30 928)</u>
Net increase / (decrease) in cash and cash equivalents		<u>1 369</u>	<u>(1 580)</u>
Cash and cash equivalents at 1 July		<u>2 770</u>	<u>4 350</u>
Cash and cash equivalents at 30 June	5	<u>4 139</u>	<u>2 770</u>

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

**Property Common Fund
Statement of Comprehensive Income
for the year ended 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Investment income			
Trust Distributions		4 304	4 360
Interest	2(e)	50	33
Net gain on financial assets held at fair value through profit or loss	2(b),3(d)	940	3 382
Other Income		112	128
Total investment income		5 406	7 903
Expenses			
Public Trustee management fees	2(f)	486	494
Legal and advisory expenses		12	12
Total expenses		498	506
Net operating profit		4 908	7 397
Financing costs attributable to unitholders			
Undistributed Income brought forward		2 078	637
Distributions to unitholders	2(h),4	(2 725)	(956)
Transfers from (to) net assets to determine distributable income	2(i)	259	(5 000)
Total Financing costs attributable to unitholders		(388)	(5 319)
(Increase) in net assets attributable to unitholders		(4 520)	(2 078)
Total comprehensive income for the year		-	-

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

**Property Common Fund
Statement of Financial Position
as at 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Assets:			
Cash and cash equivalents	5	3 005	1 393
Financial assets held at fair value through profit or loss	6	42 131	42 079
Other assets		3 953	3 774
Total assets		49 089	47 246
Liabilities:			
Income distribution payable		4 520	2 078
Total liabilities (excluding net assets attributable to unitholders)		4 520	2 078
Net assets attributable to unitholders - liability	3	44 569	45 168
Represented by:			
Fair value of outstanding units based on net asset value		44 569	45 168

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

**Property Common Fund
Statement of Cash Flows
for the year ended 30 June 2015**

	Note	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:			
Cash inflows			
Trust distributions received		4 127	1 589
Interest received		48	34
Cash generated from operations		<u>4 175</u>	<u>1 623</u>
Cash outflows			
Payments for expenses		(498)	(506)
Cash used in operations		<u>(498)</u>	<u>(506)</u>
Net cash provided by operating activities	10(b)	<u>3 677</u>	<u>1 117</u>
Cash flows from investing activities:			
Cash inflows			
Proceeds from the sale of financial assets held at fair value through profit or loss		4 500	10 000
Cash generated from investing activities		<u>4 500</u>	<u>10 000</u>
Cash outflows			
Purchase of financial assets held at fair value through profit or loss		(3 500)	-
Cash used in investing activities		<u>(3 500)</u>	<u>-</u>
Net cash provided by investing activities		<u>1 000</u>	<u>10 000</u>
Cash flows from financing activities:			
Cash inflows			
Proceeds from applications by unitholders		4 100	3 364
Cash generated from financing activities		<u>4 100</u>	<u>3 364</u>
Cash outflows			
Payments for redemptions by unitholders		(4 440)	(13 659)
Distributions paid		(2 725)	(956)
Cash used in financing activities		<u>(7 165)</u>	<u>(14 615)</u>
Net cash (used in) financing activities		<u>(3 065)</u>	<u>(11 251)</u>
Net increase / (decrease) in cash and cash equivalents		1 612	(134)
Cash and cash equivalents at 1 July		1 393	1 527
Cash and cash equivalents at 30 June	5	<u>3 005</u>	<u>1 393</u>

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

Notes to and forming part of the financial statements

1. General information

The Common Funds have been established pursuant to the *Public Trustee Act 1995* or its predecessor legislation. The following Common Funds were active for the whole of the current and comparative reporting periods:

- Cash Common Fund;
- Short Term Fixed Interest Common Fund;
- Long Term Fixed Interest Common Fund;
- Australian Shares Common Fund;
- Overseas Fixed Interest Common Fund;
- Overseas Shares Common Fund; and
- Property Common Fund.

The Inflation Linked Investments Common Fund was dormant throughout 2014-15, has nil assets and liabilities and has not been reported.

Investment in Common Funds (with the exception of direct investment in the Cash Common Fund) is by way of notional unit holdings in the Common Funds. Unitholders may invest in the Cash Common Fund or alternately invest in a selection of Common Funds in proportions determined by one or more of the following standard investment strategies provided by Public Trustee:

- | | |
|------------------|------------|
| • Capital Stable | • Growth |
| • Balanced | • Equities |

Management of Common Fund investments is undertaken by Public Trustee. An Investment Advisory Committee consisting of senior Public Trustee personnel, with attendance by external investment advisors, assists the Public Trustee in ensuring a sound and prudent system for investing client funds.

Australian and International Equity investments, Property investments together with Overseas Fixed Interest investments are made using Australian domiciled pooled funds.

During the reporting period the Property Common Fund initiated an investment in unlisted infrastructure.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of accounting

Comparative Information

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

Where presentation or classification of items in the financial statements has been amended comparative amounts have been reclassified unless reclassification is impracticable. The restated comparative amounts do not replace the original financial statements for the preceding period.

Statement of Compliance

The Public Trustee Common Funds financial statements are general purpose financial statements and have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions issued pursuant to the provisions of the *Public Finance and Audit Act 1987*.

Basis of Preparation

The Public Trustee Common Funds financial statements have been prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. The statements have also been prepared on the basis that all funds are distributable to unitholders resulting in zero residual equity. On this basis, the Statement of Changes in Equity has not been included for reporting purposes as the changes in equity are zero.

2. Summary of significant accounting policies (continued)

(b) Financial instruments

(i) Classification

The Funds' investments are classified as at fair value through profit or loss.

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded debt and equity instruments, unlisted trusts, unlisted equity instruments and commercial paper. Loans and receivables/payables comprise amounts due to or from the Common Funds.

(ii) Recognition

The Funds recognise financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

(iii) Measurement

(a) Financial Assets held at fair value through the profit or loss

Financial assets and liabilities are held at fair value through the profit or loss. Investments in pooled funds are recorded at fair value as reported by the managers of such funds. Public Trustee has determined the fair value of financial assets to be the market value of these investments at balance date. Accounting Standard *AASB 7 Financial Instruments: Disclosures* requires disclosure of the measurement methodology used to value financial instruments. Public Trustee invests through fund managers and utilises pricing data provided by those managers which is indirectly derived from the pricing of the underlying securities. Consistent with the definitions in *AASB 7* this methodology is classified as level 2 of the fair value hierarchy.

(b) Loans and receivables

Loan assets are measured initially at fair value and subsequently amortised using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each Statement of Financial Position date to determine whether there is objective evidence of impairment for example when there has been a significant or prolonged decline in the fair value below cost.

If any such indication of impairment exists, an impairment loss is recognised in the Statement of Comprehensive Income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the Statement of Comprehensive Income.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option and are therefore classified as financial liabilities. The units can be returned into the Common Funds at any time for cash equal to a proportionate share of the Common Funds' net asset values. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) at the Statement of Financial Position date if unitholders exercise their right to return the units back to the Common Funds. For financial reporting purposes and compliance with Australian Accounting Standards assets are recorded at net asset value.

(d) Cash and cash equivalents

For Statement of Cash Flows presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts, where applicable, are shown within liabilities on the Statement of Financial Position.

COMMON FUNDS

2. Summary of significant accounting policies (continued)

For all Common Funds (other than Cash Common Fund) cash equivalents include the Funds' investments in and borrowings from the Cash Common Fund.

Payments and receipts relating to the purchase and sale of investment securities are classified as investing cash flows because the core activity of the Public Trustee is the administration of Trustee Services.

(e) Investment income

Interest income and expenses are recognised in the Statement of Comprehensive Income for all debt instruments using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. Dividends declared on securities sold short are recorded as a dividend expense on the ex-dividend date.

Trust distributions are recognised when the right to receive payment is established.

(f) Expenses

All expenses, including management fees, are recognised in the Statement of Comprehensive Income on an accrual basis.

Management fees are charged against each Common Fund at a rate of one-twelfth of one percent of the value of the fund as at the first business day of each month as authorised by the *Public Trustee Act 1995*.

(g) Income tax

Under current legislation, the Common Funds are not subject to income tax provided the taxable income of the Fund is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Fund).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, the portion of the gain that is subject to capital gains tax will be distributed so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The benefits of imputation credits and foreign tax paid are passed on to unitholders.

The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in the Statement of Comprehensive Income.

(h) Distributions

Public Trustee distributes Common Fund income and capital based on the financial results at 31 December and 30 June.

Public Trustee recognises Common Fund distributions to client accounts on the date they are paid by Public Trustee. Public Trustee charges clients with income and capital commission on the date the common funds makes a distribution to client accounts and interest earned is credited when received.

2. Summary of significant accounting policies (continued)

The items above are accrued as appropriate in the statutory accounts under Australian Accounting Standards and the distributions are recognised in the Statement of Comprehensive Income as finance costs attributable to unitholders.

(i) Transfers (to)/from net assets to determine distributable income

Non-distributable income is included in net assets attributable to unitholders and may consist of unrealised changes in the net fair value of financial instruments held at fair value through profit or loss, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, and net capital losses. Net capital gains on the realisation of any financial instruments and accrued income not yet assessable will be included in the determination of distributable income in the same year in which it becomes assessable for tax. Movements in net assets attributable to unitholders are recognised in the Statement of Comprehensive Income as financing costs.

(j) Foreign currency translation

i) Functional and presentation currency

Items included in the Common Funds' financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Common Funds compete for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

The Funds do not isolate that portion of gains or losses on financial instruments which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

(k) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment using the effective interest rate method. Amounts are generally received within 30 days of being recorded as receivables.

(l) Payables

Payables include liabilities and accrued expenses owing by the Funds which are unpaid as at balance date.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately on the Statement of Financial Position as unitholders are presently entitled to the distributable income as at 30 June 2015 under the Trust Deed.

(m) Applications and redemptions

Applications received for units in the Common Funds are recorded net of any entry fees payable prior to the issue of units in the Fund. Redemptions from the Fund are recorded gross of any exit fees payable after the cancellation of units redeemed.

(n) Goods and services tax (GST)

The Common Funds are registered entities under the Goods and Services Tax (GST) legislation. Investments in Public Trustee Common Funds are classified as input taxed financial supplies and no GST is charged on such supplies. The GST incurred on the costs of various services provided to the Common Funds by third parties such as management fees have been passed onto the Common Funds. The Common Funds qualify for Reduced Input Tax Credits (RITC) at a rate of 75% hence investment management fees and other expenses have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the Statement of Financial Position.

COMMON FUNDS

2. Summary of significant accounting policies (continued)**(o) Use of estimates**

The Common Funds financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities within the financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(p) New accounting standards and interpretations

There are no new accounting standards and interpretations that have been identified that will have a material impact on the Common Funds' financial statements for the 30 June 2015 reporting period.

(q) Rounding of amounts

All the amounts in the financial statements have been rounded to the nearest thousand dollars ('000).

3. Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

Each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

(a) Common Fund unit prices

Common Fund unit prices at 30 June	2015		2014	
	Purchase Price	Redemption Price	Purchase Price	Redemption Price
Short Term Fixed Interest	\$1.0125	\$1.0095	\$1.0137	\$1.0107
Long Term Fixed Interest	\$1.0667	\$1.0635	\$1.0614	\$1.0582
Overseas Fixed Interest	\$0.8854	\$0.8833	\$0.8680	\$0.8659
Australian Shares	\$1.6916	\$1.6822	\$1.6871	\$1.6777
Overseas Shares	\$1.4711	\$1.4632	\$1.2537	\$1.2470
Property	\$1.0282	\$1.0221	\$1.0330	\$1.0268

COMMON FUNDS

3. Net assets attributable to unitholders (continued)

(b) Movements in units

Common Fund						
Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest		
2015	2014	2015	2014	2015	2014	
No. of	No. of	No. of	No. of	No. of	No. of	
units	units	units	units	units	units	
000's	000's	000's	000's	000's	000's	
Opening balance	50 816	48 081	87 977	85 159	44 023	40 181
Applications	3 967	8 690	7 446	15 205	3 683	9 516
Redemptions	(3 986)	(5 955)	(8 154)	(12 387)	(3 959)	(5 674)
Closing balance	50 797	50 816	87 269	87 977	43 747	44 023

Common Fund						
Australian Shares		Overseas Shares		Property		
2015	2014	2015	2014	2015	2014	
No. of	No. of	No. of	No. of	No. of	No. of	
units	units	units	units	units	units	
000's	000's	000's	000's	000's	000's	
Opening balance	98 622	108 764	101 718	127 756	43 900	54 514
Applications	7 020	9 546	7 085	8 552	3 642	3 407
Redemptions	(9 173)	(19 688)	(9 477)	(34 590)	(4 021)	(14 021)
Closing balance	96 469	98 622	99 326	101 718	43 521	43 900

COMMON FUNDS

3. Net assets attributable to unitholders (continued)

(c) Movements in funds employed

	Common Fund							
	Cash		Short Term Fixed Interest		Long Term Fixed Interest		Overseas Fixed Interest	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance	353 564	346 405	51 437	48 595	93 238	88 923	38 150	33 872
Applications	2 608	6 302	4 024	8 795	7 991	15 937	3 270	8 124
Redemptions	(2 600)	(3 915)	(4 031)	(6 010)	(8 710)	(12 930)	(3 492)	(4 805)
Increase/(decrease) in net assets attributable to unitholders ¹	12 654	4 772	(72)	57	431	1 308	732	959
Closing balance	366 226	353 564	51 358	51 437	92 950	93 238	38 660	38 150

	Common Fund					
	Australian Shares		Overseas Shares		Property	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance	165 913	163 053	127 084	135 207	45 168	50 463
Applications	12 540	16 369	9 832	10 249	4 100	3 364
Redemptions	(16 005)	(32 819)	(12 836)	(40 515)	(4 440)	(13 659)
Increase/(decrease) in net assets attributable to unitholders	229	19 310	21 514	22 143	(259)	5 000
Closing balance	162 677	165 913	145 594	127 084	44 569	45 168

¹ The Cash Common Fund is the primary working account for trust administration operations. Movements in net assets attributable to unitholders are typically high volume, low value transactions.

(d) Net realised and unrealised gains (losses) on financial assets

	Net Unrealised Gains (Losses)		Net Realised Gains (Losses)		Total Gains (Losses)	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Common Fund						
Cash	(798)	(285)	(189)	(48)	(987)	(333)
Short Term Fixed Interest	(70)	92	(2)	(35)	(72)	57
Long Term Fixed Interest	793	1 616	(66)	(71)	727	1,545
Overseas Fixed Interest	478	959	254	-	732	959
Australian Shares	229	18 759	-	2,391	229	21,150
Overseas Shares	5 707	16 720	-	2,754	5,707	19,474
Property	605	2 808	335	574	940	3,382
	6 944	40 669	332	5 565	7 276	46 234

Public Trustee

COMMON FUNDS

4. Distributions to unitholders

The distributions, including cents per unit (CPU), were paid/payable as follows:

Cash Common Fund

	2015 \$'000	2015 CPU	2014 \$'000	2014 CPU
Distributions paid	11 501	0.0319	12 369	0.0352
Undistributable income brought forward	(1 243)	-	(1 497)	-
Distributions payable	1 027	-	1 243	-
	<u>11 285</u>		<u>12 115</u>	

Short Term Fixed Interest Common Fund

	2015 \$'000	2015 CPU	2014 \$'000	2014 CPU
Distributions paid	1 524	0.0300	1 679	0.0330
Undistributable income brought forward	(748)	-	(892)	-
Distributions payable	687	-	748	-
	<u>1 463</u>		<u>1 535</u>	

Long Term Fixed Interest Common Fund

	2015 \$'000	2015 CPU	2014 \$'000	2014 CPU
Distributions paid	3 503	0.0401	3 328	0.0378
Undistributable income brought forward	(1 722)	-	(1 739)	-
Distributions payable	1 459	-	1 722	-
	<u>3 240</u>		<u>3 311</u>	

Overseas Fixed Interest Common Fund

	2015 \$'000	2015 CPU	2014 \$'000	2014 CPU
Distributions paid	461	0.0105	1 397	0.0317
Undistributable income brought forward	(275)	-	(839)	-
Distributions payable	308	-	275	-
	<u>494</u>		<u>833</u>	

Australian Shares Common Fund

	2015 \$'000	2015 CPU	2014 \$'000	2014 CPU
Distributions paid	8 675	0.0899	6 124	0.0621
Undistributable income brought forward	(6 307)	-	(3 283)	-
Distributions payable	5 145	-	6 307	-
	<u>7 513</u>		<u>9 148</u>	

Public Trustee

COMMON FUNDS

4. Distributions to unitholders (continued)

Overseas Shares Common Fund

	2015 \$'000	2015 CPU	2014 \$'000	2014 CPU
Distributions paid	205	0.0021	662	0.0065
Undistributable income brought forward	(205)	-	(662)	-
Distributions payable	783	-	205	-
	<u>783</u>		<u>205</u>	

Property Common Fund

	2015 \$'000	2015 CPU	2014 \$'000	2014 CPU
Distributions paid	2 725	0.0626	956	0.0218
Undistributable income brought forward	(2 078)	-	(637)	-
Distributions payable	4 520	-	2 078	-
	<u>5 167</u>		<u>2 397</u>	

In accordance with the *Public Trustee Act 1995*, investors received a proportionate distribution of net income depending on the number of days units were held.

Included in the distributions at 30 June 2015 were the following net realised capital gains which were distributed to unitholders based on the number of units held as at 30 June 2015:

Common Fund Capital Distributions Paid

	2015 \$'000	2015 CPU	2014 \$'000	2014 CPU
Long Term Fixed Interest	742	0.0085	210	0.0024
Australian Shares	4 001	0.0415	5 913	0.0600
Property	4 628	0.1063	1 466	0.0334
	<u>9 371</u>		<u>7 589</u>	

Public Trustee

COMMON FUNDS

5. Cash and cash equivalents

Cash Common Fund	2015	2014
	\$'000	\$'000
Cash at bank	14	-
Money market instruments	13 000	5 000
Bank overdraft	(109)	(64)
	<u>12 905</u>	<u>4 936</u>
 Short Term Fixed Interest Common Fund	 2015	 2014
	\$'000	\$'000
Deposits in Cash Common Fund	<u>19 484</u>	<u>18 649</u>
	<u>19 484</u>	<u>18 649</u>
 Long Term Fixed Interest Common Fund	 2015	 2014
	\$'000	\$'000
Deposits in Cash Common Fund	<u>27 578</u>	<u>17 239</u>
	<u>27 578</u>	<u>17 239</u>
 Overseas Fixed Interest Common Fund	 2015	 2014
	\$'000	\$'000
Deposits in Cash Common Fund	<u>3 758</u>	<u>13 668</u>
	<u>3 758</u>	<u>13 668</u>
 Australian Shares Common Fund	 2015	 2014
	\$'000	\$'000
Deposits in Cash Common Fund	<u>3 717</u>	<u>8 936</u>
	<u>3 717</u>	<u>8 936</u>
 Overseas Shares Common Fund	 2015	 2014
	\$'000	\$'000
Deposits in Cash Common Fund	<u>4 139</u>	<u>2 770</u>
	<u>4 139</u>	<u>2 770</u>
 Property Common Fund	 2015	 2014
	\$'000	\$'000
Deposits in Cash Common Fund	<u>3 005</u>	<u>1 393</u>
	<u>3 005</u>	<u>1 393</u>

5. Cash and Cash Equivalents (continued)

(a) Cash at bank and on hand

The cash deposit is held with a financial institution and is interest bearing at 2.20% (2014: 2.70%) per annum as at 30 June 2015 available at call. During 2014-15 Public Trustees customer banking operations were provided by the Commonwealth Bank of Australia (CBA) as part of the whole of Government banking strategy, implemented in the previous reporting period. Public Trustee also continued to manage a Westpac Banking Corporation (WBC) account during 2014-15 where a small number of deposits continue to be received. The CBA cash rate is the Reserve Bank target rate plus 20 basis points.

(b) Bank overdraft

The reported bank overdraft held as at 30 June 2015 was \$0.109 million (2014: \$0.064 million) being a total of Public Trustees CBA Cash Common Fund banking account balance of \$1.724 million less unpresented cheques of \$1.751 million and deposits to the CBA Cash Common Fund banking account that cannot be attributed to specific customers as at 30 June 2015 of \$0.082 million.

(c) Money market instruments

These investments bear floating interest rates between 2.85% and 6.40% (2014: 3.50% and 7.00%). These investments are available at call.

(d) Deposits in Cash Common Fund

Deposits in the Cash Common Fund act as operating cash accounts for the other Common Funds, and are interest bearing. These investments are available at call.

(e) Advances to other Common Funds / borrowings from Cash Common Fund

There were no advances from the Cash Common Fund to other Common Funds for the period to 30 June 2015.

COMMON FUNDS

6. Financial assets held at fair value through profit and loss

	Common Funds			
	Cash		Short Term Fixed Interest	
	2015	2014	2015	2014
	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000
Designated as at fair value through profit or loss				
Fixed interest securities ¹	<u>408 132</u>	<u>403 930</u>	<u>32 250</u>	<u>33 178</u>
Total designated as at fair value through profit or loss	<u>408 132</u>	<u>403 930</u>	<u>32 250</u>	<u>33 178</u>
	Long Term Fixed Interest		Overseas Fixed Interest	
	2015	2014	2015	2014
	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000
Designated as at fair value through profit or loss				
Fixed interest securities	66 107	76 834	-	-
Unlisted unit trusts	-	-	<u>34 862</u>	<u>24 726</u>
Total designated as at fair value through profit or loss	<u>66 107</u>	<u>76 834</u>	<u>34 862</u>	<u>24 726</u>
	Australian Shares		Overseas Shares	
	2015	2014	2015	2014
	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000	Fair Value \$'000
Designated as at fair value through profit or loss				
Unlisted unit trusts	<u>158 450</u>	<u>157 686</u>	<u>127 229</u>	<u>121 013</u>
Total designated as at fair value through profit or loss	<u>158 450</u>	<u>157 686</u>	<u>127 229</u>	<u>121 013</u>
	Property			
	2015	2014		
	Fair Value \$'000	Fair Value \$'000		
Designated as at fair value through profit or loss				
Unlisted unit trusts	<u>42 131</u>	<u>42 079</u>		
Total designated as at fair value through profit or loss	<u>42 131</u>	<u>42 079</u>		

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in note 9.

¹ Includes other common funds deposits in the Cash Common Fund of \$61 681 (2014: \$62 655).

COMMON FUNDS

7. Revenue and assets for entities within the SA Government

	2015	2014
	\$'000	\$'000
Public Trustee Common Fund Distributions	8 004	7 719
Refunds & Reimbursements	695	650
Gain / (Loss) on Public Trustee Common Funds	-	(484)
Total revenue for entities within SA Government	8 699	7 885
Public Trustee Common Funds	262 155	241 942
Total assets for entities within SA Government	262 155	241 942

Public Trustee administers funds on behalf of a number of government entities that invest in the Common Funds.

8. Derivative financial instruments

Public Trustee did not invest in derivative investments for the year ended 30 June 2015.

9. Financial risk management

Public Trustee's Common Fund activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on financial performance. Only Australian domiciled pooled funds are used for overseas asset purchases. In terms of currency exposure, the Overseas Fixed Interest Common Fund is 100% hedged and the Overseas Shares Common Fund maintains a 50% hedged benchmark position which reduces currency volatility. Overseas currency exposure in the Property Common Fund is 100% hedged.

The Manager, Investment Services is responsible for ensuring that all investments are within the guidelines specified by Public Trustee's Investment Guidelines and Procedures Manual. The Manager, Investment Services may recommend to the Public Trustee and the Public Trustee may, after consultation with the Investment Advisory Committee, approve investments outside of Public Trustee's Investment Guidelines.

(a) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and committed transactions.

Short-term money market instruments must have a short-term Standard and Poors (S&P) rating of A1 or in the case of the issuer being a bank under the *Banking Act 1959* a rating of A2 is accepted. Floating rate instruments must have a long-term S&P credit rating of A+ or better or where the counter party is a bank under the *Banking Act 1959*, a rating of BBB or better is accepted. Long-term investments must have long-term S&P credit ratings of A+ or better or be an investment in a Commonwealth or Semi-government bond. If there is no independent rating, Public Trustee assesses the credit quality of the provider, taking into account its financial position and past experience.

Credit risk arises primarily with the following classes of instruments and counterparties:

- Sovereign debt of the Australian Commonwealth and State Governments
- Sovereign debt of the foreign governments
- Banking corporations
- Corporate debt of investment grade
- Pooled Investment Funds

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets.

The credit quality of financial assets that are neither past due nor impaired are assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

9. Financial risk management (continued)

Pooled Fund Investments are not rated, however, Public Trustee makes a thorough assessment of all Pooled Fund Managers in regard to credit and other risks prior to the investment of funds with each manager. The credit risk lies with the Pooled Fund Manager responsible for the management of the underlying investments. Public Trustee continually monitors these assessments.

Credit Risk Analysis

	2015 \$'000	2014 \$'000
Cash Common Fund		
<i>Cash and short term investments</i>		
A+	5 025	-
A1+	139 053	126 617
A1	95 000	78 500
A2	65 017	76 567
Cash at bank	13 014	5 000
	<u>317 109</u>	<u>286 684</u>
<i>Long term investments</i>		
AA	4 535	-
AA-	76 740	105 042
A-	5 523	6 172
A	6 000	-
A+	11 239	11 032
	<u>104 037</u>	<u>122 246</u>
Short Term Fixed Interest Common Fund		
<i>Cash and short term investments</i>		
A1+	2 500	2 000
A2	7 031	7 000
Cash	19 484	18 649
	<u>29 015</u>	<u>27 649</u>
<i>Long term investments</i>		
AA+	2 116	2 125
AA	5 375	5 429
AA-	-	11 538
A-	1 510	5 086
A1	3 000	-
A1+	9 715	-
A2	1 003	-
	<u>22 719</u>	<u>24 178</u>
Long Term Fixed Interest Common Fund		
<i>Cash and short term investments</i>		
A1+	1 000	6 043
A2	2 000	2 021
Cash	27 578	17 239
	<u>30 578</u>	<u>25 303</u>
<i>Long term investments</i>		
AAA	7 219	9 335
AA+	24 210	34 598
AA	11 989	13 938
AA-	14 364	10 899
A1+	5 325	-
	<u>63 107</u>	<u>68 770</u>

9. Financial risk management (continued)

(b) Market risk

(i) Price risk

The Australian Shares Common Fund, Overseas Shares Common Fund, Property Common Fund and the Overseas Fixed Interest Common Fund are exposed to price risk. Public Trustee is not directly exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, Public Trustee diversifies its portfolio. Diversification of the portfolio is in accordance with Public Trustee's Investment Guidelines. Irrespective of what type of investment vehicle is used, the primary focus is to ensure the risk/reward objectives of Public Trustee's investment approach are met. The Common Funds comprise a number of sub-portfolios which invest in different sectors of the equity market.

The Australian Shares Common Fund invests primarily in ASX 300 Companies. The Australian Shares Common Fund portfolio consists of listed shares, convertible notes, instalment receipts, preference shares and options. No derivative products are permitted under Public Trustee's Investment Guidelines.

Equities in the Overseas Shares Common Fund consist of investments through Australian domiciled-pooled funds that obviate exposure to currency price risk. An "active" approach is used by the fund utilising a variety of fund managers with different investment styles. This provides diversification benefits and reduces the overall level of risk.

The Property Common Fund primarily invests in listed securities including exchange traded options from the Property Trust sector of any Australian or overseas stock exchange or any listed company whose major activity is in real properties. Investments in this class also comprise un-listed unit trusts where the holding of property or infrastructure is the primary business activity of the issuer.

(ii) Cash flow and interest rate risk

Public Trustee is exposed to interest rate risk arising from cash investments, short term investments and Australian fixed interest investments. Instruments issued at fixed interest rates expose Public Trustee to fair value interest rate risk and variable rate instruments expose Public Trustee to cash flow interest rate risk.

The Cash Common Fund can invest in short term money market instruments with up to one year maturity, floating rate investment instruments with maturity terms up to 10 years if the counterparty is a bank with a credit rating of A- or better or fixed interest instruments with maturity terms up to 3 years. Securities with greater than one year maturity are restricted to make up less than 20% of the overall fund.

The Short Term Fixed Interest Common Fund can invest in fixed interest securities with maturity terms of three years if the credit rating is A+ or better, or a maturity term of up to 6 years for Commonwealth bonds, Semi-government bonds. The Long Term Fixed Interest Common Fund invests in securities with maturities ranging from 5 years to 25 years.

(iii) Foreign exchange risk

The Overseas Fixed Interest Common Fund and the Overseas Shares Common Fund are indirectly exposed to foreign exchange risk as a result of their investments in other unit trusts which in turn invest in financial instruments that are denominated in foreign currencies. A sensitivity analysis is provided below, outlining the exposure to each type of market risk at the end of each reporting period, showing how profit or loss and equity would have been affected by the changes in the relevant risk variable that was reasonably possible at that date. All instruments are designated as financial assets at fair value through the profit or loss; resulting in no impact on equity.

COMMON FUNDS

9. Financial risk management (continued) - sensitivity analysis

Cash Common Fund

	2015				
	Interest rate risk		Price risk		
	-	+	-	+	
	1%	1%	20%	10%	
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>					
Cash & cash equivalents	13 014	(130)	130	-	-
Financial assets held at fair value through profit or loss	408 132	(4 081)	4 081	-	-
<i>Financial liabilities</i>					
Bank overdraft	(109)	(1)	1	-	-
Total (decrease) increase		(4 212)	4 212	-	-

	2014				
	Interest rate risk		Price risk		
	-	+	-	+	
	1%	1%	20%	10%	
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>					
Cash & cash equivalents	5 000	(50)	50	-	-
Financial assets held at fair value through profit or loss	403 930	(4 039)	4 039	-	-
<i>Financial liabilities</i>					
Bank overdraft	(64)	(1)	1	-	-
Total (decrease) increase		(4 090)	4 090	-	-

Short Term Fixed Interest Common Fund

	2015				
	Interest rate risk		Price risk		
	-	+	-	+	
	1%	1%	20%	10%	
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>					
Deposits with Cash Common Fund	19 484	(195)	195	-	-
Financial assets held at fair value through profit or loss	32 250	(323)	323	-	-
Total (decrease) increase		(518)	518	-	-

	2014				
	Interest rate risk		Price risk		
	-	+	-	+	
	1%	1%	20%	10%	
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>					
Deposits with Cash Common Fund	18 649	(186)	186	-	-
Financial assets held at fair value through profit or loss	33 178	(332)	332	-	-
Total (decrease) increase		(518)	518	-	-

Public Trustee

COMMON FUNDS

9. Financial risk management (continued) - sensitivity analysis

Long Term Fixed Interest Common Fund

	2015			
	Interest rate risk		Price risk	
	-	+	-	+
	1%	1%	20%	10%
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss
\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Deposits with Cash Common Fund	27 578	(276)	276	-
Financial assets held at fair value through profit or loss	66 107	(661)	661	-
Total (decrease) increase		(937)	937	-

	2014			
	Interest rate risk		Price risk	
	-	+	-	+
	1%	1%	20%	10%
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss
\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Deposits with Cash Common Fund	17 239	(172)	172	-
Financial assets held at fair value through profit or loss	76 834	(768)	768	-
Total (decrease) increase		(940)	940	-

Overseas Fixed Interest Common Fund

	2015			
	Interest rate risk		Price risk	
	-	+	-	+
	1%	1%	20%	10%
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss
\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Deposits with Cash Common Fund	3 758	(38)	38	-
Financial assets held at fair value through profit or loss	34 862	-	(6 972)	3 486
Total (decrease) increase		(38)	(6 972)	3 486

	2014			
	Interest rate risk		Price risk	
	-	+	-	+
	1%	1%	20%	10%
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss
\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>				
Deposits with Cash Common Fund	13 668	(137)	137	-
Financial assets held at fair value through profit or loss	24 726	-	(4 945)	2 473
Total (decrease) increase		(137)	(4 945)	2 473

COMMON FUNDS

9. Financial risk management (continued) - sensitivity analysis

Australian Shares Common Fund

	2015			
	Interest rate risk		Price risk	
	-	+	-	+
	1%	1%	20%	10%
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss
\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets				
Deposits with Cash Common Fund	3 717	(37)	37	-
Financial assets held at fair value through profit or loss	158 450	-	-	(31 690)
Total (decrease) increase		(37)	37	(31 690)

	2014			
	Interest rate risk		Price risk	
	-	+	-	+
	1%	1%	20%	10%
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss
\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets				
Deposits with Cash Common Fund	8 936	(89)	89	-
Financial assets held at fair value through profit or loss	157 686	-	-	(31 537)
Total (decrease) increase		(89)	89	(31 537)

Overseas Shares Common Fund

	2015			
	Interest rate risk		Price risk	
	-	+	-	+
	1%	1%	20%	10%
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss
\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets				
Deposits with Cash Common Fund	4 139	(41)	41	-
Financial assets held at fair value through profit or loss	127 229	-	-	(25 446)
Total (decrease) increase		(41)	41	(25 446)

	2014			
	Interest rate risk		Price risk	
	-	+	-	+
	1%	1%	20%	10%
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss
\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets				
Deposits with Cash Common Fund	2 770	(28)	28	-
Financial assets held at fair value through profit or loss	121 013	-	-	(24 203)
Total (decrease) increase		(28)	28	(24 203)

COMMON FUNDS

9. Financial risk management (continued) - sensitivity analysis

Property Common Fund

	2015				
	Interest rate risk		Price risk		
	-	+	-	+	
	1%	1%	20%	10%	
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>					
Deposits with Cash Common Fund	3 005	(30)	30	-	-
Financial assets held at fair value through profit or loss	42 131	-	-	(8 426)	4 213
Total (decrease) increase		(30)	30	(8 426)	4 213

	2014				
	Interest rate risk		Price risk		
	-	+	-	+	
	1%	1%	20%	10%	
Carrying Amount	Profit & Loss	Profit & Loss	Profit & Loss	Profit & Loss	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial assets</i>					
Deposits with Cash Common Fund	1 393	(14)	14	-	-
Financial assets held at fair value through profit or loss	42 079	-	-	(8 416)	4 208
Total (decrease) increase		(14)	14	(8 416)	4 208

(c) Liquidity risk

Public Trustee has working capital policies in place in order to maintain liquidity for clients. Short-term investment analysis assists in determining the amount, if any, to be invested or reinvested in order to maintain working capital. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions. Public Trustee manages the liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

(d) Fair value estimation

The fair value of financial assets and financial liabilities are estimated for recognition and measurement or for disclosure purposes. The fair value of these assets and liabilities is equal to their carrying amount.

Cash and cash equivalents are valued at nominal amounts. This asset consists of cash at bank, on hand and short-term money market deposits with maturities of three months or less that is readily converted to cash and which are subject to insignificant risk of changes in value.

Financial assets and liabilities are held at fair value through the profit or loss. Investments in pooled funds are recorded at fair value as reported by the managers of such funds. Public Trustee has determined the fair value of financial assets to be market value of these investments at balance date. Accounting Standard *AASB 7 Financial Instruments: Disclosures* requires disclosure of the measurement methodology used to value financial instruments. Public Trustee invests through fund managers and utilises pricing data provided by those managers which is indirectly derived from the pricing of the underlying securities. Consistent with the definitions in AASB 7 this methodology is classified as level 2 of the fair value hierarchy.

Receivables and payables are valued on a historical cost basis and Public Trustee considers that the carrying value approximates market value.

COMMON FUNDS

10. Cash flow reconciliation

Cash Common Fund	2015	2014
	\$'000	\$'000
(a) Reconciliation of cash and cash equivalents		
Statement of Cash Flows	12 905	4 936
Statement of Financial Position	12 905	4 936
(b) Reconciliation of profit/loss to net cash provided by (used in) operating activities:		
Net operating profit for the year	10 298	11 782
Non-cash operating activities		
Net losses/(gains) on financial instruments held at fair value through profit or loss	987	333
Amortisation of discounts and premiums	146	(40)
Movement in assets and liabilities		
Decrease in receivables and other assets	426	709
(Decrease)/increase in payables and other liabilities	5	(9)
Adjustment for balance day transactions	(5)	61
Net cash provided by operating activities	11 857	12 836
 Short Term Fixed Interest Common Fund	 2015	 2014
	\$'000	\$'000
(a) Reconciliation of cash and cash equivalents		
Statement of Cash Flows	19 484	18 649
Statement of Financial Position	19 484	18 649
(b) Reconciliation of profit/loss to net cash provided by (used in) operating activities:		
Net operating profit for the year	1 391	1 592
Non-cash operating activities		
Net (gains) on financial instruments held at fair value through profit or loss	72	(57)
Amortisation of discounts and premiums	122	91
Movement in assets and liabilities		
Decrease in receivables and other assets	47	50
(Decrease)/increase in payables and other liabilities	-	(1)
Net cash provided by operating activities	1 632	1 675
 Long Term Fixed Interest Common Fund	 2015	 2014
	\$'000	\$'000
(a) Reconciliation of cash and cash equivalents		
Statement of Cash Flows	27 578	17 239
Statement of Financial Position	27 578	17 239
(b) Reconciliation of profit/loss to net cash provided by (used in) operating activities:		
Net operating profit for the year	3 671	4 619
Non-cash operating activities		
Net (gains)/losses on financial instruments held at fair value through profit or loss	(727)	(1 545)
Amortisation of discounts and premiums	183	149
Movement in assets and liabilities		
Decrease/(increase) in receivables and other assets	163	51
(Decrease)/increase in payables and other liabilities	-	(5)
Net cash provided by operating activities	3 290	3 269

COMMON FUNDS

10. Cash flow reconciliation (continued)

Overseas Fixed Interest Common Fund	2015	2014
	\$'000	\$'000
(a) Reconciliation of cash and cash equivalents		
Statement of Cash Flows	3 758	13 668
Statement of Financial Position	3 758	13 668
(b) Reconciliation of profit/loss to net cash provided by (used in) operating activities:		
Net operating profit for the year	1 226	1 792
Non-cash operating activities		
Net (gains)/losses on financial instruments held at fair value through profit or loss	(732)	(959)
Income reinvested and not received in cash	(102)	(151)
Movement in assets and liabilities		
Decrease in receivables and other assets	(316)	576
(Decrease)/increase in payables and other liabilities	(1)	(1)
Net cash provided by operating activities	75	1 257
 Australian Shares Common Fund	 2015	 2014
	\$'000	\$'000
(a) Reconciliation of cash and cash equivalents		
Statement of Cash Flows	3 717	8 936
Statement of Financial Position	3 717	8 936
(b) Reconciliation of profit/loss to net cash provided by (used in) operating activities:		
Net operating profit for the year	7 742	28 458
Non-cash operating activities		
Net (gains) on financial instruments held at fair value through profit or loss	(229)	(21 150)
Income reinvested and not received in cash	(535)	(507)
Movement in assets and liabilities		
(Increase) in receivables and other assets	(57)	(2 734)
(Decrease)/increase in payables and other liabilities	-	(10)
Net cash provided by operating activities	6 921	4 057
 Overseas Shares Common Fund	 2015	 2014
	\$'000	\$'000
(a) Reconciliation of cash and cash equivalents		
Statement of Cash Flows	4 139	2 770
Statement of Financial Position	4 139	2 770
(b) Reconciliation of profit/loss to net cash provided by (used in) operating activities:		
Net operating profit for the year	22 297	22 348
Non-cash operating activities		
Net (gains) on financial instruments held at fair value through profit or loss	(5 707)	(19 474)
Income reinvested and not received in cash	(509)	(381)
Movement in assets and liabilities		
(Increase)/decrease in receivables and other assets	(11 503)	(1 638)
(Decrease)/increase in payables and other liabilities	-	(7)
Net cash provided by operating activities	4 578	848

Public Trustee

COMMON FUNDS

Property Common Fund

	2015	2014
	\$'000	\$'000
(a) Reconciliation of cash and cash equivalents		
Statement of Cash Flows	3 005	1 393
Statement of Financial Position	3 005	1 393
(b) Reconciliation of profit/loss to net cash provided by (used in) operating activities:		
Net operating profit for the year	4 908	7 397
Non-cash operating activities		
Net (gains) on financial instruments held at fair value through profit or loss	(940)	(3 382)
Income reinvested and not received in cash	(112)	(128)
Movement in assets and liabilities		
(Increase) in receivables and other assets	(179)	(2 767)
(Decrease)/increase in payables and other liabilities	-	(3)
Net cash provided by operating activities	<u>3 677</u>	<u>1 117</u>

11. Events occurring after balance date

Nil

Certification of the Financial Statements

We certify that the:-

- accompanying Public Trustee Corporate Statements, Common Fund Statements and Statement of Trusts being Administered and the notes thereto:-
 - are in accordance with the accounts and records of Public Trustee; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of Public Trustee at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by Public Trustee over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Debra Contala
Public Trustee



Tony Brumfield
General Manager, Business and Client
Financial Services

Date: - 9 September 2015

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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To the Public Trustee

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and sections 26(2), 30(2) and 50(2) of the *Public Trustee Act 1995*, I have audited the accompanying financial report of the Public Trustee for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015 for Corporate Operations
- a Statement of Financial Position as at 30 June 2015 for Corporate Operations
- a Statement of Changes in Equity for the year ended 30 June 2015 for Corporate Operations
- a Statement of Cash Flows for the year ended 30 June 2015 for Corporate Operations
- a Statement of Trusts being Administered as at 30 June 2015
- a Statement of Comprehensive Income for the year ended 30 June 2015 for each of the Common Funds
- a Statement of Financial Position as at 30 June 2015 for each of the Common Funds
- a Statement of Cash Flows for the year ended 30 June 2015 for each of the Common Funds
- notes, for each of the financial statements, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Public Trustee and the General Manager, Business and Client Financial Services.

The Public Trustee's Responsibility for the Financial Report

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Public Trustee, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Public Trustee as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
16 September 2015

Auditor-General's Department

Financial report
for the year ended
30 June 2015

Auditor-General's Department

Statement of Comprehensive Income for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Expenses:			
Employee expenses	4	11 748	11 353
Supplies and services:	5		
Contractors		1 369	1 292
Office accommodation and service costs		696	667
Consultancies		103	145
Other supplies and services	6	1 231	1 110
		3 399	3 214
Depreciation and amortisation		199	245
Total expenses		15 346	14 812
Income:			
Employee benefits transferred	7	220	-
Other income		2	1
Total income		222	1
Net cost of providing services	17.2	15 124	14 811
Revenues from (Payments to) SA Government:			
Appropriations and contingency provision grant	8	16 229	15 451
Return of surplus cash pursuant to cash alignment policy	8	-	(1 000)
Total Revenues from (Payments to) SA Government		16 229	14 451
Net result		1 105	(360)
Total comprehensive result		1 105	(360)

Net result and total comprehensive result are attributable to the SA Government as owner

**Statement of Financial Position
as at 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Current assets:			
Cash and cash equivalents	9,17.1	4 789	3 953
Receivables	10	141	124
Total current assets		<u>4 930</u>	<u>4 077</u>
Non-current assets:			
Computing and office facilities	11	295	303
Intangible assets	12	39	24
Total non-current assets		<u>334</u>	<u>327</u>
Total assets		<u>5 264</u>	<u>4 404</u>
Current liabilities:			
Payables	13	296	380
Employee benefits	14	1 201	1 278
Provision for workers compensation	15	9	8
Total current liabilities		<u>1 506</u>	<u>1 666</u>
Non-current liabilities:			
Payables	13	262	291
Employee benefits	14	2 623	2 683
Provision for workers compensation	15	28	24
Total non-current liabilities		<u>2 913</u>	<u>2 998</u>
Total liabilities		<u>4 419</u>	<u>4 664</u>
Net assets		<u>845</u>	<u>(260)</u>
Equity:			
Opening balance - surplus (deficit)		(260)	100
Increase (Decrease) in net assets		1 105	(360)
Total equity		<u>845</u>	<u>(260)</u>

Total equity is attributable to the SA Government as owner

Commitments

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Statement of Changes in Equity for the year ended 30 June 2015

	Retained earnings \$'000	Total \$'000
Balance at 30 June 2013	100	100
Total comprehensive result for the year 2013-14	(360)	(360)
Balance at 30 June 2014	(260)	(260)
Total comprehensive result for the year 2014-15	1 105	1 105
Balance at 30 June 2015	845	845

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

Statement of Cash Flows for the year ended 30 June 2015

		2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:	Note		
Cash outflows:			
Employee expenses		(11 730)	(11 185)
Supplies and services		(3 761)	(3 524)
Payments for Paid Parental Leave Scheme		(43)	(24)
Cash inflows:			
Other income		2	1
Goods and services tax refunds from Australian Taxation Office		323	328
Receipts for Paid Parental Leave Scheme		38	26
Cash flows from (to) SA Government:			
Appropriations and contingency provision grant	8	16 229	15 451
Return of surplus cash pursuant to cash alignment policy	8	-	(1 000)
Net cash provided by (used in) operating activities	17.2	1 058	73
Cash flows from investing activities:			
Cash outflows:			
Purchase of computing and office facilities		(192)	(182)
Purchase of intangible assets		(30)	-
Net cash provided by (used in) investing activities		(222)	(182)
Net increase (decrease) in cash and cash equivalents		836	(109)
Cash and cash equivalents at 1 July		3 953	4 062
Cash and cash equivalents at 30 June	9,17.1	4 789	3 953

Notes to and forming part of the financial statements

1. Objectives of the Auditor-General's Department (the Department)

The Department's main statutory responsibilities are to audit and examine the activities of State and Local Government agencies and to report the results to Parliament in accordance with the requirements of the *Public Finance and Audit Act 1987* (PFAA).

The Department's sole activity is the provision of auditing services covering the various audit and examination responsibilities prescribed under the PFAA. Within this activity class there are two subactivities:

Prescribed audits

Includes all audit and examination work for State and Local Government agencies initiated and undertaken by the Auditor-General under the PFAA. The main component of work relates to the annual statutory audit of State public sector agencies. During the year the Department spent \$15.34 million (\$14.763 million) on this activity.

Special investigations

Includes all examination work defined within the PFAA that is specifically requested by the Parliament, Treasurer, Minister or the Independent Commissioner Against Corruption to be undertaken and reported by the Auditor-General to the Parliament.

During 2014-15 the Department had no expenditure on this activity. In 2013-14 the Department spent \$49 000 on this activity.

2. Summary of significant accounting policies

(a) *Statement of compliance*

The financial statements are general purpose financial statements that have been prepared in accordance with applicable Australian Accounting Standards (AASs) and Treasurer's Instructions (TIs) and Accounting Policy Statements (APSs) issued pursuant to the PFAA.

The accounts are presented on the accrual basis of accounting using historical cost accounting which does not take into account changing money values.

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

AASs and Australian Accounting Standards (AASB) interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2015. The Department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Department.

The Department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention except for certain items which have been recognised at fair value.

The Statement of Cash Flows has been prepared on a cash basis.

(b) *Basis of preparation*

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Department's accounting policies. Areas involving a higher degree of judgement, or where assumption and estimates are significant to the financial statements are outlined in the applicable notes
- compliance with APSs issued pursuant to section 41 of the PFAA. In the interest of public accountability and transparency the APSs require the following note disclosures in these financial statements:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature
 - (b) employees whose normal remuneration is equal to or greater than the base executive remuneration level and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly to those employees
 - (c) expenses incurred as a result of engaging consultants (reported in the Statement of Comprehensive Income).

(c) Reporting entity

The Department produces both departmental and administered financial statements. The departmental financial statements report on the use of assets, liabilities, income and expenses controlled or incurred by the Department. The administered items financial statements report on the income, expenses, assets and liabilities which the Department administers on behalf of the SA Government but does not control.

(d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where a specific APS or AAS has required a change.

Where applicable the comparatives have been restated to assist users understanding of the current reporting period and do not replace the original financial statements for the preceding period.

(e) Rounding

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

(f) Taxation

The Department is not subject to income tax. The Department is liable for payroll tax, fringe benefits tax and goods and services tax. Income, expenses and assets are recognised net of the amount of goods and services tax except:

- when the goods and services tax incurred by the Department on a purchase of goods or services is not recoverable from the Australian Taxation Office it is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- receivables and payables which are stated with the amount of goods and services tax included.

The net goods and services tax receivable/payable to the Australian Taxation Office has been recognised as a receivable in the Statement of Financial Position.

Cash flows are reported on a gross basis in the Statement of Cash Flows. The goods and services tax component of the cash flows arising from investing or financing activities which are recoverable from, or payable to, the Australian Taxation Office have however been classified as operating cash flows.

(g) Income and expenses

Income and expenses are recognised in the Statement of Comprehensive Income only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Income and expenses have been classified according to their nature in accordance with Accounting Policy Framework (APF) II 'General Purpose Financial Statements Framework' (APF II), APS 3.5 and have not been offset unless required or permitted by another accounting standard.

The loss on the disposal of non-current assets is recognised when control of the asset has passed to the recipient.

(h) Revenues from (Payments to) SA Government

Parliament-approved funding appropriations are received for the full accrual cost of services. The appropriation is paid into a special deposit account titled 'Auditor-General's Department Operating Account'. Appropriations for accrued expenses are deposited in a special deposit account in the name of the Auditor-General's Department at Department of Treasury and Finance titled 'Accrual Appropriation Excess Funds'. Use of the funds requires the approval of the Treasurer. Pursuant to TI 3 'Appropriation', clause 3.8, this money is deemed to be controlled by the public authority in the name of which the money is recorded.

Payments to SA Government relate to the return of surplus cash pursuant to the cash alignment policy.

Administered items are funded by Parliamentary appropriations on a cash basis.

(i) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature.

The Department has a clearly identifiable operating cycle of 12 months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current. All other assets and liabilities are classified as non-current.

(j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits held at call.

(k) Receivables

Receivables arise in the normal course of audit services to other agencies. Receivables are generally settled within 14 days after the issue of an invoice.

(l) Inventories

Consumable supplies are not recognised in the Statement of Financial Position as the value of these supplies is not considered to be material.

(m) Non-current asset acquisition and recognition

Assets are recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition, less accumulated depreciation.

All non-current physical assets with a value greater than \$2000 are capitalised in accordance with APF III 'Asset Accounting Frame' (APF III), APSs 2.15 and 2.16.

The acquisition of software is capitalised when the expenditure meets the definition criteria of an intangible asset and when expenditure is greater than or equal to \$2000 in accordance with APF III, APSs 2.15 and 2.16. The Department has no internally generated intangible assets.

(n) Revaluation of non-current assets

The revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years in accordance with APF III, APS 3.3.

All non-current assets with a limited useful life are systematically depreciated over their useful lives.

(o) Depreciation/Amortisation of non-current assets

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. The useful lives of all major assets are reassessed on an annual basis.

Depreciation/Amortisation for non-current assets is determined as follows:

<i>Class of asset</i>	<i>Depreciation/Amortisation method</i>	<i>Useful life (years)</i>
Computing and office equipment	Straight-line	3
Laptop computer equipment	Straight-line	2
Leasehold improvements	Straight-line	3
Computer software	Straight-line	3

(p) Payables

Payables include employee on-costs, creditors, accrued expenses and Paid Parental Leave Scheme amounts payable.

Employee on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries, long service leave, annual leave and skills and experience retention leave.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid. Creditors include all unpaid invoices received relating to the normal 12 month operating cycle.

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 received.

The Paid Parental Leave Scheme payable represents amounts which the Department has received from the Commonwealth Government to forward on to eligible employees via the Department's standard payroll processes.

All amounts are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

(q) Employee benefits

Provision has been made for employee benefits liabilities arising from services rendered by employees to balance date in accordance with AASB 119 'Employee Benefits' (AASB 119). Employee benefits comprise salaries, annual leave, long service leave and skills and experience retention leave.

Salaries

Liabilities for salaries are recognised, and are measured as the amount unpaid at current pay rates in respect of employee service periods up to the reporting date.

Annual leave and skills and experience retention leave

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.

Sick leave

No liability is recognised, as all sick leave is non-vesting and the average sick leave taken by employees is considered to be taken from the current year's accrual, as it is estimated to be less than the annual entitlement for sick leave.

Long service leave

Long service leave is recognised on a pro-rata basis for the employee service periods up to the reporting date. An actuarial assessment of long service leave liability is undertaken by Department of Treasury and Finance. 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 for SA Government entities.

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 flows.

The long service leave expected to be taken in the 12 months to 30 June 2015 has been estimated by adding the estimated termination payments in this period to the estimated long service leave to be taken by ongoing employees in the 12 months (based on previous years' experience). The basis of calculation is similar to that used in previous years.

Superannuation

Contributions are paid to several superannuation schemes operated by the SA Government and are treated as an expense when they occur. The liability for payments to beneficiaries is assumed by the South Australian Superannuation Board. The liability outstanding at the reporting date for any contributions due but not yet paid to the South Australian Superannuation Board is included in payables.

(r) Provisions

The workers compensation provision is an actuarial estimate of the outstanding liability at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. 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.

(s) Leases

The Department has entered into operating leases for office accommodation and motor vehicles.

Operating leases

Under the operating leases, the lessor effectively retains the entire risks and benefits incidental to ownership of the leased items.

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

(t) Events after the end of the reporting period

There have been no events subsequent to 30 June 2015 that have had a material impact on the information disclosed in these financial statements.

3. New accounting standard

In accordance with the new AASB 1055 'Budgetary reporting', which became effective for the first time in 2014-15, the Department has included a comprehensive new note 'Budgetary reporting and explanations of major variances' (refer notes 21 and A6). These notes disclose, in respect of the Statement of Comprehensive Income and Investing Expenditure Summary for both controlled and administered amounts:

- the Department's original budget as published in Budget Paper 4
- a comparison of the original budget information to actual results
- explanations of major variances.

4. Employee expenses

	2015	2014
Employee benefits:	\$'000	\$'000
Salaries	8 915	8 442
Annual leave	827	827
Long service leave	342	462
Skills and experience retention leave	52	38
Total employee benefits	10 136	9 769
Employee on-costs:		
Superannuation	1 005	1 021
Payroll tax	579	559
Total employee on-costs	1 584	1 580
Workers compensation	28	4
Total employee expenses	11 748	11 353

5. Supplies and services provided by entities within SA Government

Office accommodation and service costs	692	662
Other supplies and services	197	184
Total supplies and services provided by entities within SA Government	889	846

6. Other supplies and services

Computing and network processing costs	401	430
Staff recruitment, development and training	265	214
Other expenses	172	125
Motor vehicles	168	144
Staff travel, accommodation and allowances	88	67
Government Services Group - Shared Services SA charges	69	65
Fringe benefits tax	59	56
Report printing	9	9
Total other supplies and services	1 231	1 110

7. Employee benefits transferred

The employee benefits transferred relates to the one off recognition in 2014-15 of the transfer of the Deputy Auditor-General's leave liabilities from the Department's accounts to the Department's administered items accounts upon his appointment as Auditor-General in June 2015. The employee expenses and employee benefits for administered items reflect the one-off recognition of the transferred liabilities in 2014-15.

8. Funding of the Department

Appropriations to the Department in 2014-15 amounted to \$16.191 million (\$15.427 million) and there was a contingency provision grant of \$38 000 (\$24 000).

In 2013-14 the Department sought approval from Department of Treasury and Finance to return surplus cash totalling \$1 million to the Consolidated Account in accordance with the principles of the cash alignment policy.

Appropriations under Special Acts are reported under administered items.

9. Cash and cash equivalents

	2015	2014
	\$'000	\$'000
Deposits with the Treasurer	4 789	3 953
Total cash and cash equivalents	4 789	3 953

Deposits with the Treasurer

These include funds held in the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use. These funds can only be used in accordance with the Treasurer's/Under Treasurer's approval.

Interest rate risk

Deposits with the Treasurer are non-interest bearing for the Department. The Department's only interest bearing asset was an imprest account and the exposure to interest rate risk is insignificant.

In December 2013 the Department closed its imprest account and returned these funds to Department of Treasury and Finance.

The carrying amounts of cash and cash equivalents represent fair value.

10. Receivables	2015	2014
Current:	\$'000	\$'000
Goods and services tax input tax recoverable	137	121
Other	4	3
Total current	141	124

The current receivable amounts are with non-SA Government entities.

Interest rate and credit risk

Goods and services tax input tax credits are recoverable from the Australian Taxation Office and as such there is no interest rate or credit risk and the carrying amount represents fair value. With respect to other receivables there is no interest rate risk and the carrying amount represents fair value. The credit risk associated with other receivables is insignificant.

11. Computing and office facilities	2015	2014
11.1 Classes of computing and office facilities	\$'000	\$'000
Computing and office equipment - at cost	723	586
Accumulated depreciation	(580)	(537)
	143	49
Laptop computer equipment - at cost	306	305
Accumulated depreciation	(273)	(235)
	33	70
Leasehold improvements - at cost	758	758
Accumulated depreciation	(639)	(574)
	119	184
	295	303

11.2 Reconciliation of carrying amount	Carrying amount				Carrying amount
	01.07.14	Additions	Disposals	Depreciation	30.06.15
	\$'000	\$'000	\$'000	\$'000	\$'000
Computing and office equipment	49	137	-	43	143
Laptop computer equipment	70	39	-	76	33
Leasehold improvements	184	-	-	65	119
Total computing and office facilities	303	176	-	184	295

	Carrying amount				Carrying amount
	01.07.13	Additions	Disposals	Depreciation	30.06.14
	\$'000	\$'000	\$'000	\$'000	\$'000
Computing and office equipment	92	19	-	62	49
Laptop computer equipment	181	-	-	111	70
Leasehold improvements	34	179	-	29	184
Total computing and office facilities	307	198	-	202	303

All items of computing and office equipment had a fair value at the time of acquisition of less than \$1 million and have not been revalued in accordance with APF III. The carrying value of these items is deemed to approximate fair value.

These assets are classified as level 3 as the valuation is based on management's assessment of the useful life and condition. The significant input to the valuation is useful life which is 2-3 years. There have been no movements in the fair value of assets apart from the additions and the current year depreciation shown above.

There were no indications of impairment of non-current assets at 30 June 2015.

12. Intangible assets	2015	2014
	\$'000	\$'000
12.1 Classes of intangible assets		
Computer software - at cost	558	528
Accumulated amortisation	(519)	(504)
	<u>39</u>	<u>24</u>

12.2 Reconciliation of carrying amount	Carrying amount				Carrying amount
	01.07.14	Additions	Disposals	Amortisation	30.06.15
	\$'000	\$'000	\$'000	\$'000	\$'000
Computer software	24	30	-	15	39
Total intangible assets	<u>24</u>	<u>30</u>	<u>-</u>	<u>15</u>	<u>39</u>

	Carrying amount				Carrying amount
	01.07.13	Additions	Disposals	Amortisation	30.06.14
	\$'000	\$'000	\$'000	\$'000	\$'000
Computer software	67	-	-	43	24
Total intangible assets	<u>67</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>24</u>

All items of computing software had a fair value at the time of acquisition of less than \$1 million and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value.

These assets are classified as level 3 as the valuation is based on management's assessment of the useful life and condition. The significant input to the valuation is useful life which is three years. There have been no movements in the fair value of assets apart from the additions and the current year depreciation shown above.

There were no indications of impairment of non-current assets at 30 June 2015.

13. Payables	2015	2014
	\$'000	\$'000
Current:		
Employee on-costs	229	269
Creditors	54	102
Accrued expenses	13	5
Paid Parental Leave Scheme payable	-	4
Total current	<u>296</u>	<u>380</u>
Non-current:		
Employee on-costs	262	291
Total non-current	<u>262</u>	<u>291</u>
Total payables	<u>558</u>	<u>671</u>
Payables to entities within the SA Government	<u>282</u>	<u>325</u>

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. All payables are non-interest bearing. The carrying amount of payables approximates fair value due to the amounts being payable on demand.

14. Employee benefits	2015	2014
Current:	\$'000	\$'000
Salaries	75	37
Annual leave	872	821
Long service leave	198	366
Skills and experience retention leave	56	54
Total current	1 201	1 278
Non-current:		
Long service leave	2 623	2 683
Total non-current	2 623	2 683
Total employee benefits	3 824	3 961

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by Department of Treasury and Finance has been used to calculate the liability.

AASB 119 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 decreased from 3.5% at 30 June 2014 to 3% at 30 June 2015. This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

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

The actuarial assessment by Department of Treasury and Finance left the salary inflation rate at 4% for long service leave. As a result there is no net financial effect resulting from changes in the salary inflation rate.

For annual leave and skills and experience retention leave the salary inflation rate was revised down by 1% from 4% in 2014 to 3% in 2015.

15. Provision for workers compensation	2015	2014
Current:	\$'000	\$'000
Provision for workers compensation	9	8
Total current	9	8
Non-current:		
Provision for workers compensation	28	24
Total non-current	28	24
Total provision	37	32
Carrying amount at 1 July	32	31
Workers compensation payments	-	-
Increase (Decrease) in provision	5	1
Carrying amount at 30 June	37	32

The workers compensation provision is based on an actuarial assessment provided by the Office for the Public Sector.

16. Commitments

Operating lease commitments

The Department's operating leases are for the leasing of office accommodation and motor vehicles.

Office accommodation

Office accommodation is leased from the Building Management Division of the Department of Planning, Transport and Infrastructure. The lease expires on 30 June 2020. The rental amount is based on floor space, with the rental rate reviewable by the Department of Planning, Transport and Infrastructure every two years.

Motor vehicles

Motor vehicles are leased from SAFA through their agent LeasePlan Australia. The vehicles are leased for a specified time period or a specified number of kilometres, whichever occurs first. The lease rate is determined according to the type of vehicle being leased and the number of months of the lease period, and are reviewed annually.

At the reporting date the Department had the following obligations under non-cancellable operating leases (these obligations have not been recognised as liabilities):	2015 \$'000	2014 \$'000
Not later than one year	705	704
Later than one year but not later than five years	2 545	79
Total operating lease commitments as lessee	3 250	783

Remuneration commitments

At the reporting date the Department had commitments for the payment of salaries and other remuneration under fixed-term employment contracts (these obligations have not been recognised as liabilities):

Not later than one year	934	1 085
Later than one year but not later than five years	2 476	2 492
Total remuneration commitments	3 410	3 577

Amounts disclosed include commitments arising from executive contracts under fixed-term employment. The Department does not offer fixed-term employment contracts to executives for periods greater than five years.

Other contractual commitments

At the reporting date the Department had the following obligations under non-cancellable contracts for audit services (these obligations have not been recognised as liabilities):

Not later than one year	443	811
Later than one year but not later than five years	-	210
Total operating lease commitments as lessee	443	1 021

17. Cash flow reconciliations

17.1 Reconciliation of cash and cash equivalents

Cash and cash equivalents at 30 June per:

Statement of Financial Position	4 789	3 953
Statement of Cash Flows	4 789	3 953

17.2 Reconciliation of net cost of providing services to net cash provided by (used in) operating activities

Net cost of providing services	(15 124)	(14 811)
Net cash flows from SA Government	16 229	14 451
Depreciation and amortisation	199	245
Movements in assets/liabilities:		
Receivables	(17)	2
Employee benefits	(137)	135
Provision for workers compensation	5	1
Payables*	(97)	53
Cash advance - imprest account	-	(3)
Net cash provided by (used in) operating activities	1 058	73

* Movement in payables excludes a capital payable of \$16 000 in 2014.

18. Remuneration of employees

The number of employees whose normal remuneration is equal to or greater than the base executive remuneration level during the year are grouped within the following bands:

	2015 Number	2014 Number
\$141 500 - \$151 499	-	1
\$171 500 - \$181 499	3	-
\$201 500 - \$211 499	-	1
\$211 500 - \$221 499	1	1
\$221 500 - \$231 499	1	2
\$261 500 - \$271 499	1	-
\$401 500 - \$411 499*	-	2
\$890 500 - \$901 499*	1	-
Total	7	7

* These bandwidths include leave entitlement payments made to executive employees on termination of service.

The table includes all employees whose normal remuneration is equal to or greater than the base executive remuneration level of \$141 484. The base level remuneration rate for 2014-15 is the same as the 2013-14 rate as there has been no increase in executive base level remuneration since 1 July 2013. Total remuneration received or receivable by these employees was \$2.12 million (\$1.83 million).

The employee remuneration figures detailed above include employee remuneration recorded in both the Department's financial statements and in the administered financial statements of the Department.

19. Remuneration of auditor	2015	2014
	\$'000	\$'000
Remuneration for audit of financial statements	13	9
Remuneration for other services	-	-
	<u>13</u>	<u>9</u>

20. 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 2.

	Carrying amount	
	2015	2014
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	4 789	3 953
Receivables*	4	3
Financial liabilities		
Payables	67	107

* Receivables amounts disclosed exclude amounts relating to statutory receivables where rights or obligations have their source in legislation such as the goods and services tax.

21. Budgetary reporting and explanations of major variances

The following provides details of the 2014-15 original budget, actual amounts and the associated variances.

Statement of Comprehensive Income	Original Budget*	Actual	Variance
	\$'000	\$'000	\$'000
Expenses:			
Employee expenses	12 386	11 748	(638)
Supplies and services:			
Contractors	1 565	1 369	(196)
Office accommodation and service costs	707	696	(11)
Consultancies	133	103	(30)
Other supplies and services	1 143	1 231	88
Depreciation and amortisation	236	199	(37)
Total expenses	<u>16 170</u>	<u>15 346</u>	<u>(824)</u>
Income:			
Employee benefits transferred	-	220	220
Other income	1	2	1
Total income	<u>1</u>	<u>222</u>	<u>221</u>
Net cost of providing services	<u>16 169</u>	<u>15 124</u>	<u>(1 045)</u>
Revenues from (Payments to) SA Government:			
Appropriations and contingency provision grant	16 191	16 229	38
Total Revenues from (Payments to) SA Government	<u>16 191</u>	<u>16 229</u>	<u>38</u>
Net result and total comprehensive result	<u>22</u>	<u>1 105</u>	<u>(1) 083</u>
Investing expenditure summary			
Minor capital works and equipment	206	206	-
Total annual programs	<u>206</u>	<u>206</u>	<u>-</u>

* 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 (2014-15 Budget Paper 4) and the amounts have not been adjusted to reflect revised budgets. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

(i) The variance in the net result and total comprehensive result is primarily due to lower staffing costs resulting from delays in filling vacancies.

**Statement of Administered Comprehensive Income
for the year ended 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Expenses:			
Employee expenses		394	343
Employee benefits transferred	7	220	-
Amounts paid/payable to Consolidated Account		14 055	13 778
Total expenses		14 669	14 121
Income:			
Fees for audit services		14 055	13 778
Appropriation - Special Acts	A2.2	879	305
Total income		14 934	14 083
Net result		265	(38)
Total comprehensive result		265	(38)

**Statement of Administered Financial Position
as at 30 June 2015**

	Note	2015 \$'000	2014 \$'000
Current assets:			
Cash and cash equivalents	A4.1	731	1 365
Receivables	A2.1	1 079	2 020
Total assets		1 810	3 385
Current liabilities:			
Employee benefits	7,A3	39	152
Amounts payable to Consolidated Account		985	1 853
Goods and services tax payable		649	1 355
Total current liabilities		1 673	3 360
Non-current liabilities:			
Employee benefits	7,A3	306	459
Total non-current liabilities		306	459
Total liabilities		1 979	3 819
Net assets		(169)	(434)
Equity:			
Opening balance - deficit		(434)	(396)
Increase (Decrease) in net assets		265	(38)
Total equity		(169)	(434)

**Statement of Administered Changes in Equity
for the year ended 30 June 2015**

	Retained earnings \$'000	Total \$'000
Balance at 30 June 2013	(396)	(396)
Total comprehensive result for the year 2013-14	(38)	(38)
Balance at 30 June 2014	(434)	(434)
Total comprehensive result for the year 2014-15	265	265
Balance at 30 June 2015	(169)	(169)

**Statement of Administered Cash Flows
for the year ended 30 June 2015**

		2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:	Note		
Cash outflows:			
Employee expenses		(879)	(306)
Amounts paid to Consolidated Account		(14 924)	(16 068)
Goods and services tax paid to Australian Taxation Office		(2 112)	(588)
Cash inflows:			
Fees for audit services	A2.1	16 402	17 151
Cash flows from SA Government:			
Appropriations - Special Acts	A2.2	879	305
Net cash provided by (used in) operating activities	A4.2	(634)	494
Net increase (decrease) in cash and cash equivalents		(634)	494
Cash and cash equivalents at 1 July		1 365	871
Cash and cash equivalents at 30 June	A4.1	731	1 365

Notes to and forming part of the administered financial statements

A1. Statement of significant accounting policies

The summary of all significant accounting policies for the Department are contained in note 2. The policies outlined in note 2 apply to both the Department and the administered financial statements.

A2. Administered items

A2.1 Auditing fees

Section 39 of the *Public Finance and Audit Act 1987* (PFAA) provides for the levying of fees for audit services provided by the Department. These are paid into the Consolidated Account.

	2015 \$'000	2014 \$'000
Fees outstanding at 1 July	2 020	4 015
Billings (including goods and services tax)	15 461	15 156
	17 481	19 171
Receipts (including goods and services tax)	16 402	17 151
Fees outstanding at 30 June	1 079	2 020

At 30 June, the value of audit work in progress was \$7.19 million (\$6.13 million). The Department is of the opinion that this amount is recoverable.

Interest rate and credit risk

Receivables are normally settled within 14 days and are all non-interest bearing. It is not anticipated that counterparties will fail to discharge their obligations and there is no concentration of credit risk. The carrying amount of receivables approximates net fair value due to the amounts being payable on demand.

A2.2 Special Acts

Section 24(4) of the PFAA provides that the salary and allowances of the Auditor-General will be determined by the Governor and will be paid from the Consolidated Account which is appropriated for that purpose and the necessary extent.

A3. Employee benefits	2015	2014
Current:	\$'000	\$'000
Salaries	2	1
Annual leave	29	151
Skills and experience retention leave	8	-
Total current	39	152
Non-current:		
Long service leave	306	459
Total non-current	306	459
Total employee benefits	345	611

A4. Notes to the Administered Statement of Cash Flows**A4.1 Reconciliation of cash and cash equivalents**

Cash and cash equivalents at 30 June per:

Statement of Administered Financial Position	731	1 365
Statement of Administered Cash Flows	731	1 365

A4.2 Reconciliation of net result to net cash provided by (used in) operating activities

Net result	265	(38)
Movements in assets/liabilities:		
Receivables	941	1 995
Employee benefits	(266)	38
Amounts payable to the Consolidated Account	(868)	(2 291)
Goods and services tax payable	(706)	790
Net cash provided by (used in) operating activities	(634)	494

A5. Specific disclosure - SA Government

The following discloses revenues, expenses, assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date.

Income excluding appropriations	12 378	12 194
Expenses	14 055	13 778
Financial assets	841	2 419
Financial liabilities	985	1 853

A6. Budgetary reporting and explanations of major variances

The following provides details of the 2014-15 original budget, actual amounts and the associated variances. No explanation are provided as the variances do not exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

Statement of Comprehensive Income

	Original Budget*	Actual	
Expenses:	\$'000	\$'000	\$'000
Employee expenses	320	394	74
Employee benefits transferred	-	220	220
Amounts paid/payable to Consolidated Account	14 004	14 055	51
Total expenses	14 324	14 669	345
Income:			
Fees for audit services	14 004	14 055	51
Appropriation - Special Acts	308	879	571
Total income	14 312	14 934	622
Net result and total comprehensive result	(12)	265	277

* 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 (2014-15 Budget Paper 4) and the amounts have not been adjusted to reflect revised budgets. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

Certification of the Financial Report

We certify that the:

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



Andrew Richardson
Auditor-General
1 September 2015



Megan Stint
Manager, Finance
1 September 2015



AUDITOR-GENERAL'S DEPARTMENT

**INDEPENDENT AUDITOR'S REPORT
TO THE TREASURER OF THE SOUTH AUSTRALIAN GOVERNMENT**

Report on the Financial Report

We have audited the accompanying financial report of the Auditor-General's Department ('the Department'), which comprises the Statement of Financial Position and Statement of Administered Financial Position as at 30 June 2015, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, Statement of Administered Comprehensive Income, Statement of Administered Changes in Equity and Statement of Administered Cash Flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory notes and the Certification of the Financial Report by Auditor-General and the Manager, Finance.

The Auditor-General and Manager, Finance's Responsibility for the Financial Report

The Auditor-General and the Manager, Finance, of the Department are responsible for the preparation and fair presentation of the financial report in accordance with Section 35 of the Public Finance and Audit Act 1987 (including the Treasurers Instructions promulgated under the provisions of that Act) and Australian Accounting Standards (including Australian Accounting Interpretations) and for such internal control as the Auditor-General and Manager, Finance determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Auditor-General and Manager, Finance, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Edwards Marshall is an independent member of Nexia International,
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Edwards Marshall

AUDITOR-GENERAL'S DEPARTMENT

**INDEPENDENT AUDITOR'S REPORT
TO THE TREASURER OF THE SOUTH AUSTRALIAN GOVERNMENT (CONT)**

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Opinion

In our opinion:

- a) the financial report presents fairly, in all material respects, the financial position of the Department, as at 30 June 2015, and of its financial performance and cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987 and the Australian Accounting Standards (including the Australian Accounting Interpretations); and
- b) the financial report also complies with accounts and records of the Department; and
- c) the internal controls employed by the Department for the financial year ended 30 June 2015 over its financial reporting and the preparation of the financial statements are effective.

We have obtained all of the information and explanations required from the Department.

Edwards Marshall
Chartered Accountants

Jamie Dreckow
Partner

Adelaide
South Australia

1 September 2015

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Department for
Communities and
Social Inclusion

Financial report
for the year ended
30 June 2015

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTE INDEX
for the year ended 30 June 2015

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DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Expenses			
Employee benefit expenses	5	382,381	396,329
Supplies and services	6	273,588	241,636
Depreciation and amortisation expense	7	7,373	6,416
Grants, subsidies and client payments	8	554,001	501,660
Net loss from disposal of non-current assets	13	2,928	501
Other expenses	9	15,360	354
Total expenses		<u>1,235,631</u>	<u>1,146,896</u>
Income			
Revenue from rent, fees and charges	10	122,728	132,338
Commonwealth revenues	11	41,446	47,294
Interest revenues	12	2	2
Other revenues	14	17,319	14,798
Total income		<u>181,495</u>	<u>194,432</u>
Net cost of providing services		<u>(1,054,136)</u>	<u>(952,464)</u>
Revenues from / (payments to) SA Government			
SA Government appropriation	15.1	1,056,866	973,821
Payments to SA Government	15.2	(1,748)	-
Total revenues from / (payments to) SA Government		<u>1,055,118</u>	<u>973,821</u>
Net result		<u>982</u>	<u>21,357</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Net expense relating to non-current assets classified as held for sale	21.2	-	(17,300)
Total other comprehensive income		<u>-</u>	<u>(17,300)</u>
Total comprehensive result		<u>982</u>	<u>4,057</u>
Net result and comprehensive result are attributable to the SA Government as owner			

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

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
STATEMENT OF FINANCIAL POSITION
for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Current assets			
Cash and cash equivalents	17	141,516	107,536
Receivables	18	18,334	36,096
Inventories	19	334	315
		<u>160,184</u>	<u>143,947</u>
Non-current assets classified as held for sale	20	18,000	24,298
Total current assets		<u>178,184</u>	<u>168,245</u>
Non-current assets			
Receivables	18	10,602	17,461
Property, plant and equipment	21	181,200	188,990
Capital works in progress	22	2,312	9,893
Intangible assets	23	972	460
Total non-current assets		<u>195,086</u>	<u>216,804</u>
Total assets		<u>373,270</u>	<u>385,049</u>
Current liabilities			
Payables	25	46,534	60,285
Employee benefits	26	47,461	47,789
Provisions	27	12,760	9,989
Other current liabilities	28	949	1,342
Total current liabilities		<u>107,704</u>	<u>119,405</u>
Non-current liabilities			
Payables	25	4,333	4,165
Employee benefits	26	52,755	45,897
Provisions	27	21,685	29,134
Other non-current liabilities	28	2,867	3,504
Total non-current liabilities		<u>81,640</u>	<u>82,700</u>
Total liabilities		<u>189,344</u>	<u>202,105</u>
Net assets		<u>183,926</u>	<u>182,944</u>
Equity			
Contributed capital	29	74,325	74,325
Retained earnings	29	86,348	79,879
Revaluation surplus	29	23,253	28,740
Total equity		<u>183,926</u>	<u>182,944</u>
Total equity is attributable to the SA Government as owner			
Unexpended funding commitments	16		
Unrecognised contractual commitments	31		
Contingent assets and liabilities	33		

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

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2015

Note	Contributed Revaluation Retained			Total
	Capital	Surplus	Earnings	
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2013	74,325	47,111	57,755	179,191
Prior period adjustments	-	467	-	467
Restated balance at 30 June 2013	74,325	47,578	57,755	179,658
Net result for 2013-14	-	-	21,357	21,357
Net expense relating to non-current assets classified as held for sale	-	(17,300)	-	(17,300)
Total comprehensive result for 2013-14	-	(17,300)	21,357	4,057
Transfer to retained earnings of net increment realised on sale of land and buildings	-	(1,538)	1,538	-
Transactions with SA Government as owner				
Net assets transferred to Administered Items	-	-	(771)	(771)
Balance at 30 June 2014	74,325	28,740	79,879	182,944
Net result for 2014-15	-	-	982	982
Total comprehensive result for 2014-15	-	-	982	982
Transfer to retained earnings of net increment realised on sale of land and buildings	-	(5,487)	5,487	-
Balance at 30 June 2015	74,325	23,253	86,348	183,926

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 FOR COMMUNITIES AND SOCIAL INCLUSION
STATEMENT OF CASH FLOWS
for the year ended 30 June 2015

		2015	2014
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(383,685)	(398,276)
Payments for supplies and services		(334,544)	(265,083)
Payments for grants and subsidies		(555,045)	(527,732)
Cash used in operations		(1,273,274)	(1,191,091)
Cash inflows			
Fees and charges		147,801	124,891
Receipts from Commonwealth		41,444	69,981
Interest received		2	2
GST recovered from the ATO		50,289	43,740
Other receipts		17,342	14,818
Cash generated from operations		256,878	253,432
Cash flows from SA Government			
Receipts from SA Government		1,056,866	973,821
Payments to SA Government		(1,748)	-
Cash generated from SA Government		1,055,118	973,821
Net cash provided by/(used in) operating activities	34	38,722	36,162
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment (including work in progress)		(5,978)	(13,000)
Purchase of intangibles		(512)	(438)
Cash used in investing activities		(6,490)	(13,438)
Cash inflows			
Proceeds from sale of property, plant and equipment		1,748	2,779
Cash generated from investing activities		1,748	2,779
Net cash (used in) investing activities		(4,742)	(10,659)
Cash flows from financing activities			
Cash outflows			
Cash transferred to Administered Items		-	(771)
Cash (used in) financing activities		-	(771)
Net cash (used in)/provided by financing activities		-	(771)
Net increase in cash and cash equivalents		33,980	24,732
Cash and cash equivalents at the beginning of the period		107,536	82,804
Cash and cash equivalents at the end of the period	17	141,516	107,536

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

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
DISAGGREGATED DISCLOSURES - EXPENSES AND INCOME
for the year ended 30 June 2015

Activities (refer note 4)	Status of Women 1	Disability SA 2	Disability Services 3	Veterans' Affairs * 4
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Expenses				
Employee benefit expenses	1,747	33,834	182,504	-
Supplies and services	596	165,788	63,447	-
Depreciation and amortisation expense	9	685	3,608	-
Grants, subsidies and client payments	298	227,091	176	-
Net loss from disposal of non-current assets	14	286	1,727	-
Other expenses	75	1,507	9,001	-
Total expenses	2,739	429,191	260,463	-
Income				
Revenues from rent, fees and charges	122	4,725	24,886	-
Commonwealth revenues	-	3,295	-	-
Interest revenues	-	-	1	-
Other revenues	511	5,526	6,292	-
Total income	633	13,546	31,179	-
Net cost of providing services	(2,106)	(415,645)	(229,284)	-
Revenues from /(payments to) SA Government				
SA Government appropriation	-	-	-	-
Payments to SA Government	-	-	-	-
Net result	(2,106)	(415,645)	(229,284)	-

* As part of the Machinery of Government changes announced during 2013-14, the Veterans Affairs' unit that was part of the Department of Treasury and Finance (DTF) was to transfer to the Department with an effective date of 1 July 2014. Accordingly this change was reflected in the 2014-15 Budget Papers presented to Parliament. Subsequent to the finalisation of the Budget Papers, the government determined that the unit would remain part of DTF.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
DISAGGREGATED DISCLOSURES - EXPENSES AND INCOME
for the year ended 30 June 2015

Activities (refer note 4)	Domiciliary and Community Care Services	Social Housing	Communities and Partners	General/ Not Attributable	Total
	5	6	7		
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Expenses					
Employee benefit expenses	37,331	67,330	59,635	-	382,381
Supplies and services	20,506	112	23,139	-	273,588
Depreciation and amortisation expense	670	7	2,394	-	7,373
Grants, subsidies and client payments	33,901	270,959	21,576	-	554,001
Net loss from disposal of non-current assets	330	10	561	-	2,928
Other expenses	1,766	55	2,956	-	15,360
Total expenses	94,504	338,473	110,261	-	1,235,631
Income					
Revenues from rent, fees and charges	6,318	67,263	19,414	-	122,728
Commonwealth revenues	28,860	8,870	421	-	41,446
Interest revenues	1	-	-	-	2
Other revenues	2,150	3	2,837	-	17,319
Total income	37,329	76,136	22,672	-	181,495
Net cost of providing services	(57,175)	(262,337)	(87,589)	-	(1,054,136)
Revenues from /(payments to) SA Government					
SA Government appropriation	-	-	-	1,056,866	1,056,866
Payments to SA Government	-	-	-	(1,748)	(1,748)
Net result	(57,175)	(262,337)	(87,589)	1,055,118	982

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
DISAGGREGATED DISCLOSURES - EXPENSES AND INCOME
for the year ended 30 June 2014

Activities	Status of Women	Multicultural Services	Social Housing	Disability SA
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
Expenses				
Employee benefit expenses	1,618	5,137	88,503	35,575
Supplies and services	510	1,033	-	138,350
Depreciation and amortisation expense	8	28	-	340
Grants, subsidies and client payments	159	895	251,423	230,982
Net loss from disposal of non-current assets	2	8	-	59
Other expenses	2	(44)	-	41
Total expenses	2,299	7,057	339,926	405,347
Income				
Revenues from rent, fees and charges	122	4,196	88,502	2,978
Commonwealth revenues	-	-	15,370	4,030
Interest revenues	-	-	-	-
Other revenues	231	31	-	7,122
Total income	353	4,227	103,872	14,130
Net cost of providing services	(1,946)	(2,830)	(236,054)	(391,217)
Revenues from /(payments to) SA Government				
SA Government appropriation	-	-	98,652	-
Net result	(1,946)	(2,830)	(137,402)	(391,217)

The Department considers that the significant expenditure associated with accounting system modifications and other associated expenditure required to reliably capture these disaggregated asset and disaggregated liability information is not justifiable. The Department has therefore, chosen not to disclose these assets and liabilities by disaggregated activities.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
DISAGGREGATED DISCLOSURES - EXPENSES AND INCOME
for the year ended 30 June 2014

Activities	Disability and Domiciliary Care Services	Communities and Partners	General/ Not Attributable	Total
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
Expenses				
Employee benefit expenses	217,346	48,150	-	396,329
Supplies and services	85,875	15,868	-	241,636
Depreciation and amortisation expense	3,863	2,177	-	6,416
Grants, subsidies and client payments	182	18,019	-	501,660
Net loss from disposal of non-current assets	357	75	-	501
Other expenses	301	54	-	354
Total expenses	307,924	84,343	-	1,146,896
Income				
Revenues from rent, fees and charges	31,365	5,175	-	132,338
Commonwealth revenues	27,430	464	-	47,294
Interest revenues	2	-	-	2
Other revenues	4,031	3,383	-	14,798
Total income	62,828	9,022	-	194,432
Net cost of providing services	(245,096)	(75,321)	-	(952,464)
Revenues from /(payments to) SA Government				
SA Government appropriation	-	-	875,169	973,821
Net result	(245,096)	(75,321)	875,169	21,357

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

1 Objectives and functions of the Department for Communities and Social Inclusion

The Department for Communities and Social Inclusion (the Department) is committed to ensuring that all South Australians, particularly the most vulnerable and disadvantaged, have access to high quality services that protect and enhance the community's wellbeing and provide support to people when they need it.

The Department has a commitment to delivering better and more connected services to the vulnerable and disadvantaged in our community, and to build engaged, socially inclusive, strong and vibrant communities.

The work of the Department supports the achievement of the South Australian Government Strategic Priorities.

Following a number of machinery of government reforms which were announced by the Premier, Hon Jay Weatherill MP, on 22 October 2011, the Department serves the Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Disabilities, Minister for Youth, Minister for Volunteers, Minister for the Status of Women, and Minister for Multicultural Affairs.

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

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

1.1 Administered items

The Department administered certain revenues, expenses, assets and liabilities on behalf of SA Government. They are not controlled by the Department and are consequently not recognised in the Department's financial statements. They are regarded as significant and disclosed in a separate set of financial statements.

1.2 Administrative Restructures

Transferred functions for 2014-15

Transfers out of the Department

The Administrative Arrangements (Committal of Acts - Minister for Housing and Urban Development) Proclamation 2014, dated 11 December 2014, declared the transfer of administrative arrangements of the *South Australian Housing Trust Act 1995* from the Department to the Minister for Housing and Urban Development. The South Australian Housing Trust Board are the administrators of the *South Australian Housing Trust Act 1995*.

In accordance with the Accounting Policy Framework (APF) II, General Purpose Financial Statements Framework, Accounting Policy Statement (APS) 5.9, where the transfer date is other than at a month end, for practical purposes, financial statements of the transfer may be based on the nearest end of month date, adjusted for any material transactions that may have occurred in the time between the Gazette date and the end of month date.

Under Public Sector (Reorganisation of Public Sector Operations) Notice 2015, on 5 February 2015, the Department transferred responsibilities for specified employees only associated with the South Australian Housing Trust, to the Urban Renewal Authority trading as Renewal SA.

As per APF II, APS 5.9, the Department transferred 132 employees to Renewal SA as at 31 January 2015.

Transferred functions for 2013-14

There were no functions transferred in the 2013-14 financial year.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

2 Summary of significant accounting policies

2.1 Statement of compliance

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

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 (TI) and APS promulgated under the provisions of the Public Finance and Audit Act 1987.

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

Early adoption of accounting standards

Except for AASB 2015-7 *Fair Value Disclosures of Not-For-Profit Public Sector Entities*, which the Department has early adopted, AAS's and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2015. Refer to note 3.

2.2 Basis of preparation

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

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

The preparation of the financial statements also requires compliance with APSs issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency, the APS require the following note disclosures, that have been included in this financial report:

- revenues, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature
- expenses incurred as a result of engaging consultants
- employee targeted voluntary separation package (TVSP) information
- employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$0.010 million bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the Department to those employees
- board/committee member and remuneration information, where a board or committee member is entitled to receive income from membership other than direct out of pocket reimbursement.

The Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historic cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

2.3 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 include all the controlled activities of the Department (refer to the disaggregated schedule for details of the Department's controlled activities).

The Department does not control any other entity and has no interests in unconsolidated structured entities. In forming this view, the Department considered its involvement with each Administered Item and determined that it does not have control.

In making this assessment, the Department considered its power over the entity, its exposure or rights (e.g. protective and substantive rights) to variable returns from its involvement with the entity and the ability to use its power to affect return amounts (e.g. ability to direct relevant major activities).

The Department has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

The Department's financial statements include both departmental and administered items. The financial statements include assets, liabilities, income and expenses controlled or incurred by the Department in its own right. The Administered financial statements include assets, liabilities, income and expenses which the Department administers on behalf of the SA Government, but does not control. A separate set of financial statements is produced as these administered items are regarded as significant in respect to the Department's operations. Except as otherwise disclosed, administered items are accounted for on the same basis, using the same accounting policies as departmental items.

2.4 Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 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 budget process is not subject to audit.

2.5 Comparative information

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

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

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

2.6 Rounding

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

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

2.7 Taxation

The Department is not subject to income tax. The Department is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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

- where the amount of GST incurred by the Department as a purchaser is not recoverable from the Australian Taxation Office (ATO), in which case GST is recognised as part of the cost of acquisition of an asset or is part of an item of expense.
- where appropriate, receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

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

2.8 Income

Income is recognised in the Statement of Comprehensive Income when and only when the flow of economic benefits has occurred and can be reliably measured. Income is comprised of revenue and gains.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they were not donated.

Revenues from SA Government

Appropriation is recognised as revenue when the Department obtains control over the funding. Control over appropriation 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 contribution is recorded as contributed equity.

Net loss on disposal of non-current assets

Loss from the disposal of non-current assets is recognised when control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Other revenue

Other revenue consists of NDIS revenue, sale of minor equipment, grants, commission, hire charges and family maintenance.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

2.9 Expenses

Expenses are recognised in the Statement of Comprehensive Income when and only when the flow or consumption or loss of future economic benefits has occurred and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefit expenses

Employee benefit expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Depreciation and amortisation expense

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. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

The useful lives, residual values and depreciation/amortisation method of all major assets are reassessed on an annual basis.

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

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

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

Depreciation/amortisation for non-current assets is determined as follows:

Class of asset	Depreciation method	Useful life
• Buildings and Improvements	Straight Line	2-70 years
• Leasehold Improvements	Straight Line	Life of lease
• Computing Equipment	Straight Line	1-3 years
• Motor Vehicles	Straight Line	1-10 years
• Other Plant and Equipment	Straight Line	1-15 years
• Computer Software	Straight Line	3 years
• Independent living equipment program (ILEP)	Straight Line	1-10 years

Grants, subsidies and client payments

Grants that are paid to other entities for general assistance or a particular purpose may be for capital or recurrent purposes and the name of the category reflects the use of the grant. These entities may be other SA Government agencies, Non-Government Organisations (NGO's) or the public. The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. For contributions payable, the contribution will be recognised as a liability and expense when the Department has a present obligation to pay the contribution.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Resources provided free of charge

Resources provided free of charge are recorded as expenditure in the Statement of Comprehensive Income at their fair value; and in the expense line items to which they relate.

Payments to SA Government

Payments to SA Government include the return of surplus cash pursuant to the cash alignment policy and proceeds from sale of assets which are paid directly to the consolidated account.

2.10 Current and non-current classification

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

2.11 Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Where an asset line item combines amounts expected to be settled within twelve months and more than twelve months, the Department has separately disclosed the amounts expected to be recovered after more than twelve months.

Cash and cash equivalents

Cash and cash equivalents as reported in the Statement of Financial Position includes cash on hand and at bank, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value. Cash and cash equivalents in the Statement of Cash Flows comprise cash and cash equivalents as defined above. Cash is measured at nominal value.

In October 2003, the SA Government introduced a policy with respect to aligning agency cash balances with the appropriation and expenditure authority. During 2014-15 and 2013-14, the Department had no cash swept under the cash alignment policy.

Receivables

Receivables include amounts receivable from goods and services, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are due within 30 days after the issue of an invoice or otherwise in accordance with relevant contractual arrangements.

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. Bad debts are written off when identified.

Inventories

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

Non-current assets (or disposal groups) held for sale

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

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale and are presented separately from the other assets in the Statement of Financial Position. The liability of a disposal group classified as held for sale are also presented separately from the other liabilities in the Statement of Financial Position.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Acquisition and recognition

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

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

The Department capitalises all non-current tangible assets with a value of \$0.010 million or greater.

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

Revaluation of non-current assets

In accordance with APF III *Asset Accounting Framework*, all non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or groups of assets is performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is equal to or greater than five years.

The Department revalues its land and buildings in accordance with APF III. However, 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, when they are revalued to fair value.

Any non-current asset that are acquired between a site revaluation are held at cost until the next site valuation takes place.

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

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

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

The Department's land and buildings underwent a full site revaluation as at 30 June 2012.

The professional valuer engaged to perform the independent valuations was Mr Fred Taormina, B.App.Sc. (Val.), A.A.P.I. Certified Practising Valuer of Valcorp Pty Ltd.

Desktop valuations were carried out by Mr Fred Taormina in 2013, 2014 and 2015 to assess if the carrying amount of land and building assets were impaired or materially different from fair value. This year's desktop valuation only determined a gain relating to Administered land, this adjustment was made. There were no adjustments to values as at 30 June 2015 for Controlled land and buildings or Administered buildings.

2014-15 is the final year of the current cycle of valuation. In 2015-16, the Department will return to a tender process to engage a valuer for the next cycle of valuations.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

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 in making the measurement, based on the date and assumptions used in the most recent revaluation.

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

The Department has no assets categorised into level 1.

Assets deemed to be at fair value

For those classes of non-current assets where an independent revaluation has not been undertaken, the criteria which require revaluation within APF III have not been met. For these classes of non-current assets, written down cost is deemed to be at fair value as determined by APF III.

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

- Leasehold improvements
- Capital works in progress
- Computing equipment
- Motor vehicles
- Other plant and equipment
- Independent living equipment program (ILEP)

Impairment

All non-current assets are tested for an indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset has been revalued. For revalued assets, an impairment loss is offset against the revaluation surplus for that same class of assets, to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Intangibles

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 Department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition or internal development of software is capitalised when the expenditure meets the asset definition criteria (identifiability, control, and the existence of future economic benefits), the asset recognition criteria (probability of future economic benefit and cost can be reliably measured) and is greater than or equal to \$0.010 million.

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

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Investment property

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

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

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

At 30 June 2015, there was only one investment property reported in the Administered financial statements.

2.12 Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combines amounts expected to be settled within twelve months and more than twelve months, the Department has separately disclosed the amounts expected to be settled after more than twelve months.

Payables

Payables include creditors, accrued expenses, employment on-costs and the paid parental leave scheme payable.

All payables are measured at their nominal amount and are unsecured. Invoices are normally settled promptly in accordance with TI 11 *Payment of Creditors' Accounts* after the Department receives an invoice.

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

The 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.

Employee benefits on-costs include superannuation contributions, Return to Work SA levies and payroll tax with respect to the outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention 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 are assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the superannuation schemes.

Leases

The Department has not entered into any finance leases. The Department has entered into operating leases.

• *Operating leases*

In respect of operating leases, the lessor retains substantially the entire risks and benefits incidental to the ownership of the leased items. Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
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for the year ended 30 June 2015

• *Leases 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 expenses over the lease term, on a straight line basis.

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

Employee benefits

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

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

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

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

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

Where agencies have substantial excess leave balances (to be paid later than 12 months after reporting date), the annual leave liability and the skills and experience retention leave liability will be measured at present value rather than nominal value.

• *Long Service Leave*

The liability for long service leave was determined through an actuarial assessment undertaken by Mercer (Australia) Pty Ltd, in accordance with AASB 119 *Employee Benefits*. The following assumptions were made by the actuary when performing the assessment:

- Salary increases of 3% and thereafter 4% p.a. (2014: 2.5% for the first year and 3% thereafter) based on the current enterprise bargaining agreement and short-term forecasts.
- discounting of 2.7% (2014: 3.5%) per annum based on the gross 6 year (2014: 7 year) Commonwealth Government bonds rate at 30 June 2015.

Provisions

• *Insurance*

The Department is a participant in the State Government's Insurance Program. The Department pays a premium to the South Australian Government Financing Authority (SAFA) for professional indemnity insurance and general public liability insurance and is responsible for the payment of claim amounts up to an agreed amount (the deductible). SAICORP, a division of SAFA provides the balance of funding for claims in excess of the deductible.

The provision for Public Liability and Professional Indemnity Insurance represents liabilities for outstanding claims in respect of incidents that have occurred. The liabilities include claims incurred and reported but not paid, claims incurred but not reported (IBNR), claims incurred but not enough reserve (IBNER) and the anticipated costs of settling those claims. The claims liabilities are measured as the present values of the expected future payments. Claims incurred but not paid and claim settlement costs that can be directly attributed to particular claims are assessed by reviewing individual claim files.

In respect of IBNR and IBNER claims, an amount of \$0.050 million has been set aside for both the Public Liability Claims and Professional Indemnity Claims. These amounts are based upon historical claims activity, with allowance for prudential margins and are reviewed annually. Public Liability and Professional Indemnity Claims relating to periods prior to the restructuring of the former Department of Human Services, effective 1 July 2004, are the responsibility of the Department of Health and Ageing.

The provision for property claims represents outstanding payments for incurred damage to property. An allowance is also included for IBNER claims. This provision is based upon historical claims activity and with allowance for prudential margins and is reviewed annually.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
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for the year ended 30 June 2015

• *Workers compensation*

The Department is an exempt employer under the *Workers Rehabilitation and Compensation Act 1986*. Under a scheme arrangement, the Department is responsible for the management of workers rehabilitation and compensation.

The workers compensation provision recognised for the employees of the Department is based on an apportionment of an actuarial assessment of the whole-of-government workers compensation liability conducted by Taylor Fry Consulting Actuaries based on 30 April 2015 data. Taylor Fry Consulting Actuaries extrapolate this data to 30 June 2015. For the 2014-15 financial year, the Department has reflected a workers compensation provision of \$30.83 million (2014: \$38.84 million), refer note 27.2 reconciliation of workers compensation.

The actuarial assessment conducted by Taylor Fry Consulting Actuaries is based on the payment per claim incurred (PPCI) valuation method. The assessment has been conducted in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the Guidelines for Actuarial Assessments. The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling those claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all the claims do not have to be paid out in the immediate future.

• *Other provisions*

South Australian Public Sector Wages Parity Enterprise Agreement: Weekly Paid 2015

On 23 April 2014, a formal notice of intention to negotiate an Enterprise Agreement was issued under the Fair Work Act 1994. After discussions with employees and unions an offer for a new Agreement was made on 2 June 2015. United Voice has advised that it supports the offer made and put this to a vote.

The offer identifies a proposed wage increase of 2.5% coming into effect from the first full pay period on or after 1 July 2014. The \$2.3 million currently calculated relates to back payments for 2014-15 from the pay period starting 12 July 2014 for all weekly paid employees.

Hotel and Ancillary Services (laundry workers)

In 2013-14, the Department sought advice from Public Sector Workforce Relations (PSWR) in relation to the appropriate award entitlements for employees with an intellectual disability performing duties at Strathmont Centre. PSWR advised of the requirement to backpay these employees in accordance with their Wage Assessment Agreements and the South Australian Government Health Etc. Ancillary Employees Award (the Award). A provision was made to backpay eight employees to the date the wage assessment agreement was signed (December 2013). The Department continued to liaise with PSWR to determine if further back payments were required, including to former employees.

The Department has now confirmed that payments need to be made to current and former employees for the period from 23 January 2007 (being 6 years from the date of notification). For 2014-15 the Department raised a provision totalling \$1.1 million for 28 employees (7 current and 21 former employees). On 3 July 2015, the Department finalised payments to the seven current employees and has started to contact former employees or their next of kin to confirm payment details to this cohort.

Health Ancillary Employees Award

On 1 September 2010, 31 WHA2 employees in Domiciliary Care were translated from WHA2 step 2, to WHA3 step 1 in line with provisions outlined in the Weekly Paid Enterprise Agreement for employees employed within the Client, Theatre and Allied Care. Human Resources reviewed this decision, following the issue being raised industrially and identified that employees should have been translated into the Direct Care stream rather than the Client, Theatre and Allied Care stream. The estimated back payment is approximately \$0.115 million.

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2.13 Unrecognised contractual commitments and contingent assets and liabilities

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

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 contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO. If GST is not recoverable from, or payable to, the ATO, the commitments or contingencies are disclosed on a gross basis.

3 New and revised accounting standards and policies

In accordance with the new AASB 1055 *Budgetary Reporting*, which became effective for the first time in 2014-15, the Department has included note 38 'Budgetary reporting and explanations of major variances'. This note discloses, in respect of the Statement of Comprehensive Income and Investing Expenditure Summary for both controlled and administered items.

- the Department's original budget as published in Budget Paper 4
- a comparison of the original budget information to actual results
- explanations of major variances.

In accordance with the new AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements*, which became effective for the first time in 2014-15, the Department has reviewed its control assessments (i.e. the Department's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc.) in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that there is no impact. The Department does not currently control another entity and does not have any joint arrangements within the scope of AASB 11.

The Department will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

Prior Period Adjustments

There are no prior period adjustments for 2014-15.

Period adjustments in 2013-14.

The net adjustment of \$0.467 million in the revaluation surplus relates to a land and building which were not disposed in the correct financial year. \$0.228 million relates to a building and improvement decrease and \$0.695 million relates to an increase in the value of land.

4 Activities of the Department

In achieving its objectives, the Department provides a range of services classified into the following activities for 2014-15 Agency Statements, Budget Paper 4 / Volume 1.

4.1 Activities for 2014-15

Activity 1: Status of Women

The Office for Women's role is the pursuit of the full and equal participation of women in the social and economic life of the state by providing innovative and balanced public policy advice to government. Its priorities for the 2014-15 financial year are addressing violence against women, improving women's participation in leadership and decision making and women's economic independence. It also provides high quality statewide information and referral services through the Women's Information Service and provides executive support to the Premier's Council for Women.

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Activity 2: Disability SA

The role of Disability SA is to lead disability policy development and planning in South Australia, provide a single access point for people with disability that provides clear and easy access from intake through to service delivery, and arrange for funding to go to individuals and service providers by the most effective and transparent means.

Activity 3: Disability Services

Disability Services is the Government of South Australia's service provider for people with disabilities.

Activity 4: Veterans' Affairs

Veterans' Affairs (Veterans SA) supports our ex-servicemen and women and those who support them, by providing a central contact point for information about the state government's services to veterans across departments, including health, transport, disability and mental health.

Veterans SA provides administrative support to the Veterans' Advisory Council to ensure veterans receive a voice at the highest levels of government and helps to raise public awareness about the sacrifices made by South Australia's veterans.

As part of the Machinery of Government changes announced during 2013-14, the Veterans' Affairs unit that was part of DTF was to transfer to the Department with an effective date of 1 July 2014. Accordingly this change was reflected in the 2014-15 Budget Papers presented to Parliament. Subsequent to the finalisation of the Budget Papers, the government determined that the unit would remain part of DTF.

Activity 5: Domiciliary and Community Care Services

The Domiciliary and Community Care Services program provides services to frail older people with reduced ability to care for themselves within the metropolitan area; South Australian Home and Community Care services; and provides assistance to Supported Residential Facilities.

Activity 6: Social Housing

The focus of this program is to develop and implement better housing and service responses for people at risk or in high need, and to work with others to expand and improve affordable housing choices across the state.

This program encompasses the management of grants for housing services to low income households, people in high need and supported accommodation assistance for people in crisis. This includes grants for the provision of private rental services, public, Aboriginal and community managed housing, the regulation of community housing and homelessness and support services. The program also provides housing strategy, policy development and advice to government.

Activity 7: Communities and Partners

The focus of this program is to support strong South Australian families and communities by providing services directly to them and in partnership with the non-government community services sector and other key partners across government. This program includes; the provision of state concessions; the management of juvenile justice programs; the provision of grants to support disadvantaged South Australians; support to build the capacity of the not for profit sector; and the coordination of state recovery efforts. High level strategy and policy advice is provided across government in the areas of social inclusion, volunteering, carers, multicultural affairs, youth and issues affecting people in the northern and southern suburbs.

4.2 Activities for 2013-14

The activities of the Department have changed from 2013-14. The Department's 2013-14 agency statements, Budget Paper 4/Volume 1 included:

Multicultural Services

Multicultural SA works with South Australia's ethnic communities to promote community capacity and community harmony. A key aspect of this work is supporting ethnic communities in their activities in the broader community. Multicultural SA also provides advice to the government on cultural, linguistic and religious diversity matters and conducts community consultation sessions to ensure the government has an understanding of the issues currently facing the ethnic communities of South Australia.

For 2014-15, this activity is incorporated in Activity 7 Communities and Partners.

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5 Employee benefit expenses	2015	2014
	\$'000	\$'000
Salaries and wages	283,068	285,025
TVSPs	206	13,246
Long service leave	15,534	3,289
Annual leave	27,466	30,167
Skills and experience retention leave	1,398	1,182
Superannuation	32,202	31,668
Workers compensation	3,368	12,380
Payroll tax	18,118	18,143
Other employee related expenses	1,021	1,229
Total employee benefit expenses	382,381	396,329

Targeted voluntary separation packages (TVSPs)	2015	2014
	\$'000	\$'000
Amount paid to these employees:		
TVSPs	206	13,246
Leave paid to those employees	27	3,253
Recovery from the Department of Treasury and Finance	(8,540)	(5,159)
Net cost to the Department	(8,307)	11,340

Number of employees that were paid TVSPs during the reporting period was 3 (2014: 107).

The decrease in TVSPs paid from 2013-14 relate primarily to a workforce transition strategy within South Australian Housing Trust (SAHT). Recovery from DTF for TVSPs is paid to the Department then forwarded to SAHT. The amount received does not reflect the amounts paid to employees in June. These are recovered from DTF in the next financial year.

Remuneration of Employees	2015	2014
	No.	No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$141,500 – 151,499	9	8
\$151,500 – 161,499	4	10
\$161,500 – 171,499	6	6
\$171,500 – 181,499	3	4
\$181,500 – 191,499	7	8
\$191,500 – 201,499	4	6
\$201,500 – 211,499	4	1
\$211,500 – 221,499	1	1
\$221,500 – 231,499	1	-
\$231,500 – 241,499	2	2
\$241,500 – 251,499	1	-
\$261,500 – 271,499	2	2
\$271,500 – 281,499	1	1
\$371,500 – 381,499	1	1
Total number of employees	46	50

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, fringe benefits tax, any other salary sacrifice benefits and termination payments. The total remuneration received by these employees for the year was \$8.743 m (2014: \$9.173 m).

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6 Supplies and services	2015 \$'000	2014 \$'000
Accommodation and property related	25,323	23,675
Advertising and promotions	341	569
Brokerage care services	163,860	134,223
Business services	5,995	6,087
Client related expenses	6,014	6,291
Communication and computing	14,260	14,361
Contractors and agency staff	12,076	14,038
Consultants	28	321
Drugs and medical supplies	1,901	2,004
Insurance	1,777	1,668
Interpreter and translator fees	86	64
Managed payments	1,218	1,266
Minor equipment	9,054	9,404
Motor vehicles	7,025	7,590
Printing, stationery, postage and periodicals	1,923	1,988
Repairs and maintenance	4,524	4,879
Seminars, courses and training	756	962
Travel and accommodation	1,352	1,386
NDIS payments	6,882	2,583
Other administration	8,853	7,950
Total supplies and services (excluding audit fees)	273,248	241,309

Audit fees paid / payable to the Auditor-General's Department relating to the audit of financial statements *

	340	327
Total audit fees	340	327

Total supplies and services (including audit fees)	273,588	241,636
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* There were no other services provided by the Auditor-General's Department

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

	No	2015 \$'000	No	2014 \$'000
Below \$10,000	3	16	1	9
Above \$10,000	1	12	5	312
Total paid/payable to the consultants engaged	4	28	6	321

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7 Depreciation and amortisation expense	2015	2014
	\$'000	\$'000
<i>Depreciation expense</i>		
Buildings and improvements	3,356	3,379
Computing equipment	-	7
Motor vehicles	32	31
Independent living equipment program (ILEP) equipment	1,682	1,398
Other plant and equipment	319	250
Total depreciation expense	5,389	5,065
<i>Amortisation expense</i>		
Leasehold improvements	1,434	1,143
Computer software	550	208
Total amortisation expense	1,984	1,351
Total depreciation and amortisation expense	7,373	6,416

8 Grants, subsidies and client payments

Grants, subsidies and client payments by program	2015	2014
	\$'000	\$'000
Disability Grants	223,801	193,226
Grants to SA Housing Trust (State Contribution including Tax Equivalents Regime)	178,560	126,166
Grants to SA Housing Trust (Commonwealth Contribution)	92,398	125,257
Home and Community Care	30,078	29,813
Family and Community Development	8,861	9,735
Affordable Living Programs	5,211	1,246
Supported Residential Facility	7,103	8,129
Aboriginal Community Benefit Grants	1,875	1,406
Office for Youth	1,377	2,044
Other	4,737	4,638
Total Grants, Subsidies and Client Payments	554,001	501,660

Grants, Subsidies and Client Payments by Recipient Type	\$'000	\$'000
SA Housing Trust	270,958	251,423
Non-Government Organisations (NGOs)	249,861	220,327
Individualised Funding	12,642	8,252
SA Health Units	10,712	10,739
Local Government	6,670	6,825
Commonwealth & Other State/Territory Governments	954	816
SA Government Entities - Other	780	1,875
Spectacles scheme	545	630
Universities	497	580
Other	382	193
Total Grants, Subsidies and Client Payments	554,001	501,660

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8.1 Funding to Non-Government Organisations	2015	2014
	\$'000	\$'000
Minda Incorporated	47,043	42,492
Community Accommodation and Respite Agency Inc	25,123	20,922
Leveda Incorporated	13,100	12,150
Novita Children's Services Inc	12,623	13,595
Anglicare SA Inc	11,424	9,959
Spastic Centres of South Australia (SCOSA)	8,525	7,195
Orana Inc	7,916	8,309
Community Living and Support Services Inc	7,416	6,613
Community Living Options Inc	5,845	3,855
Royal District Nursing Service of SA Inc	5,805	5,723
Centacare Catholic Family Services	5,746	2,993
Community Lifestyles Inc	4,594	4,067
EBL Disability Services Inc	4,418	3,081
Disability Living Inc	3,882	3,303
Autism Association of SA Inc	3,635	2,810
Hills Community Options Inc	3,446	3,217
Homecare Plus (Paraplegic & Quadriplegic Assoc of SA Inc)	3,225	2,285
Life Without Barriers	2,955	931
Uniting Communities Inc	2,924	3,307
Royal Society for the Blind of SA Inc	2,910	2,812
Uniting Care Wesley Port Adelaide Inc	2,368	2,209
Community Living Project Inc	2,365	2,349
Guide Dogs Association of SA and NT Inc	2,350	2,252
Barkuma Inc	2,222	1,623
Bedford Phoenix Inc (formerly Bedford Group Inc)	2,200	2,156
Comrec Australia Pty Ltd	2,154	2,197
Endeavour Foundation	2,029	-
Sorento Care Ltd	1,845	1,766
Individual Supported Accommodation Services Inc	1,681	1,777
Amandus Lutheran Disability Services Inc	1,524	1,375
Barossa Enterprises	1,448	1,463
Lifestyle Assistance and Accommodation Service Inc	1,319	1,245
Calvary Home Care Services	1,266	1,272
Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council	1,156	411
Xlent Disability Services	1,120	1,177
Helping Hand Aged Care Inc	1,059	1,102
Uniting Care Wesley Bowden Inc	1,023	764
Community Bridging Services	1,012	476
Other	37,165	35,094
Total funding to Non-Government Organisations	249,861	220,327

Payments to Non-Government Organisations, greater than \$1.0m are individually disclosed above. Payments less than \$1.0 million are included in Other.

9 Other expenses	2015	2014
	\$'000	\$'000
Bad and doubtful debts	159	331
Assets transferred at nil consideration*	8,578	-
Donated assets	-	23
WIP adjustments	2,923	-
Impairment Loss	3,700	-
Total other expenses	15,360	354

* Transfer of assets to the Office for Recreation and Sport

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10 Revenue from rent, fees and charges	2015	2014
	\$'000	\$'000
Employee services *	68,512	86,299
Insurance recoveries	1,444	1,350
Recoveries	8,519	6,208
Business services	15,471	15,345
Fees, fines and penalties	18,490	12,777
Rent	194	207
Patient and client fees	10,098	10,152
Total rent, fees and charges	122,728	132,338

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

11 Commonwealth revenues	2015	2014
	\$'000	\$'000
National Partnership Payments:		
HACC Services for Veterans	-	260
Homelessness	8,870	15,370
Home & Community Care	28,861	27,163
Residential Aged Care	3,295	3,238
Other	420	1,263
Total Commonwealth revenues	41,446	47,294

Commonwealth revenue excludes special purpose payments (SPP).

12 Interest revenues	2015	2014
	\$'000	\$'000
Interest on funds held	2	2
Total interest revenues	2	2

13 Net gain/(loss) from disposal of non-current assets	2015	2014
	\$'000	\$'000
<i>Land and buildings</i>		
Proceeds from disposal	1,748	2,778
Less net book value of assets disposed	(4,657)	(3,053)
Net gain/(loss) from disposal of land and buildings	(2,909)	(275)

Plant and equipment

Proceeds from disposal	-	1
Less net book value of assets disposed	(19)	(227)
Net gain/(loss) from disposal of plant and equipment	(19)	(226)

Total assets

Total proceeds from disposal	1,748	2,779
Less total value of assets disposed	(4,676)	(3,280)
Total net gain/(loss) from disposal of assets	(2,928)	(501)

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14 Other revenues	2015	2014
	\$'000	\$'000
NDIS revenue	3,555	485
Minor equipment	943	180
Hire charges	910	1,043
State capital grants	57	1,323
Other grants from SA Government agencies	8,503	8,195
Community Development Fund	3,000	3,000
Other	351	572
Total other revenues	17,319	14,798

15 Revenues from / (payments to) SA Government

15.1 SA Government appropriation	2015	2014
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the Appropriation Act	1,046,238	962,921
Department of Treasury and Finance - Contingency Funds	10,628	10,900
Total SA Government appropriation	1,056,866	973,821

15.2 Payments to SA Government

Other payments to the Consolidated Account	(1,748)	-
Total payments to SA Government	(1,748)	-

Total revenues from / (payments to) SA Government	1,055,118	973,821
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For detail of budget breakdown, refer to note 37.

16 Unexpended funding commitments

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

As at 30 June 2015, the Department had outstanding funding commitments to the following programs:

Operating funding commitments	2015	2014
	\$'000	\$'000
Home and Community Care Program	893	141
Parks Community Centre Redevelopment	600	600
Disability Care Management System	507	114
Cost of Living Concessions	348	-
Magill Decommissioning and Demolition	120	562
Sampson Flat Bushfire Grants	100	-
Strathmont Devolution and Community Living Program	75	123
Thriving Communities Initiative	70	-
Community Development and Employment Program	67	318
Intervention Orders	44	-
NDIS Sector Development Funding	38	123
Community Care Innovation Fund - HACC for Veterans	-	148
Total operating funding commitments	2,862	2,129

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	2015	2014
	\$'000	\$'000
Capital funding commitments		
Domiciliary Care SA — Office Accommodation	939	91
DCSI Minor Projects — Screening Unit System	243	-
Adelaide Youth Training Centre — New Centre at Goldsbrough Road	137	289
Parks Community Centre Redevelopment	-	562
Office Accommodation Consolidation	-	393
Family Wellbeing Centre	-	272
Adelaide Youth Training Centre — Upgrade of Jonal Drive	-	198
Disability Care Management System - Investing	-	104
Highgate Park Sustainment	-	39
Total capital funding commitments	1,319	1,948
Total unexpended funding commitments	4,181	4,077

17 Cash and cash equivalents	2015	2014
	\$'000	\$'000
Special Deposit Account with the Treasurer	141,201	107,382
Advance Account	100	100
Other Deposits	215	54
Total cash and cash equivalents	141,516	107,536

Cash deposits are recognised at their nominal amounts.

Special deposit accounts with the Treasurer

Includes funds of \$113.659m (2014: \$99.241m) held in the Accrual Appropriation Excess Fund Account. The balance of these funds is not available for general use, i.e. funds can only be used in accordance with the Treasurer's/ Under Treasurer's approval.

18 Receivables	2015	2014
Current	\$'000	\$'000
Debtors	8,085	22,783
Less allowance for doubtful debts	(935)	(817)
Employee related services recoverable	7,587	8,788
Overpaid salaries	304	308
Sundry	159	158
Grant receivables	353	351
Prepayments	614	1,417
Goods and Services Tax receivable	2,167	3,108
Total current receivables	18,334	36,096
Non-current		
Sundry	385	400
Employee related services recoverable	10,217	17,061
Total non-current receivables	10,602	17,461
Total receivables	28,936	53,557

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18.1 Movement in 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 in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2015	2014
	\$'000	\$'000
Movements in the allowance for doubtful debts (impairment loss)		
Carrying amount at the beginning of the period	817	517
Increase/(decrease) in the allowance	159	331
Amounts written off	(41)	(31)
Carrying amount at the end of the period	935	817

Bad and doubtful debts

The Department has recognised a bad and doubtful debt expense of \$0.159m (2014: \$0.331m) in the Statement of Comprehensive Income.

Interest rate and credit risk

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

Other than recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk to non-public sector debtors.

Maturity analysis of receivables - refer to note 30.

Categorisation of financial instruments and risk exposure information - refer to note 30.

19 Inventories	2015	2014
	\$'000	\$'000
Current - held for distribution at no or nominal amount		
Inventories held for distribution at cost:		
Stores	334	315
Total inventories	334	315

20 Non-current assets classified as held for sale	2015	2014
	\$'000	\$'000
Land	18,000	22,636
Building	-	1,662
Total of non-current assets classified as held for sale	18,000	24,298

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

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21 Property, plant and equipment	2015	2014
	\$'000	\$'000
Land and buildings		
Site land at valuation (fair value)	71,347	77,827
Buildings and improvements at valuation (fair value)	100,371	101,946
Less accumulated depreciation - buildings and improvements	(7,001)	(4,324)
Total land and buildings	164,717	175,449
Leasehold improvements		
Leasehold improvements at cost (deemed fair value)	14,994	11,933
Less accumulated amortisation - leasehold improvements	(6,675)	(5,270)
Total leasehold improvements	8,319	6,663
Plant and equipment		
Computing equipment at cost (deemed fair value)	689	689
Less accumulated depreciation - computing equipment at cost	(689)	(689)
Motor vehicles at cost (deemed fair value)	252	228
Less accumulated depreciation - motor vehicles at cost	(190)	(158)
ILEP equipment at cost (deemed fair value)	13,090	10,970
Less accumulated depreciation - ILEP equipment at cost	(7,703)	(6,519)
Other plant and equipment at cost (deemed fair value)	5,021	4,431
Less accumulated depreciation - other plant and equipment at cost	(2,306)	(2,074)
Total plant and equipment	8,164	6,878
Total property, plant and equipment	181,200	188,990

Valuation of land and buildings

Refer to note 2.11.

21.1 Impairment	2015	2014
	\$'000	\$'000
Impairment of non-financial assets:		
Non-current assets classified as held for sale - land	3,700	-
Total impairment of non-financial assets	3,700	-

An impairment loss for land has been recognised in other expenses in the Statement of Comprehensive Income for the year ending 30 June 2015. This is due to the Magill land market value being lower than carrying value. There were no indications of impairment of property, plant and equipment and infrastructure for 2013-14.

21.2 Reconciliation of land, buildings and leasehold improvements

The following table shows the movement of land, buildings and improvements, and leasehold improvements during 2014-15.

	Site land	Buildings and improvements	Leasehold improvements	Total land, buildings and leasehold imp.
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the year	77,827	97,622	6,663	182,112
Disposals - sales/write-offs	(231)	(1,907)	-	(2,138)
Depreciation and amortisation for the year	-	(3,356)	(1,434)	(4,790)
Assets transfer out at nil consideration	(6,414)	(2,164)	-	(8,578)
Transfers from non-current assets held for sale	165	-	-	165
Transfers from works in progress	-	3,175	3,090	6,265
Carrying amount at 30 June 2015	71,347	93,370	8,319	173,036

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The following table shows the movement of land, buildings and improvements, and leasehold improvements during 2013-14.

	Site land	Buildings and improvements	Leasehold improvements	Total land, buildings and leasehold imp.
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the year	118,188	102,847	7,456	228,491
Purchases	-	152	-	152
Disposals - sales/write-offs	(425)	(270)	-	(695)
Assets classified as held for sale	(22,636)	(1,662)	-	(24,298)
Depreciation and amortisation for the year	-	(3,379)	(1,143)	(4,522)
Transfers between other classes	-	(66)	-	(66)
Transfers from works in progress	-	-	350	350
Net expense relating to non-current assets classified as held for sale	(17,300)	-	-	(17,300)
Carrying amount at 30 June 2014	77,827	97,622	6,663	182,112

21.3 Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2014-15.

	Computing equipment	Motor vehicles	ILEP equipment	Other plant and equipment	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the year	-	70	4,451	2,357	6,878
Purchases	-	-	2,357	54	2,411
Disposals	-	-	(14)	(5)	(19)
Depreciation and amortisation for the year	-	(32)	(1,682)	(319)	(2,033)
Transfers from works in progress	-	24	275	628	927
Carrying amount at 30 June 2015	-	62	5,387	2,715	8,164

The following table shows the movement of plant and equipment during 2013-14.

	Computing equipment	Motor vehicles	ILEP equipment	Other plant and equipment	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the year	28	101	3,543	1,412	5,084
Purchases	-	-	2,346	1,349	3,695
Disposals	-	-	(30)	(197)	(227)
Depreciation and amortisation for the year	(7)	(31)	(1,398)	(250)	(1,686)
Transfers between other classes	-	-	-	66	66
Transfers in through administrative restructures	(21)	-	-	(23)	(44)
Transfers from works in progress	-	-	(10)	-	(10)
Carrying amount at 30 June 2014	-	70	4,451	2,357	6,878

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22 Capital works in progress	2015	2014
	\$'000	\$'000
Property, plant and equipment in progress at cost (deemed fair value)	2,312	9,893
Total capital works in progress	2,312	9,893

Reconciliation of capital works in progress

The following table shows the movement of capital works in progress	2015	2014
	\$'000	\$'000
Carrying amount at the beginning of the year	9,893	3,810
Purchases	3,596	5,650
Transfers to completed works	(8,254)	(340)
WIP adjustments	(2,923)	773
Carrying amount of capital work in progress	2,312	9,893

23 Intangible assets	2015	2014
	\$'000	\$'000
Computer software at cost (deemed fair value)	1,906	844
Less accumulated amortisation - computer software	(934)	(384)
Total Intangible Assets	972	460

Reconciliation of intangible assets

The following table shows the movement of intangible assets during 2014-15.

	2015	2014
	\$'000	\$'000
Carrying amount at the beginning of the year	460	22
Purchases	-	646
Transfers from works in progress	1,062	-
Amortisation for the year	(550)	(208)
Carrying amount of intangible assets	972	460

Impairment

There were no indications of impairment on intangible assets for 2014-15 and 2013-14.

24 Fair value measurements

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

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2015.

The Department had no valuations categorised into level 1.

Fair value measurements at 30 June 2015

	Note	Level 2	Level 3	2015
		\$'000	\$'000	\$'000
Recurring fair value measurements				
Land	21	71,347	-	71,347
Buildings	21	26,759	66,611	93,370
Leasehold improvements	21	-	8,319	8,319
Plant and equipment	21	-	8,164	8,164
Total recurring fair value measurements		98,106	83,094	181,200
Non-recurring fair value measurements				
Land held for sale	20	18,000	-	18,000
Total non-recurring fair value measurements		18,000	-	18,000
Total		116,106	83,094	199,200

There have been no transfers of assets between level 1 and 2 fair value hierarchy levels in 2014-15. The Department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

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Valuation techniques and inputs

Valuation techniques used to derive level 2 and 3 fair values are in note 2.11. There were no changes in valuation techniques during 2014-15.

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

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015.

	Buildings	Plant & Equipment	Leasehold Improvements
	\$'000	\$'000	\$'000
Opening balance at the beginning of the year	67,197	6,878	6,663
Acquisition	-	2,411	-
Capitalised subsequent expenditure	3,142	927	3,090
Disposals	-	(19)	-
Closing balance at the end of period	70,339	10,197	9,753
Gains/(losses) for the period recognised in net result			
Depreciation/Amortisation	(3,728)	(2,033)	(1,434)
Subtotal	(3,728)	(2,033)	(1,434)
Carrying amount at 30 June	66,611	8,164	8,319

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2014.

The Department had no valuations categorised into level 1.

Fair value measurements at 30 June 2014

	Note	Level 2	Level 3	2014
		\$'000	\$'000	\$'000
Recurring fair value measurements				
Land	21	77,827	-	77,827
Buildings	21	30,425	67,197	97,622
Leasehold improvements	21	-	6,663	6,663
Plant and equipment	21	-	6,878	6,878
Total recurring fair value measurements		108,252	80,738	188,990
Non-recurring fair value measurements				
Land held for sale	20	22,636	-	22,636
Buildings held for sale	20	1,662	-	1,662
Total non-recurring fair value measurements		24,298	-	24,298
Total		132,550	80,738	213,288

There have been no transfers of assets between level 1 and 2 fair value hierarchy levels in 2013-14. The Department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Valuation techniques used to derive level 2 and 3 fair values are in note 2.11. There were no changes in valuation techniques during 2013-14.

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Reconciliation of Level 3 recurring fair value measurements at 30 June 2014.

	Buildings	Plant & Equipment	Leasehold Improvements
	\$'000	\$'000	\$'000
Opening balance at the beginning of the year	68,558	5,084	7,456
Acquisitions	-	3,695	-
Capitalised subsequent expenditure	-	-	350
Acquisition(disposal) through administrative restructures	-	(44)	-
Disposals	-	(227)	-
Transfer between asset classes	-	56	-
Closing balance at the end of period	68,558	8,564	7,806
Gains/(losses) for the period recognised in net result			
Depreciation/Amortisation	(1,361)	(1,686)	(1,143)
Subtotal	(1,361)	(1,686)	(1,143)
Carrying amount at 30 June	67,197	6,878	6,663
25 Payables	2015		2014
Current	\$'000		\$'000
Creditors	35,337		48,033
Accrued expenses	1,291		2,335
Employee benefit on-costs	9,669		9,674
Other	237		243
Total current payables	46,534		60,285
Non-current			
Employee benefit on-costs	4,333		4,165
Total non-current payables	4,333		4,165
Total payables	50,867		64,450

Interest rate and credit risk

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

Maturity analysis of payables - refer to note 30.

Categorisation of financial instruments and risk exposure information - refer to note 30.

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26 Employee benefits	2015	2014
Current	\$'000	\$'000
Annual leave	29,982	31,810
Long service leave	8,830	8,596
Skills and experience retention leave	2,065	1,730
Accrued salaries and wages	6,584	5,653
Total current employee benefits	47,461	47,789
Non-current		
Long service leave	52,755	45,897
Total non-current employee benefits	52,755	45,897
Total employee benefits	100,216	93,686

The decrease in bond yield, which is used as the rate to discount future long service leave cash flows, result in an increase in the reported long service leave liability.

The net financial effect of the change in the current financial year is an increase in the long service leave liability of \$7.092 million and employee benefit expense of \$12.245 million. The impact on future periods is impracticable to estimate as long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The liability for long service leave was determined through an actuarial assessment undertaken by Mercer (Australia) Pty Ltd. A salary inflation rate of 3% (2014: 2.5%) per annum was used and a discount rate of 2.7% (2014: 3.5%) per annum, based on the gross 6 year (2014: 7 year) Commonwealth Government bonds rate at 30 June 2015. The proportion of leave taken in service for 2014-15 was assumed to be 37% (2014: 40%) in accordance with the percentage set out in APF IV, APS 5.24.

The net financial effect of the change in the current financial year is a decrease in the annual leave of \$1.828 million and an increase in skills and experience retention leave liability of \$0.335 million and employee benefit expense by \$2.485 million.

27 Provisions	2015	2014
Current	\$'000	\$'000
Insurance	89	89
Workers compensation	9,269	9,836
Other provisions	3,402	64
Total current provisions	12,760	9,989
Non-current		
Insurance	126	126
Workers compensation	21,559	29,008
Total non-current provisions	21,685	29,134
Total provisions	34,445	39,123

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector.

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27.1 Reconciliation of insurance

The following table shows the movement of insurance during 2014-15

	Public liability \$'000	Property \$'000	Total \$'000
Carrying amount at beginning of financial year	180	35	215
Increase to provision due to new claims	25	8	33
Reduction due to payments	(20)	(28)	(48)
Net revision of estimates	(5)	20	15
Carrying amount at 30 June 2015	180	35	215

The following table shows the movement of insurance during 2013-14

	Public liability \$'000	Property \$'000	Total \$'000
Carrying amount at beginning of financial year	180	35	215
Increase to provision due to new claims	40	6	46
Reduction due to payments	(33)	(1)	(34)
Net revision of estimates	(7)	(5)	(12)
Carrying amount at 30 June 2014	180	35	215

27.2 Reconciliation of workers compensation

	2015 \$'000	2014 \$'000
Carrying amount at beginning of financial year	38,844	37,801
Increase to provision due to revision of estimates	1,371	12,397
Reduction due to payments	(9,387)	(11,354)
Carrying amount of workers compensation	30,828	38,844

27.3 Reconciliation of other provisions

	2015 \$'000	2014 \$'000
Carrying amount at beginning of financial year	64	-
Increase to provision due to revision of estimates	3,338	64
Carrying amount of other provisions	3,402	64

28 Other liabilities

	2015 \$'000	2014 \$'000
Current		
Unclaimed monies	159	136
Unearned revenue	153	569
Lease incentive	637	637
Total other liabilities - current	949	1,342
Non-current		
Lease incentive	2,867	3,504
Total other liabilities - non-current	2,867	3,504
Total other liabilities	3,816	4,846

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29 Equity	2015	2014
	\$'000	\$'000
Contributed capital	74,325	74,325
Retained earnings	86,348	79,879
Revaluation surplus	23,253	28,740
Total equity	183,926	182,944

The 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.

30 Financial instruments / Financial risk management

30.1 Financial risk management

Risk management is managed by the Department's Financial 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 is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

30.2 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 2.

Refer note 30.6 for the carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; loan and receivables; and financial liabilities measured at cost.

The Department does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable. The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these, refer notes 2, 18 and 25.

30.3 Fair Value

The Department does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

30.4 Credit Risk

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

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

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

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30.5 Ageing analysis of financial assets

The following table discloses the ageing of financial assets, past due including impaired assets.

2015	Current	Past due by			Total
		Overdue for < 30 days	Overdue for 30 - 60 days	Overdue for > 60 days	
Not Impaired	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	24,814	1,246	47	983	27,090
Impaired					
Receivables	-	-	-	(935)	(935)
	24,814	1,246	47	48	26,155
2014	Current	Past due by			Total
		Overdue for < 30 days	Overdue for 30 - 60 days	Overdue for > 60 days	
Not Impaired	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	47,939	363	277	1,270	49,849
Impaired					
Receivables	-	-	-	(817)	(817)
	47,939	363	277	453	49,032

The amount of receivables disclosed above excludes statutory receivables such as GST input tax credit and recoverable.

30.6 Maturity analysis of financial assets and liabilities

The value of receivables and payables disclosed below excludes prepayments, employee on-costs, statutory receivables and payables such as GST input tax credit payable and recoverable.

Prepayments are presented in note 18 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 Instruments: Presentation as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

2015	Notes	Carrying amount	Contractual Maturity		
			< 1 Year	1 - 5 Years	> 5 Years
Financial Assets		\$'000	\$'000	\$'000	\$'000
Cash and Cash Equivalents	17, 34	141,516	141,516	-	-
Receivables	18	26,155	15,553	4,983	5,619
Total Financial Assets		167,671	157,069	4,983	5,619
Financial Liabilities					
Payables	25	36,865	36,865	-	-
Total Financial Liabilities		36,865	36,865	-	-

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2014		Carrying amount	< 1 Year	1 - 5 Years	> 5 Years
		\$'000	\$'000	\$'000	\$'000
Financial Assets					
Cash and Cash Equivalents	17, 34	107,536	107,536	-	-
Receivables	18	49,032	31,571	8,077	9,384
Total Financial Assets		156,568	139,107	8,077	9,384
Financial Liabilities					
Payables	25	50,611	50,611	-	-
Total Financial Liabilities		50,611	50,611	-	-

Maturity analysis of receivables and payables excludes statutory receivables and payables such as GST receivables and payables.

30.7 Liquidity Risk

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

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

The carrying amount of financial liabilities shown at note 30.6 represent the Department's maximum exposure to financial liabilities.

30.8 Market Risk

Market risk for the Department is primarily through interest rate risk. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. The Department's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. Any exposure to foreign currency risks is managed by SAFA.

30.9 Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Department as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

31 Unrecognised contractual commitments	2015	2014
31.1 Capital commitments	\$'000	\$'000
Capital expenditure contracted at the reporting date, but not recognised as liabilities in the financial report, are as follows:		
Within one year	74	2,247
Total capital commitments	74	2,247

31.2 Operating lease commitments

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

	2015	2014
	\$'000	\$'000
Within one year	10,627	9,525
Later than one year but not later than five years	35,296	30,709
Later than five years	3,503	10,778
Total operating lease commitments	49,426	51,012

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

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32 Transferred functions

Transferred functions for 2014-15

Transfers out of the Department

Note 1.2 Administrative Restructures details the transfers out of the Department. Employees transferred to Renewal SA effective 31 January 2015.

The following assets and liabilities were transferred out of the Department during 2014-15

	Employees \$'000
Current assets	
Receivables	1,036
Total current assets	1,036
Non-current assets	
Receivables	3,126
Total non-current assets	3,126
Total assets	4,162
Current Liabilities	
Payables	143
Employee Benefits	893
Total current liabilities	1,036
Non-current Liabilities	
Payables	283
Employee Benefits	2,843
Total non-current liabilities	3,126
Total liabilities	4,162
Total net assets transferred	-

Transferred functions for 2013-14

There were no functions transferred in or out of the Department in the 2013-14 financial year.

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33 Contingent assets and liabilities

Contingent assets

The Department is not aware of any contingent assets.

Contingent liabilities

The Department is not aware of any contingent liabilities.

34 Cash flow reconciliation

	2015 \$'000	2014 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Statement of Cash Flows	141,516	107,536
Statement of Financial Position	141,516	107,536
Reconciliation of net cash provided by/ (used in) operating activities to net cost of providing services:		
Net cash provided by /(used in) operating activities	38,722	36,162
Less SA Government appropriation	(1,056,866)	(973,821)
Payments to SA Government	1,748	-
	(1,016,396)	(937,659)
Add/less non cash items		
Depreciation	(5,389)	(5,065)
Amortisation	(1,984)	(1,351)
Lease Incentive amortisation	637	637
Donated assets	-	(23)
Assets transferred out at nil consideration	(8,578)	-
Impairment of non-current assets	(3,700)	-
Gain/(loss) from disposal of non-current assets	(2,928)	(501)
Bad and doubtful debts	(159)	(331)
WIP adjustment	(2,923)	773
Movements in assets and liabilities		
Increase/(decrease) in receivables	(24,462)	(13,289)
Increase/(decrease) in inventories	19	22
Decrease/(increase) in payables and provisions	17,864	641
Decrease/(increase) in employee benefits	(6,530)	3,322
Decrease/(increase) in other liabilities	393	360
Net cost of providing services	(1,054,136)	(952,464)

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35 Remuneration of board and committee members

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

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

Risk Management and Audit Committee

Bull, Peter	Member		
Patetsos, Mary *	Chairperson		
Rantanen, Nicole *	Member	ceased	31/12/2014
Sneddon, Yvonne *	Member		
Young, Lynn	Member		

* External members (including the Chair).

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

Charitable and Social Welfare Fund Board (Community Benefit SA)

Abolished 1/7/2015

Carson, Edgar	Member	ceased	1/07/2015
Nori, Annapurna	Member	ceased	1/07/2015
Park, Sue	Member	ceased	1/07/2015
Peters, Kristine	Member	ceased	1/07/2015
Saunders, Nerida	Member	ceased	1/07/2015
Slatter, Michelle Mary	Member	ceased	1/07/2015
Storkey, Gary David	Chair	ceased	1/07/2015
Ullianich, Joseph John (Joe)	Member	ceased	1/07/2015
Wallace, Sue	Member	ceased	1/07/2015
Wright, Brenton	Member	ceased	1/07/2015

Gamblers Advisory Committee

Cross, Judith Margaret	Member	appointed	10/11/2014
Guppy, Warren John	Member	appointed	10/11/2014
Penfold, Mike	Member	appointed	10/11/2014
Woehlert, Wally	Chair	appointed	10/11/2014

Minister's Youth Council

Abolished 30/10/2014

Attwood, Cassandra	Deputy Chairperson	ceased	30/10/2014
Baker Gale, Jesse Leigh	Member	ceased	30/10/2014
Bullitis, Oliver	Member	ceased	30/10/2014
De Cure, Henry	Member	ceased	30/10/2014
Elsayed, Sarah	Member	ceased	30/10/2014
Gray, Laura Catherine	Member	ceased	30/10/2014
Hanley, Kye	Member	ceased	30/10/2014
Hensman, Lulu	Member	ceased	30/10/2014
Kimm, Lauren	Member	ceased	30/10/2014
Lane, Jake William	Member	ceased	30/10/2014
Manning, Thomas James (Thom)	Member	ceased	30/10/2014
Morphett, Georgina Frances	Chair	ceased	30/10/2014
Nelson, Sarah Jean	Member	ceased	30/10/2014
Phillips, Rachel	Member	ceased	30/10/2014
Reed, Kathryn	Member	ceased	30/10/2014
Shabbar, Marwa	Member	ceased	30/10/2014

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Premier's Council for Women

Adair, Alison Frances	Member	reappointed	1/02/2015
Aston, Eunice Elizabeth *	Member	ceased	30/06/2014
Blair, Amanda Dianne	Co-Chair	appointed	1/07/2014
Duthie, Amanda Jane	Member	appointed	1/02/2015
Gould, Kate Jean *	Chair	ceased	30/06/2014
Hagias-Tramontin, Maria	Member	reappointed	1/02/2015
Hallahan, Lorna Elizabeth	Member	appointed	1/02/2015
Hayes, Anne-Marie	Member	ceased	31/01/2015
Mathias, Kaylene (Kay)	Member	appointed	1/02/2015
Mundkur, Anuradha (Anu)	Member	reappointed	1/02/2015
Saunders, Nerida Michelle	Member	reappointed	1/02/2015
Silva, Miriam Amena	Member	reappointed	1/02/2015
Stock, Louise Kathryn	Member	ceased	31/01/2015
Webb-Denis, Katrina Lea	Member	ceased	31/01/2015
Zeitz, Christine	Co-Chair	appointed	1/07/2014

* resigned at 30 June 2014, last remuneration payment received during 2014-15 financial year.

South Australian Multicultural and Ethnic Affairs Commission

Conesa, Daniela Valentina	Member	reappointed	1/01/2015
Dieu, Michelle (Swee Xing)	Member	reappointed	1/01/2015
Drapac, Vesna	Member	resigned	27/02/2015
King, Branka	Member	reappointed	1/01/2015
Le, Hieu Van	Ex-Chair	resigned	1/09/2014
Madan, Vikram	Member	reappointed	1/01/2015
Masika, Joseph Julius	Member	reappointed	1/01/2015
Nowak, Teresa	Deputy Chairperson	reappointed	1/01/2015
Portolesi, Grace	Chair	appointed	1/09/2014
Ppiros, Peter	Member	reappointed	1/01/2015
Schueler, Norman Anthony	Member	reappointed	1/01/2015
Silva, Miriam Amena	Member	reappointed	1/01/2015
Skaka, Sumeja	Member	reappointed	1/01/2015
Skalban, Malgorzata (Gosia)	Member	reappointed	29/01/2015
Totino, Domenico (Don)	Member	reappointed	1/01/2015

State Emergency Relief Fund

Chooi, Angela	Member	appointed	27/02/2015
Faggotter, Veronica Margaret (Ronnie)	Member		
Goldsworthy, Sherree Lee	Member	resigned	19/08/2014
Grear, Barry Joseph	Chair		
Baker, Lisa Marie	Member		
Nechvoglod, Raina Nella	Member	appointed	27/02/2015
Leversedge, Carla Samantha	Member		
Pelton, Grant Anthony	Member	appointed	5/01/2015
Ross, Justin David	Member	appointed	5/01/2015
Shepherd, Rebecca Louise	Member	appointed	27/02/2015
Ullianich, Joseph John (Joe)	Member	appointed	2/03/2015

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

Supported Residential Facilities Advisory Committee			Abolished 1/7/2015
Anderson, Frances Ellen	Member	ceased	1/07/2015
Boisvert, Jennifer Sue	Deputy Member (Whetstone)	ceased	1/07/2015
Brideoake, Sylvia Marga Maria	Member	ceased	1/07/2015
Chapman, Jane (Barbara)	Presiding Member	ceased	1/07/2015
Dew, Anthony	Deputy Member (O'Connell)	ceased	1/07/2015
Duke, Kevin John	Deputy Member (Whittington)	ceased	1/07/2015
Fox, Shaunee	Deputy Presiding Member	ceased	1/07/2015
Heysen, Peter David Hans	Member	ceased	1/07/2015
Hill, Adrian	Member	ceased	1/07/2015
Ison, Sandra	Deputy Member (Richards)	ceased	1/07/2015
Kitchin, Neville Edward	Member	ceased	1/07/2015
McNamara, Mariann Rose	Member	ceased	1/07/2015
Megaw, Evanne Margaret (Anne)	Deputy Member (Anderson)	ceased	1/07/2015
Mellows, Devon Anne	Deputy Member (Hill)	ceased	1/07/2015
Moat, Kirin Louise	Deputy Member (Brideoake)	ceased	1/07/2015
O'Connell, Geoffrey J (Geoff)	Member	ceased	1/07/2015
Petrys, Debra Ruth	Deputy Member (Chapman)	ceased	1/07/2015
Richards, Melissa Joy	Member	ceased	1/07/2015
Siggery, Lesley	Deputy Member (Fox)	ceased	1/07/2015
Whetstone, Debra Anne (Deb)	Member	ceased	1/07/2015
Whittington, Susan Margaret (Sue)	Member	ceased	1/07/2015
Whittaker, Jillian Yvonne	Member	ceased	1/07/2015
Wilson, Gary Lynn	Deputy Member (McNamara)	ceased	1/07/2015
Wright, Helen	Deputy Member (Whittaker)	ceased	1/07/2015

Deputies listed may or may not have attended a committee meeting during the financial year.

Total income received, or due to be receivable by Members was \$0.155 million (2014: \$0.188 million)

The number of Members whose income from the entity falls within the following bands is:

	2015	2014
	No. of	No. of
	Members	Members
\$0	41	35
\$1 - \$9,999	53	79
\$10,000 - \$19,999	2	1
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	-	1
Total	97	116

In accordance with Department of the Premier and Cabinet Circular No.16, government employees did not receive any remuneration for board, committee or forum duties during the financial year.

Benefits given by the Department to superannuation funds or otherwise in connection with the retirement of members were \$0.011 million (2014: \$0.015 million).

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

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

36 Events after balance date

There are no known events after balance date that affect this general purpose financial report in a material manner.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

37 Budgetary reporting and explanations of major variances

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

	Variance note	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
Expenses				
Employee benefit expenses		394,717	382,381	12,336
Supplies and services		241,061	273,588	(32,527)
Depreciation and amortisation expense		7,180	7,373	(193)
Grants, subsidies and client payments		504,521	554,001	(49,480)
Net loss from disposal of non-current assets		-	2,928	(2,928)
Other expenses		37,294	15,360	21,934
Total expenses		1,184,773	1,235,631	(50,858)
Income				
Revenue from rent, fees and charges		120,100	122,728	(2,628)
Commonwealth revenues		73,479	41,446	32,033
Interest revenues		-	2	(2)
Other revenues		10,612	17,319	(6,707)
Total income		204,191	181,495	22,696
Net cost of providing services		(980,582)	(1,054,136)	73,554
Revenues from / (payments to) SA Government				
SA Government appropriation		998,989	1,056,866	(57,877)
Payments to SA Government		(17,800)	(1,748)	(16,052)
Total revenues from / (payments to) SA Government		981,189	1,055,118	(73,929)
Net result		607	982	(375)
Total comprehensive result		607	982	(375)
Investing expenditure				
	Variance note	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
Investing expenditure summary				
Total new projects		150	-	150
Total existing projects	a	6,875	1,886	4,989
Total annual programs	b	1,566	2,888	(1,322)
Total investing expenditure		8,591	4,774	3,817

Variance explanation

a) Total existing project expenditure was lower than original budget largely due to deferral and re-scoping of security upgrade projects associated with the Adelaide Youth Training Centre.

b) Total annual programs expenditure was higher than original budget due to high demand for disability equipment experienced during 2014-15. Additional budget of \$1 million was allocated to this program during 2014-15 and is reflected in the 2014-15 mid year budget review.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

38 Transactions with SA Government

Note	Expenses	SA Gov	Non-SA Gov	Total	SA Gov	Non-SA Gov	Total
		2015	2015	2015	2014	2014	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
6	<i>Supplies and services</i>						
	Accommodation and property related	17,506	7,817	25,323	14,276	9,399	23,675
	Advertising and promotions	30	311	341	62	507	569
	Brokerage care services	525	163,335	163,860	552	133,671	134,223
	Business services	5,978	17	5,995	6,074	13	6,087
	Client related expenses	44	5,970	6,014	51	6,240	6,291
	Communication and computing	4,080	10,180	14,260	3,646	10,715	14,361
	Contractors and agency staff	1,033	11,043	12,076	2,449	11,589	14,038
	Consultants	-	28	28	-	321	321
	Drugs and medical supplies	5	1,896	1,901	13	1,991	2,004
	Insurance	-	1,777	1,777	255	1,413	1,668
	Interpreter and translator fees	-	86	86	-	64	64
	Managed payments	1,169	49	1,218	1,206	60	1,266
	Minor equipment	1,070	7,984	9,054	1,047	8,357	9,404
	Motor vehicles	5,905	1,120	7,025	5,954	1,636	7,590
	Printing, stationery, postage and periodicals	13	1,910	1,923	20	1,968	1,988
	Repairs and maintenance	587	3,937	4,524	513	4,366	4,879
	Seminars, courses and training	81	675	756	72	890	962
	Travel and accommodation	4	1,348	1,352	4	1,382	1,386
	NDIS payments	-	6,882	6,882	-	2,583	2,583
	Other administration	1,511	7,342	8,853	1,356	6,594	7,950
	Audit fees paid / payable to the Auditor-General's Department relating to the audit of financial statements	340	-	340	327	-	327
8	<i>Grants and subsidies</i>	282,450	271,551	554,001	264,037	237,623	501,660
9	<i>Other expenses</i>						
	Bad and doubtful debts	(39)	198	159	96	235	331
	Assets transferred at nil consideration	-	8,578	8,578	-	-	-
	Donated assets	-	-	-	-	23	23
	WIP adjustment	-	2,923	2,923	-	-	-
	Impairment loss	-	3,700	3,700	-	-	-
	TOTAL	322,292	520,657	842,949	302,010	441,640	743,650

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

	SA Gov 2015 \$'000	Non-SA Gov 2015 \$'000	Total 2015 \$'000	SA Gov 2014 \$'000	Non-SA Gov 2014 \$'000	Total 2014 \$'000
INCOME						
10 <i>Revenue from rent, fees & charges</i>						
Employee services	68,512	-	68,512	86,299	-	86,299
Insurance recoveries	95	1,349	1,444	147	1,203	1,350
Recoveries	6,018	2,501	8,519	5,457	751	6,208
Business services	15,469	2	15,471	15,345	-	15,345
Fees, fines and penalties	11,875	6,615	18,490	8,447	4,330	12,777
Rent	156	38	194	164	43	207
Patient and client fees	-	10,098	10,098	-	10,152	10,152
14 <i>Other revenues</i>						
NDIS revenue	-	3,555	3,555	-	485	485
Minor equipment	89	854	943	133	47	180
Hire charges	524	386	910	612	431	1,043
State capital grants	57	-	57	1,323	-	1,323
Community Development Fund	3,000	-	3,000	3,000	-	3,000
Other grants from SA Government agencies	8,503	-	8,503	8,195	-	8,195
Other	224	127	351	212	360	572
TOTAL	114,522	25,525	140,047	129,334	17,802	147,136
FINANCIAL ASSETS						
18 <i>Receivables</i>						
Debtors	4,089	3,061	7,150	19,737	2,229	21,966
Employee related services recoverable	17,804	-	17,804	25,849	-	25,849
Overpaid salaries	-	304	304	-	308	308
Sundry	-	544	544	-	558	558
Grant receivables	291	62	353	283	68	351
Prepayments	-	614	614	-	1,417	1,417
Goods and Services Tax receivable	4,320	(2,153)	2,167	-	3,108	3,108
TOTAL	26,504	2,432	28,936	45,869	7,688	53,557
FINANCIAL LIABILITIES						
25 <i>Payables</i>						
Creditors	8,787	26,550	35,337	30,395	17,638	48,033
Accrued expenses	309	982	1,291	1,074	1,261	2,335
Employee benefit on-costs	5,203	8,799	14,002	5,243	8,596	13,839
Other	16	221	237	-	243	243
28 <i>Other liabilities</i>						
Unclaimed monies	-	159	159	-	136	136
Unearned revenue	8	145	153	307	262	569
Lease Incentive	-	3,504	3,504	-	4,141	4,141
TOTAL	14,323	40,360	54,683	37,019	32,277	69,296

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

39 Residential Aged Care sector reporting

The Aged Care Act 1997 (the Act) provides for the regulation and funding of aged care services. Persons who are approved under the Act to provide aged care services (approved providers) can be eligible to receive subsidy payments in respect of the care they provide to approved care recipients.

In accordance with the Act, the Department must prepare an audited General Purpose Financial Report (GPFR) for the residential aged care facilities provided at Highgate and Northgate.

The financial statements for the regulated aged care services reflect an allocation of the Department's income, expenses, assets and liabilities, as recorded in the Department's financial records, to the regulated activities. The financial statements have been prepared using the Department's accounting policies described in note 2.

The former Julia Farr Services (JFS) was an approved provider of residential aged care (RAC) with 32 places licensed by the Commonwealth Department of Health and Ageing. Effective 1 July 2007, the Governor proclaimed the dissolution of JFS and all assets and liabilities vested in or held by JFS were transferred, assigned to or vested in the Minister for Disability. Certain assets held by the former JFS are subject to the terms and conditions of the Home for Incurables Trust and the Minister for Disability has been appointed as trustee. The trust assets are administered but not controlled by the Department, hence they are not included in the accounts of the Department.

The former Intellectual Disability Services Council (IDSC) was also an approved provider of residential aged care with 32 places licensed by the Commonwealth Department of Health and Ageing. On 29 June 2006 the Governor proclaimed to dissolve IDSC in association with reforms to the governance arrangements within the South Australian Government with respect to the management of the provision of disability services.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Residential Aged Care (Disability Services)	
	Highgate	Northgate
	NAPS ID*:	3051
	RACS ID**:	6203
	\$'000	\$'000
Expenses		
Employee benefit expenses	5,090	3,870
Supplies and services	1,944	959
Depreciation and amortisation	6	143
Total expenses	7,040	4,972
Income		
Rent, fees and charges	899	798
Commonwealth revenues	1,489	1,807
Total income	2,388	2,605
Net cost of providing services	(4,652)	(2,367)
Net result	(4,652)	(2,367)

* National Approved Provider System (NAPS)

** Residential Aged Care Service (RACS)

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

STATEMENT OF FINANCIAL POSITION
for the year ended 30 June 2015

	Residential Aged Care (Disability Services)	
	Highgate	Northgate
NAPS ID:	1021	3051
RACS ID:	6402	6203
	\$'000	\$'000
Current assets		
Receivables	22	27
Total current assets	<u>22</u>	<u>27</u>
Non-current assets		
Receivables	7	5
Property, plant and equipment	-	8,673
Total non-current assets	<u>7</u>	<u>8,678</u>
Total assets	<u>29</u>	<u>8,705</u>
Current liabilities		
Payables	488	411
Employee benefits	885	612
Provisions	153	111
Total current liabilities	<u>1,526</u>	<u>1,134</u>
Non-current liabilities		
Payables	51	39
Employee benefits	569	441
Provisions	361	263
Total non-current liabilities	<u>981</u>	<u>743</u>
Total liabilities	<u>2,507</u>	<u>1,877</u>
Net assets	<u>(2,478)</u>	<u>6,828</u>

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2014

	Residential Aged Care (Disability Services)	
	Highgate	Northgate
NAPS ID:	1021	3051
RACS ID:	6402	6203
	\$'000	\$'000
Expenses		
Employee benefit expenses	3,920	3,362
Supplies and services	2,072	1,127
Depreciation and amortisation	1	143
Total expenses	<u>5,993</u>	<u>4,632</u>
Income		
Rent, fees and charges	1,491	876
Commonwealth revenues	1,397	1,840
Total income	<u>2,888</u>	<u>2,716</u>
Net cost of providing services	<u>(3,105)</u>	<u>(1,916)</u>
Net result	<u>(3,105)</u>	<u>(1,916)</u>

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2015

STATEMENT OF FINANCIAL POSITION
for the year ended 30 June 2014

	Residential Aged Care (Disability Services)	
	Highgate	Northgate
NAPS ID:	1021	3051
RACS ID:	6402	6203
	\$'000	\$'000
Current assets		
Receivables	323	28
Total current assets	<u>323</u>	<u>28</u>
Non-current assets		
Receivables	6	5
Property, plant and equipment	-	8,816
Total non-current assets	<u>6</u>	<u>8,821</u>
Total assets	<u>329</u>	<u>8,849</u>
Current liabilities		
Payables	221	180
Employee benefits	758	514
Provisions	137	113
Total current liabilities	<u>1,116</u>	<u>807</u>
Non-current liabilities		
Payables	40	36
Employee benefits	434	386
Provisions	390	323
Total non-current liabilities	<u>864</u>	<u>745</u>
Total liabilities	<u>1,980</u>	<u>1,552</u>
Net assets	<u>(1,651)</u>	<u>7,297</u>

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
ADMINISTERED ITEMS
NOTE INDEX
for the year ended 30 June 2015

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Notes

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DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
STATEMENT OF ADMINISTERED COMPREHENSIVE INCOME
for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Administered expenses			
Employee benefit expenses		288	339
Supplies and services		3,008	1,411
Depreciation and amortisation expense		1,724	1,687
Grants, subsidies and client payments	A7	191,117	181,842
Client Trust Fund payments	A4	13,971	14,296
Total administered expenses		210,108	199,575
Administered income			
Grants and contributions		11,762	10,391
Revenue from rent, fees and charges		655	992
Interest revenues		591	628
Client Trust Fund receipts	A4	14,218	13,631
Other Income		2,021	493
Total administered income		29,247	26,135
Net cost of providing services		(180,861)	(173,440)
Revenues from / (payments to) SA Government			
Revenue from SA Government		185,196	174,667
Total revenues from / (payments to) SA Government		185,196	174,667
Net result		4,335	1,227
Other comprehensive income			
Gain on revaluation of property, plant and equipment		1,716	-
Total other comprehensive income		1,716	-
Total comprehensive result		6,051	1,227

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

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
STATEMENT OF ADMINISTERED FINANCIAL POSITION
for the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Administered current assets			
Cash and cash equivalents	A9	48,239	44,265
Receivables		1,265	38
Total current assets		49,504	44,303
Administered non-current assets			
Property, plant and equipment	A10.1	30,188	28,463
Investment property	A10.2	1,286	1,220
Capital works in progress	A10.3	-	1,754
Intangible assets	A10.4	28	-
Total non-current assets		31,502	31,437
Total assets		81,006	75,740
Administered current liabilities			
Payables		8,095	8,878
Overdraft		24	24
Employee benefits		-	2
Total current liabilities		8,119	8,904
Total liabilities		8,119	8,904
Net assets		72,887	66,836
Administered equity			
Retained earnings		44,519	40,184
Revaluation surplus		28,368	26,652
Total equity		72,887	66,836

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

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
STATEMENT OF ADMINISTERED CHANGES IN EQUITY
for the year ended 30 June 2015

	Note	Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2013		26,652	38,186	64,838
Net result for 2013-14		-	1,227	1,227
Total comprehensive result for 2013-14		-	1,227	1,227
Transactions with SA Government as owner				
Net assets received from Controlled Items		-	771	771
Balance at 30 June 2014		26,652	40,184	66,836
Net result for 2014-15		-	4,335	4,335
Gain/(loss) on revaluation of property, plant and equipment during 2014-15	A10.1, A10.2	1,716	-	1,716
Total comprehensive result for 2014-15		1,716	4,335	6,051
Balance at 30 June 2015		28,368	44,519	72,887

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
STATEMENT OF ADMINISTERED CASH FLOWS
for the year ended 30 June 2015

		2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(290)	(339)
Concessions		(162,311)	(151,753)
Payments of grants, subsidies and client payments		(29,543)	(28,409)
Payments for supplies and services		(3,055)	(1,261)
Client Trust Fund payments		(13,971)	(14,296)
Cash used in operations		<u>(209,170)</u>	<u>(196,058)</u>
Cash inflows			
Receipts from SA Government		184,930	174,367
Rent, fees and charges		655	992
Grants and contributions		10,801	10,691
Interest received		591	629
Client Trust Fund receipts		14,218	13,669
Other receipts		2,021	493
Cash generated from operations		<u>213,216</u>	<u>200,841</u>
Net cash provided by operating activities	A12	<u>4,046</u>	<u>4,783</u>
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		<u>(72)</u>	<u>(1,092)</u>
Cash used in investing activities		<u>(72)</u>	<u>(1,092)</u>
Net cash (used in) investing activities		<u>(72)</u>	<u>(1,092)</u>
Cash inflows			
Cash received from Controlled Items		<u>-</u>	<u>771</u>
Cash generated from financing activities		<u>-</u>	<u>771</u>
Cash provided by financing activities		<u>-</u>	<u>771</u>
Net increase in cash and cash equivalents		<u>3,974</u>	<u>4,462</u>
Cash and cash equivalents at the beginning of the period		<u>44,265</u>	<u>39,803</u>
Cash and cash equivalents at the end of the period	A9	<u>48,239</u>	<u>44,265</u>

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

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
SCHEDULE OF ADMINISTERED EXPENSES AND INCOME
for the year ended 30 June 2015

	Gamblers Rehabilitation	Community Benefit SA Program	Home for Incurables Trust	Disability Services trust funds, donations and bequests	Supported Residential Facilities Indemnity Fund
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Administered expenses					
Employee benefit expenses	-	-	-	-	-
Supplies and services	869	200	318	-	-
Depreciation and amortisation expense	12	-	1,712	-	-
Grants, subsidies and client payments	5,581	4,447	449	-	-
Client Trust Fund payments	-	-	-	-	-
Total administered expenses	6,462	4,647	2,479	-	-
Administered income					
Grants and contributions	5,874	4,000	-	-	-
Revenue from rent, fees and charges	-	32	517	-	-
Interest revenues	43	-	158	15	1
Client Trust Fund receipts	-	-	-	-	-
Other income	359	-	-	-	2
Total administered income	6,276	4,032	675	15	3
Net cost of providing services	(186)	(615)	(1,804)	15	3
Revenues from / (payments to) SA Government					
SA Government appropriation	183	-	-	-	-
Total revenues from / (payments to) SA Government	183	-	-	-	-
Net result	(3)	(615)	(1,804)	15	3

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
SCHEDULE OF ADMINISTERED EXPENSES AND INCOME
for the year ended 30 June 2015

	Client Trust Accounts	Minister's Salary	Domiciliary Care Services trust funds, donations and bequests	Concessions	Community Service Obligations
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Administered expenses					
Employee benefit expenses	-	288	-	-	-
Supplies and services	-	-	-	-	-
Depreciation and amortisation expense	-	-	-	-	-
Grants, subsidies and client payments	-	-	-	160,376	18,810
Client Trust Fund payments	13,971	-	-	-	-
Total administered expenses	13,971	288	-	160,376	18,810
Administered income					
Grants and contributions	-	-	-	1,375	-
Revenue from rent, fees and charges	-	-	-	106	-
Interest revenues	336	-	21	-	-
Client Trust Fund receipts	14,218	-	-	-	-
Other income	-	-	-	-	-
Total administered income	14,554	-	21	1,481	-
Net cost of providing services	583	(288)	21	(158,895)	(18,810)
Revenues from / (payments to) SA Government					
SA Government appropriation	-	266	-	163,246	18,811
Total revenues from / (payments to) SA Government	-	266	-	163,246	18,811
Net result	583	(22)	21	4,351	1

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
SCHEDULE OF ADMINISTERED EXPENSES AND INCOME
for the year ended 30 June 2015

	State Emergency Relief Fund	Duke of Edinburgh Trust	Personal Alert Rebate Scheme	Consumer Advocacy & Research	Total
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Administered expenses					
Employee benefit expenses	-	-	-	-	288
Supplies and services	1,380	5	-	236	3,008
Depreciation and amortisation expense	-	-	-	-	1,724
Grants, subsidies and client payments	-	105	1,198	151	191,117
Client Trust Fund payments	-	-	-	-	13,971
Total administered expenses	1,380	110	1,198	387	210,108
Administered income					
Grants and contributions	250	-	-	263	11,762
Revenue from rent, fees and charges	-	-	-	-	655
Interest revenues	12	5	-	-	591
Client Trust Fund receipts	-	-	-	-	14,218
Other income	1,660	-	-	-	2,021
Total administered income	1,922	5	-	263	29,247
Net cost of providing services	542	(105)	(1,198)	(124)	(180,861)
Revenues from / (payments to) SA Government					
SA Government appropriation	-	-	2,690	-	185,196
Total revenues from / (payments to) SA Government	-	-	2,690	-	185,196
Net result	542	(105)	1,492	(124)	4,335

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
SCHEDULE OF ADMINISTERED EXPENSES AND INCOME
for the year ended 30 June 2014

	Gamblers Rehabilitation	Community Benefit SA Program	Home for Incurables Trust	Disability Services trust funds, donations and bequests	Supported Residential Facilities Indemnity Fund
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
Administered expenses					
Employee benefit expenses	-	-	-	-	-
Supplies and services	902	200	249	-	-
Depreciation and amortisation expense	-	-	1,687	-	-
Grants, subsidies and client payments	5,425	3,987	438	-	-
Client Trust Fund payments	-	-	-	-	-
Total administered expenses	6,327	4,187	2,374	-	-
Administered income					
Grants and contributions	5,871	4,000	-	-	-
Revenue from rent, fees and charges	187	28	681	-	-
Interest revenues	19	-	186	6	1
Client Trust Fund receipts	-	-	-	-	-
Other income	350	-	-	107	1
Total administered income	6,427	4,028	867	113	2
Net cost of providing services	100	(159)	(1,507)	113	2
Revenues from / (payments to) SA Government					
SA Government appropriation	112	-	-	-	-
Total revenues from / (payments to) SA Government	112	-	-	-	-
Net result	212	(159)	(1,507)	113	2

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
SCHEDULE OF ADMINISTERED EXPENSES AND INCOME
for the year ended 30 June 2014

	Client Trust Accounts	Minister's Salary	Domiciliary Care Services trust funds, donations and bequests	Concessions	Community Service Obligations
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
Administered expenses					
Employee benefit expenses	-	302	-	-	-
Supplies and services	-	-	-	-	-
Depreciation and amortisation expense	-	-	-	-	-
Grants, subsidies and client payments	-	-	-	152,209	18,399
Client Trust Fund payments	14,296	-	-	-	-
Total administered expenses	14,296	302	-	152,209	18,399
Administered income					
Grants and contributions	-	-	-	264	-
Revenue from rent, fees and charges	-	-	-	25	-
Interest revenues	396	-	14	-	-
Client Trust Fund receipts	13,631	-	-	-	-
Other income	-	-	-	-	-
Total administered income	14,027	-	14	289	-
Net cost of providing services	(269)	(302)	14	(151,920)	(18,399)
Revenues from / (payments to) SA Government					
SA Government appropriation	-	300	-	153,416	18,399
Total revenues from / (payments to) SA Government	-	300	-	153,416	18,399
Net result	(269)	(2)	14	1,496	-

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
SCHEDULE OF ADMINISTERED EXPENSES AND INCOME
for the year ended 30 June 2014

	State Emergency Relief Fund	Duke of Edinburgh Trust	Personal Alert Rebate Scheme	Consumer Advocacy & Research	Total
	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000	2014 \$'000
Administered expenses					
Employee benefit expenses	-	37	-	-	339
Supplies and services	16	40	-	4	1,411
Depreciation and amortisation expense	-	-	-	-	1,687
Grants, subsidies and client payments	-	130	1,224	30	181,842
Client Trust Fund payments	-	-	-	-	14,296
Total administered expenses	16	207	1,224	34	199,575
Administered income					
Grants and contributions	-	-	-	256	10,391
Revenue from rent, fees and charges	-	71	-	-	992
Interest revenues	2	4	-	-	628
Client Trust Fund receipts	-	-	-	-	13,631
Other income	24	11	-	-	493
Total administered income	26	86	-	256	26,135
Net cost of providing services	10	(121)	(1,224)	222	(173,440)
Revenues from / (payments to) SA Government					
SA Government appropriation	-	-	2,440	-	174,667
Total revenues from / (payments to) SA Government	-	-	2,440	-	174,667
Net result	10	(121)	1,216	222	1,227

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
for the year ended 30 June 2015

A1 Background

The revenues, expenditures, assets and liabilities that were administered but not controlled by the Department have not been included in the financial statements of the Department. These administered transactions and balances are regarded as significant in relation to the Department's overall financial performance and in accordance with APF II *General Purpose Financial Reporting Framework*, separate consolidated administered financial statements and notes to the accounts have been prepared.

A2 Accounting Policies

The accounting policies pertaining to the administered items for the Department are contained in Note 2 Summary of Significant Accounting Policies for the Department.

A3 Programs of Administered Items

Gamblers Rehabilitation
Charitable and Social Welfare Fund (Community Benefit SA Program)
Home for Incurables Trust*
Disability Services trust funds, donations and bequests
Supported Residential Facilities Indemnity Fund
Client Trust Accounts
Minister's Salary
Domiciliary Care Services trust funds, donations and bequests
Concessions
Community Service Obligations
State Emergency Relief Fund
Duke of Edinburgh Trust
Personal Alert Rebate Scheme
Consumer Advocacy & Research Fund

* Effective 1 July 2007, the Minister for Disability became the trustee of the Home for Incurables Trust by virtue of the vesting of assets and liabilities of the former Julia Farr Services (JFS). Separate financial information pertaining to the Home for Incurables Trust is in note A16.

A4 Client Trust Accounts

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

	2015	2014
	\$'000	\$'000
Opening Balance 1 July	12,267	12,536
Add Receipts	14,554	14,027
Less Expenses	(13,971)	(14,296)
Closing Balance 30 June	12,850	12,267

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
for the year ended 30 June 2015

A5 Consumer Advocacy & Research Fund

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

	2015	2014
	\$'000	\$'000
Opening Balance 1 July	472	250
Add Receipts	263	256
Less Expenses	(387)	(34)
Closing Balance 30 June	348	472

A6 State Emergency Relief Fund

This fund is established as part of the *Emergency Management Act 2004*. The Fund's main purpose is to provide financial support for the relief of persons who suffer injury, loss or damage as a result of a declared emergency within South Australia. As at 30 June 2015, the fund held \$0.623m (2014: \$0.080m) in cash and these funds earned interest of \$0.012m (\$0.002m). During 2014-15, the balance of the January 2014 bushfire was paid and acquitted into the fund.

The South Australian Bushfire Emergency Relief Appeal commenced in 2014-15 as a result of fires in the Sampson Flat. Collections for the Sampson Flat Bushfire Appeal officially closed on 31 May 2015. The total donations received for the year was \$1.910m. As at 30 June 2015, the total disbursed to Sampson Flat Bushfire victims was \$1.365m with the remainder to be paid during 2015-16.

	2015	2014
	\$'000	\$'000
Opening Balance 1 July	80	72
Add Receipts	1,922	24
Less Expenses	(1,380)	(16)
Closing Balance 30 June	622	80

A7 Grants, subsidies and client payments

	2015	2014
	\$'000	\$'000
Gamblers Rehabilitation	5,581	5,425
Community Benefit SA Program	4,447	3,987
Home for Incurables Trust	449	438
Duke of Edinburgh Trust	105	130
Concessions A7.1	160,376	152,209
Community Service Obligations	18,810	18,399
Personal Alert Rebate Scheme	1,198	1,224
Consumer Advocacy & Research	151	30
Total Grants, Subsidies and Client Payments	191,117	181,842

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
for the year ended 30 June 2015

A7.1 Concessions	2015	2014
	\$'000	\$'000
Water & sewerage rates	47,652	47,378
Energy	38,047	31,609
Council rates	33,602	33,231
Transport	32,887	31,211
Emergency services levy	6,571	7,324
Other	1,617	1,456
Total Concessions	160,376	152,209

A8 Unexpended funding commitments

The Department is engaged in a variety of funding programs involving State and Commonwealth sources who provide monies to the Department on the premise that these funds are expended in a manner consistent with the terms of the program. As at 30 June 2015, the Department had outstanding funding commitments to the following programs:

	2015	2014
	\$'000	\$'000
Community Benefit SA Program	1,861	4,598
Gambler's Rehabilitation Fund	942	942
State Emergency Relief Fund	541	-
Consumer Advocacy and Research Fund	112	472
Total operating funding commitments	3,456	6,012
Highgate Park — Upgrade of critical infrastructure	1,061	-
Highgate Park Facilities Works	160	231
Total capital funding commitments	1,221	231
Total unexpended funding commitments	4,677	6,243

A9 Cash and cash equivalents	2015	2014
	\$'000	\$'000
Special Deposit Account with the Treasurer	29,767	25,177
Deposit Account with SAFA	17,768	17,733
Other Deposits	704	1,355
Total cash and cash equivalents	48,239	44,265

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
for the year ended 30 June 2015

A10 Property, plant and equipment

A10.1 Property, plant and equipment	2015	2014
	\$'000	\$'000
Land and buildings		
Site land (fair value)	15,160	13,510
Buildings and improvements (fair value)	17,907	16,640
<i>Less accumulated depreciation - buildings and improvements</i>	<i>(3,373)</i>	<i>(1,687)</i>
Total land and buildings	29,694	28,463
Plant and equipment		
Other plant and equipment at cost (deemed fair value)	520	-
<i>Less accumulated depreciation - other plant and equipment at cost</i>	<i>(26)</i>	<i>-</i>
Total plant and equipment	494	-
Total property, plant and equipment	30,188	28,463

Reconciliation of Land, Buildings and Plant & Equipment

The following table shows the movement of land, buildings & improvements and plant & equipment during 2014-15.

	Site land	Buildings and improvements	Plant and equipment	Total land, buildings & improvement & plant & equipment
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the year	13,510	14,953	-	28,463
Depreciation and amortisation for the year	-	(1,686)	(26)	(1,712)
Revaluation increment/(decrement)	1,650	-	-	1,650
Transfers from works in progress	-	1,267	520	1,787
Carrying amount at 30 June 2015	15,160	14,534	494	30,188

Reconciliation of Land and Buildings

The following table shows the movement of land, buildings & improvements and plant & equipment during 2013-14.

	Site land	Buildings and improvements	Plant and equipment	Total land, buildings & improvement & plant & equipment
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the year	13,510	16,640	-	30,150
Depreciation and amortisation for the year	-	(1,687)	-	(1,687)
Carrying amount at 30 June 2014	13,510	14,953	-	28,463

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
for the year ended 30 June 2015

A10.2 Investment property	2015	2014
	\$'000	\$'000
Investment building	786	786
Fair Value at 30 June	786	786
	2015	2014
	\$'000	\$'000
Investment land	434	434
Revaluation increment/(decrement)	66	-
Fair Value at 30 June	500	434
Total Investment Property at 30 June	1,286	1,220

A10.3 Capital works in progress	2015	2014
	\$'000	\$'000
Software Application	-	39
Property, plant and equipment (Fire upgrade)	-	1,715
Total capital works in progress	-	1,754

Reconciliation of capital works in progress

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

	2015	2014
	\$'000	\$'000
Carrying amount at the beginning of the year	1,754	662
Purchases	72	1,092
Transfers to completed works	(1,826)	-
Carrying amount at 30 June	-	1,754

A10.4 Intangible assets	2015	2014
	\$'000	\$'000
Computer software at cost (deemed fair value)	40	-
Less accumulated amortisation - computer software	(12)	-
Total Intangible Assets	28	-

Reconciliation of intangible assets

The following table shows the movement of intangible assets during 2014-15.

	2015	2014
	\$'000	\$'000
Depreciation and amortisation for the year	(12)	-
Transfers from works in progress	40	-
Carrying amount at 30 June 2015	28	-

Impairment

There were no indications of impairment on intangible assets for 2014-15.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
for the year ended 30 June 2015

A11 Fair Value Measurement

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

Fair value measurements recognised in the balance sheet are categorised into the following levels at 30 June 2015.

The Department had no valuations categorised into level 1.

Fair Value measurement as at 30 June 2015

	Level 2	Level 3	2015
	\$'000	\$'000	\$'000
Recurring fair value measurement			
Land	15,160	-	15,160
Buildings	14,534	-	14,534
Plant and equipment	-	494	494
Investment property	1,286	-	1,286
Total recurring fair value measurements	30,980	494	31,474
Total	30,980	494	31,474

There have been no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. The Department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

There were no changes in valuation techniques during 2014-15.

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

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015.

	Plant & equipment
	\$'000
Opening balances at the beginning of the year	-
Capitalised subsequent expenditure	520
Closing balance at the end of the period	520
Gains/(losses) for the period recognised in net result	
Depreciation	(26)
Subtotal	(26)
Carrying amount at 30 June	494

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
for the year ended 30 June 2015

A12 Cash flow reconciliation	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents - cash at year end as per:		
Statement of Administered Cash Flows	48,239	44,265
Statement of Administered Financial Position	48,239	44,265
Reconciliation of net cash provided by operating activities to net result:		
Net cash provided by operating activities	4,046	4,783
Less SA Government revenue	(185,196)	(174,667)
Add/Less non cash items		
Depreciation and amortisation	(1,724)	(1,687)
Changes in assets and liabilities		
Increase/(decrease) in receivables	1,227	(122)
Decrease/(Increase) in payables	784	(1,745)
Decrease/(increase) in employee benefits	2	(2)
Net cost of services	(180,861)	(173,440)

A13 Administered contingent assets and liabilities

The Department has an administered contingent asset but no administered contingent liabilities for 2014-15.

As at August 2015, DCSI had determined \$1.387 million in energy overpayments of which \$0.185 million had been recovered. DCSI has sought legal advice and issued letters of recovery for the remaining \$1.202 million. More information is required from providers to finalise amounts to be recovered but based on experience to date this could be up to a further \$1.2 million, which would result in a total amount to be recovered of up to \$2.4 million.

The Department had no administered contingent assets and liabilities for 2013-14.

A14 Supported Residential Facilities Indemnity Fund	2015	2014
	\$'000	\$'000
Opening Balance 1 July	41	39
Add Receipts:		
Fees - Councils*	2	1
Interest	1	1
Closing Balance 30 June	44	41

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

* Under the *Supported Residential Facilities Act 1992*, certain premises which provide residential accommodation are required to be licensed. That licence fee is payable to the local councils who monitor the residential accommodation. The Act requires the councils to remit 10% of fees collected for deposit in the Fund within 28 days after the end of the financial year in which the fees are received.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
for the year ended 30 June 2015

A15 Budgetary reporting and explanations of major variances

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

	Note	Budget 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
Administered expenses				
Employee benefit expenses		290	288	2
Supplies and services		1,053	3,008	(1,955)
Depreciation and amortisation expense		1,725	1,724	1
Grants, subsidies and client payments		197,818	191,117	6,701
Client Trust Fund payments		14,360	13,971	389
Total administered expenses		215,246	210,108	5,138
Administered income				
Grants and contributions		10,107	11,762	(1,655)
Revenue from rent, fees and charges		449	655	(206)
Interest revenues		488	591	(103)
Client Trust Fund receipts		14,031	14,218	(187)
Other Income		164	2,021	(1,857)
Total administered income		25,239	29,247	(4,008)
Net cost of providing services		(190,007)	(180,861)	(9,146)
Revenues from / (payments to) SA Government				
Revenue from SA Government		185,220	185,196	24
Total revenues from / (payments to) SA Government		185,220	185,196	24
Net result		(4,787)	4,335	(9,122)
Investing expenditure				
	Note	Budget 2015 \$'000	Actual 2015 \$'000	Movement 2015 \$'000
Investing expenditure summary				
Total existing projects	a	-	72	(72)
Total investing expenditure		-	72	(72)

Variance explanation

a) Total existing project expenditure was higher than original budget largely due to delays in completion of building works on property owned by the Home for Incurables Trust. Carryover of funds of \$0.115 million was approved and has been reflected in the 2014-15 mid year budget review.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
for the year ended 30 June 2015

A16 Home for Incurables Trust

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

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

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

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

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

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

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

The following Income, Expenses, Assets and Liabilities of the Home for Incurables Trust have been included in the administered items financial statements, but are separately disclosed in the following schedules in accordance with the governance requirements of the Trust.

Schedule of Expenses and Income - Home for Incurables Trust

for the year ended 30 June 2015	2015	2014
	\$'000	\$'000
Expenses		
Supplies and services	318	249
Grants, subsidies and client payments	449	438
Depreciation and amortisation	1,712	1,686
Total Expenses	2,479	2,373
Income		
Rental income	517	681
Interest	158	186
Total Income	675	867
Net result	(1,804)	(1,506)
Other comprehensive income		
Revaluation surplus	1,716	-
Total comprehensive income	1,716	-
Total comprehensive result	(88)	(1,506)

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NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
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Schedule of Assets and Liabilities - Home for Incurables Trust
for the year ended 30 June 2015

	2015	2014
	\$'000	\$'000
Current assets		
Cash and cash equivalents		
Special deposits with the Treasurer	717	679
Deposits with SAFA	5,448	5,754
Total cash and cash equivalents	6,165	6,433
Total current assets	6,165	6,433
Non-current assets		
Property, plant and equipment	30,188	28,463
Investment property	1,286	1,220
Capital works in progress	-	1,715
Total non-current assets	31,474	31,398
Total assets	37,639	37,831
Current Liabilities		
Payables	20	124
Total Current Liabilities	20	124
Total Liabilities	20	124
Net assets	37,619	37,707

Schedule of Changes in Equity - Home for Incurables Trust

	Revaluation Surplus	Retained Earnings	Total
	\$'000	\$'000	\$'000
Balance at 30 June 2013	26,652	12,561	39,213
Net result for 2013-14	-	(1,506)	(1,506)
Total comprehensive result for 2013-14	-	(1,506)	(1,506)
Balance at 30 June 2014	26,652	11,055	37,707
Net result for 2014-15	-	(1,804)	(1,804)
Gain/(loss) on revaluation of property, plant and equipment during 2014-15	1,716	-	1,716
Total comprehensive result for 2014-15	1,716	(1,804)	(88)
Balance at 30 June 2015	28,368	9,251	37,619

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
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Schedule of Administered Cash Flows - Home for Incurables Trust
for the year ended 30 June 2015

	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash Flows from Operating Activities		
Cash Inflows		
Interest revenue	158	186
Rental revenue	517	681
Total Cash Inflows	675	867
Cash Outflows		
Supplies and services	(422)	(39)
Grants, subsidies and client payments	(449)	(438)
Total Cash Outflows	(871)	(477)
Net Cash Inflows from Operating Activities	(196)	390
Cash Flows from Investing Activities		
Cash Outflows		
Payments for Plant, Equipment and Investments	(72)	(1,053)
Total Cash Outflows	(72)	(1,053)
Net Cash Outflows from Investing Activities	(72)	(1,053)
Net Decrease in cash	(268)	(663)
Cash at the beginning of the reporting period	6,433	7,096
Cash at the end of the reporting period	6,165	6,433

Accounting Policies

Cash and cash equivalents

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

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Reconciliation of Property Plant and Equipment - Home for Incurables Trust

Property, plant and equipment	2015	2014
	\$'000	\$'000
Land and buildings		
Site land (fair value)	15,160	13,510
Buildings and improvements (fair value)	17,907	16,640
Less accumulated depreciation - buildings and improvements	(3,373)	(1,687)
Total land and buildings	29,694	28,463
Plant and equipment		
Other plant and equipment at cost (deemed fair value)	520	-
Less accumulated depreciation - other plant and equipment at cost	(26)	-
Total plant and equipment	494	-
Total property, plant and equipment	30,188	28,463

Reconciliation of Land, Buildings and Plant & Equipment - Home for Incurables Trust

The following table shows the movement of land, buildings & improvements and plant & equipment for the HFI Trust during 2014-15.

	Site land	Buildings and improvements	Plant and equipment	Total land, buildings & plant & equipment
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 30 June 2014	13,510	14,953	-	28,463
Depreciation and amortisation for the year	-	(1,686)	(26)	(1,712)
Revaluation increment/(decrement)	1,650	-	-	1,650
Transfers from works in progress	-	1,267	520	1,787
Carrying amount at 30 June 2015	15,160	14,534	494	30,188

The following table shows the movement of land and buildings and improvements for the HFI Trust during 2013-14.

	Site land	Buildings and improvements	Plant and equipment	Total land, buildings & plant & equipment
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 30 June 2013	13,510	16,640	-	30,150
Depreciation and amortisation for the year	-	(1,687)	-	(1,687)
Carrying amount at 30 June 2014	13,510	14,953	-	28,463

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION
NOTES TO ADMINISTERED ITEMS FINANCIAL STATEMENTS
for the year ended 30 June 2015

Reconciliation of capital works in progress

The following table shows the movement of capital works in progress during 2014-15.

	2015	2014
	\$'000	\$'000
Carrying amount at the beginning of the year	1,715	662
Purchases	72	1,053
Transfers to completed works	(1,787)	-
Carrying amount for capital work in progress	-	1,715

Investment Property - Home for Incurables Trust

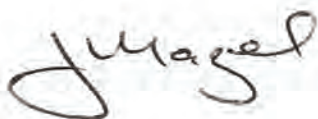
	2015	2014
	\$'000	\$'000
Investment Building	786	786
Fair Value at 30 June	786	786

	2015	2014
	\$'000	\$'000
Investment Land	434	434
Revaluation increment/(decrement)	66	-
Fair Value at 30 June	500	434
Total Investment Property at 30 June	1,286	1,220

Certification of the Financial Statements

We certify that the:

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



Joslene Mazel
CHIEF EXECUTIVE



Nick Ashley
**EXECUTIVE DIRECTOR
FINANCIAL AND BUSINESS
SERVICES**

Date 15 / 9 / 2015



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To the Chief Executive Department for Communities and Social Inclusion

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department for Communities and Social Inclusion for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2015
- a Statement of Administered Financial Position as at 30 June 2015
- a Statement of Administered Changes in Equity for the year ended 30 June 2015
- a Statement of Administered Cash Flows for the year ended 30 June 2015
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Executive Director Financial and Business Services.

The Chief Executive's Responsibility 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 promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

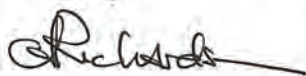
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Department for Communities and Social Inclusion as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
17 September 2015

Department for
Correctional Services

Financial report
for the year ended
30 June 2015

Department for Correctional Services
Statement of Comprehensive Income
For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
EXPENSES:			
Employee benefit expenses	5	163,947	147,164
Supplies and services	6	69,248	66,595
Depreciation and amortisation expense	7	17,322	16,457
Payments to prisoners		3,092	2,935
Accommodation and associated lease costs		10,583	10,095
Grants	8	611	564
Net loss from disposal of non-current assets	9	265	44
Other expenses	10	680	540
Total expenses		265,748	244,394
INCOME:			
Prison labour	12	2,681	1,128
Salaries and goods and services recoups		2,471	1,692
Interest revenues		1	1
Commonwealth revenue	13	667	514
Canteen and kitchen sales	14	2,536	3,934
Resources received free of charge	15	451	-
Other income	16	2,373	2,773
Total income		11,180	10,042
NET COST OF PROVIDING SERVICES		254,568	234,352
REVENUES FROM (PAYMENTS TO) SA GOVERNMENT:			
Revenues from SA Government	17	257,765	228,384
Payments to SA Government	17	(3,059)	(2,425)
NET RESULT		138	(8,393)
OTHER COMPREHENSIVE INCOME:			
<i>Items that will not be reclassified to net result</i>			
Changes in revaluation surplus	21	7,752	8,988
TOTAL COMPREHENSIVE RESULT		7,890	595

Net result and total comprehensive result are attributable to the SA Government as owner

Department for Correctional Services
Statement of Financial Position
As at 30 June 2015

	Note	2015	2014
	No	\$'000	\$'000
CURRENT ASSETS:			
Cash and cash equivalents	18	23,804	13,608
Receivables	19	2,794	2,586
Inventories	20	1,260	1,196
Total current assets		27,858	17,390
NON-CURRENT ASSETS:			
Property, plant and equipment	21	442,417	429,845
Capital works in progress	22	45,408	26,673
Intangible assets	23	748	997
Biological assets	24	207	221
Total non-current assets		488,780	457,736
Total assets		516,638	475,126
CURRENT LIABILITIES:			
Payables	26	18,127	12,550
Employee benefits	27	15,333	13,680
Provisions	28	3,553	4,172
Total current liabilities		37,013	30,402
NON-CURRENT LIABILITIES:			
Payables	26	2,308	2,198
Employee benefits	27	24,678	22,801
Provisions	28	8,040	11,412
Total non-current liabilities		35,026	36,411
Total liabilities		72,039	66,813
NET ASSETS		444,599	408,313
EQUITY:			
Retained earnings	29	73,861	73,650
Prisoner amenities reserve	29	207	280
Revaluation surplus	29	281,342	273,590
Contributed capital	29	89,189	60,793
TOTAL EQUITY		444,599	408,313

Total equity is attributable to the SA Government as owner

Unrecognised contractual commitments	30
Contingent assets and liabilities	32

Department for Correctional Services
Statement of Changes in Equity
For the year ended 30 June 2015

	Note	Prisoner Amenities Reserve	Revaluation Surplus	Contributed Capital	Retained Earnings	Total
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2013		259	264,602	47,668	81,427	393,956
Net result for 2013-14		-	-	-	(8,393)	(8,393)
Gain on revaluation of land and buildings during 2013-14		-	8,988	-	-	8,988
Total comprehensive result for 2013-14		-	8,988	-	(8,393)	595
Net changes in reserves	21	21	-	-	(21)	-
Error correction		-	-	-	637	637
Transactions with SA Government as owner:						
Equity contribution received		-	-	13,125	-	13,125
Balance at 30 June 2014		280	273,590	60,793	73,650	408,313
Net result for 2014-15		-	-	-	138	138
Gain on revaluation of land and buildings during 2014-15		-	7,752	-	-	7,752
Total comprehensive result for 2014-15		-	7,752	-	138	7,890
Net changes in reserves	(73)	(73)	-	-	73	-
Transactions with SA Government as owner:						
Equity contribution received		-	-	28,396	-	28,396
Balance at 30 June 2015		207	281,342	89,189	73,861	444,599

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

Department for Correctional Services
Statement of Cash Flows
For the year ended 30 June 2015

		2015	2014
		Inflows (Outflows)	Inflows (Outflows)
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH OUTFLOWS:			
Employee benefit payments		(161,215)	(143,143)
Supplies and services		(88,116)	(87,092)
Prisoner payments		(3,092)	(2,935)
Grants		(611)	(564)
Payments for Paid Parental Leave Scheme		(131)	(85)
Other payments		(654)	(540)
Cash used in operations		(253,819)	(234,359)
CASH INFLOWS:			
Receipts from prison labour		2,681	1,128
Interest received		1	1
GST recovered from the ATO		9,905	8,599
Receipts for Paid Parental Leave Scheme		135	87
Other receipts		9,424	9,640
Cash generated from operations		22,146	19,455
CASH FLOWS FROM (TO) SA GOVERNMENT:			
Receipts from SA Government		257,765	228,384
Payments to SA Government		(3,059)	(2,425)
Cash generated from SA Government		254,706	225,959
Net cash provided by (used in) operating activities	34	23,033	11,055
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH OUTFLOWS:			
Purchase of property, plant and equipment		(41,401)	(27,510)
Cash used in investing activities		(41,401)	(27,510)
CASH INFLOWS:			
Proceeds from sale of property, plant and equipment		168	2
Cash generated from investing activities		168	2
Net cash provided by (used in) investing activities		(41,233)	(27,508)
CASH FLOWS FROM FINANCING ACTIVITIES:			
CASH INFLOWS:			
Capital contributions from SA Government		28,396	13,125
Cash generated from financing activities		28,396	13,125
Net Cash provided by (used in) financing activities		28,396	13,125
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		10,196	(3,328)
CASH AND CASH EQUIVALENTS AT 1 JULY		13,608	16,936
CASH AND CASH EQUIVALENTS AT 30 JUNE	18	23,804	13,608

For the year ended 30 June 2015

NET RESULT T

Department for Correctional Services
Disaggregated Disclosures – Assets and Liabilities
As at 30 June 2015

(Activities - refer note 4)	1	1	2	2	3	3	General/Not	General/Not	Total	Total
	2015	2014	2015	2014	2015	2014	attributable	attributable	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS:										
Cash and cash equivalents	41	40	3	3	1	1	23,759	13,564	23,804	13,608
Receivables	27	24	6	-	-	-	2,761	2,562	2,794	2,586
Inventories	287	401	-	-	746	577	227	218	1,260	1,196
Total current assets	355	465	9	3	747	578	26,747	16,344	27,858	17,390
NON-CURRENT ASSETS:										
Property, plant and equipment	416,356	402,236	9,943	10,929	13,177	13,234	2,941	3,446	442,417	429,845
Capital works in progress	45,013	23,741	358	-	37	-	-	2,932	45,408	26,673
Intangible assets	-	-	-	-	-	-	748	997	748	997
Biological assets	-	-	-	-	207	221	-	-	207	221
Total non-current assets	461,369	425,977	10,301	10,929	13,421	13,455	3,689	7,375	488,780	457,736
Total assets	461,724	426,442	10,310	10,932	14,168	14,033	30,436	23,719	516,638	475,126
CURRENT LIABILITIES:										
Payables	1,239	5,656	7,638	1,064	127	341	9,123	5,489	18,127	12,550
Employee benefits	11,552	9,305	2,494	2,850	1,287	1,525	-	-	15,333	13,680
Provisions	2,557	-	577	-	419	-	-	4,172	3,553	4,172
Total current liabilities	15,348	14,961	10,709	3,914	1,833	1,866	9,123	9,661	37,013	30,402
NON-CURRENT LIABILITIES:										
Payables	158	1,561	967	376	16	261	1,167	-	2,308	2,198
Employee benefits	17,758	15,009	4,007	4,763	2,913	3,029	-	-	24,678	22,801
Provisions	5,785	-	1,306	-	949	-	-	11,412	8,040	11,412
Total non-current liabilities	23,701	16,570	6,280	5,139	3,878	3,290	1,167	11,412	35,026	36,411
Total liabilities	39,049	31,531	16,989	9,053	5,711	5,156	10,290	21,073	72,039	66,813
NET ASSETS	422,675	394,911	(6,679)	1,879	8,457	8,877	20,146	2,646	444,599	408,313

Department for Correctional Services

Notes to and forming part of the financial statements

1 Objectives of the Department for Correctional Services (the department)

The department is an administrative unit established pursuant to the *Public Sector Act 2009* (PSA).

The department contributes to a safer community by working in partnership with other criminal justice organisations and the community to prevent crime and reduce repeat offending.

The department safely, securely and humanely manages people ordered by the courts to serve a community based or prison sanction and provides them with opportunities to lead law-abiding productive lives.

2 Summary of significant accounting policies

(a) 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 applicable Australian Accounting Standards (AASs) and comply with Treasurers Instructions (TIs) and Accounting Policy Statements (APSS) promulgated under the provisions of the *Public Finance and Audit Act 1987* (PFAA).

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

Except for AASB 2015-7 which the department has early adopted, AASs and interpretations that have recently been issued or amended but are not yet in effect have not been adopted by the department for the reporting period ending 30 June 2015. Refer note 3.

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the department's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes
- accounting policies are selected and applied in a manner which ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transactions or other events are reported
- compliance with APSS issued pursuant to Section 41 of the PFAA, by authority of TI 19. In the interest of public accountability and transparency the APSS require the following note disclosures, which have been included in these financial statements:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature
 - (b) expenses incurred as a result of engaging consultants
 - (c) employee targeted voluntary separation package information
 - (d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees
 - (e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The department's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

Department for Correctional Services

Notes to and forming part of the financial statements

(b) Basis of preparation (continued)

The Statement of Cash Flows has been prepared on a cash basis.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

(c) Reporting entity

The department is a government department of the State of South Australia, established pursuant to the PSA. The department is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of the department. The department does not control any other entity and has no interests in unconsolidated structured entities. The department has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

The transactions and balances relating to administered items are not recognised as departmental income, expense, assets and liabilities. As administered items are insignificant in relation to the department's overall financial performance and position, they are disclosed in Note 38. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

(d) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 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 budget process is not subject to audit.

(e) Comparative information

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

Where presentation or classification of items in the financial statements have been amended, comparative amounts 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.

(f) Rounding

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

(g) Taxation

The department is not subject to income tax. The department is liable for payroll tax, fringe benefits tax (FBT), goods and service tax (GST), Emergency Services Levy and other tax equivalents.

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 Tax 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.

Department for Correctional Services

Notes to and forming part of the financial statements

(g) Taxation (continued)

- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

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

(h) Events after the reporting period

Where an event occurs after 30 June and before the date the financial statements are authorised for issue but provides information about conditions that existed at 30 June, adjustments are made to amounts recognised in the financial statements.

(i) Income and expenses

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the department will occur and can be reliably measured.

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

Income

The following are specific recognition criteria:

- *Disposal of non-current assets*

Income from the disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Any gain (loss) on disposal is recognised at the date control of the asset is passed to the buyer and is determined after deducting the carrying amount of the asset from the proceeds at that time.

- *Revenues from SA Government*

Appropriations for program funding 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 capital.

- *Grants received/paid*

Grants paid are amounts provided by the department to entities for general assistance or for a particular purpose. Such grants may be for capital, current or recurrent purposes and the name or category reflects the use of the grant. Grants received are recognised as income at the time the department obtains control over the funds. Grants paid/received are usually subject to terms and conditions set out in the contract, correspondence, or by legislation governing the provision of the grant.

- *Resources received free of charge*

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value.

Department for Correctional Services

Notes to and forming part of the financial statements

(i) Income and expenses (continued)

Expenses

- *Employee Benefits*

Employee benefit expenses include all costs related to employment including wages and salaries and leave entitlements. These are recognised when incurred.

- *Superannuation*

The amount charged to the Statement of Comprehensive Income represents the contributions made by the department to the superannuation plan in respect of current services of current departmental staff. DTF centrally recognises the superannuation liability in the whole-of-government financial statements.

- *Payments to SA Government*

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy and are paid directly to the Consolidated Account.

- *Payments to prisoners*

These include payments made on behalf of prisoners and payments made to prisoners upon release.

(j) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. The department has a clearly identifiable operating cycle of 12 months. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised 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.

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.

(k) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position include cash at bank and on hand and are used in the cash management function on a day-to-day basis.

Cash is measured at nominal value.

(l) Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other agencies and to the public. Receivables are receivable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence the department will not be able to collect the debt. Bad debts are written off when identified.

Other debtors arise outside the normal course of selling goods and services to other agencies and to the public.

(m) Inventories

Inventories include goods and other property held either for sale or distribution at nominal cost in the ordinary course of business.

Department for Correctional Services

Notes to and forming part of the financial statements

(m) Inventories (continued)

Inventory in institutional stores is held for distribution at cost and is adjusted when applicable for any loss of service potential.

Inventory held in prison canteens is held for sale at nominal cost and is assigned on the basis of average cost.

Inventory held by prison industries is measured at cost.

Lock and physical security item inventory is held for distribution at cost and adjusted when applicable for any loss of service potential.

(n) Non-current asset acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs involved with the acquisition. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Non-current assets are subsequently measured at fair value less accumulated depreciation.

Since the department controls a large number of low value items, the cost of accounting for the capitalisation of items costing less than \$10 000 is expected to outweigh the benefits that would be gained from reporting this information. As a result, items with an acquisition cost less than \$10 000 are expensed in the period in which they are acquired.

Capital works in progress are recognised as the cumulative costs of capital projects to balance date. Projects completed during the year have been recognised as buildings, plant or equipment and are valued at cost.

(o) Revaluation of non-current assets

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

Every three years, a full revaluation of the department's land and buildings is undertaken. A 'desk-top' revaluation is undertaken by an independent valuer for the two interim years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then a full revaluation may be undertaken and the asset will be revalued regardless of when the last full 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 revaluation increment is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset class previously recognised in the Statement of Comprehensive Income, in which case the increase is recognised in the Statement of Comprehensive Income.

Any revaluation decrement is recognised in the Statement of Comprehensive Income, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the revaluation surplus to the extent of the credit balance existing in the revaluation surplus for that asset class.

Accumulated depreciation is restated proportionately whereby the carrying amount of the asset after revaluation equals the revalued amount of the asset.

(p) Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost.

For revalued assets, an impairment loss is offset against the revaluation surplus.

Department for Correctional Services

Notes to and forming part of the financial statements

(q) Depreciation and amortisation of non-current assets

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. Amortisation is used in relation to leasehold improvements and intangible assets such as software licences, while depreciation is applied to tangible assets such as property, plant and equipment.

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.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land is not depreciated.

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

<i>Class of asset</i>	<i>Depreciation method</i>	<i>Useful life (years)</i>
Plant and equipment	Straight-line	4-20
Buildings (including prisons)	Straight-line	Up to 60
Intangibles	Straight-line	3-5
Leasehold improvements	Straight-line	Life of lease

(r) Intangible assets

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 department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets are reviewed on an annual basis.

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

(s) Biological assets

Biological assets such as cattle are measured at fair value less estimated point-of-sales costs. The fair value is determined based on current market values of the biological assets.

The olive grove is measured at cost plus any gains arising from changes in fair value less estimated point-of-sale costs attributable to physical changes.

The citrus grove is measured at cost plus any gains arising from changes in fair value less estimated point-of-sale costs attributable to physical changes.

Department for Correctional Services

Notes to and forming part of the financial statements

(t) Fair value measurement

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

The department classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- *Level 1*

Traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

- *Level 2*

Not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.

- *Level 3*

Not traded in an active market and are derived from unobservable inputs.

The valuation processes and fair value changes are reviewed by the department at each reporting date.

Non-financial assets

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

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

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

Refer to Note 25 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets/liabilities

The department does not recognise any financial assets or financial liabilities at fair value.

(u) Payables

Payables include creditors, accrued expenses, GST payable, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to 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 received.

The 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.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or the date the invoice is first received.

Department for Correctional Services

Notes to and forming part of the financial statements

(u) Payables (continued)

Employment benefit on-costs include superannuation contributions, workers compensation levies and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave (SERL).

The department makes contributions to several State Government 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 South Australian Superannuation Board. The only liability outstanding at balance date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

(v) Employee benefits

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

Liability for salaries and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

Unclaimed salaries and wages have been included as a current liability for employee benefits.

The annual leave liability and the skills and experience retention leave liability is generally 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 of sick leave.

Long service leave

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

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA government entities. 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.

The long service leave provision is classified as current or non-current using the average leave pattern history of previous years.

Employee benefit on-costs

Employee benefit on-costs (payroll tax, workers compensation and superannuation) are recognised separately under payables.

(w) Provisions

Provisions are recognised when the department has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the department expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

Department for Correctional Services

Notes to and forming part of the financial statements

(w) Provisions (continued)

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector of the Department of the Premier and Cabinet. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The department is responsible for the payment of workers compensation claims.

(x) Unrecognised contractual commitments and contingent assets and liabilities

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

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.

(y) Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement. The department has assessed whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The department has entered into a number of operating lease agreements for buildings and motor vehicles.

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.

The department does not have any finance lease arrangements.

(z) Prisoner Amenities Reserve

Proceeds from the sale of canteen goods to prisoners net of the cost of certain direct canteen expenses are made available for the acquisition of items for the benefit of prisoners. These net proceeds are accounted for in the prisoner amenities reserve.

3 New and revised accounting standards and policies

Except for AASB 2015-7 which the department has early adopted, 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 2015. The department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the department, except as outlined below.

In accordance with the new AASB 1055 *Budgetary Reporting*, which became effective for the first time in 2014-15, the department has:

- included a comprehensive new note 'Budgetary reporting and explanations of major variances' (refer note 36). This note discloses, in respect of the Statement of Comprehensive Income and Investing Expenditure Summary amounts:
 - the department's original budget as published in Budget Paper 4
 - a comparison of the original budget information to actual results
 - explanations of major variances.

Department for Correctional Services

Notes to and forming part of the financial statements

3 New and revised accounting standards and policies (continued)

In accordance with the new AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements, which became effective for the first time in 2014-15, the department has reviewed its control assessments (i.e. the department's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc.) in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that there is no impact. The department does not currently control another entity and does not have any joint arrangements within the scope of AASB 11. The department will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

4 Activities of the department

In achieving its objectives, the department provides a range of services classified into the following activities:

Activity 1 Custodial Services

The department provides secure containment and supervision for adults on remand and those sentenced by the courts to serve a custodial sanction. The Custodial Services program includes costs associated with operating the State's prison system, the humane treatment of prisoners while in custody and the secure movement of prisoners.

Activity 2 Community Based Services

The department case manages and supervises offenders in the community on probation, parole or under home detention and bailees on supervised bail.

Activity 3 Rehabilitation and Reparation Services

The department provides a range of educational, vocational and rehabilitative activities designed to assist offenders to address their offending behaviour and provide them with opportunities to lead law abiding and productive lives.

General/not attributable

Certain assets and liabilities of the department are unable to be allocated reliably to activities.

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2014 and 30 June 2015.

5 Employee benefit expenses

	2015	2014
	\$'000	\$'000
Salaries and wages	124,428	110,923
Employment on-costs - superannuation	12,921	11,645
Employment on-costs - payroll tax	7,706	6,826
Annual leave	11,811	11,263
LSL	4,994	4,172
SERL	498	388
Workers compensation salary payments	1,589	1,947
Total employee benefit expenses	163,947	147,164

Department for Correctional Services
Notes to and forming part of the financial statements

5 Employee benefit expenses (continued)

Remuneration of employees

	Executive		Employees	
	2015	2014	2015	2014
	Number	Number	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:				
\$141 500 - \$151 499	2	-	13	4
\$151 500 - \$161 499	1	2	4	2
\$161 500 - \$171 499	1	3	1	1
\$171 500 - \$181 499	3	1	2	-
\$181 500 - \$191 499	-	1	2	-
\$201 500 - \$211 499	-	1	1	-
\$211 500 - \$221 499	2	2	-	-
\$221 500 - \$231 499	1	-	-	-
\$251 500 - \$261 499	-	1	-	-
\$291 500 - \$301 499	-	1	-	-
\$311 500 - \$321 499	1	-	-	-
\$541 500 - \$551 499*	1	-	-	-
Total	12	12	23	7

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (i.e. there has been no increase in executive remuneration since 1 July 2013). Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$6.2 million (\$3.4 million).

*Payment for one executive upon termination and includes LSL, annual leave and termination benefits.

Targeted Voluntary Separation Packages

	2015	2014
	\$'000	\$'000
Amounts paid during the reporting period to separated employees:		
TVSPs	269	1,005
Leave paid to those employees	86	399
	355	1,404
Less:		
Recovery from the Department of Treasury and Finance	(243)	(556)
Amount paid using Accrual Appropriation Excess Funds Account	112	848

The number of employees who received a TVSP during the reporting period was 6 (13).

Department for Correctional Services
Notes to and forming part of the financial statements

6 Supplies and services

	2015 \$'000	2014 \$'000
Supplies and services provided:		
Contracts ⁽¹⁾	25,796	23,399
Works and equipment costs	4,404	4,467
Cost of goods sold - prison industries	3,460	1,711
Cost of goods sold - canteen and kitchen sales	2,446	3,793
Offender related costs	8,298	7,473
Utilities	7,876	7,403
Consultants	247	10
Travel expenses	1,282	1,035
IT costs	4,015	4,421
Workers compensation	(1,372)	2,232
Staff related costs	1,629	1,626
Contracted staff	936	384
Shared Services SA processing charges	2,212	2,132
Insurance charges	1,306	1,250
WHS expenses	235	273
Materials and consumables	512	618
Board and committee fees	276	268
Sundry other expenses ⁽²⁾	5,690	4,100
Total supplies and services	69,248	66,595

(1) The main contracts for the department include the Mount Gambier prison management, prisoner movement and in-court management and Electronic Monitoring Services South Australia.

(2) Includes Auditor's remuneration costs (refer to Note 11).

Consultants

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

	No.	2015 \$'000	No.	2014 \$'000
Between \$10 000 and \$50 000	1	31	-	-
Above \$50 000	1	216	1	10
Total	2	247	1	10

7 Depreciation and amortisation expense

	2015 \$'000	2014 \$'000
Depreciation:		
Buildings	15,766	14,952
Plant and equipment	299	328
Total depreciation	16,065	15,280
Amortisation:		
Leasehold improvements	1,008	1,007
Intangibles assets	249	170
Total amortisation	1,257	1,177
Total depreciation and amortisation expense	17,322	16,457

During the year, the department reassessed the useful life of its assets and determined that no change was necessary.

Department for Correctional Services
Notes to and forming part of the financial statements

8 Grants

	2015 \$'000	2014 \$'000
Grants:		
Recurrent grants	611	564
Total grants provided	611	564

9 Net loss from disposal of non-current assets

	2015 \$'000	2014 \$'000
Land and buildings		
Proceeds from disposal of land and buildings	141	-
Net book value of land and buildings disposed	(426)	-
Net loss from disposal from land and buildings	(285)	-
Plant and equipment:		
Proceeds from disposal of non-current assets	27	2
Net book value of assets disposed	(7)	(46)
Net loss from disposal of plant and equipment	20	(44)
Total assets:		
Proceeds from disposal of non-current assets	168	2
Net book value of assets disposed	(433)	(46)
Net loss from disposal of non-current assets	(265)	(44)

On 25 September 2014 the former Marla Community Corrections Centre at Lot 4 Bottlebush Drive, Marla was declared surplus to requirements. The property was sold on 15 May 2015 with proceeds of \$141 000 being received. Pursuant to Department of Premier and Cabinet Circular 014 the proceeds were remitted to the Department of Treasury and Finance

10 Other expenses

	2015 \$'000	2014 \$'000
Other expenses:		
Bad debts expense	1	-
Bank charges	22	24
Fringe benefits tax	361	284
Other	296	232
Total Other Expenses	680	540

11 Auditor's remuneration

	2015 \$'000	2014 \$'000
Audit fees paid/payable to the Auditor-General's Department relating to the audit of the financial statements	116	134
Total Audit Fees	116	134

Other Services

No other services were provided by the Auditor-General's Department.

Department for Correctional Services
Notes to and forming part of the financial statements

12 Net income (loss) from prison labour

	Yatala Labour Prison		Mobilong Prison		Cadell Training Centre		AWP/APC/NDC	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales income								
Internal sales	475	421	444	392	728	697	352	269
External sales	464	409	260	255	114	171	1,576	28
Total sales income	939	830	704	647	842	868	1,928	297
Cost of goods sold	(463)	(387)	(435)	(438)	(526)	(532)	(1,717)	(134)
Gross Profit	476	443	269	209	316	336	211	163
Other income	-	1	3	1	21	29	26	29
Other expenses	(1,856)	(1,844)	(1,044)	(1,000)	(1,265)	(1,310)	(604)	(252)
Net income (loss)	(1,380)	(1,400)	(772)	(790)	(928)	(945)	(367)	(60)

	Port Augusta Prison		Port Lincoln Prison		Total	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales income						
Internal sales	209	270	18	21	2,226	2,070
External sales	91	25	176	240	2,681	1,128
Total sales income	300	295	194	261	4,907	3,198
Cost of goods sold	(210)	(114)	(109)	(106)	(3,460)	(1,711)
Gross Profit	90	181	85	155	1,447	1,487
Other income	1	(10)	1	(9)	52	41
Other expenses	(1,379)	(1,015)	(375)	(384)	(6,523)	(5,805)
Net income (loss)	(1,288)	(844)	(289)	(238)	(5,024)	(4,277)

Internal sales include \$244 000 (\$284 000) resulting from work undertaken by prisoners for projects that are part of the capital works program.

Internal sales have been eliminated from consolidated income and are therefore not included in the Statement of Comprehensive Income.

Other expenses include employee benefits, supplies and services, offender related costs and depreciation associated with industry operations at each location.

13 Commonwealth revenue

	2015	2014
	\$'000	\$'000
Commonwealth revenue	667	514
Total commonwealth revenue	667	514

Commonwealth revenue is for the Remote Areas Program.

14 Canteen and kitchen sales

	2015	2014
	\$'000	\$'000
Canteen and kitchen sales	2,536	3,934
Cost of goods sold	(2,446)	(3,793)
Net result of canteen and kitchen sales	90	141

Department for Correctional Services

Notes to and forming part of the financial statements

14 Canteen and kitchen sales (continued)

In July 2014 the Northfield Distribution Centre (NDC) was established at the Northfield site as a Prison Industries initiative. Canteen operations at Yatala Labour Prison, the Adelaide Women's Prison and the Adelaide Pre-Release Centre were transferred to the NDC in August 2014 with the Mobilong Prison Canteen operation being transferred in December 2014.

15 Resources received free of charge

	2015 \$'000	2014 \$'000
Resources received free of charge:		
Plant and equipment	451	-
Total resources received free of charge	451	-

300 digital radios and associated equipment were received from the Attorney-General's Department at no cost in July 2014.

16 Other income

	2015 \$'000	2014 \$'000
Other income:		
Grants received	421	876
Revenue from recoveries	195	248
Internally generated assets	251	284
Prisoner telephone receipts	1,383	1,204
Other	123	161
Total other income	2,373	2,773

17 Revenues from (payments to) SA Government

	2015 \$'000	2014 \$'000
Revenues from SA Government:		
Appropriations from Consolidated Account Pursuant to <i>the Appropriation Act</i> and other revenues from the Consolidated Account	257,765	228,384
Total revenues from SA Government	257,765	228,384
Payments to SA Government:		
Return of surplus cash pursuant to cash alignment policy	2,918	2,425
Proceeds of sale of Marla Community Corrections Centre forwarded to DTF	141	-
Total payments to SA Government	3,059	2,425

Total revenues from Government consist of \$257.8 million (\$228.4 million) for operational funding and for capital projects. For details on the expenditure associated with the operational funding received refer to notes 5 to 11. There were no material variations between the amount 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 \$16.0 million was received from the Treasurer via the Governor's Appropriation Fund.

Department for Correctional Services

Notes to and forming part of the financial statements

18 Cash and cash equivalents

	2015 \$'000	2014 \$'000
Deposits with the Treasurer	23,768	13,572
Prison imprest accounts	26	26
Petty Cash	10	10
Total cash and cash equivalents	23,804	13,608

Deposits with the Treasurer

The balance of this fund is not available for general use, i.e. funds can only be used in accordance with the Treasurer's/Under Treasurer's approval.

During 2014-15, the department transferred \$2.9 million (\$2.4m) of its cash balance to the Consolidated Account in accordance with the Cash Alignment Policy.

Interest Rate Risk

Petty cash and deposits at call and with the Treasurer are non-interest bearing. Prison imprest accounts earn a floating interest rate based on daily bank deposit rates. The carrying amount of cash approximates fair value.

19 Receivables

	2015 \$'000	2014 \$'000
Current:		
Receivables	647	747
Allowance for doubtful debts	(4)	(5)
	643	742
Accrued revenue	82	61
GST receivable	2,055	1,783
Prepayments - other	14	-
Total receivables	2,794	2,586

Allowance for doubtful debts

An 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' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2015 \$'000	2014 \$'000
Movements in the allowance for doubtful debts (impairment loss):		
Carrying amount at 1 July	5	5
Increase in the provision	-	-
Amounts written off	(1)	-
Carrying amount at 30 June	4	5

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received.

Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than recognised in the provision for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Department for Correctional Services

Notes to and forming part of the financial statements

19 Receivables (continued)

(a) *Maturity analysis of receivables* - Refer Note 37

(b) *Categorisation of financial instruments and risk exposure information* - Refer Note 37

The department does not have any material interest bearing assets and liabilities and is not exposed to any interest rate risk.

20 Inventories

	2015 \$'000	2014 \$'000
Current - held for distribution:		
Stores	514	619
Total inventories held for distribution	514	619
Current - other than those held for distribution:		
Raw materials and work in progress	555	487
Finished goods	42	87
Stores	149	3
Total current inventories other than those held for distribution	746	577
Total inventories	1,260	1,196

21 Property, plant and equipment

	2015 \$'000	2014 \$'000
Land and buildings:		
Land at fair value (existing use)	63,351	63,296
Buildings at fair value	760,477	725,437
Accumulated depreciation	(389,529)	(367,621)
Total land and buildings	434,299	421,112
Leasehold improvements:		
Leasehold improvements (deemed fair value)	11,643	11,638
Accumulated amortisation	(5,671)	(4,663)
Total leasehold improvements	5,972	6,975
Plant and equipment:		
Plant and equipment at cost (deemed fair value)	5,636	5,083
Accumulated depreciation	(3,490)	(3,325)
Total plant and equipment	2,146	1,758
Total property, plant and equipment	442,417	429,845

Valuation of land and buildings

A desktop valuation of land and buildings was performed by independent valuer, Martin Burns of Liquid Pacific as at 30 June 2015.

The valuer arrived at fair value using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and building being valued 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.

Department for Correctional Services
Notes to and forming part of the financial statements

21 Property, plant and equipment (continued)

The valuer used depreciated replacement cost for specialised buildings, due to there not being an active market. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature and restricted use of the assets; their size, condition and location. The valuation was based on an assessment of useful life and asset condition.

Carrying amount of plant and equipment and leasehold improvements

All items of plant and equipment and leasehold improvements had 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, and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2015.

Reconciliation of property, plant and equipment

The following table shows movement in property, plant and equipment during 2014-15:

	Land and buildings	Leasehold improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	421,112	6,975	1,758	429,845
Acquisitions	13	-	81	94
Transfers from capital works in progress	21,614	5	613	22,232
Disposals	(426)	-	(7)	(433)
Donated assets	-	-	-	-
Revaluation increment	7,752	-	-	7,752
Depreciation and amortisation	(15,766)	(1,008)	(299)	(17,073)
Transfers between asset classes	-	-	-	-
Carrying amount at 30 June	434,299	5,972	2,146	442,417

The following table shows movement in property, plant and equipment during 2013-14:

	Land and buildings	Leasehold improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	390,525	7,699	1,903	400,127
Acquisitions	-	-	86	86
Transfers from capital works in progress	36,551	283	143	36,977
Disposals	-	-	(46)	(46)
Revaluation increment	8,988	-	-	8,988
Depreciation and amortisation	(14,952)	(1,007)	(328)	(16,287)
Transfers between asset classes	-	-	-	-
Carrying amount at 30 June	421,112	6,975	1,758	429,845

Department for Correctional Services
Notes to and forming part of the financial statements

22 Capital works in progress

	2015 \$'000	2014 \$'000
Capital works in progress	45,408	26,673
Total capital works in progress	45,408	26,673

Reconciliation of capital works in progress

The following table shows movement in capital works in progress during 2014-15:

Carrying amount at 1 July	26,673	39,597
Additions	40,967	25,229
Transfers to property, plant and equipment	(22,232)	(36,977)
Transfers to intangible assets	-	(1,167)
Expense of prior year capital costs	-	(9)
Carrying amount at 30 June	45,408	26,673

The increase in the carrying amount in 2014-15 mainly reflects further expenditure on additional accommodation projects at Mount Gambier Prison of \$16.6 million, the Northfield Infrastructure Upgrade Project of \$8.8 million and other DCS sites of \$9.2 million offset by the completion of additional accommodation projects as part of the Northfield Infrastructure Upgrade Project of \$8.8 million and other DCS sites totalling \$4 million.

23 Intangible assets

	2015 \$'000	2014 \$'000
Software Licences:		
Software licences	1,167	1,167
Accumulated amortisation	(419)	(170)
Total software licences	748	997

Reconciliation of intangible assets

The following table shows movement in intangible assets during 2014-15:

Carrying amount at 1 July	997	-
Transfers from capital works in progress	-	1,167
Amortisation	(249)	(170)
Carrying amount at 30 June	748	997

24 Biological assets

	2015 \$'000	2014 \$'000
Livestock	117	131
Olive Grove	90	90
Total biological assets	207	221

Department for Correctional Services
Notes to and forming part of the financial statements

24 Biological assets (continued)

Reconciliation of biological assets

The following table shows movement in biological assets during 2014-15:

	Livestock \$'000	Olive Grove \$'000	Total \$'000
Carrying amount at 1 July	131	90	221
Increases due to purchases	1	-	1
Gain (loss) arising from changes in fair value less estimated point-of-sale costs attributable to physical changes	22	-	22
Gain (loss) arising from changes in fair value less estimated point-of-sale costs attributable to price changes	(17)	-	(17)
Revaluation decrement	-	-	-
Decreases due to sales	(20)	-	(20)
Carrying amount at 30 June	117	90	207

The following table shows movement in biological assets during 2013-14:

	Livestock \$'000	Olive Grove \$'000	Total \$'000
Carrying amount at 1 July	100	90	190
Increases due to purchases	30	-	30
Gain (loss) arising from changes in fair value less estimated point-of-sale costs attributable to physical changes	(12)	-	(12)
Gain (loss) arising from changes in fair value less estimated point-of-sale costs attributable to price changes	31	-	31
Revaluation decrement	-	-	-
Decreases due to sales	(18)	-	(18)
Carrying amount at 30 June	131	90	221

Livestock

Currently there are 138 (157) cattle held at Cadell Training Centre and Port Lincoln Prison for the purpose of milk and meat production for internal use within the prison system. The cattle are at various stages of life. As at reporting date there are no commitments for the development or acquisition of livestock.

Financial risk is considered to be extremely low with any losses being absorbed in the year of exposure. No government grants have been issued in relation to the livestock.

Plants

The olive grove is situated on approximately 32 hectares of land at the Cadell Training Centre. The grove has been developed to produce commercially viable olive oil.

The citrus grove is situated on approximately 19 hectares of land at the Cadell Training Centre. The original plantation (13.21 hectares) has reached the end of its useful life. The current plantation comprises 6.23 hectares of existing trees that are currently non-productive.

Department for Correctional Services **Notes to and forming part of the financial statements**

25 Fair value measurement

Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or 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 at 30 June 2015.

The department had no valuations categorised into level 1.

Fair value measurements

Fair value measurements at 30 June 2015

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Buildings - specialised	-	369,085	369,085
Buildings - non-specialised	1,863	-	1,863
Land	63,351	-	63,351
Leasehold improvements	-	5,972	5,972
Plant and equipment	-	2,146	2,146
Biological assets	207	-	207
Total recurring fair value measurements	65,421	377,203	442,624

Fair value measurements at 30 June 2014

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Buildings - specialised	-	355,863	355,863
Buildings - non-specialised	1,953	-	1,953
Land	63,296	-	63,296
Leasehold improvements	-	6,975	6,975
Plant and equipment	-	1,758	1,758
Biological assets	221	-	221
Total recurring fair value measurements	65,470	364,596	430,066

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

Valuation techniques and inputs used to derive level 2 and 3 fair values are at note 2 and 21.

Unobservable inputs used in determining the fair value of plant and equipment and leasehold improvements are cost, useful lives and assessed condition as described in note 2 and 21.

Department for Correctional Services
Notes to and forming part of the financial statements

25 Fair value measurement (continued)

Reconciliation of recurring fair value measurements – (Level 3)

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3) during 2014-15:

	Specialised buildings	Leasehold improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	355,863	6,975	1,758	364,596
Acquisitions	13	-	81	94
Capitalised subsequent expenditure	21,614	5	613	22,232
Disposals	(411)	-	(7)	(418)
Gains/(losses) for the period recognised in net result:				
Depreciation and amortisation	(15,611)	(1,008)	(299)	(16,918)
	(15,611)	(1,008)	(299)	(16,918)
Gains/(losses) for the period recognised in other comprehensive income:				
Revaluation increment/decrement	7,617	-	-	7,617
	7,617	-	-	7,617
Carrying amount at 30 June	369,085	5,972	2,146	377,203

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3) during 2013-14:

	Specialised buildings	Leasehold improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	327,285	7,699	1,903	336,887
Acquisitions	-	-	86	86
Capitalised subsequent expenditure	36,478	283	143	36,904
Disposals	-	-	(46)	(46)
Gains/(losses) for the period recognised in net result:				
Depreciation and amortisation	(14,759)	(1,007)	(328)	(16,094)
	(14,759)	(1,007)	(328)	(16,094)
Gains/(losses) for the period recognised in other comprehensive income:				
Revaluation increment/decrement	6,859	-	-	6,859
	6,859	-	-	6,859
Carrying amount at 30 June	355,863	6,975	1,758	364,596

Department for Correctional Services
Notes to and forming part of the financial statements

26 Payables

	2015 \$'000	2014 \$'000
Current:		
Creditors ⁽¹⁾	12,338	6,899
Accruals	2,954	3,123
Employment on-costs	2,824	2,521
Paid Parental Leave Scheme payable	11	7
Total current payables	18,127	12,550
Non-Current:		
Employment on-costs	2,308	2,198
Total non-current payables	2,308	2,198
Total payables	20,435	14,748

(1) Creditors include \$5.9 million (\$3.5 million) for additional prisoner accommodation projects.

Based on an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has decreased from the 30 June 2014 percentage rate of 40% to 37% for 30 June 2015 and the average factor for the calculation of employer superannuation on-cost has remained at the 2014 rate of 10.3%. These rates are used in the employment on-cost calculation. The financial effect of the change in the percentage rate of the proportion of long service leave taken as leave on employment on-costs and employee benefit expense is immaterial.

Interest Rate and Credit risk

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

27 Employee benefits

	2015 \$'000	2014 \$'000
Current:		
Annual leave	10,360	9,663
Long service leave	2,918	2,435
Skills and experience retention leave	447	342
Accrued salaries and wages	1,604	1,236
Unclaimed salaries and wages	4	4
Total current employee benefits	15,333	13,680
Non-current:		
Annual leave	778	662
Long service leave	23,613	21,919
Skills and experience retention leave	287	220
Total non-current employee benefits	24,678	22,801
Total employee benefits	40,011	36,481

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

Department for Correctional Services

Notes to and forming part of the financial statements

27 Employee benefits (continued)

AASB 119 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 decreased from 2014 (3.5%) to 2015 (3%). A decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability.

The net financial effect of the changes in methodology and actuarial assumptions in the current financial year is an increase in the long service leave liability of \$892 000 and employee benefits expense of \$892 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability. The net financial effect of the changes in the current financial year is a decrease in the annual leave and skills, experience and retention leave liability of \$115,000 and employee benefit expense by \$115,000.

28 Provisions

	2015 \$'000	2014 \$'000
Current:		
Workers compensation - medical and other costs	2,184	2,381
Workers compensation - income maintenance	1,369	1,791
Total current provisions	3,553	4,172
Non-current:		
Workers compensation - medical and other costs	5,011	7,439
Workers compensation - income maintenance	3,029	3,973
Total non-current provisions	8,040	11,412
Total provisions	11,593	15,584
	2015 \$'000	2014 \$'000
Carrying amount as at 1 July	15,584	16,028
Workers compensation payments	(3,735)	(2,526)
(Decrease)/Increase in provision	(256)	2,082
Carrying amount at 30 June	11,593	15,584

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector of the Department of the Premier and Cabinet.

29 Equity

	2015 \$'000	2014 \$'000
Retained earnings	73,861	73,650
Prisoner Amenities Reserve	207	280
Revaluation surplus	281,342	273,590
Contributed Capital	89,189	60,793
Carrying amount at 30 June	444,599	408,313

Department for Correctional Services **Notes to and forming part of the financial statements**

29 Equity (continued)

The revaluation surplus is used to record increments and decrements on the revaluation of non-current assets to the extent that they offset one another.

The Prisoner Amenities Reserve reflects the funds available to purchase amenities, such as gym equipment, for the specific benefit and use of prisoners. Proceeds from the sale of canteen goods to prisoners net of the cost of certain direct expenses less any associated prisoner amenities expenditure incurred during the financial year is transferred to or from the reserve at year end.

Contributed capital received represents equity contribution from the SA Government under the *Appropriation Act* to fund the investing activities of the department.

Error correction

There are three prior period adjustments in 2014-15.

An adjustment of \$961 000 in payables relates to unprocessed payables that were incorrectly recognised in prior years. DCS is unable to determine the value of the error attributable to each prior financial year as a result this was corrected in 2014-15.

An adjustment of \$336 000 in employment on-costs relates to a payroll tax incorrectly accrued in July 2008. This was corrected in 2014-15 and comparatives restated.

An adjustment of \$12 000 in receivables relates to an invoice that was incorrectly reversed in May 2013. This was corrected in 2014-15 and comparatives restated.

30 Unrecognised contractual commitments

	2015	2014
	\$'000	\$'000
Contract service commitments		
Within one year	22,913	24,768
Later than one year but not later than five years	7,016	26,388
Total contract service commitments	29,929	51,156

The prisoner movement and in-court management contract expired on 31 July 2014. An 18 month contract extension was granted and is due to expire on 31 January 2016.

The home detention monitoring contract was renewed on 20 January 2014 for a three year period. The contract is due to expire on 19 January 2017.

The management of Mount Gambier Prison contract is effective from 1 December 2011 to 30 November 2016, a five year period.

The above contracts have provisions for termination by the Crown without penalty to the Crown. However, a termination for convenience by the Crown would attract variable payments and reimbursements specified in the contract depending on the circumstance and amount of the termination notice. The ongoing cancellable commitments (which have not been recognised as liabilities) are noted above.

The above figures:

- are subject to an escalation based on indices not yet published by the Australian Bureau of Statistics, and as a result are not adjusted for inflation and are based on 2014-15 prisoner populations.
- are exclusive of GST.

Department for Correctional Services **Notes to and forming part of the financial statements**

30 Unrecognised contractual commitments (continued)

<i>Expenditure commitments - remuneration</i>	2015	2014
Commitments for the payment of salaries and other remuneration under fixed term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:	\$'000	\$'000
Within one year	1,932	1,904
Later than one year but not later than five years	3,070	3,217
Total expenditure commitments - remuneration	5,002	5,121

Amounts disclosed include commitments arising from executive and other limited tenure employment contracts. The department does not offer fixed-term remuneration contracts greater than five years.

<i>Operating lease commitments</i>	2015	2014
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:	\$'000	\$'000
Within one year	5,135	4,837
Later than one year but not later than five years	14,689	12,313
Later than five years	2,980	4,666
Total operating lease commitments	22,804	21,816

The department's operating leases are for office accommodation and motor vehicles. Office accommodation is leased from Building Management - Accommodation and Property Services, a branch of the Department of Planning, Transport and Infrastructure. Motor vehicles are leased from SAFA through their agent Leaseplan Australia. The leases are non-cancellable and are payable monthly in advance.

31 Remuneration of board and committee members

Members that were entitled to receive remuneration for membership during the 2014-15 financial year were:

Parole Board of South Australia

Frances Nelson (Presiding Member)	Garth Dodd
Timothy Bourne (Deputy Presiding Member)	Denis Edmonds
Nora Bloor	Andrew Kyprianou (appointment commenced February 2015)
David Haebich	Janice Steinert (appointment ceased April 2015)
Janina Gipslis	Vanessa Swan* (appointment ceased February 2015)
Susan MacDonald*	

Serious Offender Committee

Vanessa Swan* (Chair) (appointment commenced January 2015)	Paul Taggart* (appointment commenced October 2014)
Scharlene Lamont*	Anthony James Shillabeer*
David Hugh Kerr	Naomi Oberscheidt* (appointment ceased August 2014)
Darren Lovegrove*	Jackie Bray* (Chair) (appointment ceased October 2014)
Hayley Mills*	Rachel McKay* (appointment ceased November 2014)
Sandra Russell*	Peter Ralph May* (appointment ceased October 2014)
Gaye Tonkin*	Victor Rigney* (appointment commenced May 2015)
Darian Shephard-Bayly*	Ryan Harber* (appointment commenced January 2015)
	Jane Farrin* (appointment commenced March 2015)

Department for Correctional Services

Notes to and forming part of the financial statements

31 Remuneration of board and committee members (continued)

DCS Audit and Risk Management Committee

Joe Ullianich (Chair)

Mike Reynolds*

Angela Gransden*

Jackie Bray* (appointment ceased May 2015)

Vanessa Swan* (appointment commenced May 2015)

Mark Mackie* (appointment ceased November 2014)

Jackie Casey* (appointment commenced November 2014)

DCS Advisory Council

Ian Shephard (Presiding Member)

Helena Jasinski

Kathryn Stone

Warren Dibben

Bernadette McAlary

Elizabeth A Bachmann

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

	2015	2014
	Number	Number
The number of members whose remuneration received/receivable falls within the following bands:		
\$0 - \$9 999	33	32
\$10 000 - \$19 999	1	1
\$20 000 - \$29 999	1	-
\$30 000 - \$39 999	3	4
\$40 000 - \$49 999	2	2
\$50 000 - \$59 999	-	1
\$60 000 - \$69 999	1	-
Total	41	40

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$302 000 (\$292 000).

Amounts paid to a superannuation plan for Board Members was \$26 000 (\$24 000).

The Department for Correctional Services Advisory Council did not sit during the reporting period pending abolishment. Board fees were not paid during this period.

In accordance with the *Correctional Services Act 1982* the department has established Community Service Advisory Committees within each region (Northern Metro, Northern Country and Southern Region) to formulate guidelines for the approval of projects and tasks suitable for the performance of community service by offenders and to perform other functions as directed by the Minister. The members are entitled to remuneration, however, the majority of members volunteer. The total remuneration received or receivable by Community Service Advisory Committee members was \$0 (\$0).

Transactions between members are on conditions no more favourable to the recipient 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.

Department for Correctional Services

Notes to and forming part of the financial statements

32 Contingent assets and liabilities

The department has a number of common law claims made against it by various claimants. The maximum exposure facing the department in respect of these claims is \$198 000 (\$253 000).

These contingent liabilities are not actual liabilities and have therefore not been included in the financial statements. They represent a potential financial obligation in circumstances which have been deemed to be possible but not probable.

33 Trust funds

The department holds prisoner monies in a trustee capacity. These monies are excluded from the financial statements as the department cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account:

	2015	2014
	\$'000	\$'000
Balance at 1 July	695	613
Prisoner monies receipts	7,436	6,848
Prisoner monies payments	(7,368)	(6,766)
Balance at 30 June	763	695

34 Cash flow reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash - cash at 30 June as per:		
Statement of Cash Flows	23,804	13,608
Statement of Financial Position	23,804	13,608

Reconciliation of net cash provided by operating activities to net cost of providing services:

Net cash provided by (used in) operating activities	23,033	11,055
less revenues from SA Government	(257,765)	(228,384)
Add payments to SA Government	3,059	2,425
Add/less non-cash items:		
Provision for doubtful debts	-	-
Net loss on disposal of assets	(265)	(44)
Depreciation and amortisation expense	(17,322)	(16,457)
Movements in assets and liabilities:		
Increase (decrease) in receivables	208	(165)
Increase (decrease) in inventories	64	(24)
Increase (decrease) in biological assets	(14)	31
(Increase) decrease in payables	(6,027)	(392)
(Increase) decrease in employee benefits	(3,530)	(2,841)
(Increase) decrease in provisions	3,991	444
Net cost of providing services	(254,568)	(234,352)

Department for Correctional Services

Notes to and forming part of the financial statements

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.

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	EXPENSES						
5	Employee benefits expenses	20,265	18,259	143,682	128,905	163,947	147,164
6	Supplies and services						
	Contracts	4	-	25,792	23,399	25,796	23,399
	Works and equipment costs	1,929	704	2,475	3,763	4,404	4,467
	Cost of goods sold - prison industries	-	-	3,460	1,711	3,460	1,711
	Cost of goods sold - canteen and kitchen sales	-	-	2,446	3,793	2,446	3,793
	Offender related costs	967	1,201	7,331	6,272	8,298	7,473
	Utilities	2,409	2,209	5,467	5,194	7,876	7,403
	Consultants	-	-	247	10	247	10
	Travel expenses	4	7	1,278	1,028	1,282	1,035
	IT costs	3,423	3,821	592	600	4,015	4,421
	Workers compensation	518	528	(1,890)	1,704	(1,372)	2,232
	Staff related costs	100	104	1,529	1,522	1,629	1,626
	Contracted staff	-	-	936	384	936	384
	Shared Services SA processing charges	2,212	2,132	-	-	2,212	2,132
	Insurance charges	1,302	1,249	4	1	1,306	1,250
	WHS expenses	14	2	221	271	235	273
	Materials and consumables	-	-	512	618	512	618
	Board and committee fees	-	-	276	268	276	268
	Sundry other expenses	600	494	5,090	3,606	5,690	4,100
7	Depreciation and amortisation expense	-	-	17,322	16,457	17,322	16,457
N/A	Payments to prisoners	-	-	3,092	2,935	3,092	2,935
N/A	Accommodation and associated lease costs	9,343	8,836	1,240	1,259	10,583	10,095
8	Grants	-	-	611	564	611	564

Department for Correctional Services

Notes to and forming part of the financial statements

35 Transactions with SA Government (continued)

	Note		SA Government		Non-SA Government		Total	
			2015	2014	2015	2014	2015	2014
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
9		Net loss from disposal of non-current assets	-	-	265	44	265	44
10		Other Expenses						
		Bad debts expense	-	-	1	-	1	-
		Bank charges	-	-	22	24	22	24
		Fringe benefits tax	-	-	361	284	361	284
		Other	28	8	268	224	296	232
17		Payments to SA Government	3,059	2,425	-	-	3,059	2,425
		TOTAL EXPENSES	46,177	41,979	222,630	204,840	268,807	246,819
		INCOME						
12		Prison labour	2	-	2,679	1,128	2,681	1,128
N/A		Salaries and goods and services recoups	1,635	961	836	731	2,471	1,692
N/A		Interest	-	-	1	1	1	1
13		Commonwealth revenues	-	-	667	514	667	514
14		Canteen and kitchen sales	-	-	2,536	3,934	2,536	3,934
15		Resources received free of charge	451	-	-	-	451	-
16		Other income						
		Grants received	421	876	-	-	421	876
		Revenue from recoveries	43	6	152	242	195	248
		Internally generated assets	251	284	-	-	251	284
		Prisoner telephone receipts	-	-	1,383	1,204	1,383	1,204
		Net revaluation increment (decrement) from valuation of Biological Assets						
		Other	-	-	-	-	-	-
17		Revenues from SA Government	257,765	228,384	123	161	123	161
		TOTAL INCOME	260,568	230,511	8,377	7,915	268,945	238,426

Department for Correctional Services
Notes to and forming part of the financial statements

35 Transactions with SA Government (continued)

Note		SA Government		Non-SA Government		Total	
		2015	2014	2015	2014	2015	2014
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
19	FINANCIAL ASSETS						
	Receivables						
	Receivables	257	267	386	475	643	742
	Accrued revenue	53	8	29	53	82	61
	GST receivable	-	-	2,055	1,783	2,055	1,783
	Prepayments - other	-	-	14	-	14	-
	TOTAL FINANCIAL ASSETS	310	275	2,484	2,311	2,794	2,586
26	FINANCIAL LIABILITIES						
	Payables						
	Creditors	8,631	3,807	3,707	3,428	12,338	7,235
	Accruals	1,571	1,585	1,383	1,538	2,954	3,123
	Employment on-costs	5,132	4,383	-	-	5,132	4,383
	Paid Parental Leave Scheme payable	-	-	11	7	11	7
	TOTAL FINANCIAL LIABILITIES	15,334	9,775	5,101	4,973	20,435	14,748

Department for Correctional Services
Notes to and forming part of the financial statements

36 Budgetary reporting and explanations of major variances between budget and actual amounts

		Original budget ⁽¹⁾	Actual	Variance
		2015	2015	
		\$'000	\$'000	\$'000
Statement of Comprehensive Income	Note			
Expenses				
Employee benefit expenses	(a)	143,364	163,947	20,583
Supplies and services		76,905	69,248	(7,657)
Depreciation and amortisation expense		17,457	17,322	(135)
Payments to prisoners		2,760	3,092	332
Accommodation and associated lease costs		6,764	10,583	3,819
Grants		732	611	(121)
Net loss from disposal of non-current assets		-	265	265
Other expenses		331	680	349
Total expenses		248,313	265,748	17,435
Income				
Prison labour		1,683	2,681	998
Salaries and goods and services recoups		1,673	2,471	798
Interest revenues		-	1	1
Commonwealth revenue		-	667	667
Canteen and kitchen sales		4,094	2,536	(1,558)
Resources received free of charge		-	451	451
Other income		1,451	2,373	922
Total income		8,901	11,180	2,279
Net cost of providing services		239,412	254,568	15,156
Revenues from (Payments To) SA government				
Revenues from SA Government		239,412	257,765	18,353
Payments to SA Government		-	(3,059)	(3,059)
Net Result		-	138	138
Other comprehensive income				
<i>Items that will not be reclassified to net results</i>				
Changes in revaluation surplus		-	7,752	7,752
Total other comprehensive income		-	7,752	7,752
TOTAL COMPREHENSIVE RESULT		-	7,890	7,890

(1) 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 (2014-15 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.

Department for Correctional Services

Notes to and forming part of the financial statements

36 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.

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

(a) The over expenditure of \$20.6 million in Employee Benefits Expenses comprises the following:

- \$10.8 million associated with unplanned activities of which \$7 million relates to unfunded additional prisoner accommodation operating costs and \$819 000 in relation to the recruitment of additional trainee correctional officers.
- \$3.6 million relates to expenditure associated with operating costs for an additional 117 beds.
- \$1.8 million in leave revaluations.
- \$1 million relating to EB related supplementation.

	Original budget ⁽¹⁾	Actual	Variance
	2015 \$'000	2015 \$'000	\$'000
Investing expenditure summary	Note		
Total new projects	6,700	6,555	(145)
Total existing projects	(b) 41,470	28,727	(12,743)
Total annual programs	(c) 2,621	5,779	3,158
Total investing expenditure	50,791	41,061	(9,730)

(1) These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

(b) Total investing expenditure was lower than the original budget largely due to delays in the Northfield Infrastructure Upgrade and Mobilong Prison Security System Upgrade due to additional design changes required.

(c) Total annual programs expenditure was higher than the original budget largely due an additional 40 permanent beds being added.

37 Financial risk management/Financial instruments

Financial risk management

Risk management is managed by the department's corporate services section and departmental risk management policies are in accordance with the 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 is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

(a) 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 2.

Department for Correctional Services **Notes to and forming part of the financial statements**

37 Financial risk management/Financial instruments (continued)

A separate table for the categorisation of financial assets and liabilities has not been included. Refer to note 18 for Cash and Cash Equivalents, note 19 for Receivables and note 26 for Payables. Prepayments, accrued revenue and statutory receivables and payables such as GST receivable, Paid Parental Leave payable and employment on-costs do not qualify as financial assets and liabilities.

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 2.

(b) Fair value

The department does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these. Refer to notes 2, 19 and 26.

(c) Credit risk

Credit risk arises when there is the possibility of the department's debtors defaulting on their contractual obligations resulting in financial loss to the department. The department measures credit risk on a fair value basis and monitors risk on a regular basis.

The department has minimal concentration of credit 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.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Currently the department does not hold any collateral as security to any of its financial assets.

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

	Not past due and not impaired \$'000	Past due by			Total \$'000
		Overdue for less than 30 days \$'000	Overdue for 30-60 days \$'000	Overdue for more than 60 days \$'000	
2015					
Not impaired: Receivables	334	80	46	72	532
Impaired: Receivables	-	-	-	4	4
2014					
Not impaired: Receivables	538	50	25	34	647
Impaired: Receivables	-	-	-	5	5

(d) Maturity analysis

All non-statutory receivables and payables are expected to be settled within 12 months.

Department for Correctional Services

Notes to and forming part of the financial statements

37 Financial risk management/Financial instruments (continued)

(e) Liquidity Risk

Liquidity risk arises from the possibility that the department is unable to meet its financial obligations as they fall due to be settled. The continued existence of the department is dependent on State Government policy and on continuing appropriations by Parliament for the department's administration and programs. The Department settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution. The Department's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

(f) Market risk

Market risk for the department is primarily through interest rate risk. The department currently holds no interest bearing financial instruments and is not exposed to any market risk.

38 Disclosure of administered items

	2015 \$'000	2014 \$'000
Administered income:		
Revenues from Victims of Crime levy	173	139
Mobilong Inmate Charity Fund	1	2
Revenues from SA Government	297	74
Total administered income	471	215
Administered expenses:		
Victims of Crime levy payments	174	139
Mobilong Inmate Charity Fund	1	6
Employee benefit expense	297	74
Total administered expenses	472	219
Net result	(1)	(4)
Administered current assets:		
Cash	14	15
Receivables	25	25
Total administered assets	39	40
Administered current liabilities		
Victims of Crime levy payables	13	9
Minister's Salary payable	25	25
Total administered liabilities	38	34
Net administered assets	1	6
Administered equity		
Retained earnings	5	6
Total administered equity	5	6
Changes in equity		
Balance at 1 July	6	10
Net result	(1)	(4)
Balance at 30 June	5	6

Department for Correctional Services
Notes to and forming part of the financial statements

38 Disclosure of administered items (continued)

	2015 Inflows (Outflows) \$'000	2014 Inflows (Outflows) \$'000
Cash flows from operating activities:		
Cash inflows:		
Victims of Crime levy	173	139
Mobilong Inmate Charity Fund	1	2
Revenues from SA Government	297	49
Total administered income	471	190
Cash outflows:		
Victims of Crime levy payments	(174)	(139)
Mobilong Inmate Charity Fund	(1)	(6)
Employee benefit expense	(297)	(49)
Total administered expenses	(472)	(194)
Net cash inflows (outflows) from operating activities	(1)	(4)
Net increase (decrease) in cash	(1)	(4)
Cash at 1 July	15	19
Cash at 30 June	14	15

The department administers but does not control certain resources on behalf of the Attorney-General (Victims of Crime Levy), the Mobilong Inmate Charity Fund and Appropriations from Special Acts for the Minister's salary. It is accountable for the transactions involving these administered resources but does not have the discretion to deploy these resources for the achievement of the department's objectives. Transactions and balances relating to these administered resources are not recognised as departmental income, expenses, cash inflows or cash outflows, assets or liabilities, but are recognised as administered income, expenses, cash inflows, cash outflows, assets or liabilities.

Department for Correctional Services
Notes to and forming part of the financial statements

39 Administered Budgetary Reporting

		Original budget (1) 2015 \$'000	Actual 2015 \$'000	Variance 2015 \$'000
EXPENSES:	Note			
Employee benefit expenses		297	297	-
Total expense		297	297	-
INCOME:				
Total income		-	-	-
NET COST OF PROVIDING SERVICES		297	297	-
REVENUES FROM (PAYMENTS TO) SA GOVERNMENT:				
Revenue from SA Government		297	297	-
Payment to SA Government		-	-	-
NET RESULT		-	-	-
OTHER COMPREHENSIVE INCOME:				
<i>Items that will not be reclassified to net result</i>				
Changes in revaluation surplus		-	-	-
TOTAL COMPREHENSIVE RESULT		-	-	-

(1) 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 (2014-15 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.

Department for Correctional Services
Certification of the Financial Statements
For the year ended 30 June 2015

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the department for Correctional Services:

- 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; and
- present a true and fair view of the financial position of the Department for Correctional Services as at 30 June 2015 and the results of its operation and cash flows for the financial year.

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



David Brown
Chief Executive

| September 2015



Chris Sexton
Executive Director
Business & Information Services

/ September 2015



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To the Chief Executive The Department for Correctional Services

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department for Correctional Services for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Executive Director, Business and Information Services.

The Chief Executive's Responsibility 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 promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

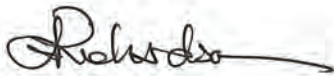
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Department for Correctional Services as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

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

Andrew Richardson
Auditor-General
3 September 2015

Courts Administration Authority

Financial report
for the year ended
30 June 2015

Courts Administration Authority

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$'000	2014 \$'000
Expenses			
Employee benefits expenses	5	50,324	52,657
Supplies and services	6	33,718	34,251
Depreciation and amortisation expense	7	8,745	8,715
Borrowing costs	8	788	858
Net loss from disposal of non-current assets	11	19	-
Other expenses	9	1,640	721
Total Expenses		95,234	97,202
Income			
Revenues from fees and charges	12	3,088	5,046
Sale of goods and services	13	849	671
Grants and transfers	14	839	473
Resources received free of charge	15	78	-
Total Income		4,854	6,190
Net cost of providing services		90,380	91,012
Revenues from SA Government			
Revenues from SA Government	16	98,135	91,801
Net Result		7,755	789
Other Comprehensive Income			
<i>Item that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		973	5,561
Total other comprehensive income		973	5,561
Total comprehensive result		8,728	6,350

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.

Courts Administration Authority

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	Note	2015 \$'000	2014 \$'000
CURRENT ASSETS			
Cash and cash equivalents	17	50,976	36,942
Receivables	18	1,180	1,619
Total Current Assets		52,156	38,561
NON-CURRENT ASSETS			
Property, plant and equipment	19, 20	208,434	212,810
Intangible assets	21	216	176
Other assets		7	33
Total Non-Current Assets		208,657	213,019
Total Assets		260,813	251,580
CURRENT LIABILITIES			
Payables	23	2,934	3,130
Financial liabilities	27	1,360	1,286
Employee benefits	24	4,400	4,084
Provisions	25	459	381
Other liabilities	26	371	435
Total Current Liabilities		9,524	9,316
NON-CURRENT LIABILITIES			
Payables	23	859	780
Financial liabilities	27	11,987	13,347
Employee benefits	24	9,379	8,225
Provisions	25	1,826	1,402
Total Non-Current Liabilities		24,051	23,754
Total Liabilities		33,575	33,070
NET ASSETS		227,238	218,510
EQUITY			
Contributed capital		3,140	3,140
Retained earnings		91,661	83,906
Asset Revaluation Surplus		132,437	131,464
TOTAL EQUITY		227,238	218,510

The Total Equity is attributable to the SA Government as owner

Unrecognised contractual commitments 28

Contingent assets and liabilities 29

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

Courts Administration Authority

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 30 June 2013		3,140	125,903	83,127	212,170
Net result for 2013 - 2014		-	-	789	789
Gain on revaluation of land and buildings during 2013-14	20	-	5,561	-	5,561
Total comprehensive result for 2013-2014		-	5,561	789	6,350
Net assets transferred as a result of an administrative restructure	30	-	-	(10)	(10)
Balance at 30 June 2014		3,140	131,464	83,906	218,510
Net result for 2014 - 2015		-	-	7,755	7,755
Gain on revaluation of library collections during 2014-15	20	-	973	-	973
Total comprehensive result for 2014-2015		-	973	7,755	8,728
Balance at 30 June 2015		3,140	132,437	91,661	227,238

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

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

Courts Administration Authority

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Outflows			
Employee benefits payments		(48,734)	(53,435)
Payments for supplies and services		(37,683)	(39,169)
Payments for paid parental leave scheme		(128)	(131)
Borrowing costs		(788)	(858)
Other payments		(1,082)	(498)
Cash used in operations		(88,415)	(94,091)
Cash Inflows			
Grants and transfers		866	473
Fees and charges		4,426	5,613
GST recovered from the ATO		3,392	3,656
Receipts for paid parental leave scheme		122	125
Cash generated from operations		8,806	9,867
Cash Flows from SA Government			
Receipts from SA Government		98,135	91,801
Cash generated from SA Government		98,135	91,801
Net cash provided by operating activities	32	18,526	7,577
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Outflows			
Purchase of intangibles		(101)	(72)
Purchase of property, plant and equipment		(3,105)	(3,843)
Cash used in investing activities		(3,206)	(3,915)
Net cash used in investing activities		(3,206)	(3,915)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows			
Repayment of finance lease		(1,286)	(1,216)
Cash used in financing activities		(1,286)	(1,216)
Net cash used in financing activities		(1,286)	(1,216)
Net Increase in cash and cash equivalents		14,034	2,446
Cash and cash equivalents at the beginning of the financial year		36,942	34,496
Cash and cash equivalents at the end of the financial year	17	50,976	36,942

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

Courts Administration Authority

DISAGGREGATED DISCLOSURES - EXPENSES AND INCOME

For the year ended 30 June 2015

	Activity 1		Activity 2		Activity 3		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Expenses								
Employee benefits expenses	47,695	44,671	2,629	2,553	-	5,433	50,324	52,657
Supplies and services	32,988	29,019	730	685	-	4,547	33,718	34,251
Depreciation and amortisation expense	8,675	7,819	70	60	-	836	8,745	8,715
Borrowing costs	788	853	-	-	-	5	788	858
Net loss from disposal of non-current assets	19	-	-	-	-	-	19	-
Other expenses	1,566	610	74	27	-	84	1,640	721
Total expenses	91,731	82,972	3,503	3,325	-	10,905	95,234	97,202
Income								
Revenues from fees and charges	3,088	1,205	-	-	-	3,841	3,088	5,046
Sale of goods and services	849	645	-	-	-	26	849	671
Grants and transfers	839	473	-	-	-	-	839	473
Resources received free of charge	78	-	-	-	-	-	78	-
Total income	4,854	2,323	-	-	-	3,867	4,854	6,190
Net cost of providing services	86,877	80,649	3,503	3,325	-	7,038	90,380	91,012
Revenues from/Payments to SA Government								
Revenues from SA Government	94,502	81,351	3,633	3,352	-	7,098	98,135	91,801
Net and Total Comprehensive Result	7,625	702	130	27	-	60	7,755	789

Courts Administration Authority

DISAGGREGATED DISCLOSURES - ASSETS AND LIABILITIES

As at 30 June 2015

	Activity 1		Activity 2		Activity 3		General/not attributable		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets										
Cash and cash equivalents	-	-	-	-	-	-	50,976	36,942	50,976	36,942
Receivables	1,180	1,617	-	-	-	2	-	-	1,180	1,619
Property, plant and equipment	202,181	207,195	6,253	5,476	-	139	-	-	208,434	212,810
Intangible assets	210	171	6	5	-	-	-	-	216	176
Other assets	7	32	-	1	-	-	-	-	7	33
Total assets	203,578	209,015	6,259	5,482	-	141	50,976	36,942	260,813	251,580
Liabilities										
Payables	3,717	3,706	76	79	-	125	-	-	3,793	3,910
Financial liabilities	13,347	14,573	-	-	-	60	-	-	13,347	14,633
Employee benefits	13,090	11,588	689	597	-	124	-	-	13,779	12,309
Provisions	2,239	1,722	46	40	-	21	-	-	2,285	1,783
Other liabilities	371	434	-	-	-	1	-	-	371	435
Total liabilities	32,764	32,023	811	716	-	331	-	-	33,575	33,070

Courts Administration Authority

Notes to and forming part of the financial statements

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Courts Administration Authority

Notes to and forming part of the financial statements

Note 1 Objectives of the Courts Administration Authority

The State Courts Administration Council (Council), the State Courts Administrator and staff of the Council are collectively referred to as the Courts Administration Authority (Authority).

The Council was established by the Courts Administration Act 1993 (Act) as a statutory authority independent of control by executive government. The Act confers on Council power to provide courts with the administrative facilities and services necessary for the proper administration of justice.

The Authority is overseen by the Council and reports on behalf of the Council.

The Authority's principal objective is to provide quality administration to the Judiciary and to ensure an effective and accessible courts system.

The major priorities of the Authority and the Council are to:

- provide administrative support to the courts of this state;
- foster an environment in which judicial officers, staff and volunteers can contribute to improved performance of the courts system;
- co-operate with other parts of the justice system to improve access to justice and the overall performance of the justice system;
- improve court facilities;
- keep up to date with technological developments and apply those that are appropriate to improve the performance of the courts system; and
- increase the community's understanding of the operations of the courts and provide new avenues for community comment on the operations of the courts and their registries.

The continued existence of the Authority is dependent on State Government policy and on continuing appropriations by Parliament in order to fund the Authority's net cost of providing services.

Note 2 Summary of significant accounting policies

a) Statement of compliance

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

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

Except for AASB 2015-7 which the Authority has early adopted, 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 reporting period ended 30 June 2015 (refer note 3).

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - b) expenses incurred as a result of engaging consultants;
 - c) employee targeted voluntary separation package information;
 - d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Authority's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Statement of Cash Flows has been prepared on a cash basis.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2015 and the comparative information presented.

c) Reporting entity

The Authority, comprised of the Council, State Courts Administrator and the staff of the Council under the *Courts Administration Act 1993*, is the reporting entity.

The Authority is the mechanism via which the Council discharges its financial obligations. Therefore all reporting is undertaken in the name of the Authority.

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

The Authority does not control any other entity and has no interests in unconsolidated structured entities.

The Authority has not entered into any contractual arrangements which involve the control or significant influence over another entity.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

c) Reporting entity (contd.)

Transactions and balances relating to administered resources are not recognised as Authority's income, expenses, assets and liabilities. As administered items are significant in relation to the Authority's overall financial performance and position, they are disclosed in the administered financial statements at the back of the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the controlled items.

d) Transferred functions

The *Public Sector (Reorganisation of Public Sector Operations) Notice 2013* (dated 30 January 2014) declared that the management of penalties imposed in the criminal jurisdiction transferred from the Authority to the Fines Enforcement and Recovery Unit in the Attorney-General's Department, effective 3 February 2014 (refer to note 30).

e) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2014-15 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 budget process is not subject to audit.

f) Comparative information

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

Where 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 impractical.

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

g) Rounding

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

h) Taxation

The Authority is not subject to income tax. The Authority is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rate equivalents.

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, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office 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 Australian Taxation Office is classified as part of operating cash flows.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

h) Taxation (contd.)

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

i) Events after the reporting period

There were no events occurring after balance date.

j) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Authority will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Fees and charges

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

The Authority performs activities on behalf of the Government and other Government agencies and reports these in the Administered Financial Statements. Court fees are recognised at the time cash is received due to the uncertainty of amounts to be collected. Transcript fees are recognised upon delivery of the service. Fines income from infringements issued to offenders and Victims of Crime levies collected on behalf of the Attorney-General subsequent to 3 February 2014 are recognised at the time cash is received and reported as income in the Administered Financial Statements.

Recovery from other SA Government agencies for witness fees paid is included in other income when the witness fee expense is paid.

Sale of goods and services

Revenues from sales of goods and services are derived from the provision of goods and recouping of services to other SA government agencies and to the public.

Contributions received (grants and transfers)

Contributions are recognised as an asset and income when the Authority obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Generally, the Authority has obtained control or the right to receive for:

- contributions with unconditional stipulations - this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

The majority of contributions received by the Authority have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

j) Income (contd.)

Resources received free of charge

Resources received free of charge are recorded as revenue in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Revenues from SA Government

Appropriations for activity funding are recognised as revenues when the Authority 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 Authority and the appropriation is recorded as contributed equity.

k) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Authority will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Authority to the superannuation plan in respect of current services of current staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole-of-government financial statements.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

k) Expenses (contd.)

Depreciation and amortisation

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. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

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.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land, non-current assets held for sale and works of art are not depreciated. The Authority does not depreciate the works of art because it believes that works of art do not diminish in value over time.

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

Class of asset	Useful life (years)
Buildings and Improvements	5 – 54
Building under finance lease	Life of lease
Leasehold improvements	Life of lease
Computing and office furniture and equipment	3 – 25
Library collections	5 – 25
Intangibles	3 – 7

Borrowing costs

All borrowing costs are recognised as expenses.

Disposal of non-current assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and has been determined by comparing proceeds with the carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Losses on disposal of equipment 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.

Payments to SA Government

Payments to the SA Government include proceeds from the sale of assets, court fees and expiation fees received on behalf of the Government and paid directly to the Consolidated Account.

The Authority makes payments pursuant to the *Remuneration Act 1990* to members of the judiciary and receives reimbursement for these and other expenses paid on behalf of other agencies. It is dependent on support from the Crown to meet accruing judicial entitlement obligations recognised in the financial statements.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

l) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date 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 Authority has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

m) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Authority will not be able to collect the debt. Bad debts are written off when identified.

Non-current assets

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 restructuring of administrative arrangements then the assets are recorded at the value recorded by the transferor prior to the restructure.

All non-current tangible assets with a value equal to or in excess of \$5,000 are capitalised. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

m) Assets (contd.)

Non-current assets (contd.)

Revaluation of non-current assets

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

Every three years, the Authority revalues its land, buildings and improvements and library collections internally with the exception of the Authority's finance lease relating to the Sir Samuel Way building, via internal estimates based on indices or recent transactions. A valuation appraisal by an independent Certified Practising Valuer is performed at least every six years.

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

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value. Refer to note 19.

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

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 de-recognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective revaluation surplus.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance and is measured at cost. The majority of intangible assets of the Authority is software. 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 are reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5,000.

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

Subsequent expenditure on intangible assets has not been capitalised. This is because the Authority has been unable to attribute this expenditure to the intangible asset rather than to the Authority as a whole.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

m) Assets (contd.)

Fair value measurement

AASB 13 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 Authority classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:-

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

The valuation processes and fair value changes are reviewed by the Director, Corporate Services and Audit Committee at each reporting date.

Non-financial assets

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

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

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

Refer note 19 and 22 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets/liabilities

The Authority does not recognise any financial assets or financial liabilities at fair value.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

n) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Payables

Payables include creditors, accrued expenses, GST payable, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received prior to 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 Authority.

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 received.

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

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefits on-costs include payroll tax, WorkCover levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

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 balance date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

Financial liabilities

The Authority measures financial liabilities at historical cost.

Leases

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

The Authority has entered into finance leases and operating leases.

Finance leases

Finance leases, which transfer to the Authority substantially all the risks and benefits/rewards incidental to ownership of the leased assets, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Minimum lease payments are allocated, between interest expense/borrowing costs and reduction of the lease liability, to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Where there is no reasonable assurance that the Authority will obtain ownership of the capitalised asset at the end of the lease term, the asset is amortised over the shorter of the lease term and its useful life.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

n) Liabilities (contd.)

Operating leases – The Authority as Lessee

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.

Courts premises in four country centres are provided by a Public Private Partnership arrangement between the State and Plenary Justice Pty Ltd. It is accounted for as an operating lease. As the arrangement is for a 25 year period from 2005 the Authority has a substantial future commitment for servicing costs but has no right to obtain ownership.

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

Operating leases – The Authority as Lessor

The Authority leases commercial spaces to external parties through operating leases. Income derived from these leases is recognised as rental recovery income in the Statement of Comprehensive Income in the period in which it is earned.

Employee Benefits

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 SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. Where annual leave liability is expected to be payable later than 12 months, the liability is measured at present value.

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.

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. 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.

The long service leave liability has been allocated between current and non-current liabilities using the average leave pattern history of previous years.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 2 Summary of significant accounting policies

n) Liabilities (contd.)

Provisions

Provisions are recognised when the Authority has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Authority expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2015 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Authority is responsible for the payment of workers compensation claims.

o) Unrecognised contractual commitments and contingent assets and liabilities

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

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.

Note 3 New and revised accounting standards and policies

In accordance with the new AASB 1055 Budgetary Reporting, which became effective for the first time in 2014-15, the Authority has:

- included a comprehensive new note 'Budgetary reporting and explanations of major variances' (notes 34 and A12). These notes disclose, in respect of the Statement of Comprehensive Income for both controlled and administered amounts and Investing Expenditure Summary for controlled amounts:
 - the Authority's original budget as published in Budget Paper 4;
 - a comparison of the original budget information to actual results; and
 - explanations of major variances.

In accordance with the new AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements, which became effective for the first time in 2014-15, the Authority has reviewed its control assessments (ie the Authority's involvement with the entity; protective and substantive rights; ability to direct major relevant activities etc) in accordance with AASB 10 and its classification assessments in accordance with AASB 11 and has concluded that there is no impact.

The Authority does not currently control another entity and does not have any joint arrangements within the scope of AASB 11. The Authority will continue to review its involvement and arrangements with entities it is connected with to determine the impact of AASB 10 and 11 for future years.

Except for AASB 2015-7 which the Authority has early adopted, 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 ended 30 June 2015. The Authority has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Authority.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 4 Activities of the Authority

In achieving its objectives, the Authority provides a range of services classified into the following activities:

Activity 1: Court and Tribunal Case Resolution Services

It consists of the resolution of criminal, civil, appellate, coronial and probate matters in the State's courts and tribunals. The resolution of criminal and civil matters now includes the retained resources from Activity 3 subsequent to the transfer of Fines Payment Unit functions to the Fines Enforcement and Recovery Unit in the Attorney-General's Department from 3 February 2014.

Activity 2: Alternative Dispute Resolution Services

Services for resolving disputes between citizens, and disputes between citizens and the State; as well as the education, training, information and advice processes, which aim to prevent disputes.

Activity 3: Penalty Management Services

Penalty management services in the criminal jurisdiction have been transferred to the Attorney-General's Department from 3 February 2014. The remaining functions under this program have been transferred to Activity 1 on that day.

General/Not attributable: Certain items of the Authority are not allocated to activities.

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2015 and 30 June 2014.

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 5: Employee benefits expenses		
Salaries and wages	37,142	39,345
TVSPs (refer below)	-	481
LSL	2,366	1,398
Annual leave	3,588	3,921
SERL	240	185
Employment on-costs - superannuation	4,501	4,707
Employment on-costs - payroll tax	2,356	2,454
Board and committee fees	47	53
Workers compensation	13	17
Other employee related expenses	71	96
Total employee benefits expenses	50,324	52,657
TVSPs		
Amount paid during the reporting period to separated employees:	\$'000	\$'000
TVSPs	-	481
Annual leave, LSL and SERL paid to those employees	-	125
	-	606
Recovery from the Department of Treasury and Finance *	-	-
Net cost to the Authority	-	606

The number of employees who received a TVSP during 2015 was nil (2014 - 6).

* Recovery of annual leave, LSL and SERL (\$125k) and TVSPs (\$481k) paid to employees in last financial year was transferred from the Accrual Appropriation Excess Funds Account into the operating cash account and through Appropriation respectively during 2014-15.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 5: Employee benefits expenses (contd.)

Remuneration of employees	2015	2014
The number of employees whose remuneration received or receivable falls within the following bands:		
\$141 500 to \$151 499 *	4	7
\$151 500 to \$161 499	2	-
\$161 500 to \$171 499 *	-	2
\$171 500 to \$181 499	1	-
\$181 500 to \$191 499	1	-
\$191 500 to \$201 499	-	1
\$201 500 to \$211 499	-	1
\$211 500 to \$221 499	-	1
\$231 500 to \$241 499	-	2
\$241 500 to \$251 499	-	1
\$251 500 to \$261 499	2	-
\$261 500 to \$271 499	-	1
\$311 500 to \$321 499 *	-	1
Total	10	17

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013).

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$1.8 million (\$3.3 million).

* Included in 2013-14 were the number of employees on TVSP payments and termination payout.

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 6: Supplies and Services		
Accommodation and services	13,541	14,144
Circuit and Travel expenses	1,012	1,004
Computing and communications *	5,581	5,655
Consultancy, contractors and temp staff	1,901	1,249
Court expenses	1,317	1,247
Operating leases	225	237
Staff development and training	477	409
Equipment purchases and repairs	393	275
Coronial Charges	4,100	3,923
Jurors' expenses	1,872	1,642
Sheriff's Officer Payments	967	1,096
Other administration expenses	2,332	3,370
Total supplies and services	33,718	34,251

* Includes \$78 000 resources received free of charge which are expensed. Refer note 15.

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

	2015		2014	
	No	\$'000	No	\$'000
Below \$10 000	4	14	2	4
Above \$10 000	2	49	2	53
Total paid/payable to the consultants engaged	6	63	4	57

Note 7: Depreciation and Amortisation Expense

Depreciation		
Buildings and Improvements	4,141	3,675
Computing and office furniture & equipment	1,312	1,203
Library collections	1,773	1,611
Total Depreciation	7,226	6,489

Amortisation		
Leasehold improvements	628	1,336
Building under Finance lease	830	830
Intangibles	61	60
Total Amortisation	1,519	2,226
Total depreciation and amortisation	8,745	8,715

Revision of accounting estimates

During the year, the Authority reassessed the useful lives of certain computing equipment, resulting in an increase in the estimated useful life.

This has resulted in a decrease of \$18 000 in the amount of depreciation calculated on these assets in the 2014-15 financial year relative to the amount that would have been expensed based on the previous estimate of the useful life.

The lower depreciation expense on these assets will also be reflected in future years.

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 8: Borrowing costs		
Interest paid/payable on short-term and long-term borrowings		
Finance lease costs	788	858
Total borrowing costs	788	858

The Authority occupies the Sir Samuel Way building under a 40 year non-cancellable finance lease which expires in 2023.

The nominal interest rate on the lease was at 5.63% (2014 - 5.63%).

The Authority is responsible for all maintenance costs and paid a contingent rental of \$4,352,000 (2014 - \$4,168,000) which will increase each year by the amount obtained by applying the rate of CPI increase in the previous year to the combined total of the previous year's rental and finance lease repayments.

Note 9: Other Expenses		
Workers compensation	1,401	383
Audit fees	238	338
Doubtful debts	1	-
Total other expenses	1,640	721

Note 10: Auditor's Remuneration

Audit fees paid / payable to the Auditor-General's Department relating to the audit of the financial statements

	126	135
Total audit fees	126	135

No other services were provided by the Auditor-General's Department.

Auditor's remuneration costs are recognised in the Statement of Comprehensive income (refer to note 9).

Note 11: Net loss from disposal of non-current assets

Proceeds from disposal of assets	-	-
Less: Carrying value of assets disposed	19	-
Total loss from the disposal of non-current assets	19	-

Note 12: Revenues from Fees and Charges

Licence disqualification and reminder fees	-	1,906
Sheriff's officer fees	2,047	2,135
Other regulatory fees	1,041	1,005
Total Revenues from Fees and Charges	3,088	5,046

The management of penalties imposed in the criminal jurisdiction has been transferred to another agency during 2014, resulting in nil licence disqualification and reminder fees recorded for current reporting period. Refer to note 30.

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 13: Sale of Goods and Services		
Sale of electronic information	286	275
Rent recoveries	401	290
Recoup of services and others	162	106
Total sales of goods and services	849	671

Note 14: Grants and transfers

Industrial Court - Sheriff's officer services	62	61
Fines Enforcement Recovery Unit transfers	763	412
Others	14	-
Total grants and transfers	839	473

Note 15: Resources received free of charge

Goods received free of charge	78	-
Total Resources received free of charge	78	-

The Authority received certain radio pagers free of charge from another agency within the SA Government during 2015. Refer to note 6.

Note 16: Revenues from SA Government

Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	92,158	89,348
Transfers from contingency provisions	177	115
Appropriations from the Governor's Appropriation Fund	5,800	2,338
Total revenues from SA Government	98,135	91,801

Total revenues from Government consist of \$89.3million (\$86.1million) for operational funding and \$2.8million (\$3.2million) for capital projects. For details on the expenditure associated with the operational funding and capital funding received refer notes 5 to 10. There were no material variations between the amount appropriated and the expenditure associated with this appropriation.

Courts Administration Authority

Notes to and forming part of the financial statements

	2015 \$'000	2014 \$'000
Note 17: Cash and cash equivalents		
Deposits with the Treasurer	50,943	36,908
Cash on hand	33	34
Total cash and cash equivalents	50,976	36,942

Deposits with the Treasurer

Included \$44.7M (2014 \$37.3M) held in the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use, ie funds can only be used in accordance with the Under Treasurer's approval.

The Under Treasurer has approved a total transfer of \$1M from the balances in the Accrual Appropriation Excess Funds Account to the operating account during 2014-15 (2014: nil).

Interest rate risk

Cash on hand and deposits with the Treasurer are non-interest bearing. The carrying value of cash and cash equivalents represents fair value.

Note 18: Receivables

Current

Receivables	76	519
Less allowance for doubtful debts	(1)	-
Accrued revenue	151	134
GST input tax recoverable	559	586
Prepayments	395	380
Total receivables expected to be recovered within 12 months	1,180	1,619

Movement in the allowance for doubtful debts

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

Movements in the allowance for doubtful debts (impairment loss)

Carrying amount at the beginning of the period	-	-
Increase in the allowance	1	-
Carrying amount at the end of the period	1	-

Interest rate and credit risk

Receivables are raised at the time service is provided only where it is probable that the revenue will be received. The Authority can not be certain of receiving items such as Sheriff's officer fees until the payment is made. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non interest-bearing.

Other than as 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.

- (a) Risk exposure information - refer note 35.
- (b) Ageing analysis of financial assets - refer note 35.
- (c) Categorisation and maturity analysis of financial instruments - refer note 35.

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 19: Property, plant and equipment		
Land and buildings		
Land at fair value	62,202	62,202
Buildings and improvements at fair value	127,023	125,859
Accumulated depreciation at the end of the period	(4,141)	-
Total land and buildings	185,084	188,061
Assets under finance lease		
Buildings and improvements at net present value	33,191	33,191
Accumulated amortisation at the end of the period	(26,553)	(25,723)
Total assets under finance lease	6,638	7,468
Leasehold improvements		
Leasehold improvements at cost (deemed fair value)	4,127	7,899
Accumulated amortisation at the end of the period	(2,519)	(5,663)
Total leasehold improvements	1,608	2,236
Computing and office furniture & equipment		
Plant and equipment at cost (deemed fair value)	10,584	9,901
Accumulated depreciation at the end of the period	(7,045)	(6,249)
Total plant and equipment	3,539	3,652
Capital work in progress		
Capital work in progress	-	66
Total capital work in progress	-	66
Library Collection		
Library collections at fair value/cost	11,458	15,553
Accumulated depreciation at the end of the period	-	(4,333)
Total library collection	11,458	11,220
Works of art and collections		
Works of art and collections at fair value	107	107
Total works of art and collections	107	107
Total property, plant and equipment	208,434	212,810

Courts Administration Authority

Notes to and forming part of the financial statements

Note 19: Property, plant and equipment (contd.)

Valuation of land and buildings

The valuation of land and buildings were performed by an independent Certified Practising Valuer from Liquid Pacific Pty Ltd as at 30 June 2014.

The valuer arrived at the fair value of unrestricted land using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land - such as size and location.

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 and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs were derived from subscriber databases, published industry materials and the estimated useful life due to age and condition of the building.

During 2014-15, the valuer has undertaken a desktop analysis to determine the fair value movements of the land and buildings and it is indicated that there were no material movements in values.

Carrying amount of computing and office furniture and equipment

All items of computing and office furniture and equipment had a 'fair value at the time of acquisition that was less than \$1 million' and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value.

These assets are classified at level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Valuation of library collection

The valuation of library collections was performed by Valcorp Australia Pty Ltd as at 30 June 2015. The independent valuer arrived at the fair value based on the written down current cost of replacing the collection.

Impairment

There were no indications of material impairment of property, and plant and equipment assets at 30 June 2015.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 20: Reconciliation of Non-Current Assets

The following table shows the movement of Non-Current Assets during 2014-15

	<i>Land</i> \$'000	<i>Buildings & improvements</i> \$'000	<i>Building under finance lease</i> \$'000	<i>Buildings - leasehold improve- ments</i> \$'000	<i>Total land & buildings</i> \$'000
Carrying amount at the beginning of the period	62,202	125,859	7,468	2,236	197,765
Additions	-	1,098	-	-	1,098
Transfers	-	66	-	-	66
Revaluation increment	-	-	-	-	-
Depreciation & amortisation	-	(4,141)	(830)	(628)	(5,599)
Carrying amount at the end of the period	62,202	122,882	6,638	1,608	193,330

	<i>Computing and office furniture & equipment</i> \$'000	<i>Library collections</i> \$'000	<i>Works of arts & collections</i> \$'000	<i>Capital work in progress</i> \$'000	<i>Total Property, Plant & Equipment</i> \$'000
Carrying amount at the beginning of the period	3,652	11,220	107	66	212,810
Additions	1,218	1,038	-	-	3,354
Disposals	(19)	-	-	-	(19)
Transfers	-	-	-	(66)	-
Revaluation increment	-	973	-	-	973
Depreciation & amortisation	(1,312)	(1,773)	-	-	(8,684)
Carrying amount at the end of the period	3,539	11,458	107	-	208,434

	<i>Other Computer Software & licence</i> \$'000	<i>Total Intangible Assets</i> \$'000
Carrying amount at the beginning of the period	176	176
Additions	101	101
Depreciation & amortisation	(61)	(61)
Carrying amount at the end of the period	216	216

Courts Administration Authority

Notes to and forming part of the financial statements

Note 20: Reconciliation of Non-Current Assets

The following table shows the movement of Non-Current Assets during 2013-14

	<i>Land</i>	<i>Buildings & improvements</i>	<i>Building under finance lease</i>	<i>Buildings - leasehold improvements</i>	<i>Total land & buildings</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Carrying amount at the beginning of the period	48,672	135,647	8,298	3,164	195,781
Additions	-	900	-	37	937
Transfers	-	956	-	371	1,327
Revaluation increment/(decrement)	13,530	(7,969)	-	-	5,561
Disposal through administrative restructure	-	-	-	-	-
Depreciation & amortisation	-	(3,675)	(830)	(1,336)	(5,841)
Carrying amount at the end of the period	62,202	125,859	7,468	2,236	197,765

	<i>Computing and office furniture & equipment</i>	<i>Library collections</i>	<i>Works of arts & collections</i>	<i>Capital work in progress</i>	<i>Total Property, Plant & Equipment</i>
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Carrying amount at the beginning of the period	3,675	11,732	107	1,327	212,622
Additions	1,190	1,099	-	66	3,292
Transfers	-	-	-	(1,327)	-
Revaluation increment	-	-	-	-	5,561
Disposal through administrative restructure	(10)	-	-	-	(10)
Depreciation & amortisation	(1,203)	(1,611)	-	-	(8,655)
Carrying amount at the end of the period	3,652	11,220	107	66	212,810

	<i>Other Computer Software & licence</i>	<i>Total Intangible Assets</i>
	<i>\$'000</i>	<i>\$'000</i>
Carrying amount at the beginning of the period	164	164
Additions	72	72
Depreciation & amortisation	(60)	(60)
Carrying amount at the end of the period	176	176

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 21: Intangible Assets		
Computer software		
Internally developed computer software	7,688	7,688
Accumulated amortisation	(7,688)	(7,688)
Other computer software and licences	712	611
Accumulated amortisation	(496)	(435)
Total Computer software and licences	216	176

Impairment

There were no indications of impairment of intangible assets at 30 June 2015.

Note 22: Fair Value measurement

Fair Value Hierarchy

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

Fair value measurements recognised in the Statement of Financial position are categorised into the following levels at 30 June 2015. The Authority had no valuations categorised into level 1.

Fair value measurements at 30 June 2015

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Buildings (Note 19)	2,481	120,401	122,882
Land (Note 19)	62,202	-	62,202
Assets under finance lease (Note 19)	-	6,638	6,638
Leasehold improvements (Note 19)	-	1,608	1,608
Computing and office furniture & equipment (Note 19)	-	3,539	3,539
Library Collections (Note 19)	-	11,458	11,458
Works of art and collections (Note 19)	-	107	107
Total recurring fair value measurements	64,683	143,751	208,434
Total	64,683	143,751	208,434

Fair value measurements at 30 June 2014

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Buildings (Note 19)	2,633	123,226	125,859
Land (Note 19)	62,202	-	62,202
Assets under finance lease (Note 19)	-	7,468	7,468
Leasehold improvements (Note 19)	-	2,236	2,236
Computing and office furniture & equipment (Note 19)	-	3,652	3,652
Library Collections (Note 19)	-	11,220	11,220
Works of art and collections (Note 19)	-	107	107
Total recurring fair value measurements	64,835	147,909	212,744
Total	64,835	147,909	212,744

There were no transfers of assets between level 1 and 2 fair value hierarchy levels in 2015. The Authority's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 22: Fair Value measurement (contd.)

Valuation techniques and inputs

Valuation techniques used to derive level 2 and 3 fair values are at note 19. There were no changes in valuation techniques during 2015.

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

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

	Buildings	Asset under finance lease	Leasehold im- provements	Computing and office furniture & equipment	Library Collections	Works of art and collections	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	123,226	7,468	2,236	3,652	11,220	107	147,909
Acquisitions	1,098	-	-	1,218	1,038	-	3,354
Transfers from WIP	66	-	-	-	-	-	66
Total gain/(loss) for the period recognised in net result:							
Depreciation	(3,989)	(830)	(628)	(1,312)	(1,773)	-	(8,532)
Disposals	-	-	-	(19)	-	-	(19)
Total gain/(loss) for the period in other comprehensive income:							
Revaluation increment	-	-	-	-	973	-	973
Closing balance at the end of the period	120,401	6,638	1,608	3,539	11,458	107	143,751

Reconciliation of Level 3 recurring fair value measurements at 30 June 2014

	Buildings	Asset under finance lease	Leasehold im- provements	Computing and office furniture & equipment	Library Collections	Works of art and collections	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	132,790	8,298	3,164	3,675	11,732	107	159,766
Acquisition	1,856	-	37	1,190	1,099	-	4,182
Transfers from WIP	-	-	371	-	-	-	371
Disposal through administrative restructure	-	-	-	(10)	-	-	(10)
Total gain/(loss) for the period recognised in net result:							
Depreciation	(3,556)	(830)	(1,336)	(1,203)	(1,611)	-	(8,536)
Total gain/(loss) for the period in other comprehensive income:							
Revaluation (decrement)	(7,864)	-	-	-	-	-	(7,864)
Closing balance at the end of the period	123,226	7,468	2,236	3,652	11,220	107	147,909

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 23: Payables		
Current:		
Creditors	365	475
Accrued expenses	1,572	1,947
Accrued capital expenditure	391	143
Employment on-costs	606	559
Paid Parental Leave Scheme payable	-	6
Total current payables	2,934	3,130
Non-Current:		
Employment on-costs	859	780
Total non-current payables	859	780
Total Payables	3,793	3,910

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave is 37% (2014: 40%) and the average factor for the calculation of employer superannuation cost on-cost has remained at the 2014 rate of 10.3%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$34 000. Refer to note 24.

Interest rate and credit risk

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

- (a) Categorisation of financial instruments and maturity analysis of payables - refer note 35.
- (b) Risk exposure information - refer note 35.

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 24: Employee Benefits		
Current:		
Accrued salaries and wages	315	172
Annual leave	2,443	2,420
Long service leave	1,374	1,247
Skills and experience retention leave	268	245
Total current employee benefits	4,400	4,084
Non-Current:		
Annual leave	261	283
Long service leave	9,118	7,942
Total non-current employee benefits	9,379	8,225
Total employee benefits	13,779	12,309

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 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 decreased from 2014 (3.5%) to 2015 (3%).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an immaterial increase in the reported long service leave liability. The impact on future periods is impracticable to measure as the long service leave liability is calculated using a number of assumptions – a key assumption is the long term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and revised the salary inflation rate down by 1% from 2014 (4%) to 2015 (3%) for annual leave and skills, experience and retention leave liability. The net financial effect of the changes in the current financial year is a decrease in the employee benefits expense of \$26 000 and related on-cost of \$4 000. Refer to note 23.

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 25: Provisions		
Current:		
Provision for workers compensation	459	381
Total current provisions	459	381
Non-Current:		
Provision for workers compensation	1,826	1,402
Total non-current provisions	1,826	1,402
Total provisions	2,285	1,783
Carrying amount at the beginning of the period	1,783	1,891
Reductions arising from payments/other sacrifice of future economic benefits	(852)	(489)
Reductions resulting from re-measurement or settlement without cost	689	(228)
Additional provisions recognised	665	609
Carrying amount at the end of the period	2,285	1,783

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector.

Note 26: Other Liabilities

Current		
Unearned revenue	199	267
Unclaimed money	172	168
Total other liabilities	371	435

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 27: Finance lease liabilities/commitments		
Finance lease commitments		
Future minimum lease payments under finance lease of the Sir Samuel Way Building, expiring in 2023, together with the present value of net minimum lease payments are as follows:		
Payable no later than one year	2,074	2,074
Payable later than one year and not later than five years	8,298	8,298
Payable later than five years	6,223	8,297
Total minimum lease payments	16,595	18,669
Less: Future finance charges	3,248	4,036
Total finance lease commitments - non-cancellable	13,347	14,633
Present value of finance leases payable as follows:		
Within one year	1,360	1,286
Later than one year but not longer than five years	6,271	5,930
Later than five years	5,716	7,417
Total present value of minimum lease payments	13,347	14,633
Included in the financial statements as:		
Current financial liabilities	1,360	1,286
Non-Current financial liabilities	11,987	13,347
Total present value of minimum lease payments	13,347	14,633
The weighted average interest rate implicit in the lease is 5.63% (5.63%)		
Contingent Rentals		
The above finance lease comprises a base amount plus an incremental contingent rental. Contingent rentals are based on the CPI and other related indices. Commitments in relation to contingent rentals are payable as follows:		
Payable no later than one year	4,425	4,352
Payable later than one year and not later than five years	17,701	17,408
Payable later than five years	13,276	17,407
Total contingent rentals commitment	35,402	39,167

The amount of contingent rental paid during 2014-15 is \$4.35M. Refer to note 8.

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000

Note 28: Unrecognised contractual commitments

Expenditure commitments – Remuneration

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

Within one year	1,118	1,379
Later than one year but not longer than five years	3,262	2,268
Total Remuneration Commitments	4,380	3,647

Amounts disclosed include commitments arising from executives. The Authority does not offer fixed-term remuneration contracts greater than five years.

Expenditure commitments – Other

Commitments in relation to a Public Private Partnership arrangement for regional court premises and other operating expenses not recognised as liabilities in the financial report, are payable as follows:

Within one year	4,434	4,187
Later than one year but not longer than five years	11,545	10,588
Later than five years	28,319	33,198
Total other commitments	44,298	47,973

Operating lease commitments as lessee

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

Within one year	1,149	1,325
Later than one year but not longer than five years	944	1,443
Total operating lease commitments - all non-cancellable	2,093	2,768

Operating lease commitments as lessor

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

Within one year	238	233
Later than one year but not longer than five years	379	552
Total operating lease commitments - all non-cancellable	617	785

Note 29: Contingent Assets and Liabilities

The Authority has no material contingent assets or liabilities as at 30 June 2015 (2014 Nil)

Courts Administration Authority

Notes to and forming part of the financial statements

	2015	2014
	\$'000	\$'000
Note 30: Transferred function		
Net assets transferred out		
The Public Sector (Reorganisation of Public Sector Operations) Notice 2013 (dated 30 January 2014) declared that the management of penalties imposed in the criminal jurisdiction transferred from the Authority to the Fines Enforcement and Recovery Unit (FERU) in the Attorney-General's Department, effective 3 February 2014. Following assets and employee liabilities were transferred to the FERU.		
Deposits with the Treasurer	-	905
Property, plant and equipment	-	10
Total assets	-	915
Payables	-	93
Employee Benefits	-	812
Total liabilities	-	905
Total net assets transferred out	-	10

Net assets transferred by the Authority as a result of the administrative restructure were at the carrying amount. The net assets transferred were treated as a distribution to the Government as owner.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 31 Remuneration of board and committee members

Members of/assessors in the board and committees during the 2015 financial year were:

Administrative and Disciplinary Division of the District Court			
Mr	Abdulghani Usman	Ms	Jean Hutchinson
Mr	Adrian Jackson	Ms	Jennifer Everett (expired 07.09.14)
Mr	Alan Tregilgas (reappointed 01.09.14)	Mr	John Adley
Mr	Allan Tuckfield (appointed 15.10.14)	Mr	John Furbank
Mr	Alistair Matheson (appointed 15.10.14)	Mr	John Hitchcock (expired 31.07.14)
Mr	Andrew Clarke	Mr	John Jansse (expired 31.07.14)
Mr	Andrew Day (expired 07.09.14)	Mr	John Walker (expired 31.07.14)
Mr	Andrew Forrest	Ms	Joy de Leo (appointed 15.10.14)
Ms	Ann Rungie (reappointed 01.09.14)	Ms	Judith Morris (appointed 15.10.14)
Mr	Anthony Toop (appointed 15.10.14)	Ms	Julia Hanna (expired 07.09.14)
Ms	Astrid Birgden (expired 29.04.15)	Ms	Karen Lehmann
Ms	Barbara Rajkowaka (expired 29.04.15)	Ms	Karen Monaghan (expired 07.09.14)
Mr	Brenton Caddle (expired 31.07.14)	Ms	Kimberley Shorland (appointed 15.10.14)
Mr	Brenton Trenorden	Ms	Kris Casey (appointed 15.10.14)
Mr	Caleb Robins (appointed 15.10.14)	Mr	Leonard White (expired 07.09.14)
Ms	Catherine Cooper (expired 29.04.15)	Mr	Marc Cheney (reappointed 15.10.14)
Mr	Charles MacDonald	Mr	Marc Sanderson (appointed 15/10/14)
Ms	Christine Bindon	Mr	Mark Pittman (appointed 26.04.15)
Mr	Christopher Shinnars	Ms	Marilyn Sheffield
Mr	Colin Field (expired 07.09.14)	Mr	Mark Leach * (expired 07.09.14)
Mr	David Kelly	Mr	Martin Burns (appointed 15.10.14)
Mr	David Round (expired 29.04.15)	Ms	Megan Tamlin (appointed 15.10.14)
Mr	Dennis Shipp (expired 31.07.14)	Mr	Michael Pohl (reappointed 26.04.15)
Ms	Dianne Neale (appointed 15.10.14)	Ms	Michele Slatter (appointed 15.10.14)
Mr	Edward Woodley (expired 29.04.14)	Mr	Nathan Fox (appointed 15.10.14)
Ms	Elaine Attwood (reappointed 15.10.14)	Mr	Nick Giannetta
Ms	Elizabeth Bachmann	Ms	Nola Beck
Ms	Fay Donaghy	Mr	Oliver Clark (expired 31.10.14)
Ms	Fiona Webber (appointed 15.10.14)	Ms	Patricia Johnson (reappointed 15.10.14)
Ms	Florina D'Sylvia	Ms	Patricia Kent (expired 07.09.14)
Ms	Gabrielle Canny	Ms	Penny Riggs (appointed 15.10.14)
Mr	Garry Raymond * (expired 29.04.15)	Mr	Peter Kentish (appointed 15.10.14)
Mr	Gary Palmer	Mr	Philip Hoffman
Mr	Gary McDougall	Mr	Ralph Scutella (expired 31.07.14)
Mr	Greg Sharp (appointed 15.10.14)	Mr	Richard Retallick (appointed 26.04.15)
Mr	Hans Sandstrom (expired 29.04.15)	Mr	Robert Ormston (appointed 15.10.14)
Mr	Harry Klavins	Mr	Robert Rawson
Mr	Ian Butterworth	Ms	Robin James
Ms	Janene Piip (appointed 15.10.14)	Mr	Robin Matters (appointed 15.10.14)
Mr	James Hundertmark (resigned 30.09.14)	Mr	Robin Turner (reappointed 15.10.14)
Ms	Janina Gipslis	Mr	Rod Shogren
Ms	Samantha Ireland (appointed 15.10.14)	Mr	Roger Stainer
Ms	Sarah Sheppard (appointed 15.10.14)	Ms	Roseanne Healy
Ms	Sharon Olsson (expired 07.09.14)	Mr	Stavros Georgiadis (appointed 15.10.14)
Mr	Stephen Fribbins	Ms	Susan Visser (reappointed 15.10.14)
Mr	Stephen Kemp	Mr	Timothy Crowley

Courts Administration Authority

Notes to and forming part of the financial statements

Note 31 Remuneration of board and committee members (contd.)

Members of/assessors in the board and committees during the 2015 financial year were (contd.):

Administrative and Disciplinary Division of the District Court (contd.)			
Mr	Timothy O'Halloran (appointed 26.04.15)	Mr	Wayne Chadwick (appointed 15.10.14)
Mr	Trevor Blackburn (expired 29.04.15)	Mr	William Ryan (expired 30.10.14)
Ms	Valerie Timms (appointed 15.10.14)	Mr	William Waterhouse (reappointed 15.10.14)
Mr	Warren Hall		

Training Centre Review Board			
Mr	Barry Jennings	Ms	Kathryn Stone *
Ms	Branka King	Ms	Katrina Dee *
Mr	Christopher Boltje *	Ms	Lynette Pugh *
Mr	Christopher Zanker *	Ms	Nancy Penna
Mr	Douglas Barr (appointed 12.03.15)	Mr	Philip Fagan-Schmidt *
Mr	David Branson	Mr	Robert Gray * (expired 07.03.15)
Mr	Dale Agius *	Ms	Shona Reid *
Mr	Darryn Keneally	Mr	Stuart McLean (appointed 12.03.15)
Ms	Ester Huxtable	Mr	Stewart Dodd * (expired 07.03.15)
Mr	Gregory Forrest *	Ms	Tiffany Downing *

Equal Opportunity Tribunal			
Ms	Helena Jasinski	Mr	Hau Yapp
Mr	David Shetliffe	Mr	Richard Altman
Ms	Elizabeth Bachmann		

State Courts Administration Council			
Chief Justice	Christopher Kourakis	Judge	Wayne Chivell (appointed 23.02.15)
Justice	Timothy Stanley	Chief Magistrate	Elizabeth Bolton
Chief Judge	Geoffrey Muecke	Magistrate	Dr Andrew Cannon
Judge	David Lovell (expired 12.02.15)		

The number of members who have been called and received remuneration that falls within the following bands:

	2015	2014
\$0 - \$9,999	15	20
Total number of members	15	20

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of these benefits. The total remuneration received/receivable by members was \$45,000 (\$50,000).

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

Courts Administration Authority

Notes to and forming part of the financial statements

Note 31 Remuneration of board and committee members (contd.)

The District Court and Youth Court judges are presiding officers of the boards. Various Acts confer a jurisdiction upon the District Court in its Administrative and Disciplinary Division and the Youth Court in the Training Centre Review Board. The District Court Act 1991 and Young Offenders Act 1993 specify the proceedings process when the matters are referred to the boards for hearing.

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

	2015	2014
	\$'000	\$'000
Note 32: Cash Flow Reconciliation		
Reconciliation of Cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	50,976	36,942
Balance as per the Statement of Cash Flows	50,976	36,942
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by operating activities	18,526	7,577
<u>Less</u> Revenues from SA Government	(98,135)	(91,801)
Add/Less non cash items		
Depreciation/Amortisation	(8,745)	(8,715)
Loss from disposal of assets	(19)	-
Impairment loss	(1)	-
Changes in Assets / Liabilities		
(Decrease)/Increase in Receivables	(452)	246
(Decrease) in Other Assets	(11)	(15)
(Increase)/Decrease in Employee Benefits	(1,470)	721
Decrease in Payables	365	966
(Increase)/Decrease in Provisions	(502)	108
Decrease/(increase) in Other Liabilities	64	(99)
Net Cost of providing Services	(90,380)	(91,012)

Courts Administration Authority

Notes to and forming part of the financial statements

Note 33: Transactions with SA Government

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

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	EXPENSES						
5	Employee benefits expenses	2,369	2,471	47,955	50,186	50,324	52,657
6	Supplies and Services						
	Accommodation and services	10,432	11,020	3,109	3,124	13,541	14,144
	Circuit and Travel expenses	-	-	1,012	1,004	1,012	1,004
	Computing and communications	1,487	1,582	4,094	4,073	5,581	5,655
	Consultancy, contractors and temp staff	37	-	1,864	1,249	1,901	1,249
	Court expenses	308	240	1,009	1,007	1,317	1,247
	Operating leases	214	225	11	12	225	237
	Staff development and training	6	3	471	406	477	409
	Equipment purchases and repairs	-	-	393	275	393	275
	Coronial Charges	3,753	3,674	347	249	4,100	3,923
	Jurors' expenses	-	-	1,872	1,642	1,872	1,642
	Sheriff Officer Payments	-	-	967	1,096	967	1,096
	Other administration expenses	487	893	1,845	2,477	2,332	3,370
7	Depreciation and amortisation expense	-	-	8,745	8,715	8,745	8,715
8	Borrowing costs	788	858	-	-	788	858
9	Other expenses						
	Workers compensation	-	-	1,401	383	1,401	383
	Audit fees	-	-	112	203	112	203
	Doubtful debts	-	-	1	-	1	-
10	Auditors Remuneration	126	135	-	-	126	135
	TOTAL EXPENSES	20,007	21,101	75,208	76,101	95,215	97,202

Courts Administration Authority

Notes to and forming part of the financial statements

Note 33: Transactions with SA government (contd.)

	INCOME						
12	Revenues from fees and charges	350	303	2,738	4,743	3,088	5,046
13	Sales of goods and services						
	Sale of electronic information	-	-	286	275	286	275
	Recoup of services and others	-	13	162	93	162	106
	Rent recoveries	190	83	211	207	401	290
14	Grants and transfers	839	473	-	-	839	473
15	Resources received free of charge	78	-	-	-	78	-
16	Revenues from SA Government	98,135	91,801	-	-	98,135	91,801
	TOTAL INCOME	99,592	92,673	3,397	5,318	102,989	97,991
	FINANCIAL ASSETS						
18	Receivables						
	Receivables	46	284	29	235	75	519
	Accrued revenues	128	112	23	22	151	134
	GST input tax recoverable	-	-	559	586	559	586
	Prepayments	-	-	395	380	395	380
	Other assets	-	-	7	33	7	33
	TOTAL FINANCIAL ASSETS	174	396	1,013	1,256	1,187	1,652
	FINANCIAL LIABILITIES						
23	Payables						
	Creditors	179	421	186	54	365	475
	Accrued expenses	1,033	976	930	1,114	1,963	2,090
	Employment on-costs	720	643	745	696	1,465	1,339
	Paid Parental Leave Scheme payable	-	-	-	6	-	6
27	Financial liabilities						
	Finance lease liabilities	13,347	14,633	-	-	13,347	14,633
26	Other liabilities	-	41	371	394	371	435
	TOTAL FINANCIAL LIABILITIES	15,279	16,714	2,232	2,264	17,511	18,978

Courts Administration Authority

Notes to and forming part of the financial statements

Note 34: Budgetary reporting and explanations of major variances between budget and actual amounts

The following are brief explanations of variances between original 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.

		Original budget #	Actual	
		2015	2015	Variance
Statement of Comprehensive Income	Note	\$'000	\$'000	\$'000
Expenses				
Employee benefits expenses		50,390	50,324	(66)
Supplies and services		33,249	33,718	469
Depreciation and amortisation expense		9,352	8,745	(607)
Borrowing costs		788	788	-
Net loss from disposal of non-current assets		-	19	19
Other expenses		775	1,640	865
Total Expenses		94,554	95,234	680
Income				
Revenues from fees and charges	(a)	3,614	3,088	(526)
Sale of goods and services	(b)	643	849	206
Grants and transfers	(c)	62	839	777
Resources received free of charge		-	78	78
Total Income		4,319	4,854	535
Net cost of providing services		90,235	90,380	145
Revenues from SA Government				
Revenues from SA Government		92,158	98,135	5,977
Net Result		1,923	7,755	5,832
Other Comprehensive Income				
<i>Item that will not be reclassified to net result</i>				
Changes in property, plant and equipment asset revaluation surplus		-	973	973
Total other comprehensive income		-	973	973
Total comprehensive result		1,923	8,728	6,805

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 (2014-15 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.

(a) Revenues from fees and charges were lower than the original budget mainly due to less than expected Sheriff's officer fees.

(b) Sale of goods and services were higher than the original budget mainly due to unbudgeted rent recovery from the Fines Enforcement Recovery Unit and tax refund.

(c) Grants and transfers were higher than the original budget mainly due to unbudgeted information technology and staffing expense recoups from the Fines Enforcement Recovery Unit.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 34 Budgetary reporting and explanations of major variances between budget and actual amounts (contd.)

		Original budget # 2015 \$'000	Actual 2015 \$'000	Variance \$'000
Investing expenditure summary	Note			
Total existing projects	(d)	278	603	325
Total annual programs	(e)	2,561	2,850	289
Total investing expenditure		2,839	3,453	614

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 (2014-15 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructure/machinery of government changes.

- (d) Total existing projects investing expenditure was higher than the original budget due to greater than expected Magistrate Court fit out costs.
- (e) Total annual programs investing expenditure was higher than the original budget due to additional necessary accommodation capital works and asset replacement requirements, partially offset by under budget amounts in the capital library collections.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 35 Financial risk management/Financial instruments

a) Financial risk management

Risk management is managed by the Authority's corporate services section and divisional 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 Authority is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

b) 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 assets, financial liability and equity instrument are disclosed in note 2.

Refer note 35 (c) for the carrying amounts of each of the following categories of financial assets and liabilities: loan and receivables; and financial liabilities measured at cost.

The Authority does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short term nature of these. Refer to notes 2, 18, and 23.
- Financial liabilities are initially recognised at fair value, plus any transaction cost directly attributable to the finance lease liabilities, then subsequently held at amortised cost. The fair value of the finance lease liabilities approximates the carrying amount, as the impact of discounting is not significant. Refer to notes 2 and 27.

c) Liquidity Risk

Liquidity risk arises from the possibility that the Authority is unable to meet its financial obligations as they fall due. The Authority is funded principally from appropriations by the SA Government. The Authority works with the Department of Treasury and Finance 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.

The Authority settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Authority's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount recorded in note 35(c) represent the Authority's maximum exposure.

The following table discloses the carrying amount of each category of financial instrument held by the Authority including the contractual maturity analysis for financial assets and liabilities (ie liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 35 Financial risk management/Financial instruments (contd.)

Table 35 (c): Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2015 Carrying amount/Fair value (\$'000)	2015 contractual maturities			
			Current	Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
Financial assets						
Cash and cash equivalents						
Cash and cash equivalents	17	50,976	50,976	-	-	-
Loans and receivables						
Receivables (1) (2)	18	226	226	-	-	-
Total financial assets		51,202	51,202	-	-	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	23	1,991	1,991	-	-	-
Financial lease liability	27	13,347	-	1,360	6,271	5,716
Total financial liabilities		15,338	1,991	1,360	6,271	5,716

Category of financial asset and financial liability	Notes	2014 Carrying amount/Fair value (\$'000)	2014 contractual maturities			
			Current	Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
Financial assets						
Cash and cash equivalents						
Cash and cash equivalents	17	36,942	36,942	-	-	-
Loans and receivables						
Receivables (1) (2)	18	653	653	-	-	-
Total financial assets		37,595	37,595	-	-	-
Financial liabilities						
Financial liabilities at cost						
Payables (1)	23	2,391	2,391	-	-	-
Financial lease liability	27	14,633	-	1,286	5,930	7,417
Total financial liabilities		17,024	2,391	1,286	5,930	7,417

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

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 18 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 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.

Courts Administration Authority

Notes to and forming part of the financial statements

Note 35 Financial risk management/Financial instruments (contd.)

d) Credit Risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations resulting in financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis.

The Authority has minimal concentration of credit risk. The Authority has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Authority 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 Authority.

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

The carrying amount of financial assets as detailed in note 35(c) represents the Authority's maximum exposure to credit risk.

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

Table 35 (d) Ageing analysis of financial assets

		Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impaired financial assets \$'000
				Overdue for <30days \$'000	Overdue for 30 - 60 days \$'000	Overdue for >60days \$'000	
2015							
Cash and cash equivalents		50,976	50,976	-	-	-	-
Receivables (1)		226	219	2	1	4	1
Total		51,202	51,195	2	1	4	1
2014							
Cash and cash equivalents		36,942	36,942	-	-	-	-
Receivables (1)		653	427	2	-	224	-
Total		37,595	37,369	2	-	224	-

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

e) Market risk

Market risk for the Authority is primarily through interest rate risk. Exposure to interest rate risk may arise through its borrowings from Funds SA. There is no exposure to foreign currency or other price risks.

Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Authority as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rate is immaterial.

Courts Administration Authority

STATEMENT OF ADMINISTERED COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

		2015	2014
	Note	\$'000	\$'000
Administered Expenses			
Judicial benefits expenses	A4	37,047	38,042
Victims of Crime payments		22	13,815
Payments to Fines Enforcement Recovery Unit		9,938	14,362
Payments to Consolidated Account		16,701	44,140
Other expenses		724	739
Total Administered Expenses		64,432	111,098
Administered Income			
Revenues from SA Government		37,047	38,042
Fines		-	21,503
Court fees		15,592	21,667
Victims of Crime levies		22	13,815
Transcript fees		1,243	1,133
Fines Enforcement Recovery Unit Income		9,938	14,362
Other income		590	576
Total Administered Income		64,432	111,098
Net and total comprehensive result		-	-

Net and total comprehensive result are attributable to the SA Government as owner

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

Courts Administration Authority

**STATEMENT OF ADMINISTERED FINANCIAL POSITION
AS AT 30 JUNE 2015**

		2015	2014
	Note	\$'000	\$'000
Administered Current Assets			
Cash and cash equivalents	A5	3,816	5,375
Receivables	A6	5,318	5,221
Total current assets		9,134	10,596
Administered Current Liabilities			
Payables	A7	2,802	4,399
Judicial benefits	A8	3,098	3,162
Other liabilities	A9	112	103
Total current liabilities		6,012	7,664
Administered Non-Current Liabilities			
Payables	A7	1,399	1,448
Judicial benefits	A8	9,691	9,452
Total non-current liabilities		11,090	10,900
Total liabilities		17,102	18,564
Net Assets		(7,968)	(7,968)
Administered Equity			
Accumulated deficit		(7,968)	(7,968)
Total administered equity		(7,968)	(7,968)

Total administered equity is attributable to the SA Government as owner

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

Courts Administration Authority

STATEMENT OF ADMINISTERED CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Note	Retained Earnings \$'000
Balance at 30 June 2013		(7,968)
Net result for 2013-14		-
Total comprehensive result for 2013-14		-
Balance at 30 June 2014		(7,968)
Net result for 2014-15		-
Total comprehensive result for 2014-15		-
Balance at 30 June 2015		(7,968)

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

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

Courts Administration Authority

STATEMENT OF ADMINISTERED CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015	2014
CASH FLOWS FROM ADMINISTERED ACTIVITIES		\$'000	\$'000
Cash outflows			
Judicial benefits		(36,885)	(37,140)
Payments to consolidated account		(16,511)	(48,486)
Victims of Crime payments		(22)	(15,672)
Payments to Fines Enforcement Recovery Unit		(11,817)	(12,336)
Other payments		(650)	(740)
Total cash outflows		(65,885)	(114,374)
Cash inflows			
Receipts from SA Government		36,975	38,054
Fines		-	21,516
Court fees		15,444	21,626
Victims of Crime receipts		22	13,815
Transcript fees		1,231	1,193
Fines Enforcement Recovery Unit receipts		9,938	14,362
GST recovered from the ATO		73	75
Other receipts		643	617
Total cash inflows		64,326	111,258
Net cash used in administered activities	A10	(1,559)	(3,116)
Net decrease in cash and cash equivalents		(1,559)	(3,116)
Cash and cash equivalents at the beginning of the financial year		5,375	8,491
Cash and cash equivalents at the end of the financial year	A5	3,816	5,375

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

Courts Administration Authority

**SCHEDULE OF EXPENSES AND INCOME
ATTRIBUTABLE TO ADMINISTERED ACTIVITIES**

For the year ended 30 June 2015

	Activity 1		Activity 3		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Administered Expenses						
Judicial benefits expenses	37,047	38,042	-	-	37,047	38,042
Victims of Crime payments	22	-	-	13,815	22	13,815
Payments to Fines Enforcement Recovery Unit	9,938	14,362	-	-	9,938	14,362
Payments to Consolidated Account	16,701	16,118	-	28,022	16,701	44,140
Other expenses	724	576	-	163	724	739
Total administered expenses	64,432	69,098	-	42,000	64,432	111,098
Administered Income						
Revenues from SA Government	37,047	38,042	-	-	37,047	38,042
Fines	-	-	-	21,503	-	21,503
Court Fees	15,592	14,986	-	6,681	15,592	21,667
Victims of Crime levies	22	-	-	13,815	22	13,815
Transcript Fees	1,243	1,133	-	-	1,243	1,133
Fines Enforcement Recovery Unit Income	9,938	14,362	-	-	9,938	14,362
Other Income	590	575	-	1	590	576
Total administered income	64,432	69,098	-	42,000	64,432	111,098
Total Comprehensive Result	-	-	-	-	-	-

Courts Administration Authority

Notes to and forming part of the administered financial statements

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Trust Monies

Note T1

Courts Administration Authority

Notes to and forming part of the administered financial statements

Note A1 Objectives of the Courts Administration Authority

The objectives of the Authority outlined in Note 1 for operating items apply equally to the Administered Financial Statements.

Note A2 Summary of significant accounting policies

The policies of the Authority outlined in Note 2 for operating items apply equally to the Administered Financial Statements.

Note A3 Activities of the Authority

The activities the Authority administers are mainly comprised of the following transactions:

- Court fees – The Authority processes revenue from fees charged under regulations to various Acts. Examples of these fees include lodgement fees in the various jurisdictions and sale of evidence/transcript. This revenue is directly credited to the DTF Consolidated Account.
- Judicial expenses – The Authority makes payments pursuant to the *Remuneration Act 1990* for the judiciary. These expenses include judicial salaries and associated on-costs (superannuation and payroll tax), judicial vehicle expenses and related Fringe Benefits Tax.
- Victims of Crime levy – The Authority collects Victims of Crime levies pursuant to the requirements of the *Victims of Crime Act 2001*. Monies collected are paid into the Victims of Crime Fund operated by the Attorney-General's Department.

Effective from 3 February 2014, the collection of fines related to criminal court orders, enforcement fees imposed on outstanding matters and fines related Victims of Crime Levy was transferred to the Fines Enforcement and Recovery Unit in the Attorney-General's Department.

The activities used by the Authority for budgeting and reporting purposes are classified as follows:

Activity 1: Court and Tribunal Case Resolution Services

It consists of the resolution of criminal, civil, appellate, coronial and probate matters in the State's courts and tribunals. The resolution of criminal and civil matters now includes the retained resources from Activity 3 subsequent to the transfer of Fines Payment Unit functions to the Fines Enforcement and Recovery Unit in the Attorney-General's Department from 3 February 2014.

Activity 3: Penalty Management Services.

Penalty management services in the criminal jurisdiction have been transferred to the Attorney-General's Department from 3 February 2014. The remaining function, civil jurisdiction, under this program has been transferred to Activity 1.

The Authority does not track Assets and Liabilities at the Administered Activity level and therefore figures cannot be reliably measured.

Courts Administration Authority

Notes to and forming part of the administered financial statements

			2015	2014	
			\$'000	\$'000	
Note A4: Judicial Benefits Expenses					
Salaries and wages			23,965	24,500	
Long service leave			1,928	1,740	
Annual leave			2,049	2,176	
Employment on-costs - superannuation			5,580	5,992	
Employment on-costs - payroll tax			1,745	1,786	
Other judicial related expenses			1,780	1,848	
Total Judicial benefits expenses			37,047	38,042	
Remuneration of judiciary					
	2015	2014	2015	2014	
The number of judicial officers whose remuneration received or receivable falls within the following bands:					
\$191500 to \$ 201499	-	1	\$371500 to \$ 381499	5	2
\$201500 to \$ 211499	2	2	\$381500 to \$ 391499	2	1
\$231500 to \$ 241499	1	-	\$391500 to \$ 401499	2	1
\$251500 to \$ 261499	1	1	\$431500 to \$ 441499	2	1
\$261500 to \$ 271499	1	-	\$481500 to \$ 491499	4	15
\$301500 to \$ 311499	-	1	\$491500 to \$ 501499	16	9
\$311500 to \$ 321499	2	2	\$501500 to \$ 511499	1	1
\$321500 to \$ 331499	7	11	\$511500 to \$ 521499	2	-
\$331500 to \$ 341499	9	5	\$521500 to \$ 531499	1	1
\$341500 to \$ 351499	3	7	\$551500 to \$ 561499	10	11
\$351500 to \$ 361499	4	6	\$561500 to \$ 571499	1	-
\$361500 to \$ 371499	4	4	\$611500 to \$ 621499	1	1
Total number of judicial officers			81	83	

The table includes all judicial officers who received remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration rate for 2014-15 is the same as the 2013-14 rate (ie there has been no increase in executive remuneration since 1 July 2013).

Remuneration of judicial officers reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice and fringe benefits and any fringe benefit tax paid/payable in respect of those benefits. The total remuneration received by these judicial officers for the year was \$34.1million (\$34.6million).

Courts Administration Authority

Notes to and forming part of the administered financial statements

	2015	2014
	\$'000	\$'000
Note A5: Administered cash and cash equivalents		
Deposits with the Treasurer	3,816	5,375
Total Administered cash and cash equivalents	3,816	5,375

Note A6: Administered Receivables

Current

Debtors	1,105	957
Allowance for doubtful debts	(259)	(126)
Accrued revenue	4,462	4,373
GST input tax recoverable	10	17
Total Administered receivables expected to be recovered within 12 months	5,318	5,221

Movements in the allowance for doubtful debts (Impairment loss)

Carrying amount at the beginning of the period	126	67
Amounts written off	-	(49)
Increase in the allowance	133	108
Carrying amount at the end of the period	259	126

Note A7: Administered Payables

Current:

Creditors	323	188
Accrued expenses	1,856	3,567
Judicial benefits on-costs	623	644
Total current administered payables	2,802	4,399

Non-Current:

Judicial benefits on-costs	1,399	1,448
Total non-current administered payables	1,399	1,448
Total Administered payables	4,201	5,847

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has reduced to 37% from the 2014 rate of 40% and the average factor for the calculation of employer superannuation cost on-cost has remained at the 2014 rate of 10.3%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$77 000. The impact on future years is impractical to estimate. Refer to note A8.

Courts Administration Authority

Notes to and forming part of the administered financial statements

	2015	2014
	\$'000	\$'000
Note A8: Judicial Benefits		
Current:		
Accrued salaries and wages	197	103
Annual leave	1,351	1,409
Long service leave	1,550	1,650
Total current judicial benefits	3,098	3,162
Non-Current:		
Annual leave	497	462
Long service leave	9,194	8,990
Total non-current judicial benefits	9,691	9,452
Total judicial benefits	12,789	12,614

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis of liability for the measurement of long service leave.

AASB 119 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 decreased from 2014 (3.5%) to 2015 (3%). This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a minor increase in the reported long service leave liability. The impact on future periods is impractical to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption is the long term discount rate.

The Authority has used the average leave pattern history of previous years to allocate the current and non-current liability. Refer to note A7.

Note A9: Administered Other liabilities

Current		
Unclaimed money	112	103
Total Administered other liabilities	112	103

Note A10: Administered Cash Flow Reconciliation

Reconciliation of Cash and cash equivalents at the end of the reporting period:

Cash and cash equivalents disclosed in the Statement of Administered Financial Position	3,816	5,375
Balance as per the Statement of Administered Cash Flows	3,816	5,375

Reconciliation of Net Cash provided by Administered Activities to total comprehensive result:

Net cash (used in) provided by operating activities	(1,559)	(3,116)
Less: non cash item		
Doubtful debts and bad debts expenses	(134)	(108)
Changes in Administered Assets / Liabilities		
Increase/(Decrease) in Receivables	231	(30)
(Increase) in Judicial Entitlements	(175)	(907)
Decrease in Payables	1,637	4,161
Total comprehensive result from Administered Activities	-	-

Courts Administration Authority

Notes to and forming part of the administered financial statements

Note A11: Administered transactions with SA Government

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

Note		SA Government		Non-SA Government		Total	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
	ADMINISTERED EXPENSES						
A4	Judicial benefits expenses	1,745	1,786	35,302	36,256	37,047	38,042
	Administered expenses						
	Victims of Crime payments	22	13,815	-	-	22	13,815
	Payments to Fines Enforcement Recovery Unit	9,938	14,362	-	-	9,938	14,362
	Payments to Consolidated Account	16,701	44,140	-	-	16,701	44,140
	Other expenses	20	13	704	726	724	739
	TOTAL ADMINISTERED EXPENSES	28,426	74,116	36,006	36,982	64,432	111,098
	ADMINISTERED INCOME						
	Fines	-	-	-	21,503	-	21,503
	Court fees	-	-	15,592	21,667	15,592	21,667
	Victims of Crime levies	-	-	22	13,815	22	13,815
	Transcript fees	-	-	1,243	1,133	1,243	1,133
	Fines Enforcement Recovery Unit Income	-	-	9,938	14,362	9,938	14,362
	Other income	570	563	20	13	590	576
	Revenues from SA Government	37,047	38,042	-	-	37,047	38,042
	TOTAL ADMINISTERED INCOME	37,617	38,605	26,815	72,493	64,432	111,098
	ADMINISTERED FINANCIAL ASSETS						
A6	Administered Receivables						
	Receivables	253	138	593	693	846	831
	Accrued revenues	4,456	4,373	6	-	4,462	4,373
	GST input tax recoverable	-	-	10	17	10	17
	TOTAL ADMINISTERED FINANCIAL ASSETS	4,709	4,511	609	710	5,318	5,221
	ADMINISTERED FINANCIAL LIABILITIES						
A7	Administered Payables						
	Creditors	137	-	186	188	323	188
	Accrued expenses	1,853	3,552	3	15	1,856	3,567
	Employment on-costs	699	694	1,323	1,398	2,022	2,092
A9	Other Administered liabilities	-	-	112	103	112	103
	TOTAL ADMINISTERED FINANCIAL LIABILITIES	2,689	4,246	1,624	1,704	4,313	5,950

Courts Administration Authority

Notes to and forming part of the administered financial statements

Note A12: Administered budgetary reporting and explanations of major variances between budget and actual amounts

The following are brief explanations of variances between original 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.

		Original budget #	Actual	Variance
		2015	2015	
Statement of Administered Comprehensive Income	Note	\$'000	\$'000	\$'000
Administered Expenses				
Judicial benefits expenses		40,209	37,047	(3,162)
Victims of Crime payments		-	22	22
Payments to Fines Enforcement Recovery Unit	(a)	-	9,938	9,938
Payments to Consolidated Account		18,293	16,701	(1,592)
Other expenses		957	724	(233)
Total Administered Expenses		59,459	64,432	4,973
Administered Income				
Revenues from SA Government		40,209	37,047	(3,162)
Court fees		16,755	15,592	(1,163)
Victims of Crime levies		-	22	22
Transcript fees		1,538	1,243	(295)
Fines Enforcement Recovery Unit Income	(a)	-	9,938	9,938
Other income		957	590	(367)
Total Administered Income		59,459	64,432	4,973
Net and total comprehensive result		-	-	-

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 (2014-15 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.

There is no budgeted or actual Administered investing expenditure in the Administered activities.

(a) The Authority has no budget set up for the Fines Enforcement Recovery Unit Income and the Payment to Fines Enforcement Recovery Unit as the budget for collection is held at the Fines Enforcement Recovery Unit under the Attorney-General's Department effective from 3 February 2014.

Courts Administration Authority

T1 Trust Monies

The Authority holds monies pending the outcome of court decisions. Beneficiaries of these payments include other SA, Federal and Local government entities, and individuals. These monies are excluded from the financial statements as the Authority cannot use them for the achievement of its objectives.

The following is a summary of the transactions in the jurisdiction's trust accounts.

	2015	2014
	\$'000	\$'000
Supreme Court Suitor Account		
Balance at 1 July	30,726	14,394
Receipts	22,150	30,369
	52,876	44,763
Less: Payments	34,001	14,037
Balance at 30 June	18,875	30,726
District Court Suitor Account		
Balance at 1 July	2,369	8,097
Receipts	6,866	8,380
	9,235	16,477
Less: Payments	6,294	14,108
Balance at 30 June	2,941	2,369
Sheriff's Office Trust Account		
Balance at 1 July	153	173
Receipts	888	899
	1,041	1,072
Less: Payments	907	919
Balance at 30 June	134	153
Magistrates' Court Suitor Account – others *		
Balance at 1 July	5,029	4,492
Receipts	3,017	3,213
	8,046	7,705
Less: Payments	2,422	2,676
Balance at 30 June	5,624	5,029
Magistrates' Court Suitor Account – Fines and penalty and impounding fees *		
Balance at 1 July	-	848
Receipts	-	9,658
	-	10,506
Less: Payments	-	10,506
Balance at 30 June	-	-

* The function of receiving fines and related fees was transferred to the Attorney-General's Department effective 3 February 2014. Related activity is accounted for in the Administered Statements.

**Courts Administration Authority
Certification of the Financial Statements**

We certify that the:

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



Julie-Anne Burgess
State Courts Administrator



Trevor Pearce
Acting, Director Corporate Services



Justice Stanley
Acting, Chair State Courts Administration Council

Date: 10 September 2015



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To the Chair
State Courts Administration Council

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27 of the *Courts Administration Act 1993*, I have audited the accompanying financial report of the Courts Administration Authority for the financial year ended 30 June 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2015
- a Statement of Administered Financial Position as at 30 June 2015
- a Statement of Administered Changes in Equity for the year ended 30 June 2015
- a Statement of Administered Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Acting Chair State Courts Administration Council, State Courts Administrator and the Acting Director Corporate Services.

State Courts Administration Council's Responsibility for the Financial Report

The members of the State Courts Administration Council are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated 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 State Courts Administration Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

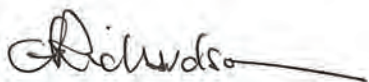
My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The auditing standards require that the auditor comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the members of the State Courts Administration Council, as well as the overall presentation of the financial report.

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Courts Administration Authority as at 30 June 2015, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson
Auditor-General
15 September 2015