

SOUTH AUSTRALIA

Report
of the
Auditor-General
for the
Year ended 30 June 2004

Tabled in the House of Assembly and ordered to be published, 6 December 2004

Fourth Session, Fiftieth Parliament

Supplementary Report
Agency Audit Reports

By Authority: J. D. Ferguson, Government Printer, South Australia

2004



Government
of South Australia



**Auditor-General's
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3 December 2004

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Gentlemen,

AUDITOR-GENERAL'S SUPPLEMENTARY REPORT: AGENCY AUDIT REPORTS

Pursuant to section 36(3) of the *Public Finance and Audit Act 1987*, I herewith provide to each of you a copy of my Supplementary Report 'Agency Audit Reports' containing the accounts of the following public authorities which are required to be reported on by me in accordance with section 36 of the Act.

- Attorney-General's Department
— Residential Tenancies Fund
- Courts Administration Authority

Yours sincerely,

K I MacPherson
AUDITOR-GENERAL

**Report of the Auditor-General 2003-04
Supplementary Report: Agency Audit Reports**

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ATTORNEY-GENERAL'S DEPARTMENT

FUNCTIONAL RESPONSIBILITY AND STRUCTURE

Establishment

The Attorney-General's Department is an Administrative Unit established pursuant to the *Public Sector Management Act 1995*.

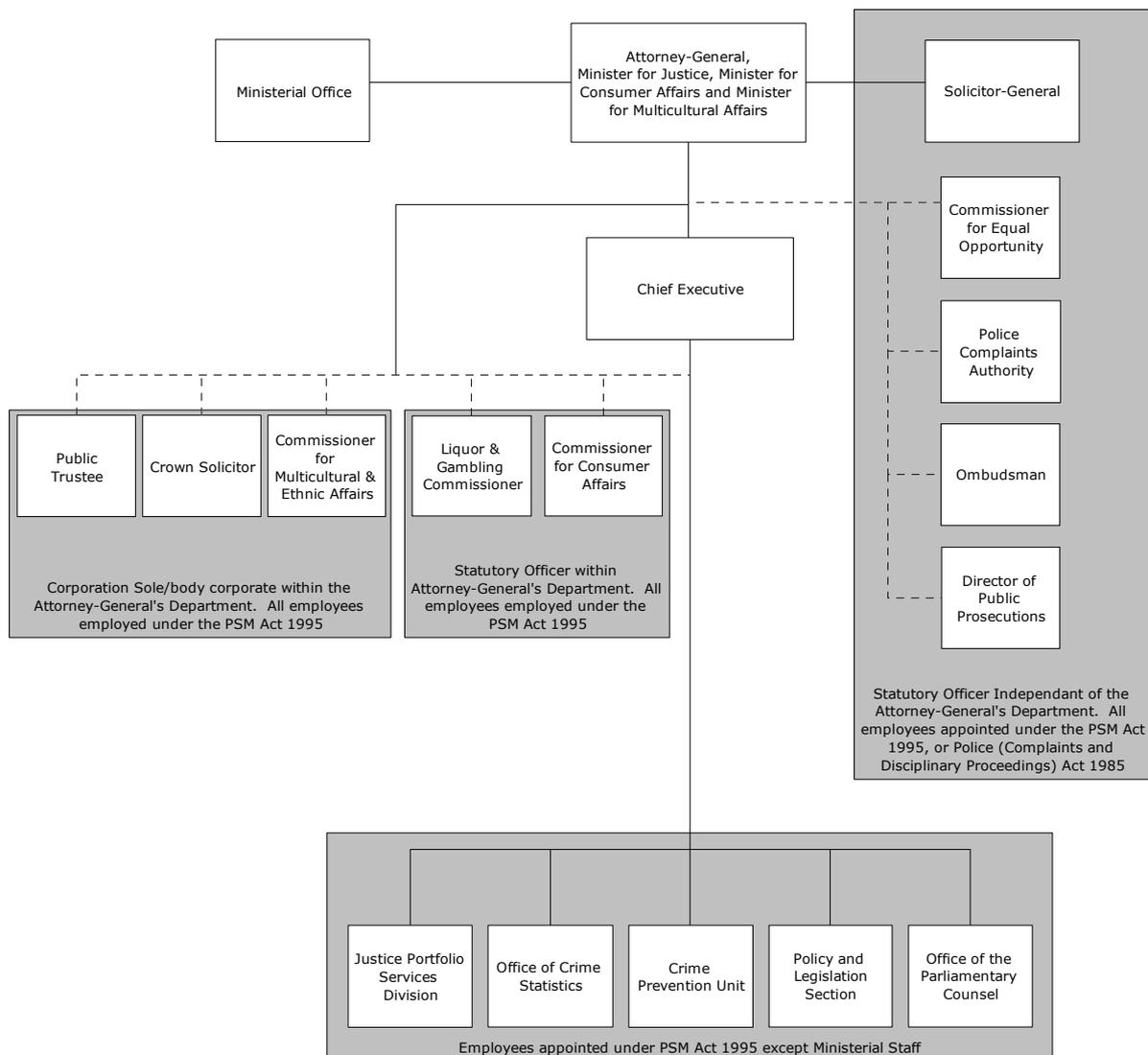
Functions

The functions of the Attorney-General's Department are as follows:

- provide professional, legal and associated services to Ministers of the Crown and government agencies;
- service the people of South Australia by upholding their legal and property rights and maintaining community and business standards;
- provide strategic policy advice to the agencies comprising the Justice portfolio.

Structure

The structure of the Attorney-General's Department is illustrated in the following organisation chart.



Changes to Functions and Structure

Effective from 1 July 2003, the management of Native Title issues was transferred from the Attorney-General's Department's administered activities to its controlled activities.

AUDIT MANDATE AND COVERAGE

Audit Authority

Audit of Financial Statements

Subsection 31(1)(b) of the *Public Finance and Audit Act 1987* provides for the Auditor General to audit the accounts of the Attorney-General's Department for each financial year.

Assessment of Controls

Subsection 36(1)(a)(iii) of the *Public Finance and Audit Act 1987* provides for the Auditor-General to assess the controls exercised by the Attorney-General's Department in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

This assessment also considers whether those controls are consistent with the prescribed elements of the Financial Management Framework as required by Treasurer's Instruction 2 'Financial Management Policies'.

Scope of Audit

The audit program covered major financial systems and was directed primarily to obtaining sufficient evidence to enable an audit opinion to be formed with respect to the financial statements and internal controls.

During 2003-04, specific areas of audit attention included:

- Payroll
- Expenditure
- Revenue
- Fixed Assets.

The work of the internal auditor was considered in designing the audit programs. Reliance was placed on the work of internal audit in assessing the effectiveness of the Attorney-General's internal controls.

AUDIT FINDINGS AND COMMENTS

Audit Opinions

Audit of Financial Statements

In my opinion, the financial report presents fairly, in accordance with applicable accounting standards, other mandatory professional reporting requirements, relevant legislation and other authorities the financial position of the Attorney-General's Department as at 30 June 2004 and the results of its operations and cash flows for the year then ended.

Assessment of Controls

Audit formed the opinion that the controls exercised by the Attorney-General's Department in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are insufficient, for the reasons documented in Inherent Risk below, to provide reasonable assurance that the financial transactions of the Attorney-General's Department have been conducted properly and in accordance with law.

Inherent Risk

In August 2004 the Chief Executive of the Department advised Audit of certain transactions processed by the Department in 2002-03 and 2003-04. The transactions were identified by the Chief Executive following his appointment in June 2004 and involved payments from the Department's Operating Account to the Crown Solicitor's Trust Account. The payments were not made with respect to goods or services received by the Department but were to transfer funds, unspent in one year, to the Crown Solicitor's Trust Account from which they could be expended in the following year.

Documentation provided to Audit by the Chief Executive demonstrates that the payments were authorised by the previous Chief Executive and other senior executives of the Department and were received into the Crown Solicitor's Trust Account with the knowledge and consent of the then Crown Solicitor. It is also evident that the Department had established a procedure for managing the balance of funds held in the Crown Solicitor's Trust Account and that implementation of these arrangements occurred with the knowledge of Departmental finance staff.

The documentation provided to Audit demonstrates that the practice of paying unspent funds into the Crown Solicitor's Trust Account was motivated by an intention to avoid disclosure to the Department of Treasury and Finance regarding the underspending of funds appropriated to the Department.

The events identified reflect that Departmental officers were prepared to deliberately present misleading information and process transactions which are not in compliance with requirements of the *Public Finance and Audit Act 1987* and the Treasurer's Instructions. Audit reliance upon the controls implemented by the Department is inappropriate where senior Departmental executives have initiated transactions which are not in compliance with requirements of the *Public Finance and Audit Act 1987* and the Treasurer's Instructions. The circumstances identified reflect a fundamental breakdown in the Department's control over financial transactions.

Implications for the Audit of the Department

Audit was advised of the transactions described above by the Chief Executive on 11 August 2004. At that time the planned audit of the Department for the year ended 30 June 2004 was substantially complete.

The audit of the Department for the year was originally planned on the basis of an assessed level of risk and with reliance to be placed by Audit on the controls implemented by the Department. As described above, the events disclosed by the Chief Executive required a fundamental reassessment of the planned audit strategy.

In accordance with principles incorporated in professional audit standards, and my Department's audit methodology, the audit strategy was amended to provide for the risks identified which resulted in a substantial increase in the level of detailed transactional testing performed.

Financial Statement Implications

The Department has processed journal entries to correct the effect of the transactions processed in the current and previous financial years. Note 24 to the financial statements details the effect of the error correction with respect to transactions processed during the year ended 30 June 2003 and reflected in the financial statements for that year.

Following the processing of correcting journal entries and the inclusion of the disclosures reflected in Note 24, an unqualified independent audit report with respect to the Department's financial statements for the year ended 30 June 2004 has been issued.

Audit Communications to Management

Matters arising during the course of the audit prior to 11 August 2004 were detailed in management letters to the Chief Executive Officer. Responses to the management letters were generally considered to be satisfactory. Major matters raised with the Department and the related responses are considered herein.

Payroll

The audit of payroll processing by the Attorney-General's Department in 2002-03 identified the need to improve control over bona fide certificates and leave returns. Follow up as part of the current year's audit indicated that some improvement had been achieved but that key aspects of the control activities were not working effectively.

The Attorney-General's Department responded that it would seek to further improve control over bona fide certificates and leave returns.

Revenue

In relation to the administration of the collection of gambling duty on behalf of the Treasurer, Audit reviewed the controls in operation and found that arrangements currently in place do not enable the Attorney-General's Department to effectively verify the activity which supports the calculation of the duty.

The Attorney-General's Department responded that the related computer system is currently being assessed with a view to ensuring the correct duty is calculated.

INTERPRETATION AND ANALYSIS OF FINANCIAL STATEMENTS**Highlights of Financial Statements**

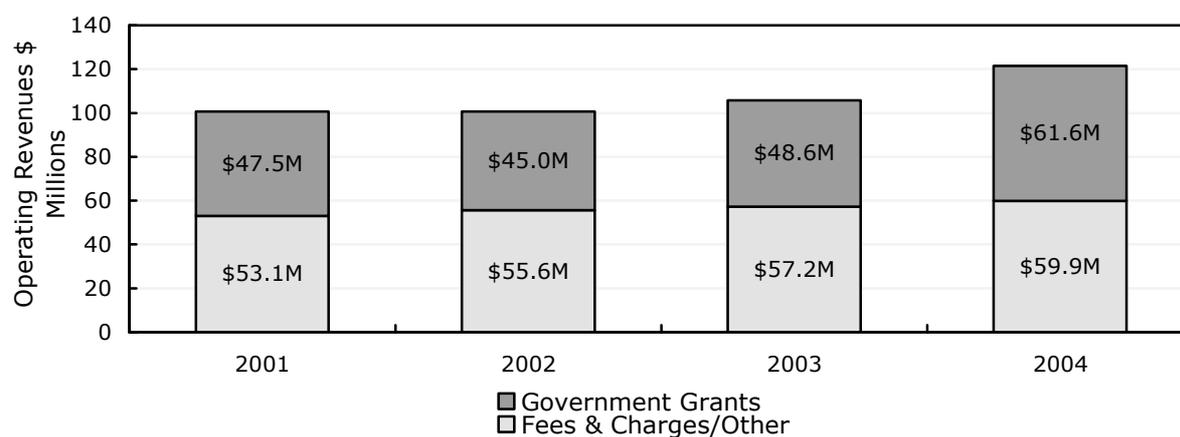
	2004	2003	Percentage
	\$'million	\$'million	Change
OPERATING REVENUE			
Government grants	61	49	24
Fees and charges/Other	60	57	5
Total Operating Revenue	121	106	14
OPERATING EXPENDITURE			
Employment expenses	73	67	9
Other expenses	49	49	-
Error	(3)	-	-
Total Operating Expenses	119	116	3
Surplus (Deficit)	2	(10)	120
Net Cash Flows from Operations	2	(4)	150
ASSETS			
Current assets	34	28	21
Non-current assets	9	11	(18)
Total Assets	43	39	10
LIABILITIES			
Current liabilities	12	9	33
Non-current liabilities	17	17	-
Total Liabilities	29	26	12
EQUITY	14	13	8

Statement of Financial Performance**Operating Revenues**

Over recent years, the increase in Government Grants has reflected the Attorney-General's Department's restructured activities. In 2004, the increase mainly reflects the transfer of the management of Native Title matters from the Attorney-General's Department's administered activities to its controlled activities. In 2004, \$8.0 million was appropriated for the management of Native Title matters.

The increase in other revenues over recent years is also explained by the Attorney-General's Department's restructured activities. In addition, in 2004, fees and charges increased mainly as a result of an increase in the schedule of fees and activities in relation to the Officer for the Commissioner of Consumer and Business Affairs.

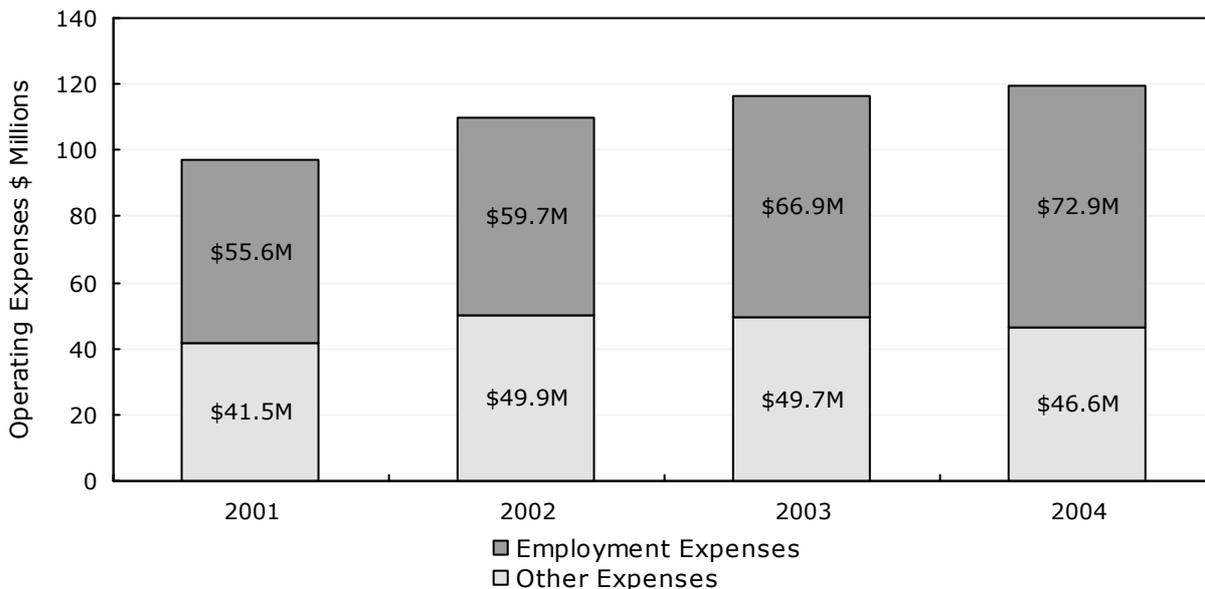
A structural analysis of operating revenues for the Department in the four years to 2004 is presented in the following chart.



Operating Expenses

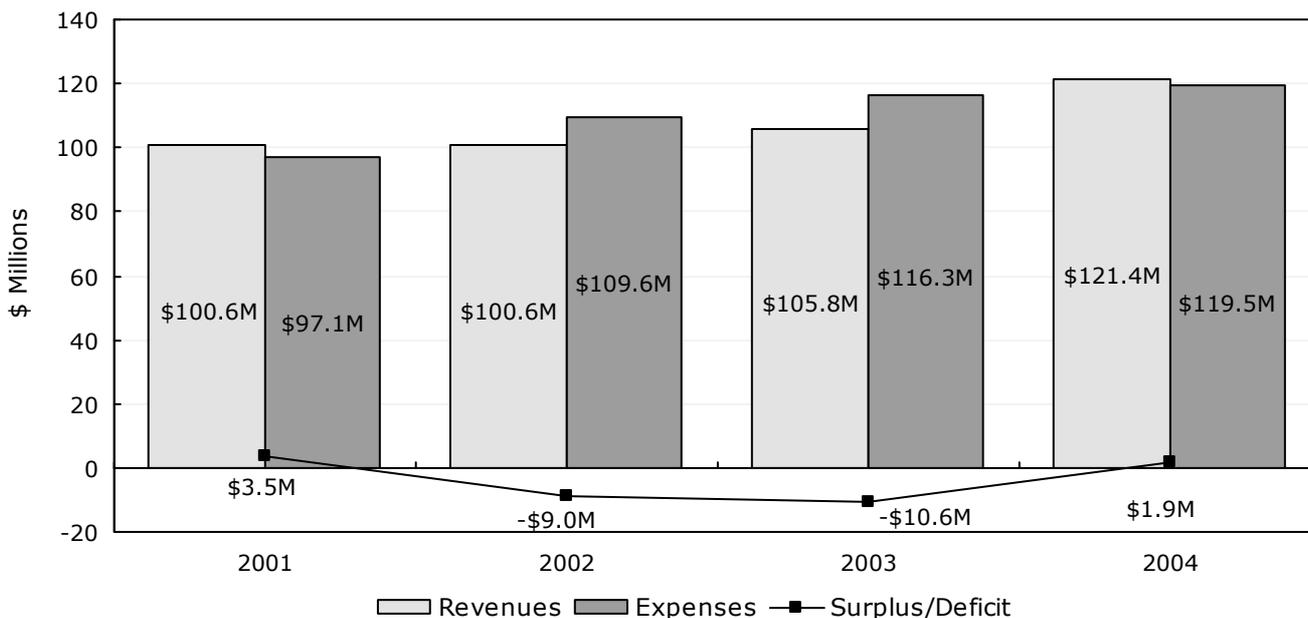
As with operating revenues, and taking into account the net expense resulting from the correction of errors, the operating expenses of the Attorney-General's Department have increased reflecting the Department's restructured activities. For example, in 2004, the transfer of the management of Native Title matters has resulted in an increase of \$2.3 million in employment expenses and \$4.5 million in other expenses. In addition, there has been an increase in employee expenses in line with wage parity agreements.

For the four years to 2004, a structural analysis of the main operating expense items for the Department is shown in the following chart. The operating expenses in the chart reflect actual results including the impact of the correction of errors.



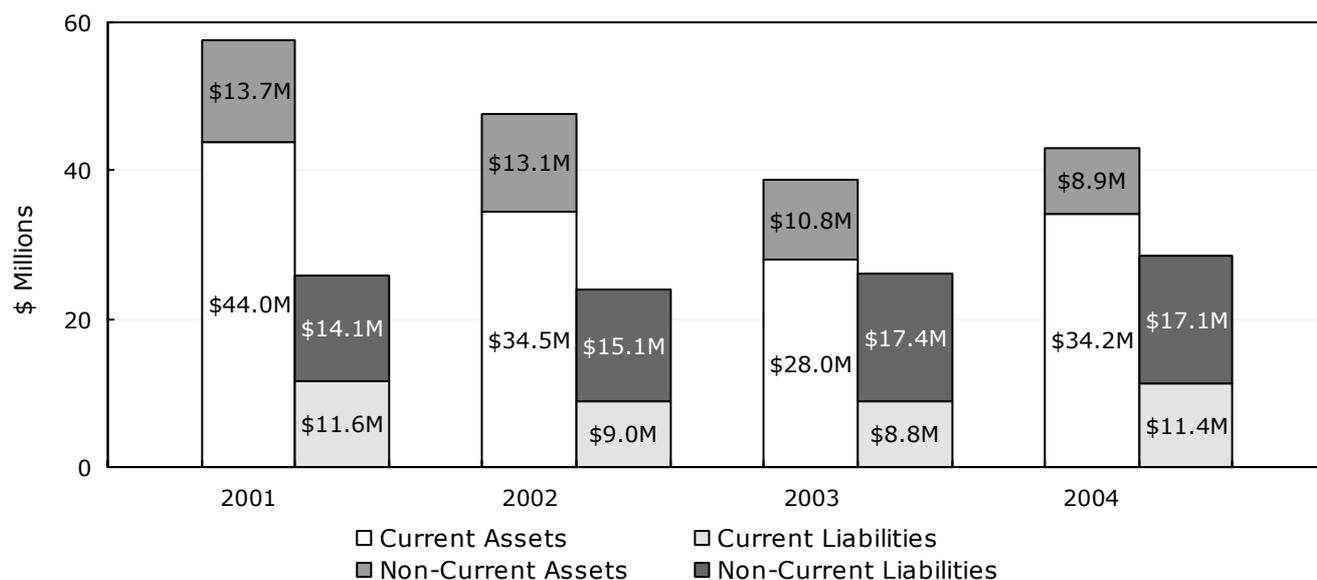
Operating Result

The deficit in 2003 and surplus in 2004 include the effect of the net error of \$2.8 million. Taking this into account, the operating result of the Attorney-General's Department has improved over the past two years. The following chart shows the operating revenues, operating expenses and surpluses/deficits for the four years to 2004 and reflect the errors and their subsequent correction.



Statement of Financial Position

For the four years to 2004, a structural analysis of assets and liabilities is shown in the following chart.



Statement of Cash Flows

The following table summarises the net cash flows for the four years to 2004.

	2004 \$'million	2003 \$'million	2002 \$'million	2001 \$'million
Net Cash Flows				
Operations	2.3	(3.9)	(5.6)	9.9
Investing	(1.2)	(1.5)	(2.9)	(4.8)
Financing	-	(0.0)	1.2	1.3
Change in Cash	1.1	(5.4)	(7.3)	6.4
Cash at 30 June	24.3	23.2	28.6	35.9

The analysis of cash flows shows that the Attorney-General's Department has, after reducing its cash balance in past years, maintained it in 2004. The Government's cash alignment policy will reduce the Attorney-General's Department's in 2005. Refer Note 2.9 of the financial statements.

INTERPRETATION AND ANALYSIS OF FINANCIAL STATEMENTS FOR ADMINISTERED ACTIVITIES

Highlights of Financial Statements

	2004 \$'million	2003 \$'million	Percentage Change
REVENUES			
Government grants	44	658	(93)
Other revenues	520	473	24
Total Revenues	564	1 131	(44)
EXPENSES			
Payments to Justice agencies	1	600	(100)
Other expenses	557	523	7
Total Expenses	558	1 123	(50)
Surplus (Deficit)*	6	8	125

	2004	2003	Percentage
	\$'million	\$'million	Change
Net Cash Flows from Operations	(203)	240	(185)
ASSETS			
Current assets	125	372	(66)
Non-current assets	68	64	6
Total Assets	193	436	(56)
LIABILITIES			
Current liabilities	65	314	(79)
Non-current liabilities	26	29	(10)
Total Liabilities	91	343	(73)
EQUITY	102	93	10

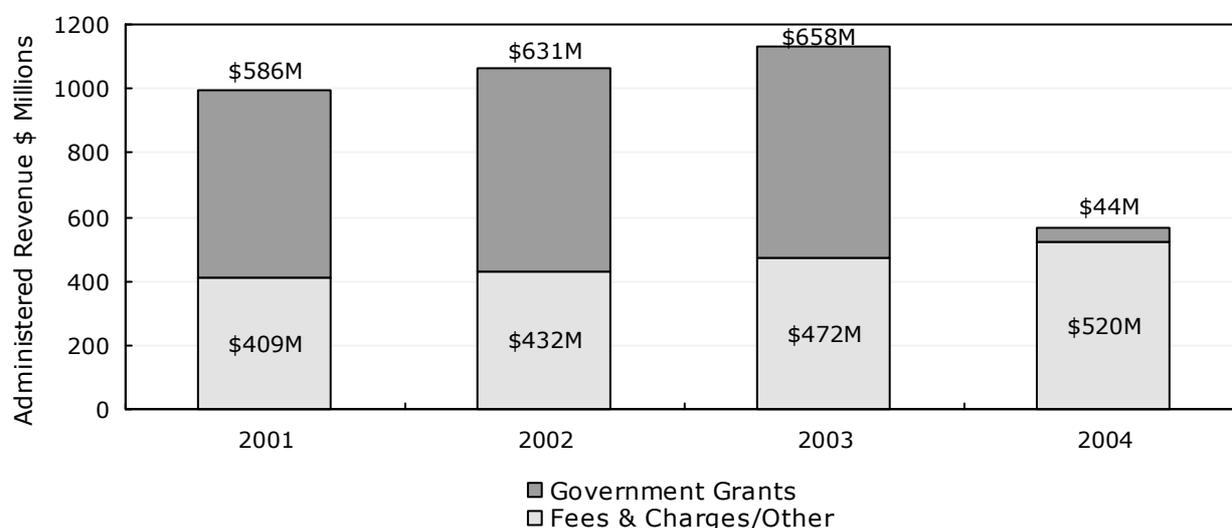
Statement of Financial Performance

Revenues

The decrease in government grants reflects that, from 2003-04, appropriations to Justice portfolio agencies were no longer provided through the Department of Justice Special Deposit Account but were paid directly to the Justice portfolio agencies by the Treasurer.

The increase in other revenues is mainly as a result of increases in taxation receipts, the Emergency Services Levy and Victims of Crime Levies.

For the four years to 2004 a structural analysis of administered revenues for the Department is presented in the following chart.



Expenses

Reduced payments to Justice agencies in 2004 is attributable to the changed arrangements for providing appropriation funding to Justice Portfolio agencies.

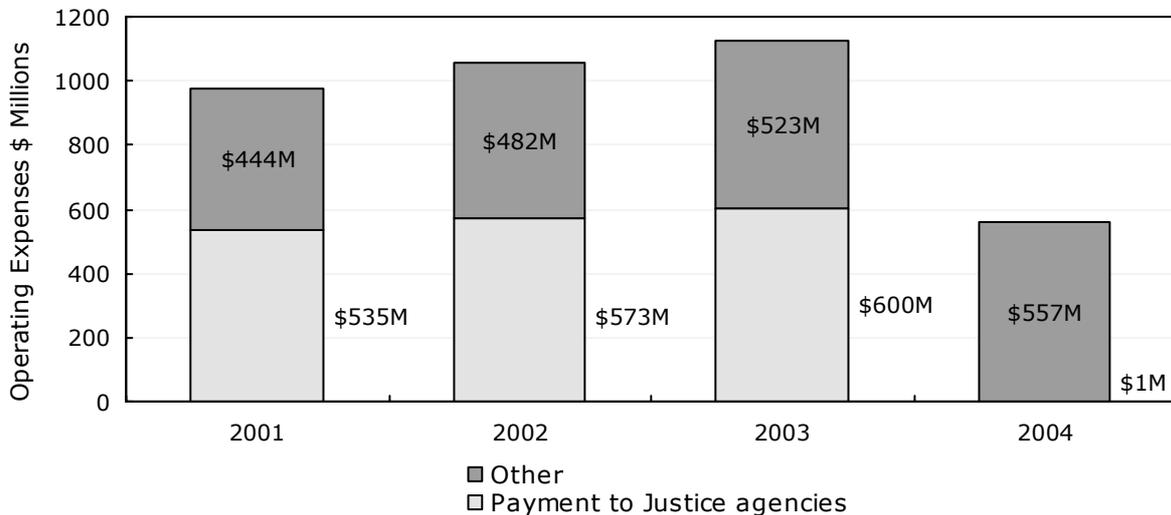
The increase in other administered expenses is mainly as a result of:

- the transfer of increased taxation receipts to the Consolidated Account;
- payment of increased Emergency Services Levies to Emergency Services agencies;
- increased payments to Victim's of Crime.

This has been partially offset by:

- the transfer of the costs associated with the management of Native Title matters to the Attorney-General's Department's controlled activities;
- reduced costs in relation to the Bodies in the Barrel case;
- decreased claims paid from Agents Indemnity Fund.

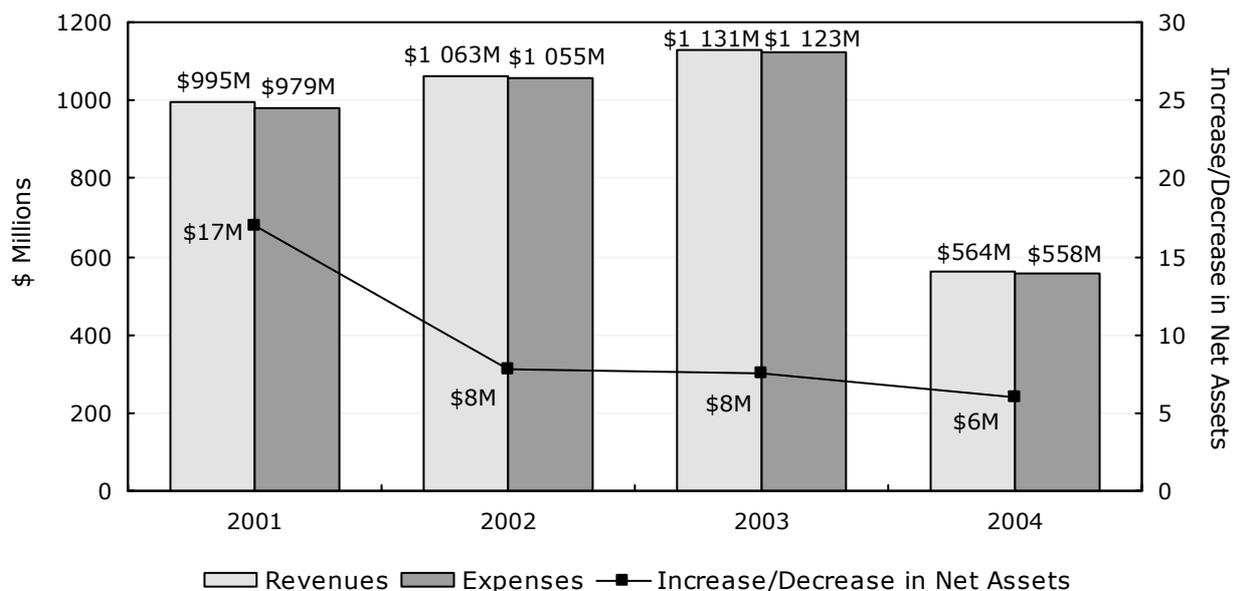
For the four years to 2004 a structural analysis of the main administered operating expense items for the Department is shown in the following chart.



Operating Result

The nature of the administered activities is such that the net asset position should always be positive.

The following chart shows the operating revenues, operating expenses and net assets for the four years to 2004.



Statement of Financial Position

In 2003, a change in banking arrangements for the South Australian Government impacted on the transfer of taxation and other receipts to Consolidated Account. As a result, in 2003, administered Cash on Hand and on Deposit reflects an amount of \$288 million payable to Consolidated Account while Other Assets reflects a receivable of \$53 million due from Consolidated Account. The process was resolved by 30 June 2004.

Statement of Cash Flows

The following table summarises the administered net cash flows for the four years to 2003.

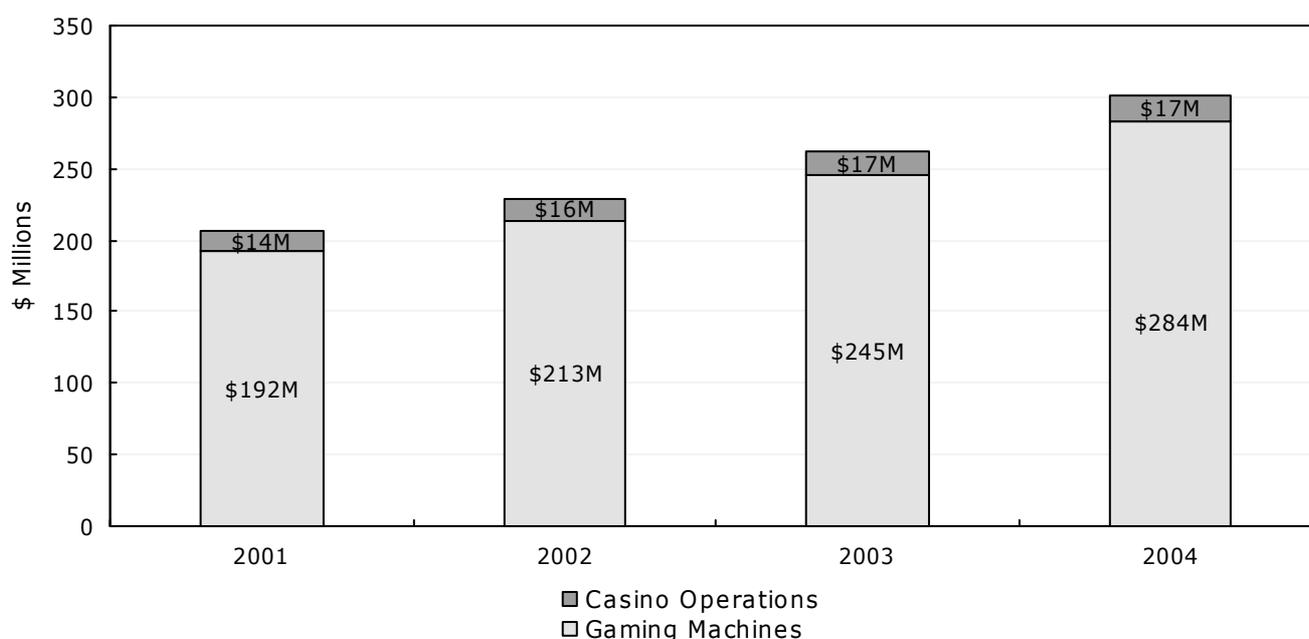
	2004	2003	2002	2001
	\$'million	\$'million	\$'million	\$'million
Net Cash Flows				
Operations	(202.8)	239.7	15.2	16.7
Investing	(5.2)	(3.9)	(4.8)	(0.1)
Financing	-	-	0.3	1.4
Change in Cash	(208.0)	235.8	10.7	18.0
Cash at 30 June	68.3	276.3	40.5	29.8

FURTHER COMMENTARY ON OPERATIONS

Taxation Receipts

Taxation receipts for 2003-04 totalled \$300.6 million (\$262.7 million).

For the four years to 2004 a structural analysis of taxation receipts is presented in the following chart.



The following information is provided in relation to revenue from gaming machines.

Gaming Machine Administration

The *Gaming Machines Act 1992* (the Act), section 5, provides that the Liquor and Gambling Commissioner is responsible to the Independent Gambling Authority for the scrutiny of the operations of all licences under the Act.

Under the Act, the operations of gaming machines in licensed premises must return winnings to players of not less than 85 percent in the case of machines installed prior to 31 May 2001, and 87.5 percent in the case of machines installed subsequent to that date. A prescribed percentage of the net gambling revenue (NGR) is then required to be paid to the Treasurer (Consolidated Account).

As of 1 January 2003, the prescribed percentage of NGR to be paid into the Consolidated Account changed pursuant to the *Gaming Machines (Gaming Tax) Amendment Act 2002*. The revised structure reflected:

- the introduction of a tax free threshold of \$75 000;

- a seven tiered structure instead of the previous three tiers;
- the continued distinction between non-profit and other business licensees;
- a maximum tax rate of 55 percent (previously 30.91 percent) for non-profit businesses and 65 percent (previously 40.91 percent) for other businesses.

The following table summarises gaming machine activity for four years to 2004.

	2004	2003	2002	2001
	Number	Number	Number	Number
Machines (installed as at 30 June)	14 799	14 841	14 647	14 096

	2004	2003	2002	2001
	\$'million	\$'million	\$'million	\$'million
Turnover	6 502	5 853	5 225	4 644
Amount Won	5 778	5 184	4 618	4 101
NGR	724	669	607	544
Tax	284	245	214	190

Independent Gaming Corporation Limited

Pursuant to section 25 of the Act, the Liquor and Gambling Commissioner granted the gaming machine monitor licence to the Independent Gaming Corporation (IGC). The IGC is, under this licence, charged with the responsibility for monitoring the operations of gaming machine licensees.

Section 75 of the Act, specifically provides for the accounts and operations of the IGC, in performing its monitoring role, to be audited by the Auditor General.

With respect to the 2003-04 operations, the audit of the IGC has been completed and an unqualified audit opinion issued.

Victim of Crimes Fund

The Attorney-General's Department is responsible for administering the *Victims of Crime Act 2001* (the Act), with effect from 1 January 2003. The Department was previously responsible for administering the *Criminal Injuries Compensation Act 1978* which was repealed by the Act.

The Act, establishes principles for the treatment of victims of crime and provides rights to statutory compensation for injuries suffered as a result of criminal offences. The maximum compensation that may be awarded under the Act is \$50 000.

Payments made for the year through the Special Deposit Account titled 'Victims of Crime Fund' totalled \$12.4 million (\$10.1 million) on account of 1227 (1291) compensation claims.

Recoveries from Offenders

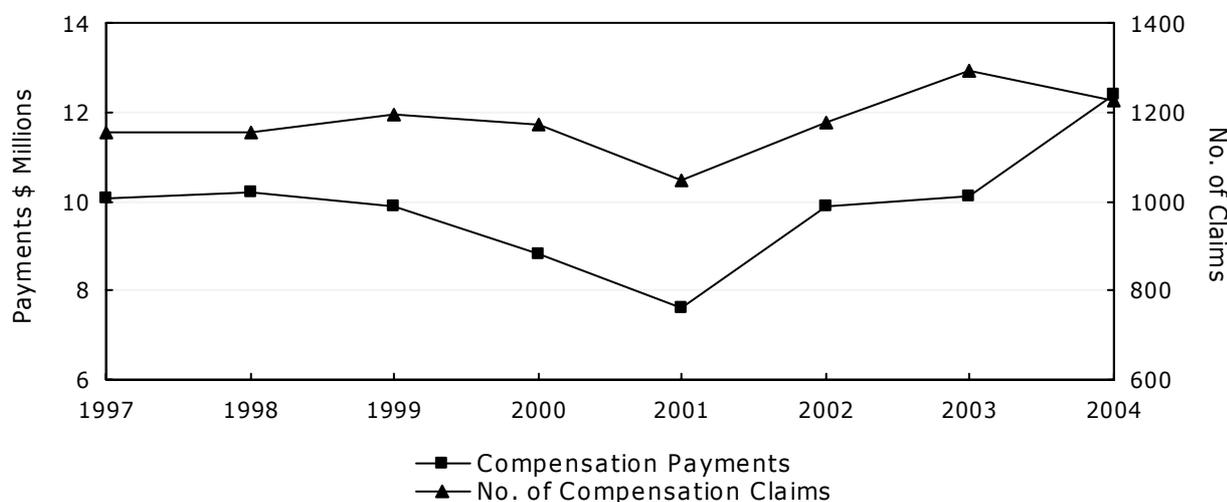
Pursuant to the Act, the Attorney-General can recover, as a debt, from an offender who has been convicted of an offence, the amount of any payment made by the Attorney-General pursuant to the Act. Recovery of amounts is difficult as most compensation claims are for unknown offenders. This is demonstrated by the following:

- Outstanding amounts at 30 June 2004 were \$40.0 million (\$49.1 million) with \$13.7 million (\$2.7 million) having been written off during the year.
- The amounts recovered during the year totalled \$870 000 (\$532 000).

As a result of the size of compensation payments and the small amounts recovered from offenders, funds are transferred from the Consolidated Account to enable compensation payments to be made.

In order to supplement these funds a levy is imposed by the Act on all persons convicted of offences and on expiation notices. Levies for 2003-04 totalled \$7.8 million (\$5.1 million). In addition, for 2003-04 the Government appropriated \$6.2 million (\$6.2 million).

The following chart illustrates compensation payments and claims made over the past eight years.



Community Emergency Services Fund

The Department is responsible for administering the Community Emergency Services Fund.

Contributions, by way of levies, are made by all owners (including both State and Local Government) of both fixed and mobile property to fund the provision of emergency services. Levies are collected in accordance with the *Emergency Services Funding Act 1998*. The levy on fixed property applies to capital values adjusted for location and land use and is collected by RevenueSA. The levy on mobile property is collected by the Department of Transport and Urban Planning using the vehicle registration system.

In addition, the Government makes a contribution in the form of remissions of levies charged.

All levy receipts are paid into a fund titled the Community Emergency Services Fund from which the Department makes payment to Emergency Services agencies. The Fund also meets the cost of collecting the levies and operating the Fund.

Levies for 2003-04 totalled \$162.7 million (\$153.4 million), comprising:

	2004	2003
	\$'million	\$'million
Fixed property collections	27.0	52.0
Fixed property remissions	64.1	57.6
Mobile collections	26.3	26.2
Mobile remissions	8.6	9.0
Pensioner concessions	6.2	6.2
Crown land contribution	-	2.1
Other	0.5	0.3
	162.7	153.4

* Reflects the expiry of section 11(5) of the *Emergency Services Funding Act 1998* whereby the Crown, to 30 June 2002, had to pay into the Community Emergency Services Fund an amount equivalent to 11 percent of the fixed property levy.

The Fund earned \$2.3 million (\$2.0 million) in interest revenue.

Attorney-General's

Payments totalling \$164.5 million (\$154.9 million) were made from the Fund as follows:

	2004	2003
	\$'million	\$'million
Emergency Services Administration Unit	0.5	0.5
South Australian Metropolitan Fire Services	76.2	68.5
Country Fire Services	44.5	43.4
South Australian Police	16.8	16.1
Department for Environment and Heritage	2.1	2.0
SA St John Ambulance Service	1.0	0.8
Surf Lifesaving	0.9	0.4
State Emergency Services	10.8	937
Volunteer Marine Rescue	0.7	0.8
State Rescue helicopter	0.5	-
Grants		-
Levy collection fees:		
Revenue SA	6.2	7.0
Department of Transport and Urban Planning	0.6	0.7
Attorney-General's Department	1.1	1.0
Other	2.6	4.0
	164.5	154.9

Bodies in the Barrel Case

The Department's Administered Expenses include \$2.8 million (\$5.9 million) of costs associated with the Bodies in the Barrel case. These costs were funded from specific appropriations.

**Statement of Financial Performance
for the year ended 30 June 2004**

		2004	2003
	Note	\$'000	\$'000
EXPENSES FROM ORDINARY ACTIVITIES:			
Employee expenses	6	72 894	66 853
Supplies and services	7	36 911	39 058
Grants and subsidies	9	8 959	5 537
Depreciation and amortisation	8	2 921	3 519
Net expense resulting from correction of errors	24	(2 785)	-
Other	10	588	1 365
Total Expenses from Ordinary Activities		119 488	116 332
REVENUES FROM ORDINARY ACTIVITIES:			
Fees and charges	12	50 536	47 545
Commonwealth revenue		3 013	2 832
Interest		886	1 096
Net loss from disposal of assets	13	(24)	(13)
Net revenue resulting from correction of errors	24	(13)	-
Other	14	5 468	5 726
Total Revenues from Ordinary Activities		59 866	57 186
NET COST OF SERVICES FROM ORDINARY ACTIVITIES		(59 622)	(59 146)
Revenues from SA Government	15	61 563	48 567
NET RESULT FROM ORDINARY ACTIVITIES		1 941	(10 579)
Decrease in net assets due to administrative restructure		(227)	(408)
NET RESULT AFTER RESTRUCTURING		1 714	(10 987)
Increase in the asset revaluation reserve		-	194
Total Revenues, Expenses and Valuation Adjustments Recognised Directly in Equity		-	194
TOTAL CHANGES IN EQUITY EXCLUDING THOSE RESULTING FROM TRANSACTIONS WITH STATE GOVERNMENT AS OWNER		1 714	(10 793)

**Statement of Financial Position
as at 30 June 2004**

		2004	2003
	Note	\$'000	\$'000
CURRENT ASSETS:			
Cash on hand and on deposit	16	24 320	23 168
Receivables	17	9 307	4 486
Other	18	563	538
Total Current Assets		34 190	28 192
NON-CURRENT ASSETS:			
Property, plant and equipment	19	8 862	10 813
Total Non-Current Assets		8 862	10 813
Total Assets		43 052	39 005
CURRENT LIABILITIES:			
Payables	20	4 253	3 172
Employee benefits	21(a)	5 583	4 170
Other	22	1 605	1 472
Total Current Liabilities		11 441	8 814
NON-CURRENT LIABILITIES:			
Payables	20	1 868	2 661
Employee benefits	21(a)	14 156	13 455
Other	22	1 124	1 326
Total Non-Current Liabilities		17 148	17 442
Total Liabilities		28 589	26 256
NET ASSETS		14 463	12 749
EQUITY:			
Accumulated surplus	23	12 853	11 139
Asset revaluation reserve		1 610	1 610
TOTAL EQUITY		14 463	12 749
Commitments	29		
Contingent Liabilities and Assets	26		

**Statement of Cash Flows
for the year ended 30 June 2004**

		2004	2003
		Inflows (Outflows)	Inflows (Outflows)
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH OUTFLOWS:	Note		
Employee payments		(69 508)	(64 339)
Grants and subsidies		(8 959)	(5 537)
GST paid		(3 525)	(2 739)
Other		(38 337)	(40 863)
Total Outflows from Operating Activities		(120 329)	(113 478)
CASH INFLOWS:			
Receipts from SA Government		61 563	48 567
Fees and charges		49 868	48 526
GST received		6 499	6 750
Commonwealth revenue		3 013	2 832
Other		1 680	2 849
Total Inflows from Operating Activities		122 623	109 524
Net Cash Inflows (Outflows) from Operating Activities	25	2 294	(3 954)
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH OUTFLOWS:			
Purchase of property, plant and equipment		(1 152)	(1 553)
Total Outflows from Investing Activities		(1 152)	(1 553)
CASH INFLOWS:			
Proceeds from sale of property, plant and equipment		10	41
Total Inflows from Investing Activities		10	41
Net Cash Outflows from Investing Activities		(1 142)	(1 512)
CASH FLOWS FROM FINANCING ACTIVITIES:			
CASH OUTFLOWS:			
Repayment under Finance Lease		-	(5)
Total Outflows from Financing Activities		-	(5)
Net Cash Outflows from Financing Activities		-	(5)
NET INCREASE (DECREASE) IN CASH HELD		1 152	(5 471)
CASH AT 1 JULY		23 168	28 639
CASH AT 30 JUNE	16	24 320	23 168

**Program Class Schedule of Assets, Liabilities, Revenues and Expenses
for the year ended 30 June 2004**

	(Refer Note 4)	Program	Program	Program	Program	Program	Program
		1	2	3	4	5	6
ASSETS:		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT:							
Cash on hand and on deposit		11 024	504	3 354	2 233	185	354
Receivables		2 409	3 775	627	533	87	8
Other		385	42	4	7	23	-
NON-CURRENT:							
Property, plant and equipment		2 696	2 770	398	(9)	368	100
Total		16 514	7 091	4 383	2 764	663	462
LIABILITIES:							
CURRENT:							
Payables		(1 551)	(827)	(300)	(110)	(69)	(40)
Employee benefits		(2 394)	(994)	(386)	(341)	(109)	(105)
Other		(783)	-	352	-	-	-
NON-CURRENT:							
Payables		(675)	(449)	(192)	(99)	(44)	(14)
Employee benefits		(5 030)	(3 347)	(1 435)	(743)	(323)	(109)
Other		-	-	-	-	-	-
Total		(10 433)	(5 617)	(1 961)	(1 293)	(545)	(268)
NET ASSETS		6 081	1 474	2 422	1 471	118	194
REVENUES:							
Revenues from SA Government		(30 177)	(1 319)	(6 009)	(2 368)	(2 506)	(1 122)
Fees and charges		(11 801)	(24 383)	(1 146)	(2 456)	(185)	-
Commonwealth revenue		(6)	(3)	(1)	(6)	(70)	-
Interest		-	-	-	-	-	(389)
Net loss from disposal of assets		9	8	2	1	1	-
Net revenue resulting from correction of errors		5	3	1	1	-	-
Other		(944)	(1 164)	(152)	(63)	(63)	(10)
Total		(42 914)	(26 858)	(7 305)	(4 891)	(2 823)	(1 521)
EXPENSES:							
Employee expenses		31 481	14 466	4 984	4 185	1 602	854
Supplies and services		9 311	7 744	1 972	1 124	821	202
Grants and subsidies		2 967	29	-	321	-	-
Depreciation and amortisation		867	788	433	53	103	41
Net expense resulting from correction of errors		(1 029)	(514)	(166)	(130)	(57)	(25)
Other		539	42	-	-	-	-
Total		44 136	22 555	7 223	5 553	2 469	1 072
NET RESULT FROM ORDINARY ACTIVITIES		1 222	(4 303)	(82)	662	(354)	(449)

**Program Class Schedule of Assets, Liabilities, Revenues and Expenses
for the year ended 30 June 2004 (continued)**

	(Refer Note 4)	Program 7	Program 8	Program 9	Program 10	Program 11	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS:							
CURRENT:							
Cash on hand and on deposit		1 232	122	163	5 149	-	24 320
Receivables		12	48	174	366	1 268	9 307
Other		9	14	5	74	-	563
NON-CURRENT:							
Property, plant and equipment		135	8	127	2 269	-	8 862
Total		1 388	192	469	7 858	1 268	43 052
LIABILITIES:							
CURRENT:							
Payables		(47)	(13)	(47)	(1 249)	-	(4 253)
Employee benefits		(117)	(32)	(127)	(978)	-	(5 583)
Other		-	-	-	(1 174)	-	(1 605)
NON-CURRENT:							
Payables		(62)	(7)	(17)	(309)	-	(1 868)
Employee benefits		(466)	(53)	(128)	(2 522)	-	(14 156)
Other		-	-	-	(91)	(1 033)	(1 124)
Total		(692)	(105)	(319)	(6 323)	(1 033)	(28 589)
NET ASSETS		696	87	150	1 535	235	14 463
REVENUES:							
Revenues from SA Government		(1 633)	(2 159)	(1 510)	(12 760)	-	(61 563)
Fees and charges		-	-	-	(10 565)	-	(50 536)
Commonwealth revenue		-	(90)	-	(2 837)	-	(3 013)
Interest		(94)	-	-	(403)	-	(886)
Net loss (gain) from disposal of assets		(1)	-	1	3	-	24
Net revenue resulting from correction of errors		-	-	-	3	-	13
Other		(16)	(92)	(858)	(2 106)	-	(5 468)
Total		(1 744)	(2 341)	(2 367)	(28 665)	-	(121 429)
EXPENSES:							
Employee expenses		1 366	509	1 402	12 045	-	72 894
Supplies and services		305	387	418	14 627	-	36 911
Grants and subsidies		-	1 516	22	4 104	-	8 959
Depreciation and amortisation		57	15	48	516	-	2 921
Net expense resulting from correction of errors		(39)	(58)	(42)	(725)	-	(2 785)
Other		-	-	-	7	-	588
Total		1 689	2 369	1 848	30 574	-	119 488
NET RESULT FROM ORDINARY ACTIVITIES		(55)	28	(519)	1 909	-	(1 941)

**Statement of Administered Revenue and Expenses
for the year ended 30 June 2004**

		2004	2003
	Note	\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES:			
Taxation receipts		300 614	262 702
Community Emergency Services Fund revenue		162 712	153 556
Revenues from SA Government	47	44 288	658 271
Commonwealth Specific Purpose grants		22 475	21 742
Fees and charges		18 366	14 947
Interest revenue		7 602	8 543
Agents Indemnity Fund revenue		6 253	4 262
Net revenue resulting from correction of errors	46	(6 074)	-
Other	36	7 774	6 709
Total Revenues from Ordinary Activities		564 010	1 130 732
EXPENSES FROM ORDINARY ACTIVITIES:			
Payment to Consolidated Account		327 193	288 835
Emergency Services Levy payments	33	164 529	155 680
Grants		22 658	24 367
Employee expenses	32	5 506	7 762
Payments to Justice Agencies	47	1 139	600 425
Depreciation and amortisation	34	340	421
Net expense resulting from correction of errors	46	5	-
Disposal of assets		-	25
Other	35	36 157	45 686
Total Expenses from Ordinary Activities		557 527	1 123 201
OPERATING SURPLUS		6 483	7 531
Increase in net assets due to administrative restructure		227	-
Amounts transferred to asset revaluation reserve		1 781	-
TOTAL CHANGES IN EQUITY EXCLUDING THOSE RESULTING FROM TRANSACTIONS WITH STATE GOVERNMENT AS OWNERS		8 491	7 531

**Statement of Administered Assets and Liabilities
for the year ended 30 June 2004**

		2004	2003
	Note	\$'000	\$'000
CURRENT ASSETS:			
Cash	37	68 278	276 289
Receivables	38	36 992	29 640
Financial assets	40	15 916	12 189
Other	39	3 935	53 684
Total Current Assets		125 121	371 802
NON-CURRENT ASSETS:			
Financial assets	40	67 155	63 268
Property, plant and equipment	41	754	1 015
Other	39	330	-
Total Non-Current Assets		68 239	64 283
Total Assets		193 360	436 085
CURRENT LIABILITIES:			
Payables	42	2 172	1 796
Employee benefits	43(a)	150	163
Other	44	62 841	311 787
Total Current Liabilities		65 163	313 746
NON-CURRENT LIABILITIES:			
Payables	42	32	49
Employee benefits	43(a)	225	229
Other	44	26 101	28 713
Total Non-Current Liabilities		26 358	28 991
Total Liabilities		91 521	342 737
NET ASSETS		101 839	93 348
EQUITY:			
Accumulated surplus	45	98 894	92 184
Asset revaluation reserve		2 945	1 164
TOTAL EQUITY		101 839	93 348
Contingent Liabilities and Assets	49		

**Statement of Administered Cash Flows
for the year ended 30 June 2004**

		2004	2003
		Inflows	Inflows
CASH FLOWS FROM OPERATING ACTIVITIES:		(Outflows)	(Outflows)
CASH INFLOWS:	Note	\$'000	\$'000
Taxation receipts		304 325	265 743
Community Emergency Services Fund revenue		165 215	155 217
Receipts from SA Government	47	44 288	658 271
Commonwealth Specific Purpose grant		22 475	21 742
Fees and charges		10 980	6 803
Interest revenue		7 627	8 466
Other		51 301	-
Total Inflows from Operating Activities		606 211	1 116 242
CASH OUTFLOWS:			
Payments to Consolidated Account		(592 936)	-
Emergency Services Levy payments		(164 522)	(154 861)
Grants		(22 658)	(24 367)
Administration costs		(10 177)	(12 357)
Victims of Crime compensation payments		(10 090)	(8 673)
Employee payments		(5 530)	(8 000)
Payments to Justice agencies		(1 139)	(600 425)
Other		(1 954)	(67 884)
Total Outflows from Operating Activities		(809 006)	(876 567)
Net Cash (Outflows) Inflows from Operating Activities	48	(202 795)	239 675
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH OUTFLOWS:			
Payments for investments		(4 927)	(3 877)
Payments for property, plant and equipment		(289)	(43)
Total Outflows from Investing Activities		(5 216)	(3 920)
Net Cash Outflows from Investing Activities		(5 216)	(3 920)
NET (DECREASE) INCREASE IN CASH HELD		(208 011)	235 755
CASH AT 1 JULY		276 289	40 534
CASH AT 30 JUNE	37	68 278	276 289

**Program Schedule of Administered Revenues, Expenses, Assets and Liabilities
for the year ended 30 June 2004**

	(Refer Note 5)	Program 1	Program 2	Program 3	Program 4	Program 5
		\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS:						
CURRENT:						
Cash on hand and on deposit		23 870	7 514	17 135	13 056	(350)
Financial assets		-	4 155	-	-	-
Receivables		27 328	1 065	3 351	586	-
Other		208	-	1 201	-	350
NON-CURRENT:						
Financial assets		-	25 834	-	-	-
Property, plant and equipment		-	-	-	-	-
Other		-	-	-	-	-
Total Administered Assets		51 406	38 568	21 687	13 642	-
LIABILITIES:						
CURRENT:						
Payables		(48)	(54)	(482)	(64)	(52)
Employee benefits		-	-	-	-	(58)
Other		(25 663)	(976)	-	-	-
NON-CURRENT:						
Payables		-	-	-	-	(8)
Employee benefits		-	-	-	-	(53)
Other		-	-	-	-	-
Total Administered Liabilities		(25 711)	(1 030)	(482)	(64)	(171)
ADMINISTERED REVENUES AND EXPENSES						
REVENUES:						
Revenues from SA Government		(8 933)	-	(6 200)	-	(2 977)
Fees and charges		(9 093)	(639)	(8 634)	-	-
Taxation receipts		(300 614)	-	-	-	-
Community Emergency Services Fund revenue		-	-	-	(162 712)	-
Commonwealth Specific Purpose grants		-	(11 673)	-	-	-
Interest revenue		-	(1 444)	(880)	(2 201)	-
Agents Indemnity Fund revenue		-	(6 253)	-	-	-
Net revenue resulting from correction of errors		-	392	-	-	-
Other		-	(496)	(1 504)	-	-
Total Administered Revenues		(318 640)	(20 113)	(17 218)	(164 913)	(2 977)

**Program Schedule of Administered Revenues, Expenses, Assets and Liabilities
for the year ended 30 June 2004 (continued)**

	(Refer Note 5)	Program	Program	Program	Program	Program
		1	2	3	4	5
		\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES:						
Employee expenses		-	10	361	-	490
Other		10 543	1 751	14 674	-	2 392
Depreciation and amortisation		-	-	-	-	-
Payments to Consolidated Account		304 508	11 674	-	-	-
Net expense resulting from correction of errors		-	-	-	-	-
Payments to Justice agencies		-	-	-	-	-
Emergency Services levy payments		-	-	-	164 529	-
Grants		-	-	913	-	-
Total Administered Expenses		315 051	13 435	15 948	164 529	2 882
NET INCREASE (DECREASE) IN ADMINISTERED NET ASSETS		(3 589)	(6 678)	(1 270)	(384)	(95)
	(Refer Note 5)	Program	Program	Program	Program	Total
		6	7	8	9	\$'000
		\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS:						
CURRENT:						
Cash on hand and on deposit		13 712	(5 283)	-	(1 376)	68 278
Financial assets		11 761	-	-	-	15 916
Receivables		182	4 349	-	131	36 992
Other		-	74	-	2 102	3 935
NON-CURRENT:						
Financial assets		41 321	-	-	-	67 155
Property, plant and equipment		754	-	-	-	754
Other		-	-	-	330	330
Total Administered Assets		67 730	(860)	-	1 187	193 360
LIABILITIES:						
CURRENT:						
Payables		(1 418)	(29)	-	(25)	(2 172)
Employee benefits		-	(24)	-	(68)	(150)
Other		(36 202)	-	-	-	(62 841)
NON-CURRENT:						
Payables		-	-	-	(24)	(32)
Employee benefits		-	-	-	(172)	(225)
Other		(26 101)	-	-	-	(26 101)
Total Administered Liabilities		(63 721)	(53)	-	(289)	(91 521)

**Program Schedule of Administered Revenues, Expenses, Assets and Liabilities
for the year ended 30 June 2004 (continued)**

	(Refer Note 5)	Program	Program	Program	Program	Total
		6	7	8	9	
ADMINISTERED REVENUES AND EXPENSES		\$'000	\$'000	\$'000	\$'000	\$'000
REVENUES:						
Revenues from SA Government		-	(438)	(20 745)	(4 995)	(44 288)
Fees and charges		-	-	-	-	(18 366)
Taxation receipts		-	-	-	-	(300 614)
Community Emergency Services Fund revenue		-	-	-	-	(162 712)
Commonwealth Specific Purpose grants		-	-	(10 802)	-	(22 475)
Interest revenue		(3 077)	-	-	-	(7 602)
Agents Indemnity Fund revenue		-	-	-	-	(6 253)
Net revenue resulting from correction of errors		-	5 695	-	(13)	6 074
Other		(816)	(3 991)	-	(967)	(7 774)
Total Administered Revenues		(3 893)	1 266	(31 547)	(5 975)	(564 010)
EXPENSES:						
Employee expenses		2 761	293	-	1 591	5 506
Other		1 748	3 696	-	1 353	36 157
Depreciation and amortisation		333	7	-	-	340
Payments to Consolidated Account		-	-	10 802	209	327 193
Net expense resulting from correction of errors		-	-	-	5	5
Payments to Justice agencies		-	-	-	1 139	1 139
Emergency Services levy payments		-	-	-	-	164 529
Grants		-	-	20 745	1 000	22 658
Total Administered Expenses		4 842	3 996	31 547	5 297	557 527
NET INCREASE (DECREASE) IN ADMINISTERED NET ASSETS		949	5 262	-	(678)	(6 483)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Objectives of the Attorney-General's Department

The Attorney-General's Department serves the Government and the people of South Australia by achieving excellence in the provision of legal services to the State Government, and in the provision of consumer law-related and regulatory services, and complaint handling function to the South Australian Community.

The Department believes that the following corporate objectives are critical to its operational success. The Department will:

- Recognise the importance of good leadership by managers, supervisors and team leaders;
- Facilitate and encourage open communications and participative decision making and provide easy access to all information and publications of relevance to staff;
- Foster client satisfaction by providing high quality services which meet their needs;
- Maintain high professional and management standards, including encouraging professional membership and participation of professional bodies, and provide identified training programs which are consistent with the strategic direction of Government and Departmental objectives;
- Recognise performance management and quality principles as tools which assist the organisation to evaluate the contribution of its people to day-to-day activities and which contributes to continuous performance improvement and learning;
- Recognise that through policy and planning the organisation's values are communicated, adopted and reinforced throughout the organisation;
- Facilitate a cooperative and participative industrial relations culture through the Enterprise Bargaining process.

2. Summary of Significant Accounting Policies

2.1 Basis of Accounting

The financial statements are required by Treasurer's Instruction 19 issued pursuant to Section 41 of the *Public Finance and Audit Act 1987* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Board;
- Other authoritative pronouncements of the Board;
- Consensus Views of the Urgent Issues Group;
- Accounting Policy Statements and Treasurer's Instructions issued by the Department of Treasury and Finance;
- Statements of Accounting Concepts.

The Department's Statement of Financial Performance and Statement of Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted are at valuation (fair value). Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Department's Statement of Financial Position when and only when it is probable that future economic benefits will eventuate or be required and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in Note 26 Contingent Liabilities and Assets and Note 29 Commitments.

Revenues and expenses are recognised in the Department's Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of the Department in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

The Schedule of Administered Revenues and Expenses, Assets and Liabilities, and Cash Flows are prepared on the same basis and using the same policies as Departmental items, except where otherwise stated.

2.2 Reporting Entity

Agency activities contributing towards programs are classified as either Departmental or Administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department on behalf of the Government of items controlled or incurred by the Government.

For the purposes of accrual accounting and external financial reporting, the Ombudsman and the Police Complaints Authority are included in the financial reporting entity of the Attorney-General's Department. However, the Ombudsman and the Police Complaints Authority do undertake investigations into complaints or matters under their respective Acts without interference from the Attorney-General's Department and both report separately to Parliament on their operations.

2.2 Reporting Entity (continued)

The cash at bank balance for the trust accounts listed below are included in the Attorney-General's Department - Administered Items Statement of Financial Position.

Administered items of the Department are listed below:

- Liquor and Gambling Services
 - Payment of Liquor Subsidies
 - Racing Services
 - Taxation Receipts (Casino, Gaming, Gambling, Liquor)
- Consumer and Business Affairs
 - Agents Indemnity Fund
 - Second Hand Vehicles Compensation Fund
 - Companies Liquidation Account
 - Cooperatives Liquidation Account
 - Consumer Credit Fund
 - HIH Fund
 - Private Plated Vehicles Contributions
 - Recreation Services
 - Remission - Fees and Charges
- Victims of Crime
- Community Emergency Services Fund
- Bodies in the Barrel Case
- Trust Accounts
 - Crown Solicitor's Trust Account
 - Residential Tenancies Fund
 - Retail Shop Leases Fund
- Audio Management System/Computer Aided Despatch
- Contribution to Legal Services Commission for Legal Aid
- Other
 - Child Abuse Project
 - Ministerial Salary and Allowances
 - Special Act Payments (Ombudsman, Solicitor-General)
 - Unclaimed Salaries and Wages
 - Expensive Criminal Cases
 - Software Centre Inquiry
 - Legal Practitioners Act Fund
 - Compensation Companies Regulation (formerly Companies Code Fees)

2.3 Restructuring Activities

Effective from 1 July 2003, the management of Native Title matters was transferred from Administered Items to the Attorney-General's Department operating account.

In the Government Gazette (dated 1 July 2004), it was reported that the Guardianship Board and Office of the Public Advocate was transferred from the Department of Human Services to the Attorney-General's Department, effective from 1 July 2004.

In addition, the Government Gazette (dated 5 September 2002) reported that Lottery and Gaming Unit was transferred from the Department of Treasury and Finance to the Attorney-General's Department, effective from 1 July 2004.

2.4 Revenues

Appropriations/Grants

Appropriations whether recurrent, capital, special or other are recognised as revenues when the Department obtains control over the assets comprising the contribution. Control over appropriations and granted assets is normally obtained upon their receipt.

Other Revenue

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

2.5 Receivables

Trade receivables arise in the normal course of selling goods and services to other agencies and to the public. The Attorney-General's Department determines the provision for doubtful debts based on a review of balances within trade receivables that are unlikely to be collected. These are generally receivables that are 90 days or more overdue.

2.6 Payables

Payables include creditors, accrued expenses and employee 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 includes all unpaid invoices received relating to the normal operations of the Attorney-General's Department.

2.6 Payables (continued)

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 in accordance with Treasurer's Instruction 8 'Expenditure for Supply Operations and Other Goods and Services' after the Department receives an invoice.

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

2.7 Employee Benefits

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting. The liability for annual leave is measured using the remuneration rate expected to apply at the time of settlement.

The liability for long service leave is recognised and measured at the actuarial assessment by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector. This calculation is consistent with the Department's experience of employee retention and leave taken.

Workers Compensation

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 Public Sector Occupational Health and Injury Management Branch of the Department of the Premier and Cabinet.

The workers compensation provision is based on an actuarial assessment prepared by Taylor Fry Consulting Actuaries. For the 2004 valuation, the Justice, DETE, DHS and all other portfolios have been analysed separately. The Attorney-General's Department's liability is an allocation of the Justice Portfolio's total assessment.

Superannuation

The Department made contributions of \$6.9 million (2003 - \$6.8 million) to the Department of Treasury and Finance towards the accruing government liability in respect of its employees. The Department retains no liability to employees for superannuation payments.

2.8 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased asset.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability

2.9 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash on deposit represent funds held in a Special Deposit Account with Westpac Bank. Investments represent funds deposited with the Public Trustee Office.

In October 2003 the Government introduced a policy with respect to aligning agency cash balances with appropriation and expenditure authority. For 2004-05 financial year, the published budget indicates that the Department will transfer \$9.138 million of its cash balance to the Consolidated Account.

2.10 Financial Instruments

Accounting policies for financial instruments are stated at Note 30 and Note 50.

2.11 Non-Current Asset Acquisition and Recognition

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange for liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

2.11 Non-Current Asset Acquisition and Recognition (continued)*Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2 000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

The Department has applied AASB 1041 'Revaluation of Non-Current Assets'.

Land, buildings, infrastructure, leasehold improvements, plant and equipment and heritage assets were revalued in accordance with the 'fair value' method of valuation as at 1 July 2002. Library collections were revalued in May 2002. Information Technology assets are valued at cost.

Revaluation increments are recognised in the asset revaluation reserve and revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

Database and Licensing Records

The Department has developed and maintains databases for the maintenance of records such as retail shop leases, births, deaths and marriages, occupational licensing and incorporation of associations. These databases are not included as assets as their values cannot be measured reliably, thereby failing the asset recognition test, in accordance with SAC4, 'Definition and Recognition of the Elements of Financial Statements'.

Justice Information System

As a result of the transfer of the former Justice Information System Services (JISS) to the Department in 2001, the Department has brought to account all assets of the former JISS with the exception of the application software. The application has not been included as an asset as its value cannot be measured reliably, thereby failing the asset recognition test, in accordance with SAC4, 'Definition and Recognition of the Elements of Financial Statements'.

2.12 Depreciation and Amortisation of Non-Current Assets

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvement or the unexpired period of the lease.

Heritage assets include many items that are unique due to their historical or cultural interest and are not depreciated due to their long and indeterminate useful lives.

Depreciation/amortisation rates and methods are reviewed at each balance date and necessary adjustments are recognised in the current and future reporting periods as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

	Years
Buildings and other structures	20-50
Leasehold improvements	Life of lease
Plant and equipment	10
Information Technology	3-5
Mobile transport assets	5-10
Library collections	10 to infinite

2.13 Taxation

The Department is exempt from all forms of taxation except payroll tax, fringe benefits tax and the goods and services tax.

In accordance with the requirements of UIG Abstract 31 'Accounting for the Goods and Services Tax (GST)', revenues, expenses and assets are recognised net of the amount of GST except that:

- the amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office 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.

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 are recoverable from, or payable to, the Australian Taxation Office have however been classified as operating cash flows.

2.14 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

2.15 Rounding

Amounts have been rounded to the nearest \$1 000.

3. Changes in Accounting Policies

3.1 Impact of Adopting Australian Equivalents to International Financial Reporting Standards

Australia will be adopting Australian equivalents to International Financial Reporting Standards (AIFRS) for reporting periods commencing on or after 1 January 2005. The Attorney-General's Department will adopt these standards for the first time in the published financial report for the year ended 30 June 2006.

Managing the Process

In accordance with Treasurer's Instruction 19 'Financial Reporting', the Attorney-General's Department's Chief Executive is responsible for ensuring that the annual financial statements comply with Generally Accepted Accounting Principles (GAAP).

The Department has analysed the exposure drafts issued by the AASB and has identified a number of potential issues that may need to be addressed. The Department's finance staff have attended various information forums held by the Department of Treasury and Finance regarding the adoption of Australian Equivalents to International Financial Reporting Standards.

Expected differences in accounting policies

Changes in Accounting Policy

A major change is the treatment of accounting policy changes under IFRS. These will now apply retrospectively except for specific exemptions in accordance with AASB 1 'First-Time Adoption of Australian Equivalents to IFRS'.

Non-Current Asset Acquisition and Recognition

The Australian equivalent to IAS 16 'Property, Plant and Equipment' is proposing that non-current assets be revalued on an individual basis (as opposed to current class basis). It is anticipated an APS will continue to require revaluation on a class basis and current thresholds (greater than \$1 million and estimated useful life is greater than 3 years) will continue to apply.

Employee Benefits

Employee benefits payable later than 12 months from year-end will be measured at present value rather than at nominal amounts.

4. Program Class Schedule of the Department

Information about the Department's programs are set out in the Programs Schedule. A program is a grouping of related sub-programs that contribute to the achievement of agency and government objectives.

Program 1: Policy Advice and Legal Services

This program is focused on increasing the SA community's and industry's awareness of their rights, responsibilities and confidence that the system of justice is fair, equitable and accessible. It also provides the people of South Australia with an independent and effective prosecution service which is timely, efficient and just.

Program 2: Consumer and Business Affairs

This program covers the fair trading legislation, regulating defined business activities and maintaining business and civil records for South Australia through the provision of court and tribunal case resolution, alternative dispute resolution, licensing, regulatory and registration services.

Program 3: Liquor and Gambling Services

This program deals with encouraging responsible attitudes towards the promotion, sale, supply, consumption and use of liquor and gambling products.

Program 4: Multicultural Services

This program is focused on building community capacity and safe communities by having sound public sector programs that are designed to implement the State Government's policy commitments and promote equity of access to services.

Program 5: Equal Opportunity

This program is focused on promoting equality of opportunity for the community through the administration of anti-discrimination legislation by examining and responding to complaints and providing information, education and training to encourage compliance with legislation.

Program 6: Police Complaints Authority

Included in this program is the requirement to maintain public confidence in, and proper accountability of SA Police Department through the provision of complaint investigation and resolution services.

4. Program Class Schedule of the Department (continued)

Program 7: Ombudsman Services

This program covers the investigation and complaints resolutions against State and Local government agencies. It is focused on ensuring that the public receives fair treatment from government bodies and that public administration is reasonable and just.

Program 8: Crime Prevention

This program deals with initiating and supporting crime prevention projects and local crime prevention programs by achieving a reduction in crime through working with a range of partners to develop appropriate crime prevention strategies and improved practices.

Program 9: Crime Statistics

This program covers monitoring, research and evaluation into crime and criminal justice by accurate and timely reporting on trends in crime and criminal justice.

Program 10: Justice Portfolio Services

This program is focused on providing excellence in customer service in the delivery of the following support services: financial, business and contract management, Justice technology, portfolio human resources, information knowledge management, strategic development and communications, business reform, Ministerial offices and support, Justice executive and legal community centre along with other grants.

Program 11: General - Not Attributed

Information about the Department's revenues, expenses, assets and liabilities that are not attributable to the above programs.

5. Administered Items

Program 1: Liquor and Gambling Services

This administered program 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 and Racing Operations.

Program 2: Consumer and Business Affairs

This administered program recognises activities in relation to the Agents Indemnity Fund, the Second Hand Vehicles Compensation Fund, the *Co-operatives Liquidation Act* and the *Companies Liquidation Act*. This program also include the receipts of Commonwealth grants to State Government for Forgone Revenue per the Corporations Agreement 2002. The Commonwealth funds received by AGD are paid to the consolidated accounts.

Program 3: Victims of Crime

This administered program 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 a special interest bearing deposit account.

Program 4: Community Emergency Services Levy

This administered program relates to the collection of the Community Emergency Services Levy and the application of these funds. The levies are collected in accordance with the *Emergency Services Funding Act, 1998* by Revenue SA and the Department for Transport and Urban Planning and are credited to the fund from which Attorney-General's Department makes payment to the emergency services agencies, meets the costs of collecting the levies and operating the Fund.

Program 5: Bodies in the Barrels

This administered program relates to the bodies in the Barrels murder case. Cabinet approved the commencement of activities relating to the Snowtown Murders matter. Due to the significant level of uncertainty in the estimated cost and duration of the case, Cabinet noted the possibility of future submissions for additional funding. The Attorney-General's Department was endorsed to manage the operation relating to this case.

Program 6: Trust Accounts

This administered program relates to activities associated with the Residential Tenancies Trust, Crown Solicitor's Trust and the Retail Shop Leases Trust. The Attorney-General's Department (AGD) receives monies which are held in trust pending the outcome of future events or settlements. AGD 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).

Program 7: AMS/CAD

This program relates to activities associated with the implementation of new telephone and radio control systems (AMS) and Computer Aided Dispatch Systems (CAD) for the Justice Portfolio.

5. Administered Items (continued)**Program 8: Legal Aid**

This administered program relates to grant payments made to the Legal Services Commission. The Attorney-General's 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.

Program 9: Other

This program reflects the financial performance and position of various administered activities, including: the payment of the Minister, Ombudsman and Solicitor General's salaries; the Child Abuse project and Expensive State Criminal Cases. This program accommodates the minor programs that do not warrant their own specific program.

6. Employee Expenses	2004	2003
	\$'000	\$'000
Salaries and wages	57 249	52 845
Employee on-costs	10 659	10 150
Long service leave	2 157	2 088
Board fees	734	698
Annual leave	625	120
Other	1 470	952
Total Employee Expenses	72 894	66 853
7. Supplies and Services		
Computing and communication	7 963	8 478
Accommodation	7 874	7 618
Project costs	3 019	4 589
Staff payments	2 264	2 588
Contract staff	2 108	4 434
Office expenses	1 883	2 009
Telephone related expenses	1 732	1 450
Motor vehicle expenses	1 071	1 036
Promotion and publications	920	826
Tax and taxable payments	798	709
Legal fees	750	418
Consultancies	305	238
Insurance	84	69
Other	6 140	4 596
Total Supplies and Services	36 911	39 058
8. Depreciation and Amortisation		
Plant and equipment	1 984	2 486
Leasehold improvements	915	1 011
Buildings	22	22
Total Depreciation and Amortisation	2 921	3 519
9. Grants and Subsidies		
Community Legal centre	3 472	3 687
Aboriginal Legal Rights Movements	1 806	-
Crime Prevention Unit	1 475	1 062
Native Title Unit	1 065	-
Other	1 141	788
Total Grants and Subsidies	8 959	5 537
10. Other Expenses		
Witness payments	439	432
Revaluation decrements	-	551
Other	149	382
Total Other Expenses	588	1 365
11. Auditor's Remuneration		
Audit fees paid/payable to the Auditor-General's Department	193	168
Total Auditor's Remuneration	193	168

Other Services

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

12. Fees and Charges	2004	2003
	\$'000	\$'000
Licence and regulatory fees	19 653	17 044
Legal services	11 715	11 614
Recovery of administration expenditure	6 366	5 981
Network services	9 509	9 478
Other	3 293	3 428
Total Fees and Charges	50 536	47 545
13. Net Gain/Loss from Disposal of Assets		
Plant and Equipment:		
Proceeds from disposal	6	8
Net book value of assets disposed	(4)	(37)
Net Gain (Loss) from Disposal of Plant and Equipment	2	(29)
Information Technology:		
Proceeds from disposal	4	33
Net book value of assets disposed	(30)	(17)
Net (Loss) Gain from Disposal of Information Technology	(26)	16
Total Assets:		
Total proceeds from disposal	10	41
Total net book value of assets disposed	(34)	(54)
Total Net Loss from Disposal of Assets	(24)	(13)
14. Other Revenues		
Sundry recoveries	5 125	5 015
Other	343	711
Total Other Revenues	5 468	5 726
15. Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	61 563	48 567
Total Revenues from SA Government	61 563	48 567
16. Cash on Hand and on Deposit		
Special Deposit Account with Westpac Bank ⁽¹⁾	24 172	23 017
Cash and cheques in transit	107	110
Cash on hand (including petty cash)	41	41
Total Cash on Hand and on Deposit	24 320	23 168
(1) This amount includes accrual appropriation of \$7.2 million (\$6.8 million).		
17. Receivables		
Receivables	4 713	4 090
Less: Provision for doubtful debts	(390)	(506)
GST receivable	1 324	857
Accrued interest	41	45
Other	3 619	-
Total Receivables	9 307	4 486
18. Other Assets		
Prepayments	399	324
Work in progress	164	214
Total Other Assets	563	538
19. (a) Property, Plant and Equipment	2004	
	Accumulated	Written
	Cost/	Down
	Valuation	Value
	\$'000	\$'000
Leasehold improvements ⁽²⁾	9 514	2 958
Plant and equipment ⁽²⁾	8 078	2 337
Information technology	6 696	2 105
Land ⁽¹⁾	415	415
Library collections ⁽⁴⁾	407	407
Buildings and other structures ⁽¹⁾	1 215	330
Mobile transport assets ⁽²⁾	460	195
Heritage assets ⁽³⁾	115	115
	26 900	8 862

		Net Book Value	
		2004	2003
		\$'000	\$'000
(b) Property, Plant and Equipment Movement Schedule (continued)			
Property:			
Land		415	415
Total Land		415	415
Buildings and other structures		330	351
Leasehold improvements		2 958	3 449
Total Buildings		3 288	3 800
Total Land and Buildings		3 703	4 215
Plant and Equipment:			
Mobile transport assets		195	229
Information technology		2 105	3 239
Library collections		407	407
Plant and equipment		2 337	2 608
Heritage assets		115	115
Total Plant and Equipment		5 159	6 598
Total Property, Plant and Equipment		8 862	10 813
20. Payables		2004	2003
Current:		\$'000	\$'000
Creditors		1 909	1 640
Employee on-costs		1 049	828
GST payable		791	226
Accruals		504	478
Total Current Payables		4 253	3 172
Non-Current:			
Employee on-costs		1 868	2 661
Total Non-Current Payables		1 868	2 661
Total Payables		6 121	5 833
21. (a) Employee Benefits			
Current:			
Annual leave		3 794	3 132
Long service leave		771	545
Accrued salaries and wages		770	283
Workers compensation		248	210
Total Current Employee Benefits		5 583	4 170
Non-Current:			
Long service leave		12 982	12 442
Workers compensation		1 174	1 013
Total Non-Current Employee Benefits		14 156	13 455
Total Employee Benefits		19 739	17 625
(b) Employee Benefits and Related On-Costs			
Accrued Salaries and Wages:			
On-costs included in Payables - Current (Note 20)		122	37
Employee Benefits - Current (Note 21(a))		770	283
		892	320
Annual Leave:			
On-costs included in Payables - Current (Note 20)		816	674
Employee Benefits - Current (Note 21(a))		3 794	3 132
		4 610	3 806
Long Service Leave:			
On-costs included in Payables - Current (Note 20)		111	117
Employee Benefits - Current (Note 21(a))		771	545
		882	662
Long Service Leave:			
On-costs included in Payables - Non-Current (Note 20)		1 868	2 661
Employee Benefits - Non-Current (Note 21(a))		12 982	12 442
		14 850	15 103
Aggregate Employee Benefit and Related On-Costs		21 234	19 891
		2004	2003
		Number	Number
Average Number of Employees during the Financial Year		1 016	970

22. Other Liabilities	2004	2003
Current:	\$'000	\$'000
Control and working account balances	1 058	911
Lease incentive	323	556
Unearned revenue	26	5
Other	198	-
Total Current Other Liabilities	1 605	1 472
Non-Current:		
Lease incentive	1 124	1 326
Total Non-Current Other Liabilities	1 124	1 326
Total Other Liabilities	2 729	2 798

23. Equity

Equity represents the residual interest in the Department's net assets. The South Australian Government holds the equity interest in the Department on behalf of the community. Equity comprises:

Accumulated Surplus:		
Balance as at 1 July	11 139	22 126
Restructure transfers	(227)	(408)
Increase (Decrease) in net assets resulting from operations	1 941	(10 579)
Balance as at 30 June	12 853	11 139

24. Net Revenue/Expense Resulting from Correction of Errors**Net Expense Resulting from Correction of Errors****(a) Fundamental Error**

The financial statement for the Attorney-General's Department for the year ended 30 June 2003 recognised payments to the Crown Solicitor's Trust Account as expenses which should have been recognised as cash deposits. This error has the effect of overstating expenses and understating cash by \$3.061 million in 2003.

	2004	2003
	\$'000	\$'000
Expenses	Restated 121 688	Restated 113 271
Revenue (including from SA Government)	120 568	105 753
Net cost of services from ordinary activities	(1 120)	(7 518)

Re-statement of Equity:

Previously reported balance as at 1 July	11 139	22 126
Correction of fundamental error	3 061	-
Restated accumulated surplus	14 200	22 126
Restructure transfers	(227)	(408)
Increase in net assets resulting from operations	(1 120)	(7 518)
Balance as at 30 June	12 853	14 200

Monies transferred to Crown Solicitor's Trust Account and recognised as expenses in AGD Operating Account

(3 061) -

(b) Other Errors

Cash balance in AGD Operating Account overpaid by DTF	861	-
Non-current assets of less than \$2 000 not written off according to accounting policies	357	-
Depreciation of non-current assets over expensed in previous years	(20)	-
Long service leave on-costs over expensed in previous years	(922)	-
Net Expense Resulting from Correction of Errors	(2 785)	-

Net Revenue Resulting from Correction of Errors**(c) Other Errors**

Cash at bank balance of Administered Items in AGD Operating Account	(13)	-
Net Revenue Resulting from Correction of Errors	(13)	-

25. Cash Flow Reconciliation	2004	2003
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows:	\$'000	\$'000
Cash at year end per Statement of Cash Flows	24 320	23 168
Statement of Financial Position item comprising cash	24 320	23 168
Reconciliation of Net Result from Ordinary Activities to Net Cash from Operating Activities:		
Net surplus (deficit)	1 941	(10 579)
Less: Items classified as investing activities:		
Loss on disposal	24	13
Add: Non-Cash Items:		
Depreciation and amortisation	2 921	3 519
Allowance for doubtful debts	(116)	155
Correction of errors	(514)	-
Revaluation decrement	-	551
Change in Assets and Liabilities:		
Increase in employee benefits	1 343	1 883
Increase (Decrease) in payables	1 206	(806)
Increase in other liabilities	219	72
(Increase) Decrease in receivables	(1 086)	967
Increase in prepayments	(75)	(10)
(Increase) Decrease in other assets	(3 569)	281
Net Cash provided by (used in) Operating Activities	2 294	(3 954)

26. Contingent Liabilities and Assets

The Attorney-General's Department does not have any contingent liabilities or assets.

27. Remuneration of Employees

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

	2004	2003
	Number of	Number of
	Employees	Employees
\$100 001 - \$110 000	37	30
\$110 001 - \$120 000	10	9
\$120 001 - \$130 000	3	8
\$130 001 - \$140 000	9	16
\$140 001 - \$150 000	20	7
\$150 001 - \$160 000	3	2
\$160 001 - \$170 000	5	6
\$170 001 - \$180 000	3	4
\$180 001 - \$190 000	6	9
\$190 001 - \$200 000	4	5
\$200 001 - \$210 000	*5	-
\$210 001 - \$220 000	1	1
\$220 001 - \$230 000	1	2
\$230 001 - \$240 000	1	-
\$250 001 - \$260 000	1	2
\$260 001 - \$270 000	2	3
\$290 001 - \$300 000	1	1
\$300 001 - \$310 000	-	1
\$350 001 - \$360 000	1	-

Total remuneration received or due and receivable by these employees was \$16.3 million (\$15.2 million).

* Includes officers who received a termination payment.

28. Targeted Voluntary Separation Packages (TVSPs)

	2004	2003
	\$'000	\$'000
TVSPs paid to employees during the reporting period	*832	396
Recovery from the Department of the Premier and Cabinet in respect of TVSPs	(622)	(396)
Annual and long service leave accrued over the period of employment for employees who received TVSPs	286	93

The number of employees who were paid TVSPs during the reporting period totalled 11 (3).

* The balance of TVSPs not recovered from the Department of the Premier and Cabinet is self funded by the Attorney-General's Department.

29. Commitments**Operating Leases**

Commitments under non-cancellable operating leases at the reporting date are payable as follows:

Payable no later than one year	6 554	6 722
Payable later than one year and not later than five years	13 911	15 283
Payable later than five years	1 536	5 020
Total Operating Leases	22 001	27 025

29. Commitments (continued)

These operating lease commitments are not recognised in the financial report as liabilities.

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.

	2004	2003
	\$'000	\$'000
Other Commitments		
Grants ⁽³⁾	15 535	16 232
Motor vehicles ⁽¹⁾	1 112	924
Capital ⁽²⁾	500	452
Other ⁽⁴⁾	514	157
Total	17 661	17 765
Payable no later than one year	16 663	16 752
Payable later than one year and not later than five years	998	1 013
Total Operating Leases	17 661	17 765

- (1) Agreements for the provision of motor vehicles to senior executive officers or sections (ie pool vehicles) with Fleet SA, Department for Administrative and Information Services. There are no purchase options available to the Department.
- (2) Outstanding contractual payments for building works and maintenance under construction.
- (3) Grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement. The grants cover the period 2003 to 2006. Legal Services Commission's funding is undergoing negotiation for the forthcoming four years.
- (4) Other commitments relate to purchase orders placed for goods and services before 30 June 2004.

30. Financial Instruments**(a) Terms, Conditions and Accounting Policies***Financial Assets*

- Cash and Deposits are available at call and are recorded at cost. Interest on cash at bank is calculated quarterly by the Department of Treasury and Finance.
- Receivables are reported at amounts due to the Department. Receivables are due within 30 days of an invoice being raised.
- Investments are recorded at net fair value based upon valuation provided by the Public Trustee.

Financial Liabilities

- Payables and Accruals are raised from amounts unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed.

(b) Interest Rate Risk

	Floating Interest Rate		Non-Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effective Interest Rate	
	2004	2003	2004	2003	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Percent	Percent
Financial Assets:								
Cash on hand	-	-	41	41	41	41	-	-
Cash at bank	24 172	23 017	-	-	24 172	23 017	4.87	4.60
Cash and cheques in transit	-	-	107	110	107	110	-	-
Receivables	-	-	4 364	3 629	4 364	3 629	-	-
Total	24 172	23 017	4 512	3 780	28 684	26 797		
Financial Liabilities:								
Payables	-	-	1 909	1 640	1 909	1 640	-	-
Accruals	-	-	504	478	504	478	-	-
Total	-	-	2 413	2 118	2 413	2 118		

(c) Net Fair Values

All financial instruments are valued at the carrying amount as per the Statement of Financial Position, which approximates net fair value. The carrying amount of Financial Assets approximates net fair value due to their short term maturity or being receivable on demand. The carrying amount of Financial Liabilities is considered to be a reasonable estimate of net fair value.

31. Consultants

	2004	2004	2003	2003
	Number	\$'000	Number	\$'000
Below \$10 000	17	59	15	54
\$10 000 - \$50 000	9	193	7	125
Above \$50 000	1	53	1	59
Total	27	305	23	238

32. Employee Expenses	2004	2003
	\$'000	\$'000
Salaries and wages	3 905	6 087
Employee on-costs	878	1 067
Board fees	568	582
Long service leave	96	3
Annual leave	59	(65)
Other	-	88
Total Employee Expenses	5 506	7 762
33. Emergency Services Levy Payments		
Payments to Emergency Services	157 770	148 019
Emergency Services Levy collection fees	6 759	7 661
Total Emergency Services Levy Payments	164 529	155 680
34. Depreciation		
Plant and equipment	119	130
Leasehold improvements	221	291
Total Depreciation	340	421
35. Other Expenses		
Victims of Crime claims	12 419	10 134
Administration costs	9 242	11 428
Legal fees	5 412	7 316
Project costs	2 925	4 983
Betting services	1 021	1 142
Other	5 138	10 683
Total Other Expenses	36 157	45 686
36. Other Revenues		
Sundry recoveries	4 222	5 508
Revaluation increments	907	-
Project revenue	767	-
Other	1 878	1 201
Total Other Revenues	7 774	6 709
37. Cash on Hand and on Deposit		
Special Deposit Account with Westpac Bank ⁽¹⁾	68 277	276 286
Cash and cheques in transit	1	3
Total Cash on Hand and on Deposit	68 278	276 289
(1) Refer to Note 47 and Statement of Cash Flows		
38. Receivables		
Receivables	35 102	29 001
Accrued interest	1 558	626
GST receivable	4	13
Other	328	-
Total Receivables	36 992	29 640
39. Other Assets		
Current:		
Prepayments	1 201	918
Other	2 734	52 766
Total Other Current Assets	3 935	53 684
Non-Current:		
Work in progress	330	-
Total Other Non-Current Assets	330	-
Total Other Assets	4 265	53 684
40. Financial Assets		
Financial assets represent funds invested with the Public Trustee as follows:		
Residential Tenancies Fund	51 253	46 486
Agents Indemnity Fund	28 100	25 547
Second Hand Vehicles Compensation Fund	1 889	1 723
Retail Shop Leases Fund	1 829	1 701
Total Financial Assets	83 071	75 457

41. (a) Property, Plant and Equipment

	2004	Written
	Cost/ Valuation \$'000	Down Value \$'000
	Accumulated Depreciation/ Amortisation \$'000	Value \$'000
Leasehold improvements ⁽¹⁾	1 354	348
Plant and equipment ⁽¹⁾	610	123
Information technology	378	283
	2 342	754
	2003	Written
	Cost/ Valuation \$'000	Down Value \$'000
	Accumulated Depreciation/ Amortisation \$'000	Value \$'000
Leasehold improvements ⁽¹⁾	1 789	710
Plant and equipment ⁽¹⁾	759	244
Information technology	438	61
	2 986	1 015

(1) Valuations of leasehold improvements, plant and equipment were performed by Simon B O'Leary AAPI, MSAA, Certified Practising Valuer – Plant and Machinery of the Australian Valuation Office as at 1 July 2002.

(b) Property, Plant and Equipment Movement Schedule

	Asset Cost/Valuation					Closing Balance \$'000
	Opening Balance \$'000	Additions \$'000	Disposals \$'000	Reval's \$'000	Other \$'000	
Property:						
Leasehold improvements	1 789	-	-	-	(435)	1 354
Total Buildings	1 789	-	-	-	(435)	1 354
Plant and Equipment:						
Information technology	438	289	6	-	(343)	378
Plant and equipment	759	-	-	-	(149)	610
Total Plant and Equipment	1 197	289	6	-	(492)	988
Total Property, Plant and Equipment	2 986	289	6	-	(927)	2 342

	Accumulated Depreciation					Closing Balance \$'000
	Opening Balance \$'000	Additions \$'000	Disposals \$'000	Reval's \$'000	Other \$'000	
Property:						
Leasehold improvements	1 079	221	-	-	(294)	1 006
Total Buildings	1 079	221	-	-	(294)	1 006
Plant and Equipment:						
Information technology	377	52	6	-	(328)	95
Plant and equipment	515	67	-	-	(95)	487
Total Plant and Equipment	892	119	6	-	(423)	582
Total Property, Plant and Equipment	1 971	340	6	-	(717)	1 588

	Net Book Value	
	2004 \$'000	2003 \$'000
Property:		
Leasehold improvements	348	710
Total Buildings	348	710
Plant and Equipment:		
Information technology	283	61
Plant and equipment	123	244
Total Plant and Equipment	406	305
Total Property, Plant and Equipment	754	1 015

42. Payables

	2004 \$'000	2003 \$'000
Current:		
Creditors	2 105	1 719
Employee on-costs	32	36
Accruals	35	41
Total Current Payables	2 172	1 796
Non-Current:		
Employee on-costs	32	49
Total Non-Current Payables	32	49
Total Payables	2 204	1 845

43. (a) Employee Benefits	2004	2003
Current:	\$'000	\$'000
Annual leave	141	151
Long service leave	-	6
Accrued salaries and wages	9	6
Total Current Employee Benefits	150	163
Non-Current:		
Long service leave	225	229
Total Non-Current Employee Benefits	225	229
Total Employee Benefits	375	392
(b) Employee Benefits and Related On-Costs		
Accrued Salaries and Wages:		
On-costs included in payables - Current (Note 42)	2	3
Employee benefits - Current (Note 43(a))	9	6
	11	9
Annual Leave:		
On-costs included in payables - Current (Note 42)	30	32
Employee benefits - Current (Note 43(a))	141	151
	171	183
Long Service Leave		
On-costs included in payables - Current (Note 42)	-	1
Employee benefits - Current (Note 43(a))	-	6
	-	7
Long Service Leave		
On-costs included in payables - Non-Current (Note 42)	32	49
Employee benefits - Non-Current (Note 43(a))	225	229
	257	278
Aggregate Employee Benefits and Related On-Costs	439	477
44. Other Liabilities		
Current:		
Gaming and other receipts payable to Treasury and Finance	26 132	288 298
Security bonds lodged	25 828	22 969
Crown Solicitor's Trust ⁽¹⁾	10 308	5 689
Control and working account balances	420	379
Unclaimed monies	88	75
Lease incentive	65	65
Total Current Other Liabilities	62 841	317 475
Non-Current:		
Security bonds lodged	26 052	22 910
Lease incentive	49	115
Total Non-Current Other Liabilities	26 101	23 025
Total Other Liabilities	88 942	340 500
(1) Movement in Crown Solicitor's Trust Account		
Balance at 1 July	5 689	6 021
Receipts	58 070	29 058
Payments	(53 451)	(29 390)
Balance at 30 June	10 308	5 689
45. Equity		
Equity represents the residual interest in the Department's net assets. The South Australian Government holds the equity interest in the Department on behalf of the community. Equity comprises:		
Accumulated Surplus:		
Balance as at 1 July	92 184	84 653
Restructure transfers	227	-
Increase in net assets resulting from operations	6 483	7 531
Balance as at 30 June	98 894	92 184

45. Equity (continued)		2004	2003
Asset Revaluation Reserve:		\$'000	\$'000
Balance at 1 July		1 164	2 108
Revaluation Adjustments:			
Investments		1 781	(956)
Leasehold improvements		-	162
Furniture		-	(150)
Balance as at 30 June		2 945	1 164
Balance as at 30 June comprises:			
Investments		2 578	797
Leasehold improvements		266	266
Furniture		101	101
Balance as at 30 June		2 945	1 164
46. Net Revenue/Expense Resulting from Correction of Errors			
In the current reporting period, errors to previous financial reports were discovered. These errors have occurred as a result of mistakes in applying accounting policies and misinterpretation of facts or oversight. These errors have been corrected in the current reporting period.			
Net Expense Resulting from Correction of Errors		2004	2003
Other Errors:		\$'000	\$'000
Depreciation of non-current assets under expensed in previous years		17	-
Non-current assets of less than \$2 000 not written off according to accounting policies		3	-
Long service leave on-costs over expensed in previous years		(15)	-
Net Expense Resulting from Correction of Errors		5	-
Net Revenue Resulting from Correction of Errors			
Other Errors:			
Receivables overstated in previous years		(6 087)	-
Cash at bank of administered items in AGD Operating Account		13	-
Net Revenue Resulting from Correction of Errors		(6 074)	-
47. Revenues from SA Government/Payments to Justice Agencies			
The Attorney-General's Department administered the Department of Justice's Special Deposit Account. Appropriation for Justice Agencies were paid to and distributed from this account until 30 June 2003.			
48. Cash Flow Reconciliation		2004	2003
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows:		\$'000	\$'000
Cash at year end per Statement of Cash Flows		68 278	276 289
Statement of Financial Position item comprising cash		68 278	276 289
Reconciliation of Operating result to Net Cash from Operating Activities:			
Net surplus		6 483	7 531
Less: Items Classified as Investing Activities:			
Loss on disposal		-	25
Add: Non-Cash Items:			
Depreciation and amortisation		340	421
Revaluation (increment) decrement		(907)	1 128
Change in Assets and Liabilities:			
Decrease in employee benefits		(37)	(211)
Increase (Decrease) in payables		355	(979)
(Decrease) Increase in other liabilities		(251 426)	293 389
Increase in receivables		(7 352)	(8 144)
Increase in prepayments		(283)	(917)
Decrease (Increase) in other assets		50 032	(52 568)
Net Cash (used in) provided by Operating Activities		(202 795)	239 675
49. Contingent Liabilities and Assets			
The Agents Indemnity Fund has an estimated contingent obligation to pay \$17 000 000 relating to current and expected claims against the Fund. The Second Hand Vehicles Compensation Fund has an estimated contingent obligation to pay \$35 000 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.

50. Financial Instruments**(a) Terms, Conditions and Accounting Policies.***Financial Assets*

- Cash and Deposits are available at call and are recorded at cost. Interest on cash at bank is calculated quarterly by the Department of Treasury and Finance.
- Receivables are reported at amounts due to the Department. Receivables are due within 30 days of an invoice being raised.
- Investments are recorded at net fair value based upon valuation provided by the Public Trustee.

Financial Liabilities

- Payables and Accruals are raised from amounts unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed.

(b) Interest Rate Risk

	Floating Interest Rate		Non-Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effective Interest Rate	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 Percent	2003 Percent
Financial Assets:								
Cash at bank	68 277	276 286	-	-	68 277	276 286	4.87	4.60
Cash and cheques in transit	-	-	1	3	1	3	-	-
Investments	83 071	75 457	-	-	83 071	75 457	7.94	2.44
Receivables	-	-	36 660	29 627	36 660	29 627	-	-
Total	151 348	351 743	36 661	29 630	188 009	381 373		
Financial Liabilities:								
Payables	-	-	2 105	1 719	2 105	1 719	-	-
Accruals	-	-	35	41	35	41	-	-
Total	-	-	2 140	1 760	2 140	1 760		

(c) Net Fair Values

All financial instruments are valued at the carrying amount as per the Statement of Financial Position, which approximates net fair value. The carrying amount of Financial Assets approximates net fair value due to their short term maturity or being receivable on demand. The carrying amount of Financial Liabilities is considered to be a reasonable estimate of net fair value.

51. Consultants

	2004 Number	2004 \$'000	2003 Number	2003 \$'000
Below \$10 000	2	16	4	11
\$10 000 - \$50 000	-	-	2	28
Total	2	16	6	39

RESIDENTIAL TENANCIES FUND

The *Residential Tenancies Act 1995* regulates the relationship of landlords and tenants under residential tenancy agreements and provides for the establishment of the Residential Tenancies Fund and a Tribunal to resolve disputes.

**Statement of Financial Performance
for the year ended 30 June 2004**

	Note	2004 \$'000	2003 \$'000
REVENUES FROM ORDINARY ACTIVITIES:			
Interest		2 962	3 014
Other	2	960	133
Total Revenues		3 922	3 147
EXPENSES FROM ORDINARY ACTIVITIES:			
Employee expenses	3	2 761	2 727
Accommodation		423	392
Depreciation	4	353	305
Other	5	1 221	1 894
Total Expenses		4 758	5 318
NET OPERATING DEFICIT FROM ORDINARY ACTIVITIES		(836)	(2 171)
Net credit to asset revaluation reserve	12	443	3
Total revenues, expenses and valuation adjustments recognised directly in equity		443	3
TOTAL CHANGES IN EQUITY EXCLUDING THOSE RESULTING FROM TRANSACTIONS WITH STATE GOVERNMENT AS OWNER		(393)	(2 168)

**Statement of Financial Position
as at 30 June 2004**

		2004	2003
	Note	\$'000	\$'000
CURRENT ASSETS:			
Cash on hand and on deposit	6	2 920	1 088
Investments		11 237	8 929
Receivables	7	143	193
Total Current Assets		14 300	10 210
NON-CURRENT ASSETS:			
Plant and equipment	8	754	818
Investments		40 016	37 557
Total Non-Current Assets		40 770	38 375
Total Assets		55 070	48 585
CURRENT LIABILITIES			
Security bonds lodged	9	25 600	22 810
Payables	10	1 307	134
Other Current liabilities	11	65	66
Total Current Liabilities		26 972	23 010
NON-CURRENT LIABILITIES:			
Security bonds lodged	9	24 165	21 184
Other non-current liabilities	11	50	115
Total Non-Current Liabilities		24 215	21 299
Total Liabilities		51 187	44 309
NET ASSETS		3 883	4 276
EQUITY:			
Accumulated surplus	12	3 073	3 909
Asset revaluation reserve	12	810	367
TOTAL EQUITY		3 883	4 276

**Statement of Cash Flows
for the year ended 30 June 2004**

		2004	2003
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
CASH RECEIVED:			
Interest		3 144	3 157
Bond lodgements		31 377	27 769
Other		21	17
Total Inflows from Operating Activities		34 542	30 943
CASH USED:			
Administration		(3 271)	(4 653)
Bond refunds		(25 600)	(22 810)
Other		(42)	(37)
Total Outflows from Operating Activities		(28 913)	(27 500)
Net Cash provided by Operating Activities	14	5 629	3 443
CASH FLOWS FROM INVESTING ACTIVITIES:			
CASH USED:			
Payments for investments		(3 508)	(2 360)
Payments for non-current assets		(289)	(35)
Total Outflows from Investing Activities		(3 797)	(2 395)
Net Cash used in Investing Activities		(3 797)	(2 395)
NET INCREASE IN CASH HELD		1 832	1 048
CASH AT 1 JULY		1 088	40
CASH AT 30 JUNE	6	2 920	1 088

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

1.1 Objectives of the Residential Tenancies Fund

The Residential Tenancies Fund (Fund) is established under the *Residential Tenancies Act 1995* (Act). The Fund is kept and administered by the Commissioner for Consumer Affairs. The Fund consists of amounts received by the Commissioner by way of security bonds and other amounts paid into the Fund under the Act. The Commissioner will make repayments in respect of security bonds from the Fund. Income derived from investment of the Fund is applied towards the costs of administering and enforcing the Act, education of landlords and tenants about their statutory and contractual rights and obligations, and operations of the Residential Tenancies Tribunal.

1.2 Basis of Accounting

The financial statements are required by Treasurer's Instruction 19 issued pursuant to section 41 of the *Public Finance and Audit Act 1987* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Board;
- Other authoritative pronouncements of the Board;
- Consensus Views of the Urgent Issues Group;
- Accounting Policy Statements and Treasurer's Instructions issued by the Department of Treasury and Finance;
- Statements of Accounting Concepts.

1.2 Basis of Accounting (continued)

The Fund's Statement of Financial Performance and Statement of Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted are at valuation (fair value). Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Fund's Statement of Financial Position when and only when it is probable that future economic benefits will eventuate or be required and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard.

Revenues and expenses are recognised in the Fund's Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Bond Guarantee Scheme

Under the Bond Guarantee Scheme a guarantee for the bond is given to the landlord by the SA Housing Trust. In the event of a claim by a landlord, a payment is made by the Residential Tenancies Fund. The SA Housing Trust then reimburses the Residential Tenancies Fund. The value of bond guarantees lodged at 30 June 2004 is \$11.6 million (\$11.0 million).

The SA Housing Trust pays interest at an agreed market determined rate to the Residential Tenancies Fund based on the daily balance of bond guarantees held.

Interest

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 the SA Housing Trust. The interest has not been recorded as a liability, as the 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 2004 is \$98 000 (\$85 000).

1.3 Employees

The liability for employee entitlements (provision for annual leave and long service leave) rests with the Attorney General's Department. No provision has been made for sick leave as all sick leave is non vesting.

1.4 Taxation

In accordance with the requirements of UIG Abstract 31 'Accounting for the Goods and Services Tax (GST)', revenues, expenses and assets are recognised net of the amount of GST except that:

- the amount of GST incurred by the Fund 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 receivable from the Australian Taxation Office has been recognised in the Attorney-General's Department's Statement of Financial Position.

1.5 Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the inception of the lease and a liability recognised for the same amount. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased asset. The majority of operating lease payments reflects accommodation expenses.

Lease incentives taking the form of 'free' leasehold improvements and rent holidays are recognised as liabilities. These liabilities are reduced by allocating lease payments between rental expense and reduction of the liability.

1.6 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash on deposit represents funds held in a Special Deposit Account with Westpac Bank.

1.7 Financial Instruments

Investments represent funds deposited with the Public Trustee Office and are reported at fair value. 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 asset revaluation reserve except where, and to the extent, the decrement exceeds the balance of the reserve which are recognised as expenses or the increment reverses previous decrements which are recognised as revenue.

1.8 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange for liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.9 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2 000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

The Fund has applied the AASB 1041 'Revaluation of Non-Current Assets'.

Leasehold improvements and plant and equipment were revalued in accordance with the 'fair value' method of valuation as at 1 July 2002. Revaluation increments are recognised in the asset revaluation reserve and revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

Depreciation and Amortisation

Depreciable property, plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the Fund using, in all cases, the straight line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvement or the unexpired period of the lease.

Depreciation/amortisation rates and methods are reviewed at each balance date and necessary adjustments are recognised in the current or future reporting periods as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation and amortisation rates applying to each class of depreciable asset are based on the following useful lives:

	Years
Leasehold improvements	Life of lease
Plant and equipment	10
Information technology	3 - 5

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4.

1.10 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

1.11 Rounding

Amounts have been rounded to the nearest \$1 000.

2. Other Revenues	2004	2003
Other revenues of the Fund comprised:	\$'000	\$'000
Management fee recovery	132	125
Trainee salary recovery	11	8
Revaluation increment	817	-
Total Other Revenues	960	133
3. Employee Expenses		
Employee expenses for the reporting period comprised:		
Salaries and wages	2 290	2 253
Payroll tax and superannuation expenses	401	402
Long service leave expenses	70	68
Other employee related expenses	-	4
Total Employee Expenses	2 761	2 727

4. Depreciation and Amortisation		2004	2003
Depreciation and amortisation expenses for the reporting period comprised:		\$'000	\$'000
Leasehold improvements		220	221
Plant and equipment		87	64
Information technology		46	19
Plant and equipment under finance lease		-	1
Total Depreciation and Amortisation		353	305
5. Other Expenses			
Other expenses of the Fund comprised:			
Administration		870	856
Staff payments		42	38
Revaluation decrement		-	817
Computing and communication		308	170
Other		1	13
Total Other Expenses		1 221	1 894
6. Cash on Hand and on Deposit			
Special Deposit Account with Westpac Bank		2 920	1 088
Total Cash on Hand and on Deposit		2 920	1 088
7. Receivables			
Accrued interest		141	191
Other receivables		2	2
Total Receivables		143	193
8. (a) Property, Plant and Equipment			
		2004	Written
	Cost/	Accumulated	Down
	Valuation	Depreciation/	Value
	\$'000	Amortisation	\$'000
Leasehold improvements ⁽¹⁾	1 354	1 006	348
Information technology	378	95	283
Plant and equipment ⁽¹⁾	610	487	123
	2 342	1 588	754
		2003	Written
	Cost/	Accumulated	Down
	Valuation	Depreciation/	Value
	\$'000	Amortisation	\$'000
Leasehold improvements ⁽¹⁾	1 354	786	568
Information technology	123	60	63
Plant and equipment ⁽¹⁾	607	420	187
Plant and equipment under finance lease	23	23	-
	2 107	1 289	818

(1) Valuations of leasehold improvements and plant and equipment were performed by Simon B O'Leary AAPI, MSAA, Certified Practising Valuer - Plant and Machinery of the Australian Valuation Office as at 1 July 2002.

(b) Property, Plant and Equipment Movement Schedule

	Asset Cost/Valuation					Closing Balance
	Opening Balance	Additions	Disposals	Revaluations	Other	
Leasehold improvements at valuation	1.7.03 1 354	-	-	-	-	1 354
Total Buildings	1 354	-	-	-	-	1 354
Plant and Equipment:						
Information technology	123	289	6	-	(28)	378
Plant and equipment at valuation	607	-	-	-	3	610
Total Plant and Equipment	730	289	6	-	(25)	988
TOTAL PROPERTY, PLANT AND EQUIPMENT	2 084	289	6	-	(25)	2 342

13. Cash Flow Reconciliation	2004	2003
Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows	\$'000	\$'000
Cash at year end per Statement of Cash Flows	2 920	1 088
Statement of Financial Position items comprising above cash	2 920	1088

Reconciliation of Net Operating Deficit to Net Cash provided by Operating Activities

Net operating deficit	(836)	(2 171)
Add: Non-cash items:		
Depreciation and amortisation	353	305
Revaluation decrement	-	818
Revaluation increment	(816)	-
Change in assets and liabilities:		
Movement in bonds	5 771	4 966
Increase (Decrease) in payables	1 173	(426)
Decrease in receivables	50	18
Decrease in other liabilities	(66)	(67)
Net Cash provided by Operating Activities	5 629	3 443

14. Contingent Liabilities and Assets
The Fund has no contingent liabilities or assets.

15. Remuneration of Auditors
The amount payable by the Fund for audit services during the reporting period was \$18 000 (\$25 000). No other services were provided by the Auditor-General.

16. Average Staffing Levels	2004	2003
The average staffing levels for the business operation during the year were:	Number	Number
	52	49

17. Financial Instruments

(a) Terms, Conditions and Accounting Policies

Financial Assets

- Cash and Deposits are available at call and are recorded at cost. Interest on cash at bank is calculated quarterly by the Department of Treasury and Finance.
- Receivables are reported at amounts due to the Fund. Receivables are due within 30 days of an invoice being raised.
- Investments are recorded at net fair value based upon valuation provided by the Public Trustee.

Financial Liabilities

- Payables and Accruals are raised from amounts unpaid and are settled within the normal terms of payment of 30 days, unless otherwise agreed.

(b) Interest Rate Risk	2004				2003			
	Floating Interest Rate	Non-Interest Bearing	Total Carrying Amount	Weighted Average Effective Interest Rate	Floating Interest Rate	Non-Interest Bearing	Total Carrying Amount	Weighted Average Effective Interest Rate
Financial Assets:	\$'000	\$'000	\$'000	Percent	\$'000	\$'000	\$'000	Percent
Cash at bank	2 920	-	2 920	4.87	1 088	-	1 088	4.60
Investments	51 253	-	51 253	7.14	46 486	-	46 486	3.11
Receivables	-	143	143	-	-	193	193	-
Total	54 173	143	54 316		47 574	193	47 767	
Financial Liabilities								
Payables	-	1 307	1 307	-	-	134	134	-
Total	-	1 307	1 307		-	134	134	

COURTS ADMINISTRATION AUTHORITY

FUNCTIONAL RESPONSIBILITY AND STRUCTURE

Establishment

The Courts Administration Authority was established pursuant to the *Courts Administration Act 1993*. The Authority is constituted of the State Courts Administration Council, the State Courts Administrator, and other staff of the Council.

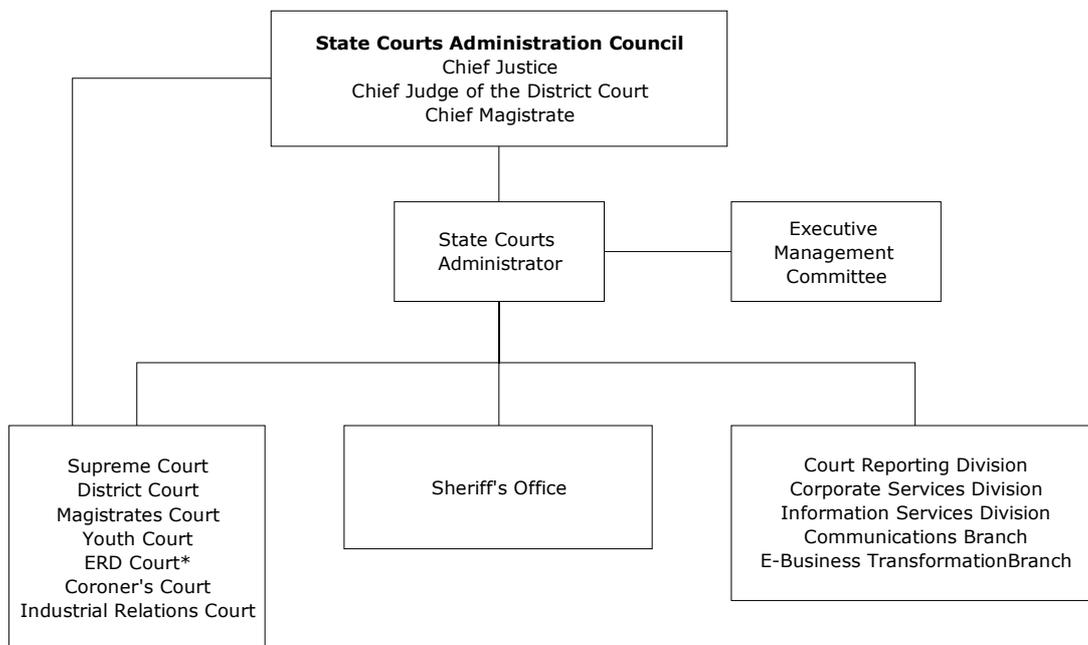
Functions

The function of the State Courts Administration Council, as an administrative authority independent of control of executive government, is to provide courts with the administrative facilities and services necessary for the proper administration of justice

The State Courts Administrator is responsible to the Council for management of the Council's staff and property.

Structure

The structure of the Courts Administration Authority is illustrated in the following organisation chart.



* Environment Resources and Development Court

AUDIT MANDATE AND COVERAGE

Audit Authority

Audit of Financial Statements

Section 27 of the *Courts Administration Act 1993* provides for the Auditor-General to audit the accounts of the Council for each financial year.

Assessment of Controls

Subsection 36(1)(a)(iii) of the *Public Finance and Audit Act 1987* provides for the Auditor-General to assess the controls exercised by the Courts Administration Authority in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

This assessment also considers whether those controls are consistent with the prescribed elements of the Financial Management Framework as required by Treasurer's Instruction 2 'Financial Management Policies'.

Scope of Audit

The audit program covered major financial systems and was directed primarily to obtaining sufficient evidence to enable an audit opinion to be formed with respect to the financial statements and internal controls.

During 2003-04, specific areas of audit attention included:

- Corporate Governance
- Revenue
- Fixed Assets
- Payroll
- Expenditure
- Suitor's Funds operations at the Supreme, Magistrates and District Courts and Sheriff's Office trust account.

The work of the internal auditor was considered in designing the audit programs. Reliance was placed on the work of internal audit in assessing the effectiveness of the Courts Administration Authority's internal controls.

AUDIT FINDINGS AND COMMENTS

Audit Opinions

Audit of Financial Statements

The following is an extract from the 2003-04 Independent Audit Report, which details the qualification to the Authority's financial report.

Qualification

The Courts Administration Authority has not been able to reconcile its general ledger bank account to the records of the Authority's bank as at 30 June 2003 and 30 June 2004. As a result, Audit was unable to obtain assurance that all cash transactions processed by the Authority during the year are accurately reflected in the Financial Statements. The Authority has not been able to reliably quantify the variance associated with the bank reconciliation.

Audit Opinion

In my opinion, except for the effect on the financial report of the matter referred to in the qualification paragraph, the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Courts Administration Authority as at 30 June 2004, its financial performance and its cash flows for the year then ended.

Assessment of Controls

Audit formed the opinion that the controls exercised by the Courts Administration Authority in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, except for the matters raised in relation to the bank reconciliation, corporate governance and the fixed asset reconciliation as outlined under 'Audit Communications to Management', are sufficient to provide reasonable assurance that the financial transactions of the Courts Administration Authority have been conducted properly and in accordance with law.

Audit Communications to Management

Matters arising during the course of the audit were detailed in management letters to the State Courts Administrator. Responses to the management letters were generally considered to be satisfactory. Major matters raised with the Department and the related responses are considered herein.

Bank Reconciliation

The bank reconciliation is a pervasive control which is a key element in providing assurance as to the integrity of financial records. The timely performance of bank reconciliations provides assurance that all transactions affecting cash have been recorded accurately and in the proper period.

The Authority's cash is represented by the sum of the Authority's controlled, administered and trust activities. In order to properly perform a bank reconciliation each of these aspects of the Authority's activities must be able to be segregated and substantiated. These factors, combined with the number of receipting locations, systems and arrangements for receipting monies, and updating ledgers, mean the Authority's bank reconciliation involves significant complexity.

The Authority's arrangements for receipting and banking monies and processing information associated with those receipts to ledgers has been improved with the Authority reviewing and revising as necessary related procedures as well as implementing new banking software. This has, in turn, brought specific aspects of the reconciliation into focus and lead to the identification of further matters to be resolved.

At the time of preparing this Report these matters were not resolved and the bank reconciliation as at 30 June 2004 had not been completed.

Corporate Governance

The Financial Management Framework (FMF) requires Chief Executives to implement a planning and analysis framework consistent with the related prescribed elements.

The review and evaluation of the planning and analysis framework of the Authority revealed that it was not, in some respects, consistent with that required by the FMF. In particular, the review highlighted that:

- divisional plans were not always prepared;
- a central monitoring function did not exist;
- strategic risks were not periodically revisited, monitored or reported on;
- the framework had not progressed since the 2002-03 audit.

The Authority responded that a new Policy, Planning and Research Division will be established by December 2004 which will manage the development of policy, strategic planning and continuous improvement across the Authority.

Fixed Asset Reconciliation

The timely performance of fixed asset reconciliations between the general ledger, fixed asset register and stock take results ensure all transactions affecting fixed assets have been recorded accurately and in the proper period.

At the time of the audit, the fixed asset reconciliation for the Authority's plant and equipment for the year ended 30 June 2003 had not been completed and as a result, the monthly reconciliations for the 2003-04 financial year were also incomplete. As a consequence, Audit consider the Authority's control of fixed assets throughout the financial year was inadequate.

At the time of this report, the fixed asset reconciliation had been completed with the results reflected in the financial statements of the Authority.

INTERPRETATION AND ANALYSIS OF CONTROLLED FINANCIAL STATEMENTS

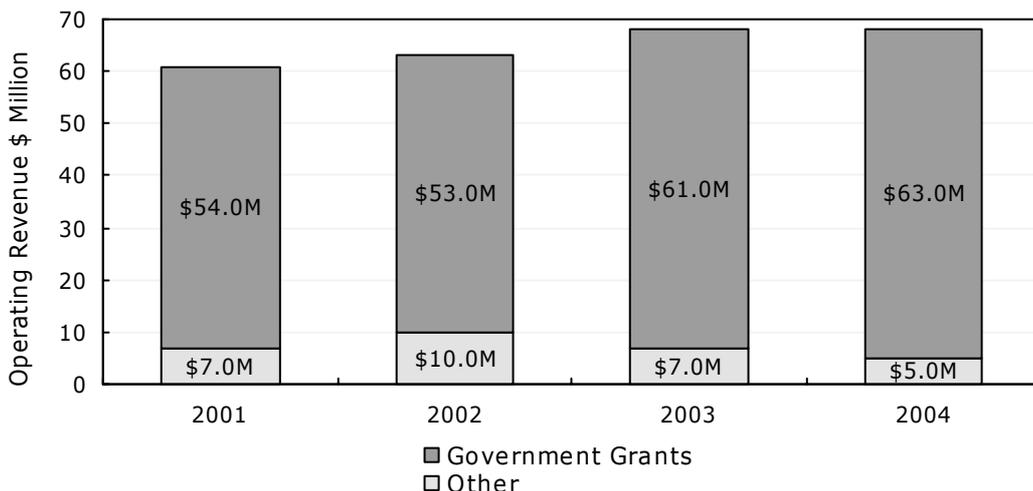
Highlights of Financial Statements	2004 \$'million	2003 \$'million	Percentage Change
OPERATING REVENUE			
Government grants	63	61	3
Other	5	7	(29)
Total Operating Revenue	68	68	-
OPERATING EXPENDITURE			
Employment expenses	38	37	3
Other expenses	32	33	(3)
Total Operating Expenses	70	70	-
(Deficit)	(2)	(2)	-
Net Cash Flows from Operations	5	3	67
ASSETS			
Current assets	11	8	38
Non-current assets	114	118	(3)
Total Assets	125	126	(1)
LIABILITIES			
Current liabilities	6	5	20
Non-current liabilities	31	31	-
Total Liabilities	37	36	3
EQUITY	88	90	(2)

Statement of Financial Performance

Operating Revenues

Revenue from Government is the most significant source of funding for the Courts Administration Authority for 2003-04. Various specific purpose grants and Targeted Voluntary Separation Package reimbursements from the Department of the Premier and Cabinet accounts for the changes in other revenues over recent years.

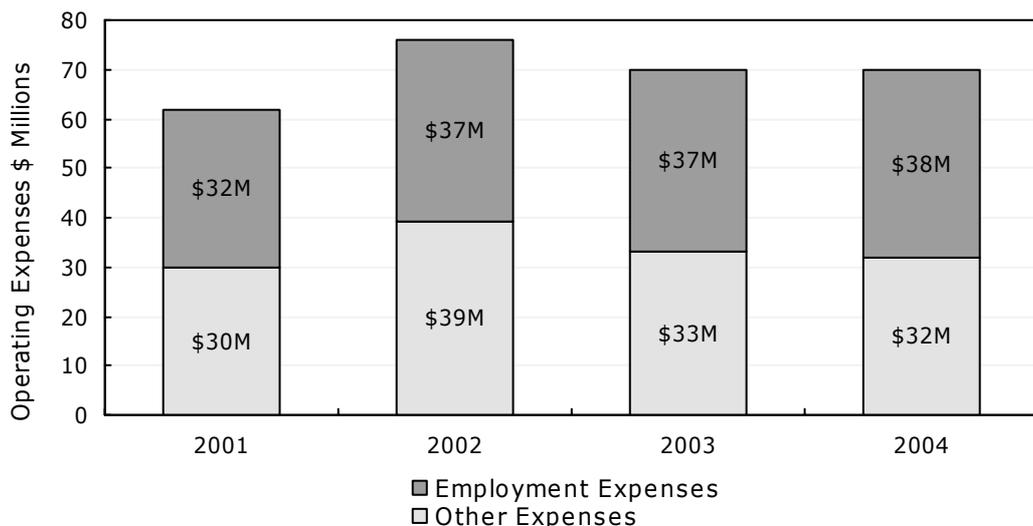
A structural analysis of operating revenues for the Authority in the four years to 2004 is presented in the following chart.



Operating Expenses

The Authority’s expenses from ordinary activities include the costs incurred in performing its statutory responsibilities including administering the raising (\$41.7 million in 2003-04) and collection (\$32.4 million in 2003-04) of Court fines and fees on behalf of the Government. This revenue is directly credited to the Consolidated Account and is reported under Administered Revenues.

For the four years to 2004, a structural analysis of the main operating expense items for the Authority is shown in the following chart.

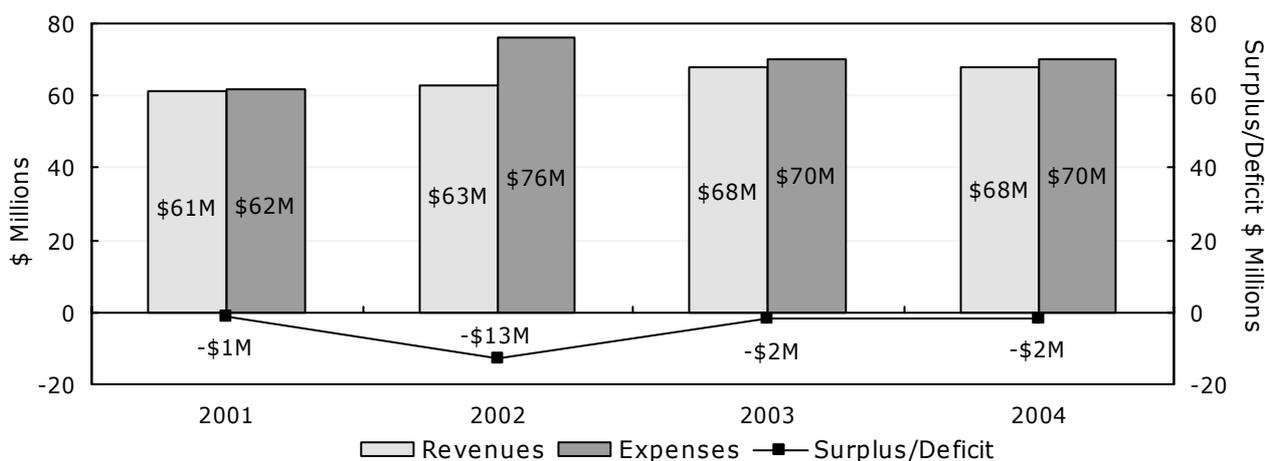


Operating Result

The Authority’s operations for 2004 resulted in a deficit of \$2.3 million. The deficit is mainly attributable to revenues from Government being insufficient to cover the net costs of services. In 2002, the deficit reflected the write down of the value of the Library Collection.

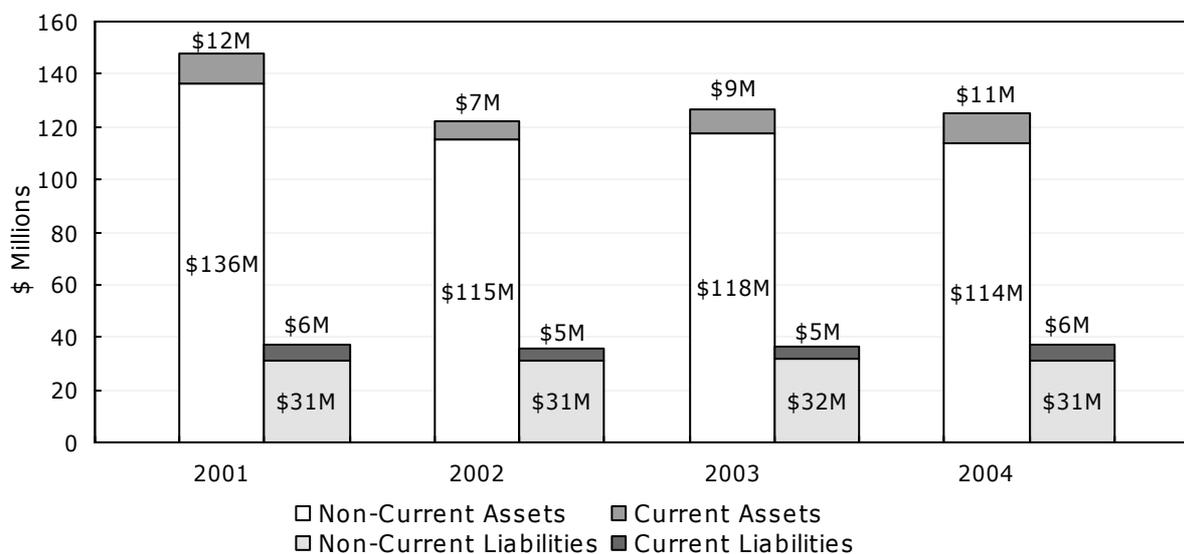
Courts Administration Authority

The following chart shows the operating revenues, operating expenses and surpluses/deficits for the four years to 2004.



Statement of Financial Position

For the four years to 2004, a structural analysis of assets and liabilities is shown in the following chart.



Statement of Cash Flows

The following table summarises the net cash flows for the four years to 2004.

	2004 \$'million	2003 \$'million	2002 \$'million	2001 \$'million
Net Cash Flows				
Operations	5	3	0	4
Investing	(1)	(1)	(4)	(8)
Financing	(1)	(1)	(1)	(1)
Change in Cash	3	1	(4)	(5)
Cash at 30 June	10	7	6	10

The analysis of cash flows shows that the Courts Administration Authority is re-establishing its cash reserves, after having utilised them in 2001 and 2002 mainly to fund the redevelopment/refurbishment of its buildings and acquisition of other fixed assets.

INTERPRETATION AND ANALYSIS OF ADMINISTERED FINANCIAL STATEMENTS**Highlights of Financial Statements**

	2004	2003	2002	2001
	\$'million	\$'million	\$'million	\$'million
OPERATING REVENUE				
Government grants	23	21	19	18
Court fees and fines	32	29	28	29
Other	6	6	5	5
Total Operating Revenue	61	56	52	52
OPERATING EXPENDITURE				
Judicial employment expenses	23	20	19	18
Payments to Government	33	31	28	30
Other expenses	6	5	5	5
Total Operating Expenses	62	56	52	53
Surplus (Deficit)	(1)	0	0	(1)
ASSETS				
Current assets	12	1	1	1
Total Assets	12	1	1	1
LIABILITIES				
Current liabilities	14	2	2	3
Non-current liabilities	5	5	5	4
Total Liabilities	19	7	7	7
EQUITY	(7)	(6)	(6)	(6)

Grants are received from the Government to fund the payment of employment expenses of the Judiciary. The funding received covers the recurrent expenditure and does not extend to the Judiciary's leave liability. As a result, the administered activities of the Authority reflect a net liability for this leave liability.

Courts fees and fines are raised and collected by the Authority on behalf of the Government. The monies collected are paid directly to the Government. A change in banking arrangements for the South Australian Government in 2003 has impacted on the transfer of court fees and fines to the Consolidated Account during 2004. As a result, Cash reflects an amount of \$10.4 million payable to the Consolidated Account.

**Statement of Financial Performance
for the year ended 30 June 2004**

	Note	2004	2003
		\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES:			
Grants	2	736	2 910
Sale of goods and services	3	1 145	1 049
Regulatory fees	4	2 803	2 664
Proceeds from disposal of assets	5	-	208
Other	6	818	472
Total Revenues		5 502	7 303
EXPENSES FROM ORDINARY ACTIVITIES:			
Employees	7	38 305	37 318
Supplies and services	8	25 039	25 872
Depreciation and amortisation	9	5 114	4 853
Finance lease		1 383	1 420
Disposal of assets	5	-	56
Other	10	780	648
Total Expenses		70 621	70 167
NET COST OF SERVICES		(65 119)	(62 864)
REVENUES FROM GOVERNMENT		62 818	60 329
Net (expenses) revenues from write down and recognition of non-current assets	11	(10)	95
NET OPERATING DEFICIT FROM OPERATING ACTIVITIES		(2 311)	(2 440)
Net credit to asset revaluation reserve	20	-	5 900
Total Revenue, Expenses and Valuation Adjustments Recognised Directly in Equity		-	5 900
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH THE STATE GOVERNMENT AS OWNER		(2 311)	3 460

**Statement of Financial Position
as at 30 June 2004**

		2004	2003
	Note	\$'000	\$'000
CURRENT ASSETS:			
Cash on hand and on deposit	12	9 957	7 012
Receivables	13	664	1 090
Prepayments	14	595	433
Total Current Assets		11 216	8 535
NON-CURRENT ASSETS:			
Property, plant and equipment	15	113 780	117 889
Total Non-Current Assets		113 780	117 889
Total Assets		124 996	126 424
CURRENT LIABILITIES:			
Payables	16	1 951	1 369
Employee entitlements	17	3 064	2 443
Finance lease	18	735	698
Other	19	369	373
Total Current Liabilities		6 119	4 883
NON-CURRENT LIABILITIES:			
Payables	16	646	601
Employee entitlements	17	5 383	4 994
Finance lease	18	23 475	24 210
Other	19	1 745	1 797
Total Non-Current Liabilities		31 249	31 602
Total Liabilities		37 368	36 485
NET ASSETS		87 628	89 939
EQUITY:			
Accumulated surplus		76 931	79 242
Asset revaluation reserve		10 697	10 697
Total Equity	20	87 628	89 939
Commitments	21		

**Statement of Cash Flows
for the year ended 30 June 2004**

		2004	2003
		Inflows (Outflows)	Inflows (Outflows)
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:	Note		
RECEIPTS:			
Appropriations		62 818	60 329
Grants		736	2 910
Fees for service		4 034	3 032
GST receipts from taxation authority		2 215	2 127
Other		1 053	612
Total Receipts		70 856	69 010
PAYMENTS:			
Employees		(37 351)	(35 132)
Supplies and services		(24 574)	(26 665)
GST payments on purchases		(2 110)	(2 070)
Finance lease		(1 383)	(1 420)
Other		(825)	(648)
Total Payments		(66 243)	(65 935)
Net Cash provided by Operating Activities	22	4 613	3 075
CASH FLOWS FROM INVESTING ACTIVITIES:			
RECEIPTS:			
Proceeds from sales of property, plant and equipment		-	208
Total Receipts		-	208
PAYMENTS:			
Purchase of property, plant and equipment		(970)	(1 619)
Total Payments		(970)	(1 619)
Net Cash used in Investing Activities		(970)	(1 411)
CASH FLOWS FROM FINANCING ACTIVITIES:			
PAYMENTS:			
Repayment of finance lease		(698)	(664)
Total Payments		(698)	(664)
Net Cash used in Financing Activities		(698)	(664)
NET INCREASE IN CASH HELD		2 945	1 000
CASH AT 1 JULY		7 012	6 012
CASH AT 30 JUNE		9 957	7 012

**Program Schedule of Revenues and Expenses
for the year ended 30 June 2004**

	2004			Total
	1	2	3	
	\$'000	\$'000	\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES:				
Grants	615	121	-	736
Sale of goods and services	1 122	7	16	1 145
Regulatory fees	224	-	2 579	2 803
Other	818	-	-	818
Total Revenues	2 779	128	2 595	5 502
EXPENSES FROM ORDINARY ACTIVITIES:				
Employees	33 359	1 726	3 220	38 305
Supplies and services	23 192	453	1 394	25 039
Depreciation and amortisation	5 091	12	11	5 114
Borrowing costs	1 383	-	-	1 383
Other	673	65	42	780
Total Expenses	63 698	2 256	4 667	70 621
NET COST OF SERVICES	(60 919)	(2 128)	(2 072)	(65 119)
Revenues from government	56 660	2 007	4 151	62 818
Net expenses from write down and recognition of non-current assets and adjustments	(10)	-	-	(10)
NET (DEFICIT) SURPLUS FROM OPERATING ACTIVITIES	(4 269)	(121)	2 079	(2 311)

- Program 1* *Court and Tribunal Case Resolution Services*
The resolution of criminal, civil, appellate, coronial and probate matters in the State's courts and tribunals.
- Program 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.
- Program 3* *Penalty Management Services*
The management of penalties arising from court orders, the enforcement of court orders as well as the recovery of debts, and the administration and execution of warrants.

**Schedule of Administered Revenues and Expenses
for the year ended 30 June 2004**

		2004	2003
	Note	\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES:			
Fines		16 399	15 444
Revenues from government		22 953	20 777
Court fees		16 027	13 743
Transfer revenues		5 188	4 310
Transcript fees		1 220	1 278
Total Revenues		61 787	55 552
EXPENSES FROM ORDINARY ACTIVITIES:			
Judicial salary and related expenses	29	23 022	20 165
Transfer expenses		5 181	4 320
Other judicial expenses		917	817
Total Expenses		29 120	25 302
PAYMENTS TO CONSOLIDATED ACCOUNT		33 367	30 385
NET DECREASE IN ADMINISTERED NET ASSETS		(700)	(135)

**Schedule of Administered Assets and Liabilities
as at 30 June 2004**

		2004	2003
	Note	\$'000	\$'000
ADMINISTERED ASSETS:			
Current:			
Cash	30	10 899	494
Receivables	31	772	505
Total Administered Assets		11 671	999
ADMINISTERED LIABILITIES:			
Current:			
Payables	32	11 763	1 079
Judicial entitlements	33	2 068	1 188
Total Current Administered Liabilities		13 831	2 267
Non-Current:			
Payables	32	796	834
Judicial entitlements	33	4 046	4 200
Total Non-Current Administered Liabilities		4 842	5 034
Total Administered Liabilities		18 673	7 301
EQUITY:			
Accumulated deficit	34	(7 002)	(6 302)
Total Equity		(7 002)	(6 302)

**Schedule of Administered Cash Flows
for the year ended 30 June 2004**

		2004	2003
		Inflows	Inflows
		(Outflows)	(Outflows)
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:	Note		
RECEIPTS:			
Fines		16 399	15 444
Receipts from government		22 953	20 777
Court fees		15 748	13 663
Transfer receipts		5 159	4 440
Transcript fees		1 220	1 278
Total Receipts		61 479	55 602
PAYMENTS:			
Judicial salary and related payments		(22 036)	(19 960)
Payments to Government		(22 952)	(30 385)
Transfer payments		(5 169)	(4 319)
Other judicial payments		(917)	(817)
Total Payments		(51 074)	(55 481)
Net Cash provided by Operating Activities	35	10 405	121
NET INCREASE IN CASH HELD		10 405	121
CASH AT 1 JULY		494	373
CASH AT 30 JUNE		10 899	494

**Program Schedule of Administered Revenues and Expenses
for the year ended 30 June 2004**

	2004			
	1	2	3	Total
	\$'000	\$'000	\$'000	\$'000
REVENUES FROM ORDINARY ACTIVITIES:				
Fines	16	-	16 383	16 399
Revenues from Government	22 953	-	-	22 953
Court fees	8 120	-	7 907	16 027
Transfer revenues	463	-	4 725	5 188
Transcript fees	1 220	-	-	1 220
Total Revenues	32 772	-	29 015	61 787
EXPENSES FROM ORDINARY ACTIVITIES:				
Judicial salary and related expenses	23 022	-	-	23 022
Transfer expenses	433	-	4 748	5 181
Other judicial expenses	917	-	-	917
Total Expenses	24 372	-	4 748	29 120
PAYMENTS TO CONSOLIDATED ACCOUNT	9 356	-	24 011	33 367
NET (DECREASE) INCREASE IN ADMINISTERED NET ASSETS	(956)	-	256	(700)

- Program 1 Court and Tribunal Case Resolution Services*
The resolution of criminal, civil, appellate, coronial and probate matters in the State's courts and tribunals.
- Program 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.
- Program 3 Penalty Management Services*
The management of penalties arising from court orders, the enforcement of court orders as well as the recovery of debts, and the administration and execution of warrants.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

1.1 Objectives and Funding

The Courts Administration Authority (the Authority) operates within the *Courts Administration Act 1993*.

Its principle objective is to provide quality administration to the judiciary and to ensure an effective and accessible courts system.

Currently, the major priorities of the Authority and the State Courts Administration Council are to:

- increase the community's understanding of the operations of the courts and provide new and increased avenues for community feedback into the operations of the courts;
- improve court facilities and other aspects of dealing with the courts;
- foster an environment and a management framework wherein judicial officers, staff and volunteers can contribute to improved performance of the courts system;
- keep up to date with technological developments and apply those that are appropriate to the improved performance of the courts system;
- cooperate with other parts of the justice system to improve access to justice and to improve performance of the justice system overall.

Financial Arrangements

The Authority is predominantly funded by Parliamentary appropriations. However, some services are provided on a fee-for-service basis. The major activities conducted on a fee-for-service basis include:

- Sheriff's officer fees;
- reminder fees;
- sale of electronic information.

Financial Arrangements (continued)

The financial activities of the Authority are primarily conducted through a Deposit Account with the Department of Treasury and Finance pursuant to section 21 of the *Public Finance and Audit Act 1987*. The Deposit Account is used for funds provided by Parliamentary appropriation together with revenues from fees-for-service. Refer to Notes 1.16 and 1.17 for accounting arrangements relating to Administered Items.

1.2 Basis of Accounting

The general purpose financial report has been prepared in accordance with:

- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board;
- Statements of Accounting Concepts;
- Consensus Views of the Urgent Issues Group;
- Treasurer's Instructions and Accounting Policy Statements issued by the Department of Treasury and Finance.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. No allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits embodied in the asset or sacrifices will eventuate and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities which are unrecognised are reported as commitments in Note 21.

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flows or consumptions or loss of economic benefits has occurred and can be reliably measured. Some revenues are recognised when cash is received because only at this time can the Authority be certain about the amounts to be collected. These items include administered revenues such as fines, revenues received on behalf of other Government agencies and the Authority's fee-for-service revenue such as reminder notice fees attached to fine penalty notices.

The continued existence of the Authority in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament to fund the Authority's administration and programs.

The Schedules of Administered Revenues and Expenses, Assets and Liabilities and Cash Flows are prepared on the same basis and using the same policies as for operating items, except where otherwise stated at Notes 1.16 and 1.17.

1.3 Changes in Accounting Policies

Impact of Adopting Australian Equivalents to International Financial Reporting Standards.

Australia will be adopting Australian equivalents to International Financial Reporting Standards (AIFRS) for reporting periods commencing on or after 1 January 2005. The Authority will adopt these standards for the first time in the published financial report for the year ended 30 June 2006.

Managing the Process

The Authority is developing a plan to manage the transition to the new standards. The plan will require the identification of:

- Major areas of accounting and reporting differences resulting from adoption of the new standards;
- Potential changes required to financial systems; and
- Key dates for monitoring and reviewing progress.

The Authority is keeping abreast of changes in Accounting Standards, Treasurer's Instructions and Accounting Policy Statements (APS) by attending exposure draft reference group meetings (facilitated by DTF) and information forums organised by the DTF and professional accounting bodies.

Expected Differences in Accounting Policies

Changes in Accounting Policy

A major change is the treatment of accounting policy changes under IFRS. These will now apply retrospectively except for specific exemptions in accordance with AASB 1 'First-Time Adoption of Australian Equivalents to IFRS'.

Non-Current Asset Acquisition and Recognition

The Australian equivalent to IAS 16 'Property, Plant and Equipment' is proposing that non-current assets be revalued on an individual basis (as opposed to current class basis). It is anticipated an APS will continue to require revaluation on a class basis and current thresholds (greater than \$1 million and estimated useful life is greater than 3 years) will continue to apply.

Employee Benefits

Employee benefits payable later than 12 months from year-end will be measured at present value rather than at nominal amounts.

1.4 Revenue

The revenues described in this Note are revenues relating to the core operating activities of the Authority.

- (a) *Revenue from Government-Agency Appropriations*
Control over appropriations and grants is normally obtained upon their receipt.
- (b) *Resources Received Free of Charge*
Assets donated, gifted or bequeathed are recorded as an asset at their fair values at the time control passes to the Authority. Assets received in this way are disclosed as revenue in the Statement of Financial Performance.
- (c) *Other Revenue*
The Authority provides some services on a fee-for-service basis. The major activities conducted on a fee-for-service basis include:
- Sheriff's officer fees;
 - Reminder fees;
 - Sale of electronic information.

The Authority also recovers the cost of goods and services incurred where appropriate.

Most of this revenue is recognised at the time the cash is received because only at this time can the Authority be certain about the amounts to be collected. Examples of this include, fee-for-service revenue such as reminder notice fees attached to fine penalty notices and sheriff's officer fees. However, some revenues such as sale of electronic information, are recognised at the time that service is provided.

1.5 Employee Entitlements

- (a) *Leave*
A provision is raised at the end of the reporting period to reflect employee entitlements when payment is expected to be made for annual leave and long service leave. Where leave loadings are paid, they are included in the calculation.

In calculating long service leave entitlements the Authority takes into account, as a benchmark, an actuarial assessment prepared by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector. The benchmark is currently seven years.

The Authority's employees' entitlement to sick leave is non-vesting. Sick leave is only recognised as a liability at reporting date to the extent it is probable that sick leave expected to be taken in future periods will be greater than entitlements which are expected to accrue in those future periods.

Employment on-costs relating to employee entitlements owing, are recognised as liabilities in the Statement of Financial Position. Employee entitlements and employment on-costs accruing during the reporting period are treated as an expense in the Statement of Financial Performance.

- (b) *Superannuation*
The Authority made contributions of \$6.8 million (\$6.6 million) to Employer Contribution Accounts administered by the South Australian Superannuation Board, in respect of future superannuation liabilities.
- (c) *Workers Compensation*
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 Public Sector Occupational Health and Injury Management Branch of the Department of the Premier and Cabinet.

The workers compensation provision is based on an actuarial assessment prepared by Taylor Fry Consulting Actuaries. For the 2004 valuation, the Justice, DETE, DHS and all other portfolios have been analysed separately. The Authority's liability is an allocation of the Justice Portfolio's total assessment.

1.6 Leases

The Authority has entered into a number of operating lease agreements for the provision of photocopiers and some office and IT equipment where the lessors effectively retain all of the risks and benefits incidental to ownership of these items. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term, as this is representative of the pattern of benefits to be derived from the leased property. Details of commitments under non-cancellable operating leases are disclosed in Note 21.

1.6 Leases (continued)

The Authority's rights and obligations under finance leases, which are leases that effectively transfer to the Authority substantially all of the risks and benefits incidental to ownership of the leased items, are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as 'Building under finance lease', and are amortised to the Statement of Financial Performance over the period during which the Authority is expected to benefit from the use of the leased assets.

Minimum lease payments are allocated between interest expenses and reduction of the lease liability, according to the interest rate implicit in the lease. Details of finance leases are disclosed in Note 18.

1.7 Cash

Cash comprises Deposit Accounts with the Department of Treasury and Finance as well as cash on hand.

1.8 Financial Instruments

Accounting policies for financial instruments are stated at Notes 28 and 36.

1.9 Acquisitions of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

1.10 Property (Land and Buildings), Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases with an individual value of less than \$1 000 which are expensed in the Statement of Financial Performance at the time they are acquired.

Revaluations

Land, buildings and improvements controlled by the Authority are recorded at amounts based on valuation and cost. Valuations are prepared by Colliers Jardine, licensed valuers. Land, buildings and improvements are revalued every three years with the current valuations reflecting valuations performed as at 30 June 2003.

The authority has applied the Accounting Standard AASB 1041 'Revaluation of Non-Current Assets' for the valuation of land, buildings and improvements at fair value.

Valuations of works of art and collections were performed by Theodore Bruce Auctions Pty Ltd., licensed valuers. Works of art and collections are measured at their market value and are not depreciated. The valuations currently brought to account for works of art and collections were made as at 30 June 1996. Heritage assets are not disclosed by a specific heritage type but form part of the aggregate value of property, plant and equipment and are included within the category 'Works of art and collections'.

The balance brought to account for library collections represents the fair value as at 30 June 2002 based on information provided by Michael Treloar, licensed valuer.

Depreciation and Amortisation

All non-current assets, with the exception of land, works of art and collections and library collections, have a limited useful life and are systematically depreciated in a manner which reflects the consumption of service potential. The depreciation rates are reviewed annually. The major asset categories are subject to straight line depreciation over the following periods:

	Years
Buildings and improvements	30-60
Computing	3-5
Office furniture and equipment	10
Library collections	Infinite
Leasehold improvements	10-25
In-house developed computer software	10
Other (general equipment)	5-10

1.11 Goods and Services Tax

In accordance with the requirements of UIG Abstract 31 'Accounting for the Goods and Services Tax (GST)', revenues, expenses and assets are recognised net of the amount of GST except that:

- the amount of GST incurred by the Authority 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 receivable due from the Australian Taxation Office has been recognised as a receivable in the Statement of Financial Position.

1.11 Goods and Services Tax (continued)

GST does not apply to the finance lease liability of the Authority.

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 are recoverable from, or payable to, the Australian Taxation Office have however been classified as operating cash flows.

1.12 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. No foreign currency receivables and payables existed as at balance date.

1.13 Insurance

The Authority has insured for risks through the South Australian Government Captive Insurance Corporation (SAICORP). These risks include property and public liability as well as professional indemnity.

1.14 Comparative Figures

Where applicable, comparative figures have been adjusted to conform to changes in the current year.

1.15 Rounding

Amounts have been rounded to the nearest \$1 000.

1.16 Administered Revenue

All revenues described in this Note are revenues relating to the operating activities performed by the Agency on behalf of the Government and other Government agencies. Fines revenue, a significant proportion of court fees revenue, and amounts received on behalf of other agencies is recognised at the time cash is received due to the uncertainty in the amounts to be collected.

(a) *Revenue from Government - Administered Appropriations*

Appropriations for Administered Expenses represents funding required to meet judicial expenses and are recognised upon their receipt.

(b) *Fines*

The Authority receives revenue from infringements issued to offenders committing offences under various acts and regulations, principally the *Road Traffic Act 1961*.

(c) *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 sales of transcript and evidence.

(d) *Revenue Received on Behalf of/for Other Government Agencies*

The Authority receives revenue on behalf of other government agencies, which it forwards to them on a regular basis. An example of this is revenue received in respect of the Victims of Crime levy which is paid to the Attorney-General's Department.

The administered funds receivable balance, recorded in the Schedule of Administered Assets and Liabilities, includes amounts due in respect of sales of transcript and certain court fees. The remaining administered receivables are not recorded in the Schedule of Administered Assets and Liabilities as there is significant uncertainty as to the amount which will be collected. Total administered receivables owing to the Authority, but not recognised were \$90.1 million (\$80.5 million).

In addition, the Authority receives reimbursement from other government agencies for items such as witness expenses which it receives from the Attorney-General's Department.

1.17 Administered Expenses

(a) *Payments to Consolidated Account*

Administered Fees and Fines collected by the Authority are paid directly to the Consolidated Account.

(b) *Judicial Expenses*

The Authority makes payments pursuant to the *Remuneration Act 1990* for members of the judiciary. These expenses include judicial salaries and related on-costs, judicial vehicle expenses and Fringe Benefits Tax.

The Authority is dependent on support from the Crown to meet accruing entitlement obligations recognised in the financial statements.

2. Grants

Grants for the reporting period comprised:

R v Bunting et al
Drug Court
Other

	2004	2003
	\$'000	\$'000
	459	2 491
	89	355
	188	64
	736	2 910

3. Sale of Goods and Services	2004	2003
Fees and charges for the reporting period comprised:	\$'000	\$'000
Sale of electronic information	351	236
Recoups for services	298	351
Rent recoups	264	166
Other revenue	232	296
	1 145	1 049
4. Regulatory Fees		
Licence disqualification and reminder fees	1 761	1 671
Sheriff's officer fees	818	816
Photocopying	121	92
Other regulatory fees	103	85
	2 803	2 664
5. Proceeds and Expenses from Disposal of Assets		
Revenue (proceeds) from sale	-	208
Written down value of property sold	-	56
	-	152
6. Other Revenues		
Other revenues for the reporting period comprised:		
Investment revenue	483	237
TVSP Recoup	335	235
	818	472
7. Employee Expenses		
Employee expenses for the reporting period comprised:		
Salaries and wages	31 043	29 757
Payroll tax and superannuation expenses	5 382	5 186
Long service leave expenses	1 355	910
Targeted Voluntary Separation Packages	335	255
Other	190	1 210
	38 305	37 318
8. Supplies and Services Expenses		
Supplies and services expenses for the reporting period comprised:		
Accommodation expenses	9 050	10 181
Administration expenses	8 072	8 392
Computing and communications	3 521	3 508
Coronial charges	2 509	1 954
Jurors' expenses	1 215	1 203
Bailiff fee reimbursements	672	634
	25 039	25 872
9. Depreciation and Amortisation		
Depreciation and amortisation expenses for the reporting period were charged in respect of:		
Buildings and improvements	1 797	1 623
In-house developed computer software	1 647	1 357
Computing	621	858
Finance lease on building	830	830
Office furniture and equipment	118	109
Leasehold improvements	101	76
	5 114	4 853
10. Other Expenses		
Other expenses for the reporting period comprised:		
Operating lease payments	502	441
Other	278	207
	780	648
11. Net Write Down of Non-Current Assets		
Net write down for the reporting period comprised:		
Adjustment to leasehold improvements to recognise assets*	-	144
Stocktake**	(10)	(49)
	(10)	95

* In 2001-02 \$144 000 was spent on leasehold improvements to the Sir Samuel Way Building. This amount was expensed in 2001-02. An adjustment has now been processed in 2002-03 to recognise this amount as an asset.

** During 2002-03 and 2003-04, the Authority undertook stocktakes of office furniture and equipment and computing equipment. The stocktake resulted in the updating of the asset register for assets which had previously been salvaged as well as other assets being retired.

12. Cash on Hand and on Deposit	2004	2003
Cash on hand and on deposit comprised:	\$'000	\$'000
Deposit accounts with the Department of Treasury and Finance*	9 914	6 972
Cash on hand (including petty cash)	43	40
	9 957	7 012

* Includes accrual appropriation of \$7.0 million (\$1.218 million).

13. Receivables		
Receivables comprised:		
GST receivable	406	536
Fees for service	258	319
TVSP receivable	-	235
	664	1 090

14. Prepayments		
Prepayments comprised:		
Finance lease	402	382
Supplies and services	193	51
	595	433

15. Property, Plant and Equipment	2004		
(a) Summary of Balances	Cost/	Accumulated	Written
	Valuation	Depreciation/	Down
	\$'000	Amortisation	Value
		\$'000	\$'000
Land at valuation	15 913	-	15 913
Buildings and improvements at valuation	104 354	(33 759)	70 595
Building under construction at cost	3 727	-	3 727
Building under finance lease	33 191	(17 425)	15 766
Leasehold improvements at cost	1 033	(319)	714
Computing at cost	5 048	(4 212)	836
Office furniture and equipment at cost	1 417	(960)	457
In-house developed computer software at cost	7 688	(6 630)	1 058
Library collections at valuation	3 290	-	3 290
Library collections at cost	926	-	926
Works of art and collections at valuation	498	-	498
	177 085	(63 305)	113 780

		2003	
	Cost/	Accumulated	Written
	Valuation	Depreciation/	Down
	\$'000	Amortisation	Value
		\$'000	\$'000
Land at valuation	15 913	-	15 913
Buildings and improvements at valuation	104 354	(31 962)	72 392
Building under construction at cost	3 489	-	3 489
Building under finance lease	33 191	(16 595)	16 596
Leasehold improvements at cost	1 033	(218)	815
Computing at cost	7 228	(6 165)	1 063
Office furniture and equipment at cost	1 451	(787)	664
In-house developed computer software at cost	7 688	(4 983)	2 705
Library collections at valuation	3 292	-	3 292
Library collections at cost	462	-	462
Works of art and collections at valuation	498	-	498
	178 599	(60 710)	117 889

(b) Analysis of Property, Plant and Equipment						
	Land	Buildings and	Building	Building	Buildings-	Total
	\$'000	Improve-	under	under	Leasehold	Land and
		ments	Finance	Construc-	Improve-	Buildings
		\$'000	Lease	tion	ments	\$'000
			\$'000	\$'000	\$'000	
Gross value as at 1 July 2003	15 913	104 354	33 191	3 489	1 033	157 980
Additions: Purchases of Assets	-	-	-	238	-	238
Gross Value as at 30 June 2004	15 913	104 354	33 191	3 727	1 033	158 218
Accumulated depreciation/ amortisation as at 30 June 2003	-	(31 962)	(16 595)	-	(218)	(48 775)
Depreciation/amortisation for year	-	(1 797)	(830)	-	(101)	(2 728)
Accumulated Depreciation/ Amortisation as at 30 June 2004	-	(33 759)	(17 425)	-	(319)	(51 503)
Net Book Values as at 30 June 2004	15 913	70 595	15 766	3 727	714	106 715
Net Book Values as at 30 June 2003	15 913	72 392	16 596	3 489	815	109 205

(b) Analysis of Property, Plant and Equipment (continued)

	Computing \$'000	Office Furniture & Equipment \$'000	In-house Developed Computer Software \$'000	Library Collections \$'000	Works of Art and Collections \$'000	Total Plant Equipment and Collections \$'000	2004 Total \$'000
Gross value as at 1 July 2003	7 228	1 451	7 688	3 754	498	20 619	178 599
Additions: Purchases of Assets	262	8	-	462	-	732	970
Disposals/stocktake write-offs	(2 442)	(42)	-	-	-	(2 484)	(2 484)
Gross Value as at 30 June 2004	5 048	1 417	7 688	4 216	498	18 867	177 085
Accumulated depreciation/ amortisation as at 30 June 2003	(6 165)	(787)	(4 983)	-	-	(11 935)	(60 710)
Depreciation/ amortisation for year	(621)	(118)	(1 647)	-	-	(2 386)	(5 114)
Depreciation over/under expensed previous year	132	(91)	-	-	-	41	41
Disposals/stocktake write-offs	2 442	36	-	-	-	2 478	2 478
Accumulated Depreciation/ Amortisation as at 30 June 2004	(4 212)	(960)	(6 630)	-	-	(11 802)	(63 305)
Net Book Values as at 30 June 2004	836	457	1 058	4 216	498	7 065	113 780
Net Book Values as at 30 June 2003	1 063	664	2 705	3 754	498	8 684	117 889

16. Payables

Current:

Creditors and accruals

On-costs on provision for employee entitlements

2004	2003
\$'000	\$'000
1 475	994
476	375
1 951	1 369

Non-Current:

On-costs on provision for employee entitlements

646	601
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17. (a) Employee Entitlements

Current:

Accrued salaries and wages

Long service leave

Annual leave

349	136
812	644
1 903	1 663
3 064	2 443

Non-Current:

Long service leave

Annual leave

5 178	4 788
205	206
5 383	4 994

(b) Employee Entitlements and Related On-cost Liabilities

Accrued Salaries and Wages:

On-costs included in payables - Current (Note 16)

Provision for employee entitlements - Current (Note 17(a))

59	18
349	136
408	154

Annual Leave:

On-costs included in payables - Current (Note 16)

Provision for employee entitlements - Current (Note 17(a))

321	257
1 903	1 663
2 224	1 920

On-costs included in payables - Non-Current (Note 16)

Provision for employee entitlements - Non-Current (Note 17(a))

33	25
205	206
238	231

Long Service Leave:

On-costs included in payables - Current (Note 16)

Provision for employee entitlements - Current (Note 17(a))

96	100
812	644
908	744

On-costs included in payables - Non-Current (Note 16)

Provision for employee entitlements - Non-Current (Note 17(a))

613	576
5 178	4 788
5 791	5 364

Aggregate Employee Entitlements and Related On-cost Liabilities

9 569	8 413
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(b) Employee Entitlements and Related On-cost Liabilities (continued)

	2004 Number	2003 Number
Average number of employees during the year	669.6	655.2
18. Finance Lease	2004	2003
Finance lease commitments:	\$'000	\$'000
Payable no later than one year	4 922	4 838
Payable later than one year and not later than five years	19 688	19 352
Payable later than five years	68 908	72 570
Minimum lease payments	93 518	96 760
Less: Future finance charges and contingent rentals	69 308	71 852
Lease Liability	24 210	24 908
Classified as:		
Current	735	698
Non-current	23 475	24 210
	24 210	24 908

A finance lease exists in relation to the Sir Samuel Way Building. This lease is non-cancellable for a term of 40 years.

19. Other Liabilities

Workers Compensation liabilities advised by the Public Sector Occupational Health and Injury Management Branch of the Department of the Premier and Cabinet comprised:

	2004 \$'000	2003 \$'000
Current:		
Income maintenance	260	273
Other	109	100
	369	373
Non-Current:		
Income maintenance	1 266	1 345
Other	479	452
	1 745	1 797

20. Equity

	Accumulated Surplus		Asset Revaluation Reserve		Total Equity	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Balance at 1 July	79 242	81 682	10 697	4 797	89 939	86 479
Net deficit from operating activities	(2 311)	(2 440)	-	-	(2 311)	(2 440)
Adjustment to prior years revaluation						
Increment (consisting of):						
Revaluation increment to land	-	-	-	4 794	-	4 794
Revaluation increment to buildings	-	-	-	1 106	-	1 106
Balance at 30 June	76 931	79 242	10 697	10 697	87 628	89 939

21. Commitments

	2004 \$'000	2003 \$'000
BY TYPE:		
Capital Commitments:		
Land and buildings ⁽¹⁾	12 590	7 590
Total Capital Commitments	12 590	7 590
Other Commitments:		
Operating leases ⁽²⁾	920	828
Miscellaneous ⁽³⁾	10	-
Total Other Commitments	930	828
Net Commitments	13 520	8 418
BY MATURITY:		
All Net Commitments:		
One year or less	1 023	3 003
From one to five years	12 497	5 415
Net Commitments	13 520	8 418
Operating Lease and Miscellaneous Commitments:		
One year or less	363	363
From one to five years	567	465
Total Operating Lease and Miscellaneous Commitments	930	828

21. Commitments (continued)

Commitments are GST inclusive where relevant.

- (1) Outstanding contractual arrangements for building under construction.
- (2) Operating leases are effectively non-cancellable and relate to photocopiers, IT and other leased equipment used by the Authority. Rental is payable monthly in arrears generally for a four year term with an option to renew at the end of the term.
- (3) The miscellaneous commitments relate to an envelope sealing machine located in the Corporate Services Section, Education Building L14 and a safe that is located in the Supreme Court Civil Registry.

22. Cash Flow Reconciliation

	2004	2003
	\$'000	\$'000
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows:		
Flows:		
Cash at year end per Statement of Cash Flows	9 957	7 012
Statement of Financial Position item comprising above cash - 'Cash on hand and on deposit'	9 957	7 012
Reconciliation of net operating deficit to net cash provided by operating activities:		
Net Deficit	(2 311)	(2 440)
Depreciation/amortisation	5 114	4 852
Net revenues from write down and recognition of non-current assets/asset adjustment	(35)	(95)
Profit on disposal of assets	-	(144)
Decrease (Increase) in receivables	426	(438)
Decrease in inventories	-	6
Increase in prepayments	(162)	(14)
Increase in employee entitlements	1 010	1 028
Increase (Decrease) in payables	627	(691)
(Decrease) Increase in other liabilities	(56)	1 011
Net Cash provided by Operating Activities	4 613	3 075

23. Employee and Judicial Remuneration

Remuneration of Employees

Remuneration includes salary and non-monetary benefits. The number of employees whose remuneration received or receivable fell within the following bands were:

Recurrent Salaries:

	2004	2003
	Number of Employees	Number of Employees
\$100 001 - \$110 000	1	4
\$110 001 - \$120 000	6	1
\$120 001 - \$130 000	1	-
\$130 001 - \$140 000	-	1
\$140 001 - \$150 000	1	-
\$180 001 - \$190 000	-	3
\$190 001 - \$200 000	-	1
\$200 001 - \$210 000	2	-
\$210 001 - \$220 000	1	-
\$230 001 - \$240 000	-	1
\$260 001 - \$270 000	1	-
Total number of employees in these bands	13	11

Note that the above figures include the State Coroner and three ERD Commissioners who served during 2003-04. The aggregate remuneration for all employees referred to above was \$1.9 million (\$1.6 million).

Remuneration of Judiciary

Remuneration includes salary and non-monetary benefits. The number of judicial officers whose remuneration received or receivable fell within the following bands were:

Special Acts:

	2004	2003
	Number of Judicial Officers	Number of Judicial Officers
\$100 001 - \$110 000	-	1
\$110 001 - \$120 000	-	1
\$160 001 - \$170 000	1	-
\$170 001 - \$180 000	-	2
\$180 001 - \$190 000	1	13
\$190 001 - \$200 000	1	9
\$200 001 - \$210 000	15	7
\$210 001 - \$220 000	9	4
\$220 001 - \$230 000	6	-
\$230 001 - \$240 000	4	2
\$240 001 - \$250 000	4	1
\$250 001 - \$260 000	1	-

Remuneration of Judiciary (continued)

	2004	2003
	Number of Judicial Officers	Number of Judicial Officers
\$260 001 - \$270 000	1	2
\$270 001 - \$280 000	-	20
\$280 001 - \$290 000	-	2
\$300 001 - \$310 000	8	7
\$310 001 - \$320 000	13	4
\$320 001 - \$330 000	1	1
\$330 001 - \$340 000	1	-
\$340 001 - \$350 000	5	-
\$350 001 - \$360 000	6	-
\$390 001 - \$400 000	1	-
Total number of judiciary in these bands	78	76

The aggregate remuneration for all the judicial officers referred to above was \$20.8 million (\$18.0 million).

24. Targeted Voluntary Separation Packages (TVSPs)	2004	2003
TVSPs paid to employees during the reporting period were:	\$'000	\$'000
TVSP payments	335	235
Recovery from the Department of the Premier and Cabinet in respect of TVSPs	335	235
Annual and long service leave accrued over the period of employment paid to employees who received TVSPs	89	131

The number of employees who received TVSPs

Number of Employees	Number of Employees
6	2

25. Related Party Disclosures
No transactions have been entered into by the Authority with any board/staff member of a company in which a board/staff member has either a direct or indirect pecuniary interest.

26. Consultancies	2004	2003
Total expenditure on consultancies amounted to \$122 000 (\$60 000).	\$'000	\$'000
Individual consultancies costing more than \$50 000:		
One consultancy exceeded \$50 000		
Project: Bank reconciliation, asset management review and an organisational review of the financial services branch	72	-
Consultant: McLachlan Hodge Mitchell		
Individual consultancies costing between \$10 000 and \$50 000:		
Project: Asset management review - Buildings	38	29
Consultants: GHD		
Total cost of consultancies less than \$10 000:		
6 Consultancies	12	31

27. Remuneration of Auditors	2004	2003
Audit fees paid/payable to the Auditor-General	126	90
Internal audit function	77	21
	203	101

No other services were provided by the Auditor-General.

28. Financial Instruments
(a) Terms, Conditions and Accounting Policies

Financial Instrument	Note	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Assets			
		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	12	Deposits are recognised at their nominal amounts. Interest is credited as it accrues.	Cash comprises Deposit Accounts at the Department of Treasury and Finance. Interest is earned on the average daily balance based on the average of the 90 day bank bill. The average 90 day bank bill rate for the year ended 30 June 2004 was 4.9 percent.

(a) Terms, Conditions and Accounting Policies (continued)

Financial Instrument	Note	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Receivables	13	These receivables are recognised at their nominal amounts less any provision for doubtful debts.	Credit terms are net 30 days.
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Finance Lease Liabilities	18	Liabilities are recognised at the present value of the minimum lease payments at the inception of the lease. The discount rate used was an estimate of the interest rate implicit in the lease.	At the reporting date, the Authority had a finance lease with a 40 year term which expires on 30 June 2023. The interest rate implicit in the lease at its inception was 5.61 percent. Rental payments under the lease arrangements are indexed by the Consumer Price Index. Rental payments for 2003-04 equate to 14.5 percent of the value of the lease at its inception.
Payables	16	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received.	Settlement is normally made net 30 days.

(b) Interest Rate Risk

	Note	2004					2004 Total \$'000	Weighted Average Effective Interest Rate Percent
		Floating Interest Rate				Non-Interest Bearing		
		1 year or less	1-2 years	2-5 years	Over 5 years			
Financial Assets:		\$'000	\$'000	\$'000	\$'000	\$'000		
Cash	12	9 914	-	-	-	43	9 957	4.9
Receivables	13	-	-	-	-	664	664	-
Total Financial Assets		9 914	-	-	-	707	10 621	
Total Assets							124 996	
Financial Liabilities:								
Finance lease	18	735	777	2 611	20 087	-	24 210	5.6*
Payables	16	-	-	-	-	1 475	1 475	-
Total Financial Liabilities		735	777	2 611	20 087	1 475	25 685	
Total Liabilities							37 368	
	Note	2003					2003 Total \$'000	Weighted Average Effective Interest Rate Percent
		Floating Interest Rate				Non-Interest Bearing		
		1 year or less	1-2 years	2-5 years	Over 5 years			
Financial Assets:		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash	12	6 972	-	-	-	40	7 012	4.6
Receivables	13	-	-	-	-	1 090	1 090	-
Total Financial Assets		6 972	-	-	-	1 130	8 102	
Total Assets							126 424	
Financial Liabilities:								
Finance lease	18	698	735	2 468	21 007	-	24 908	5.6*
Payables	16	-	-	-	-	994	994	-
Total Financial Liabilities		698	735	2 468	21 007	994	25 902	
Total Liabilities							36 485	

(c) Net Fair Values of Financial Assets and Liabilities

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair value for trade creditors is approximated by their carrying values.

* The net fair value of the finance lease at 30 June 2004 was \$69.3 million (\$71.7 million). This reflects the indexation of the rental payments by the CPI and that as at 30 June 2004 the interest rate implicit in the lease is higher than at its inception.

(d) Credit Risk Exposure

The Authority's maximum exposure to credit risk at the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Authority has no significant exposures to any concentrations of credit risk.

29. Judicial Salary and Related Expenses		2004	2003
Judicial salary and related expenses comprised:		\$'000	\$'000
Salaries and wages		16 670	14 271
Payroll tax and superannuation expenses		4 919	4 445
Long service leave expenses		783	863
Other		650	586
		23 022	20 165
30. Administered Cash			
Administered cash comprised:			
Deposit account with the Department of Treasury and Finance		10 899	494
31. Administered Receivables			
Current:			
Fees		673	394
Transfer expenses yet to be claimed		74	104
GST receivable		25	7
		772	505
32. Administered Payables			
Current:			
Net transfers payable to consolidated account		10 415	-
Creditors and accruals		194	191
Transfer revenue received and not forwarded		662	593
On-costs on provision for judicial entitlements		492	295
		11 763	1 079
Non-Current:			
On-costs on provision for judicial entitlements		796	834
33. (a) Judicial Entitlements			
Current:			
Accrued salaries and wages		185	86
Long service leave		1 006	459
Annual leave		877	643
		2 068	1 188
Non-Current:			
Long service leave		3 802	4 069
Annual leave		244	131
		4 046	4 200
(b) Judicial Entitlements and Related On-cost liabilities			
Accrued Salaries and Wages:			
On-costs included in payables - Current (Note 32)		58	21
Provision for Judicial entitlements - Current (Note 33(a))		185	86
		243	107
Annual Leave:			
On-costs included in payables - Current (Note 32)		240	160
Provision for Judicial entitlements - Current (Note 33(a))		877	643
		1 117	803
On-costs included in payables - Non-Current (Note 32)		62	26
Provision for Judicial entitlements - Non-Current (Note 33(a))		244	131
		306	157

(b) Judicial Entitlements and Related On-cost liabilities (continued)	2004	2003
Long Service Leave:	\$'000	\$'000
On-costs included in payables - Current (Note 32)	194	114
Provision for Judicial entitlements - Current (Note 33(a))	1 006	459
	1 200	573
	734	808
On-costs included in payables - Non-Current (Note 32)	3 802	4 069
Provision for Judicial entitlements - Non-Current (Note 33(a))	4 536	4 877
Aggregate Employee Entitlements and Related On-cost Liabilities	7 402	6 517

	2004	2003
	Number	Number
Average number of Judiciary during the year	78.6	78.8

34. Administered Equity	2004	2003
	\$'000	\$'000
Balance at 1 July	(6 302)	(6 167)
Net decrease in administered net assets	(700)	(135)
Balance at 30 June	(7 002)	(6 302)

35. Administered Cash Flow Reconciliation		
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows:		
Cash at year end per Statement of Cash Flows	10 899	494
Statement of Financial Position item comprising above cash - Cash	10 899	494

Reconciliation of net decrease in administered net assets to net cash used in administered activities:		
Net decrease in administered net assets	(700)	(135)
Increase in receivables	(267)	(83)
Increase in judicial entitlements	726	362
Increase (Decrease) in payables	10 646	(23)
Net Cash provided by Administered Activities	10 405	121

36. Administered Financial Instruments			
(a) Terms, Conditions and Accounting Policies			
Financial Instrument	Note	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	30	Deposits are recognised at their nominal amounts.	Cash comprises a Deposit Account at the Department of Treasury and Finance. The administered cash balance is non-interest bearing.
Receivables	31	These receivables are recognised at their nominal amounts less any provision for doubtful debts.	Credit terms are net 30 days.
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Payables	32	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received.	Settlement is normally made net 30 days.

(b) Interest Rate Risk

		2004					Non-Interest Bearing	2004 Total \$'000	Weighted Average Effective Interest Rate Percent
		Floating/Fixed Interest Rate							
		1 year or less \$'000	1-2 years \$'000	2-5 years \$'000	Over 5 years \$'000				
Financial Assets:	Note								
Cash	30	-	-	-	-	10 899	10 899	-	
Receivables	31	-	-	-	-	772	772	-	
Total Financial Assets		-	-	-	-	11 671	11 671		
Total Assets							11 671		
Financial Liabilities:									
Payables	32	-	-	-	-	11 271	11 271	-	
Total Financial Liabilities		-	-	-	-	11 271	11 271		
Total Liabilities							18 673		

		2003					Non-Interest Bearing	2003 Total \$'000	Weighted Average Effective Interest Rate Percent
		Floating/Fixed Interest Rate							
		1 year or less \$'000	1-2 years \$'000	2-5 years \$'000	Over 5 years \$'000				
Financial Assets:	Note								
Cash	30	-	-	-	-	494	494	-	
Receivables	31	-	-	-	-	505	505	-	
Total Financial Assets		-	-	-	-	999	999		
Total Assets							999		
Financial Liabilities:									
Payables	32	-	-	-	-	784	784	-	
Total Financial Liabilities		-	-	-	-	784	784		
Total Liabilities							7 301		

(c) Net Fair Values of Financial Assets and Liabilities

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors is approximated by their carrying values.

37. Trust Monies

In addition, the Authority holds monies pending the outcome of court decisions. 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 jurisdictions' trust accounts.

Supreme Court Suitor Account

	2004 \$'000	2003 \$'000
Balance at 1 July	23 154	19 930
Receipts	3 890	5 740
	27 044	25 670
Less: Payments	4 092	2 516
Balance at 30 June	22 952	23 154

District Court Suitor Account

	2004 \$'000	2003 \$'000
Balance at 1 July	1 323	1 716
Receipts	1 353	706
	2 676	2 422
Less: Payments	795	1 099
Balance at 30 June	1 881	1 323

Sheriff's Office Trust Account

	2004 \$'000	2003 \$'000
Balance at 1 July	105	317
Receipts	956	795
	1 061	1 112
Less: Payments	819	1 007
Balance at 30 June	242	105

Magistrates' Courts Suitor Account

	2004 \$'000	2003 \$'000
Balance at 1 July	1 826	1 733
Receipts	9 641	9 783
	11 467	11 516
Less: Payments	9 700	9 690
Balance at 30 June	1 767	1 826