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## To the Chief Executive Department for Child Protection

### Opinion

I have audited the financial report of the Department for Child Protection for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Child Protection as at 30 June 2023, its financial performance and cash flows for the year then ended in accordance with the relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and the Chief Financial Officer.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of Department for Child Protection. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

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

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

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Child Protection for the financial year ended 30 June 2023.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department for Child Protection's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive

- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson  
**Auditor-General**

21 September 2023

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# **Department for Child Protection**

## **Financial Statements**

**For the year ended 30 June 2023**

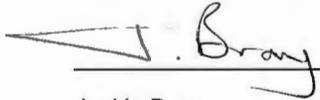
**Department for Child Protection**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2023*

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**Certification of the financial statements**

We certify that the:

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



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Jackie Bray  
Chief Executive

14 September 2023



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Joanne Male  
Chief Financial Officer

14 September 2023

**Department for Child Protection**      **OFFICIAL**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2023*

	Note	2023 \$'000	2022 \$'000
<b>Income</b>			
Appropriation	2.1	781 301	692 630
Resources received free of charge	2.4	4 881	4 515
Commonwealth-sourced grants and funding	2.2	2 426	1 500
Fees and charges	2.3	88	1 053
Grants and contributions		516	-
Intra-government transfers		161	-
Other income	2.5	3 736	4 020
<b>Total income</b>		<b>793 109</b>	<b>703 718</b>
<b>Expenses</b>			
Child protection services	4.2	476 450	385 920
Employee benefits expenses	3.3	262 989	254 730
Supplies and services	4.1	65 088	55 704
Depreciation and amortisation	5.1, 5.2	4 704	5 086
Grants and subsidies	4.3	423	338
Borrowing costs	4.4	77	27
Net loss from disposal of property, plant and equipment	2.6	637	-
Other expenses	4.5	510	345
<b>Total expenses</b>		<b>810 878</b>	<b>702 150</b>
<b>Net result</b>		<b>(17 769)</b>	<b>1 568</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment asset revaluation surplus	5.1	17 353	1 882
<b>Total other comprehensive income</b>		<b>17 353</b>	<b>1 882</b>
<b>Total comprehensive result</b>		<b>(416)</b>	<b>3 450</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

**Department for Child Protection**  
**Statement of Financial Position**  
*as at 30 June 2023*

OFFICIAL

	Note	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	30 254	39 954
Receivables	6.2	6 100	6 428
Non-current assets classified as held for sale	5.3	-	1 575
<b>Total current assets</b>		<b>36 354</b>	<b>47 957</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	66 101	44 882
Receivables	6.2	-	519
Intangible assets	5.2	258	205
<b>Total non-current assets</b>		<b>66 359</b>	<b>45 606</b>
<b>Total assets</b>		<b>102 713</b>	<b>93 563</b>
<b>Current liabilities</b>			
Payables	7.1	32 713	33 200
Employee benefits	3.4	33 393	29 415
Provisions	7.3	6 445	6 029
Financial liabilities	7.2	2 355	2 355
Other liabilities	7.4	132	112
<b>Total current liabilities</b>		<b>75 038</b>	<b>71 111</b>
<b>Non-current liabilities</b>			
Employee benefits	3.4	22 933	25 129
Provisions	7.3	27 782	22 850
Payables	7.1	2 321	2 433
Financial liabilities	7.2	1 712	1 397
Other liabilities	7.4	330	403
<b>Total non-current liabilities</b>		<b>55 078</b>	<b>52 212</b>
<b>Total liabilities</b>		<b>130 116</b>	<b>123 323</b>
<b>Net liabilities</b>		<b>(27 403)</b>	<b>(29 760)</b>
<b>Equity</b>			
Contributed capital		3 683	910
Retained earnings	8.1	(57 128)	(39 359)
Asset revaluation surplus	8.1	26 042	8 689
<b>Total equity</b>		<b>(27 403)</b>	<b>(29 760)</b>

The accompanying notes form part of these financial statements. The total equity attributable to the SA Government as owner.

**Department for Child Protection**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2023*

OFFICIAL

	Note	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2021</b>		-	6 807	(40 927)	(34 120)
Net result for 2021-22		-	-	1 568	1 568
Gain on revaluation of land during 2020-21	5.1	-	1 882	-	1 882
<b>Total comprehensive result for 2021-22</b>		-	<b>1 882</b>	<b>1 568</b>	<b>3 450</b>
Equity contribution received		910	-	-	910
<b>Balance at 30 June 2022</b>		<b>910</b>	<b>8 689</b>	<b>(39 359)</b>	<b>(29 760)</b>
Net result for 2022-23		-	-	(17 769)	(17 769)
Gain on revaluation of land during 2022-23	5.1	-	8 242	-	8 242
Gain on revaluation of Residential accommodation during 2022-23	5.1	-	6 740	-	6 740
Gain on revaluation of leasehold improvements during 2022-23	5.1	-	2 371	-	2 371
<b>Total comprehensive result for 2022-2023</b>		-	<b>17 353</b>	<b>(17 769)</b>	<b>(416)</b>
Equity contribution received		2 773	-	-	2 773
<b>Balance at 30 June 2023</b>		<b>3 683</b>	<b>26 042</b>	<b>(57 128)</b>	<b>(27 403)</b>

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

**Department for Child Protection**  
**Statement of Cash Flows**  
*for the year ended 30 June 2023*

OFFICIAL

		2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
<b>Cash inflows</b>			
Appropriation		781 301	692 630
GST recovered from the ATO		41 034	32 128
Receipts from Commonwealth-sourced grants and funding		2 426	1 500
Fees and charges		126	1 074
Grants and contributions received		677	-
Other income		2 098	5 950
<b>Cash generated from operations</b>		<b>827 662</b>	<b>733 282</b>
<b>Cash outflows</b>			
Payments for child protection services		(509 678)	(415 657)
Employee benefits payments		(254 849)	(255 457)
Payments for supplies and services		(66 975)	(44 826)
Payments of grants and subsidies		(423)	(391)
Interest paid		(77)	(27)
Other payments		(564)	(294)
<b>Cash used in operations</b>		<b>(832 566)</b>	<b>(716 652)</b>
<b>Net cash provided by / (used in) operating activities</b>	<b>8.2</b>	<b>(4 904)</b>	<b>16 630</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		1 690	4
<b>Cash generated from investing activities</b>		<b>1 690</b>	<b>4</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(6 588)	(5 680)
<b>Cash used in investing activities</b>		<b>(6 588)</b>	<b>(5 680)</b>
<b>Net cash used in investing activities</b>		<b>(4 898)</b>	<b>(5 676)</b>
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Capital contributions from government		2 773	910
<b>Cash generated from financing activities</b>		<b>2 773</b>	<b>910</b>
<b>Cash outflows</b>			
Repayment of principal portion of lease liabilities		(2 671)	(3 251)
<b>Cash used in financing activities</b>		<b>(2 671)</b>	<b>(3 251)</b>
<b>Net cash used in financing activities</b>		<b>102</b>	<b>(2 341)</b>
<b>Net cash provided by financing activities</b>		<b>102</b>	<b>(2 341)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(9 700)</b>	<b>8 613</b>
Cash and cash equivalents at the beginning of the reporting period		39 954	31 341
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>6.1</b>	<b>30 254</b>	<b>39 954</b>

The accompanying notes form part of these financial statements.

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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## 1. About the Department for Child Protection

The Department for Child Protection (the department) is a not-for-profit government department of the State of South Australia. The department is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

The department does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the department.

Transactions and balances relating to administered resources are presented separately and are disclosed in Note 11. Except as otherwise disclosed administered items are accounted for on the same basis as the department's transactions.

### 1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

No Australian Accounting Standards have been early adopted other than AASB 2021-1 which was adopted from 1 July 2021.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

Significant accounting policies are set out throughout the notes.

The department is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

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

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST component of cash flows arising from investing and financial activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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## 1.2. Objectives and programs

### Objectives

The department's primary objective is to work with government agencies, non-government organisations and communities to keep children and young people safe from abuse and neglect, to effectively intervene where necessary to support and help strengthen families, through the administration of the state's child protection and family support system and statutory framework. The department is committed to placing the safety and wellbeing of children and young people at the centre of decision-making, and to work across the child protection system to amplify their voices and the voices of their families and carers.

The department receives, assesses, refers and investigates child protection notifications and intervenes to keep children and young people safe, and where possible strengthen families. It is required to make an application to the court where it assesses that an order is required to ensure the safety of a child or young person. Where a court determines that a child or young person cannot remain safely at home, the department is responsible for the provision (either directly or indirectly) of quality care and case management, and, when it is safe to do so, supporting the reunification of children and young people with their families.

The department works closely with a range of government agencies and non-government organisations and communities so that children and young people who have been abused or are at risk of further abuse can be connected, together with their families, to appropriate intensive family supports within the broader child protection service sector.

The department works to support foster and kinship carers and to empower people and organisations across the child protection and family support system.

### Programs

The department operates within the activity, *Care and protection*.

The department is focused on the care and protection of children and young people who have been abused and/or are assessed as being at risk of harm within their families, or whose families do not have the capacity to protect them from harm, and on strengthening and supporting families.

This includes:

- Assessing and responding to reports of abuse and risk of harm to children and young people, including referral and/or investigation where appropriate.
- Referring children and young people who are at risk of harm, together with their families, to appropriate intensive family supports within the broader child protection service sector and specialist services, including family group conferencing.
- Applying for care and protection orders and placing children and young people in care to ensure their safety when all other options have been explored and the child or young person remains at risk.
- Implementing the Aboriginal and Torres Strait Islander Child Placement Principle.
- Working with families to address the safety concerns that led to a child or young person entering care, so reunification can take place when it is safe and in the best interests of the child or young person.
- Supporting children and young people in care to help them to recover from their abuse and trauma and reach their full potential.
- Providing assistance and support to young people to transition from care to independent adult life.

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

### 1.3. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2022-23 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>			
<b>Income</b>			
Appropriation	718 676	781 301	62 625
Resources received free of charge	-	4 881	4 881
Commonwealth-sourced grants and funding	1 197	2 426	1 229
Fees and charges	36	88	52
Grants and contributions	-	516	516
Intra-government transfers	-	161	161
Other income	1 393	3 736	2 343
<b>Total income</b>	<b>721 302</b>	<b>793 109</b>	<b>71 807</b>
<b>Expenses</b>			
Child protection services (a)	395 495	476 450	80 955
Employee benefits expenses	250 867	262 989	12 122
Supplies and services	61 711	65 088	3 377
Depreciation and amortisation	4 450	4 704	254
Grants and subsidies	170	423	253
Borrowing costs	65	77	12
Net loss from disposal of property, plant and equipment	-	637	637
Other expenses	4 444	510	(3 934)
<b>Total expenses</b>	<b>717 202</b>	<b>810 878</b>	<b>93 676</b>
<b>Net result</b>	<b>4 100</b>	<b>(17 769)</b>	<b>(21 869)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment asset revaluation surplus	-	17 353	17 353
<b>Total other comprehensive income</b>	<b>-</b>	<b>17 353</b>	<b>17 353</b>
<b>Total comprehensive result</b>	<b>4 100</b>	<b>(416)</b>	<b>(4 516)</b>

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted amount for expenses.

- (a) The variance primarily relates to an increase in the number of children and young people in care, particularly the increase of non-family based care and the costs associated with providing these services.

The opening budget does not include the mid-year budget review and 2023-24 budget measure adjustments. The mid-year budget review included an increase in indexation to support non-government organisations in meeting the costs associated with wage and inflation pressures.

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**1.3. Budget performance (continued)**

		Original Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
<b>Investing expenditure summary</b>				
Total leases		3 057	3 210	153
Total existing projects	(1)	4 432	6 148	1 716
<b>Total investing expenditure</b>		<b>7 489</b>	<b>9 358</b>	<b>1 869</b>

(1) Higher than budgeted due to lease incentives not included in the original budget.

**1.4. Significant transactions with government related entities**

The department had no significant transactions with government related entities except for the appropriation funding received from the Department of Treasury and Finance (DTF) (note 2.1) and incurred expenditure with the Department of Infrastructure and Transport (DIT) of \$13.8 million (2022: \$20.8 million) (note 4.1).

The department also receives Commonwealth-sourced grants and funding, some of which are received from the Commonwealth indirectly through DTF (refer note 2.2).

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**2. Income**

**2.1. Appropriation**

	2023	2022
	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	718 676	668 156
Appropriation from the Governor's Appropriation Fund	62 625	24 474
<b>Total appropriation</b>	<b>781 301</b>	<b>692 630</b>

Appropriation is recognised on receipt.

**2.2. Commonwealth-sourced grants and funding**

	2023	2022
	\$'000	\$'000
Family allowances	923	839
Unaccompanied Humanitarian Minors	360	387
Transition to Independent Living Allowance	144	183
Family Law Information Sharing Project*	255	91
Newpin program*	744	-
<b>Total Commonwealth-sourced grants and funding</b>	<b>2 426</b>	<b>1 500</b>

\*Received from the Commonwealth indirectly through DTF.

Commonwealth-sourced grants and funding are recognised as income on receipt. Obligations under Commonwealth-sourced grants and funding are required to be met by the State of South Australia.

**2.3. Fees and charges**

	2023	2022
	\$'000	\$'000
Intra Government fees and charges	1	993
Other fees and charges	87	60
<b>Total fees and charges</b>	<b>88</b>	<b>1 053</b>

Intra Government fees and charges are recognised as income on receipt.

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**2.4. Resources received free of charge**

	2023	2022
	\$'000	\$'000
Services received free of charge - Shared Services SA	4 062	3 758
Services received free of charge - DPC - ICT	819	757
<b>Total resources received free of charge</b>	<b>4 881</b>	<b>4 515</b>

The department receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable from Shared Services SA free of charge. ICT services are received from the Department of the Premier and Cabinet.

A corresponding expense is recognised in the financial statements (see note 4.1).

**2.5. Other income**

	2023	2022
	\$'000	\$'000
Recoveries	3 611	3 859
Child payment recoups	115	128
Other	10	33
<b>Total other income</b>	<b>3 736</b>	<b>4 020</b>

Recoveries are recognised on receipt.

**2.6. Net Loss from disposal of property, plant and equipment**

	2023	2022
	\$'000	\$'000
<b>Land and buildings</b>		
Net proceeds from disposal	1 690	-
Less carrying amount of assets disposed	(2 325)	-
<b>Net loss on disposal of land and buildings</b>	<b>(635)</b>	<b>-</b>
<b>Right of use vehicles</b>		
Proceeds from disposal	-	-
Less net book value of assets disposed	(2)	-
<b>Net loss on disposal of plant and equipment</b>	<b>(2)</b>	<b>-</b>
<b>Total assets</b>		
Proceeds from disposal	1 690	-
Less net book value of assets disposed	(2 327)	-
<b>Total net gain (loss) from disposal of property plant and equipment</b>	<b>(637)</b>	<b>-</b>

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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### 3. Board, committees and employees

#### 3.1. Key management personnel

Key management personnel of the department include the Minister for Child Protection (the Minister), the Chief Executive and the other members of the executive team who have responsibility for the strategic direction and management of the department.

The compensation excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

	2023	2022
	\$'000	\$'000
<b>Compensation</b>		
Salaries and other short-term employee benefits	3 898	3 566
Post-employment benefits	445	643
<b>Total compensation</b>	<b>4 343</b>	<b>4 209</b>

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

The department did not enter into transactions with key management personnel or their close family during the reporting period.

#### 3.2. Board and committee members

Members during the 2022- 2023 financial year were:

##### **Performance and Risk Committee**

Ms Kitty McLean\*  
 Ms Tina Armiento\* (retired September 2022)  
 Ms Billie-Jo Barbara\* (appointed September 2022)  
 Ms Joanne Male\*  
 Ms Fiona Ward\*  
 Ms Nerida Saunders\*  
 Ms Rosina Hislop  
 Mr Onno van der Wel  
 Ms Linda South\*

##### **Dame Roma Mitchell Trust Funds Board of Advice**

Ms Chelsea Hall\*  
 Ms Colleen Fitzpatrick (Chair)  
 Ms Megan Hender (resigned April 2023)  
 Ms Joanna Saies  
 Mr Nick Jenkins  
 Ms Brigitte Goepfert  
 Mr Lachlan McFarlane  
 Ms Marjorie Ellis  
 Ms Karen McAuley\* (appointed November 2022)

\*Government employees did not receive any remuneration for board/committee duties during the financial year where the board/committee falls under the definitions of Premier and Cabinet Circular No. 016.

The department has other internal boards and committees that do not meet disclosure requirements. Paid members of internal boards and committees include:

- Contract Arrangements Review Panel – Anne-Marie Hayes, Carmela Bastian, Helen Kay
- Licensing and Compliance Panel – Anthea Pavy
- Procurement and Contract Management Governance Committee – Zofia Nowak

**Department for Child Protection**  
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**3.2. Board and committee members (continued)**

Board and committee remuneration	2023	2022
The number of members whose remuneration received/receivable falls within the following bands:		
	Number of members	Number of members
\$0	16	17
\$1 - \$19 999	6	3
\$20 000 - \$39 999	1	-
<b>Total number of members</b>	<b>23</b>	<b>20</b>

The total remuneration received or receivable by members was \$47 000 (2022: \$38 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

**3.3. Employee benefits expenses**

	2023	2022
	\$'000	\$'000
Salaries and wages	193 430	190 472
Employment on-costs - superannuation	22 545	20 637
Annual leave	18 785	17 672
Employment on-costs - other	11 675	11 235
Workers compensation	11 019	12 171
Long service leave	3 520	(1 320)
Skills and experience retention leave	743	602
Targeted voluntary separation packages	158	2 013
Board and committee fees	47	38
Other employee related expenses	1 067	1 210
<b>Total employee benefits expenses</b>	<b>262 989</b>	<b>254 730</b>

Departmental employees are employed under Part 7 of the *Public Sector Act*.

The superannuation employment on-cost charge represents the department's contributions to superannuation plans in respect of current services of current employees. DTF centrally recognises the superannuation liability in the whole of government financial statements.

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**3.3. Employee benefits expenses (continued)**

*Employee remuneration*

	2023	2022
The number of employees whose remuneration received or receivable falls within the following bands:	<b>No</b>	<b>No</b>
\$157 001 to \$160 000*	N/A	8
\$160 001 to \$180 000	25	17
\$180 001 to \$200 000	3	3
\$200 001 to \$220 000	4	6
\$220 001 to \$240 000	4	2
\$240 001 to \$260 000	1	1
\$260 001 to \$280 000	-	1
\$280 001 to \$300 000	2	2
\$380 001 to \$400 000	1	-
\$400 001 to \$420 000	-	1
\$420 001 to \$440 000	-	1
\$600 001 to \$620 000	1	-
<b>Total</b>	<b>41</b>	<b>42</b>

The total remuneration received by these employees for the year was \$8.4 million (2022: \$8.3 million).

\*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, overtime, penalties, attraction allowance, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the department.

**Targeted voluntary separation packages (TVSP)**

The number of employees who received a TVSP during the reporting period was 2 (2022: 2).

	2023	2022
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	158	169
Workforce rejuvenation scheme	-	1 844
Leave paid to separated employees	136	114
<b>Total amount paid</b>	<b>294</b>	<b>2 127</b>
Recovery from the Department of Treasury and Finance	294	-
<b>Net cost to the department</b>	<b>-</b>	<b>2 127</b>

During the 2021-22 financial year, the SA Government offered employees the opportunity to participate in the South Australian Public Sector Workforce Rejuvenation Scheme. The above table includes 43 employees who accepted the offer under the scheme in 2021-22 financial year.

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**3.4. Employee benefits liability**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Annual leave	19 787	19 180
Long service leave	6 550	4 403
Accrued salaries and wages	6 198	5 036
Skills and experience retention leave	858	796
<b>Total current employee benefits</b>	<b>33 393</b>	<b>29 415</b>
<b>Non-current</b>		
Long service leave	22 933	25 129
<b>Total non-current employee benefits</b>	<b>22 933</b>	<b>25 129</b>
<b>Total employee benefits</b>	<b>56 326</b>	<b>54 544</b>

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

***Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave***

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

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

Salary inflation rate for annual leave and skills, experience and retention leave liability changed to 2% (2022: 1.5%).

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

***Long service leave***

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

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

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

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased to 4% (2022: 3.5%).

The actuarial assessment performed by the DTF has increased the salary inflation rate to 3.5% (2022: 2.5%) for long service leave liability.

The net financial effect of the changes in the actuarial assumptions and methodology is a decrease in the long service leave liability of \$996 000.

The split for long service leave between current and non-current is based on the department's best estimate of the amount to be paid in the coming year.

**Department for Child Protection**  
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**4. Expenses**

**4.1. Supplies and services**

	2023	2022
	\$'000	\$'000
Accommodation	12 778	12 148
Minor works, maintenance and equipment	12 222	7 793
Information technology and communications	10 670	10 851
Vehicle and travelling expenses	5 605	4 487
Shared Services SA charges	4 921	3 823
Employee related costs	3 509	3 333
Rental and leases accommodation	2 862	1 479
Office administration	2 254	2 138
Legal costs	1 666	980
Utilities	1 535	1 290
Contractors – Agency staff	1 503	1 973
Intra government charges	1 442	1 198
Insurance	1 095	872
Cleaning	1 070	959
Contractors	927	1 723
Consultants	431	69
Security	416	358
Advertising expenses	14	1
Other supplies and services	168	229
<b>Total supplies and services</b>	<b>65 088</b>	<b>55 704</b>

**Accommodation**

Most of the department's accommodation is provided by DIT under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed and disclosed under accommodation. Information about accommodation incentives relating to this arrangement is shown at note 7.4.

**Consultants**

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

	No	2023	No	2022
		\$'000		\$'000
Below \$10 000	-	-	-	-
\$10 000 or above	6	431	2	69
<b>Total</b>	<b>6</b>	<b>431</b>	<b>2</b>	<b>69</b>

**Department for Child Protection**  
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**4.2. Child protection services**

	2023	2022
	\$'000	\$'000
Contracted Out-of-Home care services <sup>1</sup>	339 658	267 782
Carer payments and client related costs <sup>2</sup>	121 576	107 871
Family support services	9 493	6 863
Advocacy and support services	5 723	3 404
<b>Total child protection services</b>	<b>476 450</b>	<b>385 920</b>

<sup>1</sup> incorporates residential based care, family based care, other supported placement services and immediate response services.

<sup>2</sup> incorporates all carer payments and other client related costs associated with having a child in a placement.

**4.3. Grants and subsidies**

	2023	2022
	\$'000	\$'000
Child and Family Welfare	358	282
Flinders University	60	-
Care Leavers Australasia Network	-	15
University of Adelaide	5	-
Connecting Foster Carers SA	-	41
<b>Total grants and subsidies</b>	<b>423</b>	<b>338</b>

**4.4. Borrowing costs**

	2023	2022
	\$'000	\$'000
Interest expense on lease liabilities	77	27
<b>Total borrowing costs</b>	<b>77</b>	<b>27</b>

**4.5. Other expenses**

	Note	2023	2022
		\$'000	\$'000
Audit fees *		305	264
Impairment (gain)/loss on receivables	6.2	12	6
Interest		8	2
Other expenses		185	73
<b>Total other expenses</b>		<b>510</b>	<b>345</b>

\* Audit fees paid / payable to the Auditor-General's Department relate to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by Auditor-General's Department.

**Department for Child Protection**  
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**5. Non-financial assets**

**5.1. Property, plant and equipment**

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

Property, plant and equipment with a value equal to or in excess of \$15 000 is capitalised, otherwise it is expensed. Property, plant and equipment is recorded at fair value. Detail about the department's approach to fair value is set out in note 10.1.

***Impairment***

Property, plant and equipment owned by the department has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 10.1. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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Department for Child Protection  
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5.1 Property, plant and equipment (continued)

Property, plant and equipment

The following table shows movement in property, plant and equipment during 2022-23

Reconciliation 2022-23

	Land \$'000	Residential accommodation housing \$'000	Leasehold improvements \$'000	Computing, communications, furniture and equipment \$'000	Right-Of-Use Buildings \$'000	Right-Of-Use Vehicles \$'000	Construction work in progress \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	20 512	15 228	4 020	513	1 329	2 417	863	44 882
Additions	-	421	125	-	1 496	1 714	5 602	9 358
Disposals	-	(750)	-	-	-	(2)	-	(752)
Other changes	-	-	-	-	(374)	149	-	(225)
Transfers to/(from) work in progress	-	2 265	3 104	-	-	-	(5 369)	-
Asset revaluation increment/(decrement)	8 242	6 740	2 371	-	-	-	-	17 353
<b>Subtotal:</b>	<b>28 754</b>	<b>23 904</b>	<b>9 620</b>	<b>513</b>	<b>2 451</b>	<b>4 278</b>	<b>1 096</b>	<b>70 616</b>
<b>Gains/(losses) for the period recognised in net result:</b>								
Depreciation	-	(725)	(983)	(101)	(772)	(1 934)	-	(4 515)
<b>Carrying amount at the end of the period</b>	<b>28 754</b>	<b>23 179</b>	<b>8 637</b>	<b>412</b>	<b>1 679</b>	<b>2 344</b>	<b>1 096</b>	<b>66 101</b>
<b>Gross carrying amount</b>								
Gross carrying amount	28 754	23 179	8 743	649	2 690	5 113	1 096	70 224
Accumulated depreciation	-	-	(106)	(237)	(1 011)	(2 769)	-	(4 123)
<b>Carrying amount at the end of the period</b>	<b>28 754</b>	<b>23 179</b>	<b>8 637</b>	<b>412</b>	<b>1 679</b>	<b>2 344</b>	<b>1 096</b>	<b>66 101</b>

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5.1 Property, plant and equipment (continued)

Reconciliation 2021-22

	Land \$'000	Residential accommodation housing \$'000	Leasehold improvements \$'000	Computing, communications, furniture and equipment \$'000	Right Of Use Buildings \$'000	Right Of Use Vehicles \$'000	Construction work in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	19 730	14 042	4 122	424	1 122	2 586	1 770	43 796
Additions	-	-	-	175	1 541	1 746	2 218	5 680
Disposals	-	-	-	-	-	(4)	-	(4)
Transfers to/(from) work in progress	-	2 394	731	-	-	-	(3 125)	-
Asset revaluation increment/(decrement)	1 882	-	-	-	-	-	-	1 882
Assets reclassified to assets held for sale	(1 100)	(475)	-	-	-	-	-	(1 575)
<b>Subtotal:</b>	<b>20 512</b>	<b>15 961</b>	<b>4 853</b>	<b>599</b>	<b>2 663</b>	<b>4 328</b>	<b>863</b>	<b>49 779</b>
<b>Gains/(losses) for the period recognised in net result:</b>								
Depreciation	-	(733)	(833)	(86)	(1 334)	(1 911)	-	(4 897)
<b>Carrying amount at the end of the period</b>	<b>20 512</b>	<b>15 228</b>	<b>4 020</b>	<b>513</b>	<b>1 329</b>	<b>2 417</b>	<b>863</b>	<b>44 882</b>
<b>Gross carrying amount</b>								
Gross carrying amount	20 512	31 238	13 811	649	3 704	5 021	863	75 798
Accumulated depreciation	-	(16 010)	(9 791)	(136)	(2 375)	(2 604)	-	(30 916)
<b>Carrying amount at the end of the period</b>	<b>20 512</b>	<b>15 228</b>	<b>4 020</b>	<b>513</b>	<b>1 329</b>	<b>2 417</b>	<b>863</b>	<b>44 882</b>

**Department for Child Protection**  
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**5.1 Property, plant and equipment (continued)**

***Useful life***

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

<b>Class of asset</b>	<b>Useful life (years)</b>
Residential accommodation housing	20-100
Leasehold improvements	1-35
Computing, communications, furniture and equipment	5-10
Computer software	3-10
Right-of-use vehicles and buildings	1-5

***Review of accounting estimates***

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

**Property, plant and equipment leased**

Right-of-use assets are recorded at cost.

Short-term leases of 12 months or less and low-value leases, where the underlying asset value is less than \$15 000, are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The department has a limited number of leases:

- 772 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms range from 3 years (60,000km) to 5 years (100,000km).
- 45 residential accommodation properties leased with private landlords that are non-cancellable. Residential accommodation lease terms range from 1 year to 5 years.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The department's maturity analysis of its lease liabilities is disclosed in note 7.2. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4.1. Cash outflows related to leases are disclosed in note 8.2.

***Impairment***

Property, plant and equipment leased by the department has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

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**5.2. Intangible assets**

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of computer software is capitalised only when the expenditure meets the definition criteria (identifiable control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$15 000.

The computer software relates to the department's Connected Client and Case Management System (C3MS) for case management of children. Additional computer software for 2022-23 relates to upgrades for the Call Centre management software.

**Reconciliation 2022-23**

	<b>Computer software</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	205	205
Additions	242	242
Amortisation	(189)	(189)
Carrying amount at the end of the period	<b>258</b>	<b>258</b>

**Reconciliation 2021-22**

	<b>Computer software</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	394	394
Amortisation	(189)	(189)
Carrying amount at the end of the period	<b>205</b>	<b>205</b>

**5.3. Non-current assets classified as held for sale**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Land	-	1 100
Building	-	475
<b>Total non-current assets classified as held for sale</b>	<b>-</b>	<b>1 575</b>

**Department for Child Protection**  
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**6. Financial assets**

**6.1. Cash and cash equivalents**

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer	29 842	39 556
Deposits with the Treasurer (AAEFA)	-	1
Imprest account/cash on hand	412	397
<b>Total cash and cash equivalents</b>	<b>30 254</b>	<b>39 954</b>

***Deposits with the Treasurer***

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

The department has two deposit accounts with the Treasurer:

- a general operating account; and
- an Accrual Appropriation Excess Funds Account (AAEFA).

Although the department controls the money in AAEFA, its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

Cash is measured at nominal amount.

**6.2. Receivables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
<b>Trade receivables</b>		
From government entities	193	389
From non-government entities	958	1 159
Less impairment loss on receivables	(57)	(54)
<b>Total trade receivables</b>	<b>1 094</b>	<b>1 494</b>
GST input tax recoverable	3 539	2 738
Prepayments	1 461	2 123
Accrued revenues	6	28
Workers compensation recoveries	-	45
<b>Total current receivables</b>	<b>6 100</b>	<b>6 428</b>
<b>Non-current</b>		
Workers compensation recoveries	-	519
<b>Total non-current receivables</b>	<b>-</b>	<b>519</b>
<b>Total receivables</b>	<b>6 100</b>	<b>6 947</b>

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Trade receivables, prepayments and accrued revenues are non-interest bearing. Trade receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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## 6.2 Receivables (continued)

The net amount of GST payable to the ATO is included as part of receivables.

Other than as recognised in the impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

The department has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

### *Allowance for Impairment loss on receivables*

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	(54)	(50)
(Increase)/decrease in the allowance recognised in profit and loss	(3)	(6)
Amounts written off	-	2
<b>Carrying amount at the end of the period</b>	<b>(57)</b>	<b>(54)</b>

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 10.2 for details regarding credit risk, the methodology for determining impairment.

## 7. Liabilities

### 7.1. Payables

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Accrued expenses	25 347	24 964
Employment on-costs	6 120	5 522
Trade payables	1 179	2 666
Paid Parental Leave Scheme payable	67	48
<b>Total current payables</b>	<b>32 713</b>	<b>33 200</b>
<b>Non-current</b>		
Employment on-costs	2 321	2 433
<b>Total non-current payables</b>	<b>2 321</b>	<b>2 433</b>
<b>Total payables</b>	<b>35 034</b>	<b>35 633</b>

Trade payables and accruals are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of receivables. However, if a net GST payable arises then this amount would be disclosed in this Payables note.

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**7.1 Payables (continued)**

*Employment on-costs*

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions which are settled when the respective employee benefits that relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The department makes contributions to several state government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and external schemes.

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave has increased to 43% (2022: 42%). The average factor for the calculation of employer superannuation on-costs has increased to 11.1% (2022: 10.6%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$102 000 and decrease in the employee benefits expense of \$996 000, respectively.

**7.2. Financial liabilities**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Lease liabilities	2 355	2 355
<b>Total current financial liabilities</b>	<u>2 355</u>	<u>2 355</u>
<b>Non-current</b>		
Lease liabilities	1 712	1 397
<b>Total non-current financial liabilities</b>	<u>1 712</u>	<u>1 397</u>
<b>Total financial liabilities</b>	<u><u>4 067</u></u>	<u><u>3 752</u></u>

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. There were no defaults or breaches on any of the financial liabilities throughout the year.

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	2023	2022
	\$'000	\$'000
<b>Lease liabilities</b>		
Up to 1 year	2 393	2 412
1 to 5 years	1 734	1 519
	<u>4 127</u>	<u>3 931</u>

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**7.3. Provisions**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	6 258	6 009
Provision for legal claims	80	10
Provision for additional compensation	107	10
<b>Total current provisions</b>	<b>6 445</b>	<b>6 029</b>
<b>Non-current</b>		
Provision for workers compensation	26 210	22 167
Provision for legal claims	190	180
Provision for additional compensation	1 382	503
<b>Total non-current provisions</b>	<b>27 782</b>	<b>22 850</b>
<b>Total provisions</b>	<b>34 227</b>	<b>28 879</b>

***Movement in provisions for workers compensation***

	2023	2022
	\$'000	\$'000
<b>Movement in provisions</b>		
<b>Carrying amount at the beginning of the period</b>	28 176	24 121
Additional provision recognised	6 356	8 892
Reductions arising from payments/other sacrifice of future economic benefits	(3 460)	(4 837)
Revaluation of prior year	1 396	-
<b>Carrying amount at the end of the period</b>	<b>32 468</b>	<b>28 176</b>

***Movement in provisions for legal claims***

	2023	2022
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	190	180
Reductions resulting from re-measurement or settlement without cost	-	(100)
Reductions arising from payments	(10)	(10)
Additional provision recognised	90	120
<b>Carrying amount at the end of the period</b>	<b>270</b>	<b>190</b>

A liability has been reported to reflect unsettled legal claims. The legal claims provision includes various claims relating to professional indemnity, public liability and property damage.

**Department for Child Protection**  
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**7.3 Provisions (continued)**

*Movement in provision for additional compensation*

	2023	2022
	\$'000	\$'000
<b>Movement in provisions</b>		
<b>Carrying amount at the beginning of the period</b>	513	363
Revaluation of prior year	850	-
Additional provision recognised	151	150
Reductions arising from payments/other sacrifice of future economic benefits	(25)	-
<b>Carrying amount at the end of the period</b>	<b>1 489</b>	<b>513</b>

The department is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the department is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

Measurement of the provision for worker's compensation as at 30 June 2023 includes the impacts of the decision of the Full Court of the Supreme Court of South Australia in *Return to Work Corporation of South Australia vs Summerfield* (Summerfield decision). The Summerfield decision increased the liabilities of the Return to Work Scheme (the Scheme) and the provision for workers compensation across government.

Legislation to reform the *Return to Work Act 2014* was proclaimed in July 2022, with the reforms expected to reduce the overall liability of the Scheme. The impacts of these reforms on the provision for workers compensation across government was considered when measuring the provision as at 30 June 2023.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

**Department for Child Protection**  
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**7.4. Other liabilities**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Deposits held - purchased leave	49	29
Unclaimed monies	3	3
Unearned revenue	7	7
Accommodation incentive	73	73
<b>Total current other liabilities</b>	<u>132</u>	<u>112</u>
<b>Non-current</b>		
Accommodation incentive	330	403
<b>Total non-current other liabilities</b>	<u>330</u>	<u>403</u>
<b>Total other liabilities</b>	<u><u>462</u></u>	<u><u>515</u></u>

Accommodation incentives relate to arrangements with DIT for the Minister's office.

**Department for Child Protection**  
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**8. Other disclosures**

**8.1. Equity**

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

**8.2. Cash flow**

	2023 \$'000	2022 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	30 254	39 954
<b>Balance as per Statement of Cash Flows</b>	<u>30 254</u>	<u>39 954</u>
<b>Reconciliation of net cash provided by operating activities to net result</b>		
Net cash provided by / (used in) operating activities	(4 904)	16 630
<b>Add / (less) non-cash items</b>		
Net loss from disposal of property, plant and equipment	(637)	-
Resources received free of charge	4 881	4 515
Depreciation and amortisation	(4 704)	(5 086)
Shared Services SA charges	(4 881)	(4 580)
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	(847)	5
(Increase)/decrease in employee benefits	(1 782)	5 114
(Increase)/decrease in payables	599	(10 856)
(Increase) in provisions	(5 348)	(4 215)
(Increase) in financial liabilities	(199)	(32)
Decrease in other liabilities	53	73
<b>Net result</b>	<u><u>(17 769)</u></u>	<u><u>1 568</u></u>

Total cash outflow for leases was \$2.7 million (\$3.3 million).

**Department for Child Protection**  
**Notes to and forming part of the financial statements**  
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## 9. Outlook

### 9.1. Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value and inclusive of non-recoverable GST.

#### *Contractual commitments to acquire property, plant and equipment*

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements are payable as follows:

	2023	2022
	\$'000	\$'000
Within one year	1 800	2 125
<b>Total capital commitments</b>	<b>1 800</b>	<b>2 125</b>

The department's capital commitments relate to the upgrade and refurbishment of the Whyalla office.

#### *Other contractual commitments*

	2023	2022
	\$'000	\$'000
Within one year	251 450	306 429
Later than one year but not longer than five years	401 625	561 426
Later than five years	78 889	100 804
<b>Total other contractual commitments</b>	<b>731 964</b>	<b>968 659</b>

The department's other contractual commitments are for contracted service agreements for out of home care, family support services, the non-lease components of SAFA vehicle rentals and MoAAs with DIT for office accommodation and facilities.

### 9.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Claims for unspecified damages have been lodged against the department during the year. Eligible claims are managed as part of DCP's participation in the State Government's insurance program. The Crown Solicitor's Office is negotiating with the claimants, on instruction from SAFA. A reliable estimate for the expenditure is required to settle these claims or whether they will be successful cannot be reasonably determined.

### 9.3. Events after the reporting period

No events after reporting date to report.

### 9.4. Impact of standards not yet effective

The department has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on the department's statements.

**Department for Child Protection**  
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## 10. Measurement and risk

### 10.1. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principle or most advantageous market, at the measurement date.

#### *Initial recognition*

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

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

#### *Revaluation*

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

The department revalues its land annually. The department revalues its residential housing and leasehold improvements every six years via an independent certified practising valuer.

If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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

#### *Fair value hierarchy*

The department classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent valuation:

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities the entity can access at measurement date.

Level 2: not traded in an active market and are derived from inputs (input other than quoted prices included within level 1) that are observable for the asset either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2022 and 2023, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

The department measures all assets at level 3 with the exception of land and a portion of residential buildings of \$7.346m which are valued at level 2.

**Department for Child Protection**  
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**10.1. Fair value (continued)**

***Land***

An independent valuation of land was performed as at 30 June 2023 by Tom Cooper, B.App.Sc. (Val), A.A.P.I. Certified Practising Valuer of JLL.

The fair value for land has been determined using the market approach. The market approach considered recent market evidence for comparable properties, size and location.

***Residential accommodation housing***

An independent valuation of residential accommodation housing was performed as at 30 June 2023 by Tom Cooper, B.App.Sc. (Val), A.A.P.I. Certified Practising Valuer of JLL.

The fair value for residential and commercial buildings has been determined using the market approach. The market approach considered comparable market transactions, location, size and condition of property for values to be determined.

The fair value for specialised or restricted use land and buildings has been determined using the current replacement cost method, due to no active market existing. The current replacement cost considered the ongoing need for government services, restrictions to use of the asset, its specialised nature as well as the size, condition and estimated remaining useful life.

Construction materials were a key component of the current replacement cost method. Material costs were determined based on current market prices with consideration given to remoteness of asset location, materials needed, transport, labour, design and construction costs.

***Leasehold Improvements***

An independent valuation of leasehold improvements was performed as at 30 June 2023 by Tom Cooper, B.App.Sc. (Val), A.A.P.I. Certified Practising Valuer of JLL.

The fair value for leasehold improvements has been determined using the current replacement cost method, due to no active market existing. The current replacement cost method considered recent and comparable fit-out projects, fit-out density, size, layout, quality, conditions and estimated remaining useful life.

***Computing, communications, furniture and equipment***

All items of computing, communications, furniture and equipment had a fair value at the time of acquisition less than \$1.5 million. Computing, communications, furniture and equipment has not been revalued in accordance with APS 116.D.

The carrying value of these items are deemed to approximate fair value.

**Department for Child Protection**  
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## 10.2. Financial instruments

### *Financial risk management*

Risk management is managed by the department's legal services directorate. Departmental risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian *Standard Risk Management Principles and Guidelines*.

The department's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

### *Liquidity risk*

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

Refer to note 7.2 for further information.

### *Credit risk*

The department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

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

### *Impairment of financial assets*

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The department uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on the days past due. When estimating expected credit loss, the department considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the department's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the department is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

The following table provides information about the exposure to credit risk and expected credit loss for non-government debtors.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected \$'000
Current (not past due)	205	0%	-
1 – 30 days past due	2	0%	-
31 – 60 days past due	323	0%	-
61 – 90 days past due	5	0%	-
More than 90 days past due	192	30%	57
<b>Loss allowance</b>	<b>727</b>		<b>57</b>

**Department for Child Protection**  
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**10.2. Financial instruments (continued)**

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the department's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the department and a failure to make contractual payments for a period of greater than 90 days past due.

The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

No impairment losses on the department's receivables arose from the department's contracts with customers. No impairment losses were recognised in relation to contract assets during the year.

***Cash and cash equivalents***

The department considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

***Market risk***

The department does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging.

There is no exposure to foreign currency or other price risks.

***Categorisation of financial instruments***

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

All financial liabilities are measured at amortised cost with the exception of lease liabilities for right of use assets. Lease liabilities for right of use assets are measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasurer's incremental borrowing rate.

**Department for Child Protection**  
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**11. Administered items*****Minister's salary and allowances***

Administered items are for the Minister's salary and allowances pursuant to *Parliamentary Remuneration Act 1990*.

Appropriation in administered items is reported on an accrual basis.

***Social Workers Registration Scheme***

\*\$516 000 relates to the funding and transfer of funds for the Social Workers Registration Scheme to manage a registration system for social workers and to encourage the maintenance of high professional standards of both competence and conduct by registered social workers.

	2023 \$'000	2022 \$'000
<b>Administered Income</b>		
Appropriation	381	441
Appropriation*	516	-
<b>Total administered income</b>	<u>897</u>	<u>441</u>
<b>Administered Expenses</b>		
Employee benefits	383	355
Transfer to the Department*	516	-
Separation Payment	-	46
<b>Total administered expenses</b>	<u>899</u>	<u>401</u>
<b>Net result</b>	<u>(2)</u>	<u>40</u>

	2023 \$'000	2022 \$'000
<b>Administered Assets</b>		
Accrued revenue	38	40
<b>Total administered assets</b>	<u>38</u>	<u>40</u>
<b>Net assets</b>	<u>38</u>	<u>40</u>