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To the Under Treasurer Department of Treasury and Finance

Opinion

I have audited the financial report of the Department of Treasury and Finance 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 of Treasury and Finance as at 30 June 2023, its financial performance and its cash flows for year then ended in accordance with 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 Statement of Administered Comprehensive Income for the year ended 30 June 2023
- a Statement of Administered Financial Position as at 30 June 2023
- a Statement of Administered Cash Flows for the year ended 30 June 2023
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Under Treasurer and the Director, Accounting and Information.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Department of Treasury and Finance. 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 Under Treasurer for the financial report

The Under Treasurer 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 Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Under Treasurer 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 Under Treasurer 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 of Treasury and Finance 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 of Treasury and Finance's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Under Treasurer
- conclude on the appropriateness of the Under Treasurer'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 Under Treasurer 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

Department of Treasury and Finance

Financial Statements

for the year ended 30 June 2023

Department of Treasury and Finance
Statement of Certification
For the year ended 30 June 2023

We certify that the:

- financial statements of the Department of Treasury and Finance:
 - are in accordance with the accounts and records of the department;
 - comply with relevant Treasurer's Instructions;
 - 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 of Treasury and Finance for the financial year over its financial reporting and its preparation of financial statements have been effective.



Rick Persse
Under Treasurer
18 September 2023



Paul Williams
Director, Accounting and Information
15 September 2023

Department of Treasury and Finance
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Appropriation	2.1	168 062	177 366
SA Government grants subsidies and transfers	2.2	8 357	4 300
Fees and charges	2.3	82 513	116 595
Resources received free of charge	2.4	2 187	2 134
Other income	2.5	2 779	2 534
Total income		263 898	302 929
Expenses			
Employee benefits expenses	3.3	162 549	177 720
Supplies and services	4.1	89 056	100 539
Depreciation and amortisation	5.3	10 892	11 738
Borrowing costs		25	10
Grants subsidies and transfers		72	836
Other expenses	4.2	114	48
Total expenses		262 708	290 891
Net result		1 190	12 038
Total comprehensive result		1 190	12 038

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

Department of Treasury and Finance
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.1	29 433	23 842
Receivables	6.2	17 936	24 728
Total current assets		47 369	48 570
Non-current assets			
Receivables	6.2	180	249
Property, plant and equipment	5.1	24 227	31 825
Intangible assets	5.4	28 329	33 562
Total non-current assets		52 736	65 636
Total assets		100 105	114 206
Current liabilities			
Payables	7.1	14 718	20 248
Financial liabilities	7.2	870	751
Employee benefits	3.4	17 055	19 624
Provisions	7.3	881	1 055
Other liabilities	7.4	653	653
Total current liabilities		34 177	42 331
Non-current liabilities			
Payables	7.1	2 532	3 055
Financial liabilities	7.2	251	273
Employee benefits	3.4	25 346	30 872
Provisions	7.3	6 716	8 822
Other liabilities	7.4	4 599	5 227
Total non-current liabilities		39 444	48 249
Total liabilities		73 621	90 580
Net assets		26 484	23 626
Equity			
Contributed capital		5 344	5 344
Asset revaluation surplus		827	827
Retained earnings		20 313	17 455
Total equity		26 484	23 626

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

Department of Treasury and Finance
Statement of Changes in Equity
for the year ended 30 June 2023

	Note	Contributed Capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021		5 344	827	5 829	12 000
Net result for 2021-22		-	-	12 038	12 038
Total comprehensive result for 2021-22		-	-	12 038	12 038
Net assets transferred as a result of an administrative restructure		-	-	(412)	(412)
Balance at 30 June 2022		5 344	827	17 455	23 626
Net result for 2022-23		-	-	1 190	1 190
Total comprehensive result for 2022-23		-	-	1 190	1 190
Net assets transferred as a result of an administrative restructure	1.3	-	-	1 668	1 668
Balance at 30 June 2023		5 344	827	20 313	26 484

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

Department of Treasury and Finance
Statement of Cash Flows
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		168 062	177 366
SA Government grants subsidies and transfers		8 357	4 300
Fees and charges		97 468	119 344
GST recovered from the ATO		-	5 220
Other receipts		2 804	2 536
Receipts for Paid Parental Leave Scheme		292	329
Cash generated from operations		276 983	309 095
Cash outflows			
Employee benefit payments		(173 189)	(187 367)
Payments for supplies and services		(90 780)	(103 620)
Grants subsidies and transfers		(72)	(836)
Payments for Paid Parental Leave Scheme		(282)	(337)
GST paid to the ATO		(793)	-
Cash used in operations		(265 116)	(292 160)
Net cash provided by operating activities	8.2	11 867	16 935
Cash outflows			
Purchase of property, plant and equipment		(3 946)	(3 218)
Purchase of intangible assets		(1 433)	(2 592)
Cash used in investing activities		(5 379)	(5 810)
Net cash used in investing activities		(5 379)	(5 810)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(897)	(1 423)
Cash used in financing activities		(897)	(1 423)
Net cash used in financing activities		(897)	(1 423)
Net increase in cash and cash equivalents		5 591	9 702
Cash and cash equivalents at the beginning of the period		23 842	14 140
Cash and cash equivalents at the end of the period	6.1	29 433	23 842
Non-cash transactions	8.2		

The accompanying notes form part of these financial statements.

Department of Treasury and Finance

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1. About the Department of Treasury and Finance

The Department of Treasury and Finance (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.

Administered financial statements relating to administered resources are presented separately.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared to comply 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*;
- relevant Australian Accounting Standards.

The financial statements are prepared 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). Any transactions in foreign currency are translated into Australian dollars at the exchange rate at the date the transaction occurs. 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 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 not subject to income tax. 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;
- receivables and payables, which are stated with the amount of GST included.

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

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.2. Objectives and programs

Objectives

The department's objectives are to:

- promote sustainable state finances
- support responsible budget and financial management
- deliver timely high-quality services to meet the needs of our clients
- collaborate to deliver high-quality advice on economic, social and environmental issues
- provide procurement services.

During the year, the department administered a range of programs and services to support the prosperity and wellbeing of all South Australians.

Programs

In achieving its objectives for 2022-23, the department undertook the following programs:

Accountability for Public Sector Resources

The department ensures accountability for public sector resources through providing policy, economic, and financial advice to the government and coordinating resource allocations for Government programs and priorities at the whole-of-government level.

The department supports delivery of a range of key projects aimed at maximising commercial outcomes for government. These projects progress policy reforms and commercial initiatives for the economic benefit of the state.

Treasury Services

The department managed the government's financial assets and liabilities and provided certainty of funding to the state.

These services included:

- Administration of taxation legislation through the management of revenue and compliance systems, processes, policy advice and taxpayer education
- Administration of various government grant and subsidy schemes
- Provision of insurance cover to government agencies and advice and management of government risks
- Provision of fleet management services to agencies and vehicle disposal services to government
- Administration of various public sector superannuation schemes and provision of superannuation policy and legislative advice.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.2. Objectives and programs (continued)

Government Services

The department delivered a comprehensive range of services to various government agencies and the community.

These services included:

- Delivery of corporate services to various government agencies in the areas of accounts payable, accounts receivable, payroll, work injury services and finance
- Providing across government contracts for goods, services and information communications technology and specialist procurement advice and assistance
- Providing support services to members of parliament to assist them in meeting their responsibilities to the parliament and the broader community
- Providing a range of information and communication services to members of parliament, their staff and parliamentary support staff
- Management of overdue fines and expiations issued by authorities across South Australia, including court imposed pecuniary sums. The department also administers the recovery of Victims of Crime and Criminal Injury Compensation debts and recovery of civil (state) debts referred from state government entities.

General/not attributable: Certain activities of the department are not allocated to programs.

The tables on the following pages present income, expenses, assets and liabilities attributed to each program.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.2. Objectives and programs (continued)

Income and expenses by program	Accountability for Public Sector							
	Resources		Treasury Services		Industrial Relations		Government Services	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation	-	-	-	-	-	-	-	-
SA Government grants, subsidies and transfers	781	345	2 806	1 218	-	693	4 770	2 044
Fees and charges	1 457	520	66 414	64 463	-	37 146	14 642	14 466
Resources received free of charge	204	174	734	614	-	314	1 249	1 032
Other income	931	838	849	541	-	346	999	809
Total income	3 373	1 877	70 803	66 836	-	38 499	21 660	18 351
Expenses								
Employee benefits expenses	15 372	13 233	64 760	60 920	-	26 831	82 417	76 736
Supplies and services	6 105	5 924	40 259	43 372	-	10 094	42 692	41 149
Depreciation and amortisation	400	384	7 663	7 545	-	1 156	2 829	2 653
Borrowing costs	2	1	8	2	-	1	15	6
Grants subsidies and transfers	7	6	24	20	-	776	41	34
Other expenses	11	1	39	7	-	6	64	34
Total expenses	21 897	19 549	112 753	111 866	-	38 864	128 058	120 612
Net result	(18 524)	(17 672)	(41 950)	(45 030)	-	(365)	(106 398)	(102 261)

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.2. Objectives and programs (continued)

Income and expenses by program

	General / Not attributable		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income				
Appropriation	168 062	177 366	168 062	177 366
SA Government grants, subsidies and transfers	-	-	8 357	4 300
Fees and charges	-	-	82 513	116 595
Resources received free of charge	-	-	2 187	2 134
Other income	-	-	2 779	2 534
Total income	168 062	177 366	263 898	302 929
Expenses				
Employee benefits expenses	-	-	162 549	177 720
Supplies and services	-	-	89 056	100 539
Depreciation and amortisation	-	-	10 892	11 738
Borrowing costs	-	-	25	10
Grants subsidies and transfers	-	-	72	836
Other expenses	-	-	114	48
Total expenses	-	-	262 708	290 891
Net result	168 062	177 366	1 190	12 038

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.2. Objectives and programs (continued)

Assets and liabilities by program	Accountability for Public Sector							
	Resources		Treasury Services		Industrial Relations		Government Services	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	-	-	-	-	-	43	-	-
Receivables	-	-	-	-	-	-	17	16
Property, plant and equipment	402	497	7 394	2 802	-	8 067	3 760	4 240
Intangible assets	252	334	27 994	32 111	-	-	83	1 102
Total assets	654	831	35 388	34 913	-	8 110	3 860	5 358
Liabilities								
Payables	-	-	-	-	-	-	-	187
Financial liabilities	-	-	-	-	-	-	-	753
Employee benefits	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-	940
Net assets	654	831	35 388	34 913	-	8 110	3 860	4 418

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.2. Objectives and programs (continued)

Assets and liabilities by program

	General / Not attributable		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets				
Cash and cash equivalents	29 433	23 799	29 433	23 842
Receivables	18 099	24 961	18 116	24 977
Property, plant and equipment	12 672	16 219	24 227	31 825
Intangible assets	-	15	28 329	33 562
Total assets	60 204	64 994	100 105	114 206
Liabilities				
Payables	17 250	23 116	17 250	23 303
Financial liabilities	1 121	271	1 121	1 024
Employee benefits	42 401	50 496	42 401	50 496
Provisions	7 597	9 877	7 597	9 877
Other liabilities	5 252	5 880	5 252	5 880
Total liabilities	73 621	89 640	73 621	90 580
Net assets	(13 417)	(24 646)	26 484	23 626

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.3. Changes to the Department of Treasury and Finance

Transferred out

As a result of administrative arrangements described in the Government Gazette on 30 June 2022, Safework SA, the South Australian Employment Tribunal and Industrial Relations transferred from the department to the Attorney-General's Department.

The effective date of the transfer was 1 July 2022.

The following assets and liabilities were transferred out:

	Safework SA	South Australian Employment Tribunal	Industrial Relations	Total
	1 July 2022	1 July 2022	1 July 2022	
	\$'000	\$'000	\$'000	\$'000
Cash	43	-	-	43
Receivables	297	1 189	-	1 486
Prepayments	-	-	7	7
Property, plant and equipment	7 581	855	-	8 436
Total assets	7 921	2 044	7	9 972
Payables	1 105	394	90	1 589
Employee benefits	4 068	1 570	503	6 141
Provisions	3 029	50	9	3 088
Financial liabilities	202	62	-	264
Total liabilities	8 404	2 076	602	11 082
Total net assets transferred	(483)	(32)	(595)	(1 110)

As a result of administrative arrangements described in the Government Gazette on 2 March 2023, department employees transferred to the Office of Hydrogen Power South Australia (OHPSA).

The effective date of the transfer was 1 March 2023.

The following assets and liabilities were transferred out:

	OHPSA 1 March 2023 \$'000
Payables	27
Employee benefits	229
Total liabilities	256
Total net assets transferred	(256)

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.3. Changes to the Department of Treasury and Finance (continued)

As a result of administrative arrangements, the Parliamentary Network Support Group (PNSG) transferred from the department to Joint Parliamentary Services.

The effective date of the transfer was 1 February 2023.

The following assets and liabilities were transferred out:

	PNSG 1 February 2023 \$'000
Receivables	127
Property, plant and equipment	207
Total assets	334
Payables	67
Employee benefits	569
Total liabilities	636
Total net assets transferred	(302)

Net assets transferred by the department because of the administrative restructure were recognised at the carrying amount. The net assets transferred were treated as a distribution to the government as owner.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.4. 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 to special deposit accounts and 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
Statement of Comprehensive Income	Note			
Income				
Appropriation		170 231	168 062	(2 169)
SA Government grants subsidies and transfers		4 172	8 357	4 185
Fees and charges		74 972	82 513	7 541
Resources received free of charge		-	2 187	2 187
Other income		2 662	2 779	117
Total income		252 037	263 898	11 861
Expenses				
Employee benefits expenses		172 639	162 549	(10 090)
Supplies and services	1	64 764	89 056	24 292
Depreciation and amortisation		11 567	10 892	(675)
Borrowing costs		436	25	(411)
Grants Subsidies and transfers		55	72	17
Other expenses		3 423	114	(3 309)
Total expenses		252 884	262 708	9 824
Net result		(847)	1 190	2 037
Total comprehensive result		(847)	1 190	2 037

	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Investing expenditure summary			
Total existing projects	4 940	5 612	672
Total leases	1 387	948	(439)
Total investing expenditure	6 327	6 560	233

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1.4. Budget performance (continued)

1 Supplies and services

The \$24.3 million variation against the original budget mainly reflects higher costs associated with engaging temporary staff to backfill vacant positions across the department. Further contributing to the variation to budget was higher than budgeted expenditure associated with several Super SA strategic transformation projects funded by higher cost recovery from public sector superannuation schemes, expenditure on work relating to the Whole of Government Banking Transition project and higher than budgeted consultancy expenditure associated with various projects in Commercial and Economics branch which will maximise commercial outcomes for government.

1.5. Significant transactions with government related entities

Significant transactions with government related entities are identifiable throughout this financial report. All lease payments relate to motor vehicles supplied by Fleet SA.

2. Income

2.1. Appropriation

	2023	2022
	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	168 062	177 366
Total appropriation	168 062	177 366

Appropriations are recognised on receipt.

This table does not show appropriations in the form of a loan or an equity contribution.

Appropriation pursuant to the *Appropriation Act* consist of \$164 million (2022: \$175 million) for operational funding and \$4.2 million (2022: \$1.8 million) for capital projects. This appropriation comprises money issued and applied to the department as per Schedule 1 of the Act, varied pursuant to section 5 of the Act for changed functions and duties of the department (refer to note 1.3 for details of these transferred functions).

2.2. SA Government grants, subsidies and transfers

	2023	2022
	\$'000	\$'000
Grants subsidies and transfers provided by SA Government entities	1 944	2 350
Contingency Funding provided by Department of Treasury and Finance Administered Items	1 400	-
Recovery from the Department of Treasury and Finance Administered Items for Targeted Voluntary Separation Packages	5 013	-
Funding for administration of COVID -19 relief schemes	-	1 950
Total SA Government grants subsidies and transfers	8 357	4 300

SA Government grants, subsidies and transfers are recognised as income on receipt.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

2.3. Fees and charges

	2023	2022
	\$'000	\$'000
South Australian Superannuation Board	44 434	41 343
Safework - ReturnToWorkSA prescribed fee	-	23 190
South Australian Government Financing Authority	13 670	13 838
Service provision	14 826	14 461
Administration fee - Community Emergency Services Fund	7 139	7 040
Regulatory fees	143	6 047
South Australian Employment Tribunal	-	7 768
Land Tax certificates	405	441
Other recoveries	1 896	2 467
Total fees and charges	82 513	116 595

All revenue from fees and charges is revenue recognised from contracts with customers except for the ReturnToWorkSA prescribed fee, South Australian Superannuation Board recoveries, South Australian Government Financing Authority recoveries, and other recoveries.

The department measures revenue based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. All revenue is recognised at a point in time.

The department recognises revenue from the following major sources:

ReturnToWorkSA – prescribed fee: ReturnToWorkSA collects the Workplace Health and Safety fee on SafeWork SA's behalf. This fee is added to the ReturnToWorkSA premium and contributes to costs associated with the government's work health and safety activities. No fees collected by Safework SA in 2022-23 due to transfer to Attorney-General's Department as per Note 1.3.

Regulatory fees: Safework SA issues licences and registrations to businesses and members of the public. Licence and registration fees and charges are subject to the government's annual review of regulatory fees and charges and are of low value. Accordingly, the department has elected to recognise the revenue at the point in time the licence/registration is issued and paid. No fees collected by Safework SA in 2022-23 due to transfer to Attorney-General's Department as per Note 1.3.

Services are provided to South Australian government agencies. This includes whole of government contract management (e.g. electricity, banking) and non-service level agreement transactional services provided by Shared Services SA (e.g. targeted voluntary separation package calculations). Revenue from these services is recognised on a time-and-material basis as services are provided. Any amounts remaining unpaid at the end of the reporting period are treated as accounts receivable.

Administration fee – Community Emergency Services Fund (CESF): Revenue SA charges the CESF an administration fee to administer the fixed property component of the emergency services levy. Administration fee revenue is recognised at the point in time as the performance obligation is discharged, which is once the services are provided.

Department of Treasury and Finance
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	2 187	2 134
Total resources received free of charge	2 187	2 134

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated.

Information and technology services and media monitoring services (from 2022-23) are received from the Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charges.

A corresponding expense is recognised in the financial statements refer note 4.1.

2.5. Other income

	2023	2022
	\$'000	\$'000
Commissions	5	8
Other income	2 774	2 526
Total other income	2 779	2 534

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the department include the Treasurer, the Chief Executive Officer and other directors/members of the Executive Leadership Team who have responsibility for the strategic direction and management of the department.

The compensation detailed below excludes salaries and other benefits the Treasurer receives. The Treasurer's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of South Australia respectively and are payable from the Consolidated Account under section 6 the *Parliamentary Remuneration Act 1990*. See administered items for disclosures of the Treasurer's remuneration paid and recovered from the consolidated account.

	2023	2022
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	3 281	3 744
Post-employment benefits	914	746
Total compensation	4 195	4 490

Transaction with key management personnel and other related parties

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.2. Board and committee members

SAFA Advisory Board

Rick Perse* (Presiding Member)
Mark Day
David Russell
Jacqueline Guerin*
Susan Crago

SAFA Risk and Performance Committee

Susan Crago (Chair)
Gianna Giannopoulos*
Mark Day

Super SA Board Members Outcome and Insurance Committee

Dr Bill Griggs (Convenor)
Alison Kimber
Kevin Foley (appointed December 2022)

Super SA Audit, Risk and Finance Committee

Virginia Deegan (Convenor)
Richard Dennis
Gregory Boulton (resigned September 2022)
Kevin Foley (appointed December 2022)

DTF Risk and Performance Committee

Kathryn Presser (Independent chair)
Andrew Armour - Independent Member
Chris Oerman - Independent Member
Mark Carey*
Les Jones* (appointed June 2022)
Scott Bayliss* (appointed December 2022)
Anna Hughes* (resigned July 2022)
Sandy Pitcher* (appointed July 2022, resigned December 2022)

Super SA Board

Kevin Foley (Presiding Member, appointed December 2022)
Gregory Boulton (Presiding Member, resigned September 2022)
Virginia Deegan
Alison Kimber
Dr Bill Griggs
Richard Dennis

* In accordance with the Department of Premier and Cabinet Circular Number 016, Government employees did not receive any remuneration for board/committee duties during the financial year.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.2. Board and committee members (continued)

Board and committee remuneration

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

	2023	2022
	Number	Number
\$0 - \$19 999	5	32
\$20 000 - \$39 999	7	4
\$40 000 - \$59 999	2	4
Total number of members	14	40

The total remuneration received or receivable by members was \$347 000 (2022: \$374 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefit tax. Where a board or committee member has, during the year, been appointed, resigned, retired or term ceased, this has been disclosed, as illustrated above.

3.3. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	117 032	135 710
Employment on-costs - superannuation	15 294	16 648
Annual leave	11 066	13 072
Employment on-costs - other	7 334	8 262
Long service leave	3 071	(1 874)
Rejuvenation Scheme	-	2 643
Targeted voluntary separation packages	4 737	862
Skills and experience retention leave	712	779
Board and committee fees	517	557
Other employee related expenses	2 786	1 061
Total employee benefits expenses	162 549	177 720

Employment expenses

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.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.3. Employee benefits expenses (continued)

Employees remuneration

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

	2023	2022
	Number	Number
\$157 001 - \$160 000*	N/A	4
\$160 001 - \$180 000	9	17
\$180 001 - \$200 000	8	6
\$200 001 - \$220 000	11	10
\$220 001 - \$240 000	5	11
\$240 001 - \$260 000	8	7
\$260 001 - \$280 000	1	3
\$280 001 - \$300 000	5	2
\$300 001 - \$320 000	4	4
\$320 001 - \$340 000	2	2
\$340 001 - \$360 000	1	2
\$360 001 - \$380 000	-	3
\$420 001 - \$440 000	1	1
\$540 001 - \$560 000	1	-
\$580 001 - \$600 000	-	1
\$600 001 - \$620 000	-	1
Total number of employees	56	74

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

The total remuneration received by those employees for the year was \$13.4 million (2022: \$17.9 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits and any related fringe benefits tax.

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 55 (2022: 70).

In 2023, there were no separation payments resulting from the Public Sector Workforce Rejuvenation scheme.

	2023	2022
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	4 737	3 321
Leave paid to those employees	2 287	1 880
Recovery from the department's administered items	(5 013)	-
Net cost to the department	2 011	5 201

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.4. Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Accrued salaries and wages	46	194
Annual leave	12 761	15 131
Long service leave	3 225	3 135
Skills and experience retention leave	1 023	1 164
Total current employee benefits	17 055	19 624
Non-current		
Long service leave	25 346	30 872
Total non-current employee benefits	25 346	30 872
Total employee benefits	42 401	50 496

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 reporting date.

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

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 1.5% (2022) to 2.0% (2023). This change had an immaterial net financial effect in the current financial year.

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

Long service leave liability – measurement

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* describes the calculation methodology for long service leave liability.

The actuarial assessment performed by the department has provided a basis for the measurement of long service leave and is based on actuarial assumptions for 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 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 from 3.5% (2022) to 4% (2023).

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

The actuarial assessment performed by the department has increased the salary inflation rate from 2.5% (2022) to 3.5% (2023) for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$0.8 million and employee benefits expense of \$0.8 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

4. Expenses

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Information technology and communication	27 319	30 106
Accommodation	13 013	15 994
Contractors and temporary staff	19 826	24 068
Valuation fees	5 702	5 572
General administration and consumables	10 762	10 084
Legal costs	1 246	1 858
Corporate recharge expense	1 007	993
Consultants	2 982	3 135
Minor works, maintenance and equipment	756	1 100
Other*	6 443	7 629
Total supplies and services	89 056	100 539

* Includes \$0.902 million (2022: \$0.877 million) of audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance Audit Act 1987*. No other services were provided by the Auditor-General's Department.

Accommodation

Most of the department's accommodation is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangements issued in accordance with government-wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly associated rental costs are expensed (included within 'accommodation expense').

4.2. Other expenses

	2023	2022
	\$'000	\$'000
Donated assets	113	-
Plant and equipment write-off	-	6
Work in progress write-off	-	30
Buildings fitouts write-off	-	5
Salary overpayments write-off	1	7
Total other expenses	114	48

Other expense in 2022-23 reflects of a donated asset to Attorney-General's Department relating to the office fitout of the South Australian Employment Tribunal office premises \$0.113 million.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5. Non-financial assets

5.1. Property, plant and equipment owned by the Department

Property, plant and equipment comprises tangible assets owned by the department. The assets presented below do not meet the definition of investment property.

Reconciliation 2022-23	Land and Buildings	Building fitouts	Plant and equipment	Work in Progress ROU	Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	5 832	20 282	2 726	1 901	289	795	31 825
Additions	-	-	84	4 074	-	948	5 106
Capital transfers from work in progress	-	3 240	-	(3 240)	-	-	-
Transfer through administrative restructure	(5 832)	(2 128)	(384)	(36)	-	(263)	(8 643)
Depreciation and amortisation	-	(2 392)	(982)	-	(191)	(656)	(4 221)
Disposals	-	-	(13)	-	-	(12)	(25)
Donated assets	-	-	-	(113)	-	-	(113)
Remeasurement	-	-	-	-	-	298	298
Carrying amount at the end of the period	-	19 002	1 431	2 586	98	1 110	24 227
Gross carrying amount							
Gross carrying amount	-	25 822	4 229	2 586	864	1 915	35 416
Accumulated depreciation	-	(6 820)	(2 798)	-	(766)	(805)	(11 189)
Carrying amount at the end of the period	-	19 002	1 431	2 586	98	1 110	24 227

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5.1. Property, plant and equipment owned by the Department (continued)

Reconciliation 2021-22	Land and Buildings	Building fitouts	Plant and equipment	Work in progress	ROU		Total
	Buildings				Buildings ROU	Vehicles	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	5 951	15 600	2 531	1 515	-	1 204	26 801
Additions	-	5 170	220	3 204	-	540	9 134
Capital transfers from work in progress	21	1 751	1 016	(2 788)	-	-	-
Transfer through administrative restructure	-	571	-	-	480	-	1 051
Depreciation and amortisation	(140)	(2 805)	(1 035)	-	(191)	(881)	(5 052)
Write offs	-	(5)	(6)	(30)	-	(68)	(109)
Carrying amount at the end of the period	5 832	20 282	2 726	1 901	289	795	31 825
Gross carrying amount							
Gross carrying amount	5 972	25 331	7 580	1 901	864	1 772	43 420
Accumulated depreciation	(140)	(5 049)	(4 854)	-	(575)	(977)	(11 595)
Carrying amount at the end of the period	5 832	20 282	2 726	1 901	289	795	31 825

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5.1. Property, plant and equipment owned by the Department (continued)

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment is recorded at fair value. Note 10.1 describes the department's approach to fair value.

\$3.548 million of fully depreciated property, plant and equipment is still in use.

Impairment

Property, plant and equipment owned by the department has not been assessed for impairment as they are non-cash generating assets, 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 described in note 10.1. If at any time management considers the carrying amount of an asset materiality differs from its fair value, then the asset will be revalued regardless of when the last revaluation took place.

5.2. Property, plant and equipment leased by the department

Right-of-use assets for property, plant and equipment leased by the department as lessee are measured at cost and there were no indications of impairment.

The department has 183 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 can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

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 included in note 4.1.

The lease liabilities and interest expenses related to the right-of-use assets are disclosed in note 7.2. The department's maturity analysis of the lease liabilities is disclosed in note 7.2. Depreciation is disclosed at note 5.1. Cash outflows related to leases are disclosed in note 8.2.

5.3. Depreciation and amortisation

All non-current assets, with a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

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

Class of asset	Useful life (years)
Buildings	4-69
Building fitouts	1-13
Plant and Equipment	1-7
Internally developed computer software	2-15
Externally acquired computer software	5
Right-of-use assets	Lease term

Review of accounting estimates

Assets' residual values, useful lives, and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected 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.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5.4. 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 accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of computer software is capitalised only when the expenditure meets the definition and recognition criteria, and when the amount of expenditure is greater than or equal to \$10 000.

Reconciliation of Intangible assets

Reconciliation 2022-23	Internally developed computer software	Externally acquired computer software	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	30 885	-	2 677	33 562
Additions	-	-	1 454	1 454
Capital transfers from work in progress	-	29	(29)	-
Amortisation	(6 665)	(6)	-	(6 671)
Costs expensed	-	-	(16)	(16)
Carrying amount at the end of the period	24 220	23	4 086	28 329
Gross carrying amount				
Gross carrying amount	68 195	29	4 086	72 310
Accumulated amortisation	(43 975)	(6)	-	(43 981)
Carrying amount at the end of the period	24 220	23	4 086	28 329

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5.4 Intangible assets (continued)

	Internally developed	Externally acquired	Work in progress	Total
	computer software	computer software		
Reconciliation 2021-22	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	35 395	1 566	222	37 183
Additions	-	-	2 512	2 512
Transfer through administrative restructure	2 119	-	-	2 119
Derecognitions	-	(1 503)	-	(1 503)
Capital transfers from work in progress	57	-	(57)	-
Amortisation	(6 686)	-	-	(6 686)
Other	-	(63)	-	(63)
Carrying amount at the end of the period	30 885	-	2 677	33 562
Gross carrying amount				
Gross carrying amount	68 345	-	2 677	71 022
Accumulated amortisation	(37 460)	-	-	(37 460)
Carrying amount at the end of the period	30 885	-	2 677	33 562

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer		
Operating account	19 728	16 824
Accrual appropriation excess funds account	9 705	6 975
Total deposits with the Treasurer	29 433	23 799
Cash on hand	-	43
Total cash and cash equivalents	29 433	23 842

Although the department controls the funds reported above in the accrual appropriation excess funds account, the Treasurer must approve its use. The department does not earn interest on its deposits with the Treasurer.

6.2. Receivables

	2023	2022
	\$'000	\$'000
Current		
Trade receivables	2 349	6 858
Accrued revenues	11 459	11 579
Prepayments	2 855	5 568
Net GST receivable from the ATO	1 273	723
Total current receivables	17 936	24 728
Non-current		
Receivables	180	249
Total non-current receivables	180	249
Total receivables	18 116	24 977

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.

The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to note 10.2 for further information on risk management.

The net amount of GST receivable from the ATO is included as part of receivables.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The expected credit loss for receivables relating to contracts with SA government entities (as the customer) is considered to be nil based on the nature and credit rating of the SA government entities (as the counterparty to the transaction).

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. No impairment loss was recognised in 2023 in relation to statutory receivables as all were with South Australian government debtors.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7. Liabilities

7.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Trade payables	477	233
Accrued expenses	11 614	17 006
Employment on-costs	2 604	2 809
Paid Parental Leave Scheme payable	23	13
Other current payables	-	187
Total current payables	14 718	20 248
Non-current		
Employment on-costs	2 532	3 055
Total non-current payables	2 532	3 055
Total payables	17 250	23 303

Payables are measured at nominal amounts.

Payables and accruals are recognised for all amounts owing but unpaid. Sundry 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 payable note.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits they 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 contributes 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 superannuation schemes.

As a result of an actuarial assessment performed by the department, the portion of long service leave taken as leave has increased from 42% in 2022 to 43% in 2023 and the average factor for the calculation of employer superannuation on-costs has changed from the 2022 rate (10.6%) to 11.1%. 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 \$96 000 and employee benefits expense of \$96 000. The impact on future periods is impracticable to estimate.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7.2. Financial liabilities

The department's financial liabilities are lease liabilities.

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

	2023	2022
Financial Liabilities	\$'000	\$'000
1 to 3 years	1 158	1 194
3 to 5 years	-	14
Total financial liabilities (undiscounted)	1 158	1 208

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

Borrowing costs associated with these lease liabilities was \$25 000 (2022: \$10 000).

7.3. Provisions

All provisions relate to workers compensation.

	2023	2022
Reconciliation of workers compensation (statutory and non-statutory)	\$'000	\$'000
Carrying amount at the beginning of the period	9 877	11 571
Payments/other sacrifices of future economic benefits	(1 481)	(894)
Additional provisions recognised	(799)	(800)
Carrying amount at the end of the period	7 597	9 877

The department is responsible for the payment of workers compensation claims.

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 preventative programs.

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

The workers compensation 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 for Public Sector Employment.

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 nonserious 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 of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7.4. Other liabilities

	2023	2022
	\$'000	\$'000
Current		
Accommodation incentive	653	653
Total current other liabilities	653	653
Non-current		
Accommodation incentive	4 574	5 227
Unearned revenue	25	-
Total non-current other liabilities	4 599	5 227
Total other liabilities	5 252	5 880

8. Other disclosures

8.1. Equity

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

8.2. Cash flow reconciliation

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

	2023	2022
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	29 433	23 842
Balance as per the Statement of Cash Flows	29 433	23 842
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by operating activities	11 867	16 935
Add / (less) non-cash items		
Depreciation and amortisation	(10 892)	(11 738)
Donated assets	(113)	-
Other expenses - write off	(1)	(48)
Borrowing costs	(25)	(10)
Movement in assets and liabilities		
Increase/(decrease) in receivables	(7 411)	4 460
Increase/(decrease) in payables	(3 238)	(895)
Increase/(decrease) in employee benefits	8 095	7 520
Increase/(decrease) in provisions	2 280	1 694
(Increase)/decrease in other liabilities	628	(5 880)
Net result	1 190	12 038

Total cash outflows for leases was \$0.897 million (2022: \$1.42 million).

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

9. Outlook

9.1. Unrecognised commitments

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

Other contractual commitments

	2023	2022
	\$'000	\$'000
Within one year	10 387	13 891
Later than one year but not later than five years	26 347	43 936
Later than five years	24 092	41 358
Total other contractual commitments	60 826	99 185

The department's expenditure commitments reflect the Memoranda of Administrative Arrangements with Department for Infrastructure and Transport for accommodation.

Other commitments

The department's other commitments are primarily agreements for computer software licences and software development.

	2023	2022
	\$'000	\$'000
Within one year	21 858	19 879
Later than one year and not later than five years	23 123	26 385
Later than five years	-	882
Total other commitments	44 981	47 146

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.

The department is not aware of any contingent assets or liabilities.

9.3. Impact of standards and statements not yet effective

The Department of Treasury and Finance 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 of Treasury and Finance's financial statements.

9.4. Events after the reporting period

There were no events occurring after the end of the reporting period that had a material financial implication on these financial statements.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

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 principal 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. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately before the restructure).

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.

Revaluation is undertaken on a regular cycle. If at any time management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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 revaluation:

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

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. All non-financial assets as at 30 June 2023 and 30 June 2022 were categorised in level 3 except level 2 land.

Land, buildings and building fitout

An independent valuation of land, buildings and building fitouts owned by the department was performed in June 2021 by independent certified practising valuers.

Fair value of the land has been determined using the market approach. The valuation was based on the recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, fair value was determined by applying and adjusting to reflect the restriction.

The fair values of buildings were determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of assets, their size, condition and location.

Department of Treasury and Finance
Notes to and forming part of the financial statements
for the year ended 30 June 2023

10.1. Fair value (continued)

Plant and equipment

All items of plant and equipment owned by the department which had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

10.2. Financial instruments

Financial risk management

The department's risk management policies are in accordance with the *South Australian 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 Government of South Australia. The department determines the cash flows associated with its government approved program of work and to ensure funding is provided through the Government of South Australia budgetary processes to meet the expected cash flows.

Refer to notes 7.1 and 7.2 for further information.

Credit risk

The department has policies and procedures in place to ensure it transacts with customers with appropriate credit history.

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

Cash and debt investments

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.

All of the department's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. 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. The department does not undertake any hedging in relation to interest or foreign currency risk and manages its risk according to the government's risk management strategy articulated in *TI 23 Management of Foreign Currency Exposures*.

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 notes.

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Department of Treasury and Finance

Administered Financial Statements

For the year ended 30 June 2023

Department of Treasury and Finance
Statement of Administered Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Administered income			
Appropriation	A2.1	2 148 760	2 762 462
Taxation	A2.2	5 075 301	4 974 413
Commonwealth revenues	A2.3	11 736 490	10 699 448
Dividends	A2.4	119 112	154 862
Interest revenues	A2.5	274 606	6 168
Grants and contributions	A2.6	397 246	246 015
Fees and charges	A2.7	242 307	229 691
Other income	A2.8	707 506	945 448
Total administered income		20 701 328	20 018 507
Administered expenses			
Employee benefits expenses	A3.1	422 309	446 067
Supplies and services	A4.1	57 128	50 546
Borrowing costs	A4.2	732 607	318 326
Grants subsidies and transfers	A4.3	4 986 331	4 984 201
Depreciation and amortisation		1 019	487
Payments to SA Government	A4.4	14 558 014	13 855 301
Other expenses	A4.5	117 028	270 643
Total administered expenses		20 874 436	19 925 571
Net result		(173 108)	92 936
Total comprehensive result		(173 108)	92 936

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 of Treasury and Finance
Statement of Administered Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Administered current assets			
Cash and cash equivalents	A6.1	857 317	2 458 900
Receivables	A6.2	263 432	320 009
Other financial assets	A6.3	113	1 627
Total current assets		1 120 862	2 780 536
Administered non-current assets			
Receivables	A6.2	3	19
Other financial assets	A6.3	161 615	157 075
Property, plant and equipment	A5.1	12 921	7 016
Intangible assets	A5.2	325	325
Total non-current assets		174 864	164 435
Total assets		1 295 726	2 944 971
Administered current liabilities			
Payables	A7.1	414 997	1 797 028
Employee benefits	A3.2	1 291	1 584
Provisions	A7.2	110	170
Other current liabilities	A7.3	6 179	6 270
Total current liabilities		422 577	1 805 052
Administered non-current liabilities			
Payables	A7.1	31 372	31 485
Employee benefits	A3.2	941	1 490
Provisions	A7.2	337	885
Other non-current liabilities	A7.3	144 107	237 968
Total non-current liabilities		176 757	271 828
Total liabilities		599 334	2 076 880
Net assets		696 392	868 091
Administered equity			
Accumulated surplus	A8.1	693 600	865 299
Asset revaluation surplus	A8.1	2 792	2 792
Total equity		696 392	868 091

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

Department of Treasury and Finance
Statement of Administered Cash Flows
For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Cash inflows			
Taxation received		5 075 301	4 974 413
Receipts from Commonwealth		11 628 336	10 367 226
Dividends		119 112	154 862
Interest received		274 606	6 168
Appropriation		2 148 760	2 762 462
Grants and contributions		397 246	246 015
Fees and charges		313 054	143 365
GST recovered from ATO		3 367	5 135
Receipts for Paid Parental Leave Scheme		-	41
Other receipts		704 506	945 233
Cash generated from operations		20 664 288	19 604 920
Cash outflows			
Payments to SA Government		(15 958 433)	(13 592 262)
Employee benefit payments		(423 952)	(447 301)
Payments for supplies and services		(30 201)	(20 940)
Interest payments		(732 607)	(318 326)
Grants, subsidies and transfers		(4 994 037)	(4 973 141)
Payments for Paid Parental Leave Scheme		(3)	(41)
Other payments		(116 590)	(206 305)
Cash used in operations		(22 255 823)	(19 558 316)
Net cash provided by / used in operations	A8.2	(1 591 535)	46 604
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(9 621)	(431)
Cash used in investing activities		(9 621)	(431)
Net cash provided by / used in investing activities		(9 621)	(431)
Cash flows from financing activities			
Cash inflows			
Proceeds from other financial assets		2 011	3 695
Cash generated from financing activities		2 011	3 695
Cash outflows			
Other financial assets granted		(2 438)	(7 399)
Cash used in financing activities		(2 438)	(7 399)
Net cash provided by / used in financing activities		(427)	(3 704)
Net increase / (decrease) in cash and cash equivalents		(1 601 583)	42 469
Cash and cash equivalents at the beginning of the period		2 458 900	2 416 431
Cash and cash equivalents at the end of the period	A6.1	857 317	2 458 900
Non-cash transactions	A8.2		

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2023

	Administered Items on behalf of the Consolidated Account		Industrial Tribunal Payments into Court		Commonwealth Mirror Taxes on Commonwealth Places Revenue Account	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered income						
Appropriation	56 659	219 788	-	-	-	-
Taxation	4 709 142	4 622 594	-	-	-	-
Commonwealth revenues	8 131 442	7 342 269	-	-	34 870	33 400
Dividends	119 112	154 862	-	-	-	-
Interest revenues	270 928	5 490	-	-	-	-
Grants and contributions	166 985	14 965	-	-	-	-
Fees and charges	194 096	195 980	-	-	-	-
Other income	702 906	939 620	-	-	-	-
Total administered income	14 351 270	13 495 568	-	-	34 870	33 400
Administered expenses						
Employee benefits expenses	388	3 926	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	56 870	217 865	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	14 294 013	13 273 783	-	-	-	-
Other expenses	-	7	-	9	34 870	33 400
Total administered expenses	14 351 271	13 495 581	-	9	34 870	33 400
Net result	(1)	(13)	-	(9)	-	-

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2023

	Community Development Fund		Community Emergency Services Fund		Country Equalisation Scheme Account	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	-	-	-	-
Taxation	-	-	175 527	166 417	-	-
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	-	-	115	-	490	-
Grants and contributions	20 000	20 000	138 309	139 572	-	-
Fees and charges	-	-	232	237	-	-
Other income	-	-	-	-	-	-
Total administered income	20 000	20 000	314 183	306 226	490	-
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	20 000	20 000	314 157	306 814	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total administered expenses	20 000	20 000	314 157	306 814	-	-
Net result	-	-	26	(588)	490	-

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2023

	Fines Enforcement Recovery		Hospitals Fund		Intergovernmental Agreement on Federal Financial Relations	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	-	-	-	-
Taxation	-	-	189 135	183 991	-	-
Commonwealth revenues	-	-	-	-	3 496 661	3 131 585
Dividends	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-
Fees and charges	47 979	33 474	-	-	-	-
Other income	-	-	-	-	-	-
Total administered income	47 979	33 474	189 135	183 991	3 496 661	3 131 585
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	24 658	9 560	-	-	3 408 093	2 775 004
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	189 135	183 991	64 713	208 521
Other expenses	23 323	23 914	-	-	-	-
Total administered expenses	47 981	33 474	189 135	183 991	3 472 806	2 983 525
Net result	(2)	-	-	-	23 855	148 060

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2023

	Industry Financial Assistance		Local Government Disaster Fund		Local Government Taxation	
	Account (IFAA)				Equivalents Fund	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	-	-	-	-
Taxation	-	-	-	-	1 497	1 411
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	96	196	379	15	30	-
Grants and contributions	33 656	35 372	-	-	-	-
Fees and charges	-	-	-	-	-	-
Other income	(46)	215	-	-	-	-
Total administered income	33 706	35 783	379	15	1 527	1 411
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	301	65	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	29 126	40 958	5 915	2 721	1 503	1 412
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	3 000	-	-	-	-
Other expenses	(112)	(641)	-	-	-	-
Total administered expenses	29 315	43 382	5 915	2 721	1 503	1 412
Net result	4 391	(7 599)	(5 536)	(2 706)	24	(1)

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2023

	Support Services to Parliamentarians		Treasury and Finance Administered Items Account		Treasurer's Interest in the National Wine Centre Account	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered income						
Appropriation	-	-	2 092 101	2 542 674	-	-
Taxation	-	-	-	-	-	-
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-
Grants and contributions	31 843	25 896	-	-	3 653	3 710
Fees and charges	-	-	-	-	-	-
Other income	37	19	-	-	25	25
Total administered income	31 880	25 915	2 092 101	2 542 674	3 678	3 735
Administered expenses						
Employee benefits expenses	19 841	19 871	402 080	422 270	-	-
Supplies and services	8 010	7 643	48 769	42 041	-	-
Borrowing costs	-	-	732 607	318 326	-	-
Grants, subsidies and transfers	-	-	1 101 972	1 411 392	-	-
Depreciation and amortisation	229	352	-	-	790	135
Payments to SA Government	-	-	-	186 006	-	-
Other expenses	-	2	13 891	140 765	-	-
Total administered expenses	28 080	27 868	2 299 319	2 520 800	790	135
Net result	3 800	(1 953)	(207 218)	21 874	2 888	3 600

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2023

	Treasury Working Account		Treasury Asset Management Account		Commonwealth Funding for National Partnerships	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	-	-	-	-
Taxation	-	-	-	-	-	-
Commonwealth revenues	-	-	-	-	73 517	192 194
Dividends	-	-	-	-	-	-
Interest revenues	-	-	72	-	2 496	467
Grants and contributions	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-
Other income	1 254	1 357	-	-	-	-
Total administered income	1 254	1 357	72	-	76 013	192 661
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	-	-	-	-	24 037	198 475
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
Other expenses	1 254	1 357	-	-	43 000	8 000
Total administered expenses	1 254	1 357	-	-	67 037	206 475
Net result	-	-	72	-	8 976	(13 814)

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2023

	Affordable Housing		State Owned Generators		Scope Global Shares		Market Projects Unit		Total	
	Fund		Leasing Co							
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income										
Appropriation	-	-	-	-	-	-	-	-	2 148 760	2 762 462
Taxation	-	-	-	-	-	-	-	-	5 075 301	4 974 413
Commonwealth revenues	-	-	-	-	-	-	-	-	11 736 490	10 699 448
Dividends	-	-	-	-	-	-	-	-	119 112	154 862
Interest revenues	-	-	-	-	-	-	-	-	274 606	6 168
Grants and contributions	2 800	6 500	-	-	-	-	-	-	397 246	246 015
Fees and charges	-	-	-	-	-	-	-	-	242 307	229 691
Other income	284	155	3 046	-	-	4 057	-	-	707 506	945 448
Total administered income	3 084	6 655	3 046	-	-	4 057	-	-	20 701 328	20 018 507
Administered expenses										
Employee benefits expenses	-	-	-	-	-	-	-	-	422 309	446 067
Supplies and services	-	-	-	-	48	797	-	-	57 128	50 546
Borrowing costs	-	-	-	-	-	-	-	-	732 607	318 326
Grants, subsidies and transfers	-	-	-	-	-	-	-	-	4 986 331	4 984 201
Depreciation and amortisation	-	-	-	-	-	-	-	-	1 019	487
Payments to SA Government	-	-	-	-	10 150	-	3	-	14 558 014	13 855 301
Other expenses	796	684	-	63 146	6	-	-	-	117 028	270 643
Total administered expenses	796	684	-	63 146	10 204	797	3	-	20 874 436	19 925 571
Net result	2 288	5 971	3 046	(63 146)	(10 204)	3 260	(3)	-	(173 108)	92 936

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A1. About the department's Administered Items

The basis of preparation of the administered financial statement is the same as the basis outlined in note 1.1. The department applies the same accounting policies to the administered financial statements as set out in the notes to the department's financial statements.

A1.1. Overview of Administered financial statements

The administered financial statements include the incomes, expenses, assets and liabilities which the department administers on behalf of the Government of South Australia but does not control. All administered activities and the transactions for the special deposit accounts established under section 8 of the *Public Finance Audit Act (PFAA) 1987* and deposit accounts established under section 21 of the PFAA that are administered by the department are described below:

Administered Items on behalf of the Consolidated Account

The purpose of the account is to record a number of revenue and expense transactions on behalf of the Government of South Australia for the Consolidated Account. Such transactions include the collection of revenues from taxation, revenues from the Commonwealth Government, dividends and interest. The expense transactions include transfers to agencies for employee entitlements and supplies and services; grants and subsidies to public sector agencies; the private sector and the community; and the transfer of revenues to the Consolidated Account. The associated Statement of Financial Position items for the Consolidated Account such as loans and borrowings are recognised in the whole-of-government general purpose financial report.

Affordable Housing Fund

The purpose of the fund is to record all financial transactions of the Fund, including the receipt of revenue, granting and payment of loans to HomeStart Finance as well as the specific accounting disclosures required for concessional loan agreements.

Commonwealth Funding for National Partnerships

The purpose of the fund is to receive, hold and disburse certain monies for major infrastructure projects provided from National Partnerships grants received from the Commonwealth.

Commonwealth Mirror Taxes on Commonwealth Places Revenue Account

The purpose of the account is to receive amounts that are levied pursuant to the *Commonwealth Places (Mirror Taxes) Act 1998* of the Commonwealth and *Commonwealth Places (Mirror Taxes Administration) Act 1999* of the State.

Community Development Fund

The purpose of the fund is to administer annual payments under the *Gaming Machines Act 1992*. Payments are made in accordance with the directions of the Governor towards financial assistance for non-government welfare agencies, financial assistance for community development and the provision of government health, welfare or education services, as well as towards programs of benefit to the live music industry.

Community Emergency Services Fund

The purpose of the fund is to record all fixed property revenue from the Emergency Services Levy collected by RevenueSA and transferred to the Community Emergency Services Fund administered by the South Australian Fire and Emergency Services Commission.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A1.1. Overview of Administered financial statements (continued)

Country Equalisation Scheme Account

The purpose of the account is to record injections of funds provided from the Consolidated Account, and to make refund payments' to electricity retailers in accordance with the Country Equalisation Scheme.

ETSA Sales / Lease Proceeds Account

The purpose of the account is to receive proceeds of a sale/lease agreement, sale or lease under the *Electricity Corporations (Restructuring and Disposal) Act 1999* and other funds as approved by the Treasurer.

Fines Enforcement and Recovery

The purpose of this account is to record all monies recoverable by the Chief Recovery Officer under *the Fines Enforcement and Debt Recovery Act 2017* and the monies are payable to parties defined in legislation or an administrative determination. The account does not receive monies payable to the Consolidated Account but to third parties.

Hospitals Fund

The purpose of the fund is to record and transfer monies received from SA Lotteries Commission operations in accordance with the *State Lotteries Act 1966* and stamp duty on insurance policies relating to motor vehicles in accordance with *Stamp Duties Act 1923* to the Consolidated Account to be used for the maintenance, development and improvement of public hospitals.

Intergovernmental Agreement on Federal Financial Relations

The purpose of the account is to receive and disburse money paid to the State Treasury in accordance with the Intergovernmental Agreement on Federal Financial Relations, where that money is not receipted directly to the Consolidated Account.

Industrial Tribunal Payments into Court

This is to record payments and receipts relating to South Australian Employment Tribunal judgements. This account transferred to the Attorney-General's Department effective 1 July 2022 as per Note A1.3.

Industry Financial Assistance Account (IFAA)

The account was established to assist with the accounting for the industry assistance contracts written in the name of the Treasurer. The South Australian Government Financing Authority (SAFA) is responsible for administering the IFAA on behalf of the Treasurer.

Local Government Disaster Fund

The purpose of the fund is to record the cost of providing assistance to local authorities which face unusually high expenditures as a result of natural disasters. Assistance may be of an investigative, preventative, remedial, insurance, compensatory or other nature and may include funding of insurance or other commercial schemes.

Local Government Taxation Equivalents Fund

The account was established to record receipts of tax equivalents from the Local Government Finance Authority (LGFA) and payments to the Local Government Association of South Australia as stipulated under the *Local Government Finance Authority Act 1983*.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A1.1. Overview of Administered financial statements (continued)

Market Projects Unit

The purpose of the account is to receive deposits from the sale of government assets.

Scope Global Shares

The purpose of this fund is to record all financial transactions associated with the Treasurer's financial interest in Scope Global Pty Ltd that transferred to the Treasurer in 2018-19.

Support Services to Parliamentarians

The purpose of the account is to record the financial transactions related to the administration of Support Services to Parliamentarians.

SuperSA Select*

The purpose of the account is to administer receipts and payments for the Commonwealth Low Income Superannuation Contribution.

State Owned Generators Leasing Co. Pty. Ltd. (SOGLC)

The purpose of the fund is to record the Treasurer's shareholding in the State Owned Generators Leasing Company Pty Ltd.

Treasury and Finance Administered Items Account

The purpose of the account is to receive administered items appropriation for the department pursuant to the annual *Appropriation Act* and to disburse the associated payments.

Treasurer's Interest in the National Wine Centre Account

The purpose of the account is to record all the financial transactions associated with the management of the *National Wine Centre (Restructuring and Leasing Arrangements) Act 2002* including injections of funds from the Consolidated Account.

Treasury Working Account

The purpose of the account is to record receipts and payments for small lotteries, receipts and payments arising from various superannuation arrangements, interest receipts and payments, to effect accounting adjustments and transfers and to hold amounts in suspense pending determination of appropriate treatment. This account is also used to process *certain* transactions of a whole of government nature or relating to the activities of the Treasurer.

Treasury Asset Management Account

The purpose of the account is to record all financial transactions associated with the former South Australian Asset Management Corporation (SAAMC) and the dissolution of the SAAMC Board.

*Deposit account and special deposit accounts with no transactions in the Statement of Comprehensive Income are not included in the disaggregated disclosure schedule.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A1.2. Changes to the Department of Treasury and Finance's administered items

Transferred out

As a result of administrative arrangements described in the Government Gazette on 30 June 2022, the South Australian Employment Tribunal transferred from the department to the Attorney-General's Department.

The effective date of the transfer was 1 July 2022.

The following assets and liabilities were transferred out:

	\$'000
Current assets	
Cash and cash equivalents	2
Receivables	13
Total current assets	<u>15</u>
Total assets	<u>15</u>
Current liabilities	
Payables	212
Employee benefits	1 212
Total current liabilities	<u>1 424</u>
Total liabilities	<u>1 424</u>
Total net assets transferred	<u>(1 409)</u>

Net assets transferred by the department because of the administrative restructure were recognised at the carrying amount. The net assets transferred were treated as a distribution to the government as owner.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A1.3. Budget performance

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

Statement of Administered Comprehensive Income	Note	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Administered Income				
Appropriation		2 446 740	2 148 760	(297 980)
Taxation		4 496 691	5 075 301	578 610
Commonwealth revenues	1	7 603 956	11 736 490	4 132 534
Dividends		170 332	119 112	(51 220)
Interest revenues		120 898	274 606	153 708
Grants and contributions		31 230	397 246	366 016
Fees and charges		209 726	242 307	32 581
Other income		69 089	707 506	638 417
Total administered income		15 148 662	20 701 328	5 552 666
Administered Expenses				
Employee benefits expenses		403 455	422 309	18 854
Supplies and services		47 310	57 128	9 818
Borrowing costs		520 526	732 607	212 081
Grants, subsidies and transfers	2	3 655 614	4 986 331	1 330 717
Depreciation and amortisation		-	1 019	1 019
Payments to SA Government	3	12 726 281	14 558 014	1 831 733
Other expenses		39 518	117 028	77 510
Total administered expenses		17 392 704	20 874 436	3 481 732
Net result		(2 244 042)	(173 108)	2 070 934
Total comprehensive result		(2 244 042)	(173 108)	2 070 934

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A1.3. Budget performance (continued)

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

The following are brief explanations of variances between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses.

1 Commonwealth revenues

The \$4.133 billion variation against the original budget is primarily due to the actual funding from the Commonwealth for Intergovernmental Agreement on Federal Financial Relations (\$3.570 billion) being recorded in the Statement of Administered Comprehensive Income while the associated budget is disclosed as part of the Statement of Cash Flows for Other Accounts which does not form part of the Statement of Administered Comprehensive Income original budget amount.

South Australia's share of the GST pool also increased resulting in additional GST revenue grants (\$0.520 billion).

2 Grants, subsidies and transfers

The \$1.331 billion variation against original budget is primarily due to payments to agencies (\$3.432 billion) in relation to the Intergovernmental Agreement on Federal Financial Relations being recorded in the Statement of Administered Comprehensive Income while the associated budgets are disclosed as part of the Statement of Cashflows for Other Accounts.

The original grants, subsidies and transfers budget includes an amount for the repayment of advances (\$0.419 billion) while the actual transactions are treated as income in the Statement of Administered Comprehensive Income.

These variations are offset by the original budget amount including the Consolidated Account deficit expense while the associated actual is reported in the Treasurer's Statements - Statement A (\$3.070 billion).

3 Payments to SA Government

The \$1.832 billion variation against the original budget is due to increased payments for the transfer of revenue received on behalf of the Consolidated Account resulting from additional income primarily for taxation and Commonwealth revenues and other revenues for the return of surplus cash by agencies in accordance with the cash alignment policy.

A1.4. Significant transactions with government related entities

Significant transactions with the government related entities are identifiable throughout this financial report, all lease payments relate to motor vehicles supplied by Fleet SA.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A2. Income

A2.1. Appropriation

	2023	2022
	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	2 092 101	2 542 674
Appropriation under other Acts	56 659	219 788
Total appropriation	2 148 760	2 762 462

Appropriations are recognised on receipt.

This table does not show appropriations in the form of a loan or an equity contribution.

This appropriation comprises money issued and applied to the department as per Schedule 1 of the Act.

A2.2. Taxation

	2023	2022
	\$'000	\$'000
Stamp Duties - conveyances on sale of property	1 211 995	1 354 132
Stamp Duties - general insurance	465 788	422 009
Stamp Duties - motor vehicles registrations	247 365	223 848
Stamp Duties - other	177 228	169 664
Commonwealth Places Mirror - Stamp Duties	263	263
Payroll Tax	1 923 113	1 839 392
Commonwealth Places Mirror - Payroll Tax	33 640	32 132
Land Tax	567 964	499 123
Commonwealth Places Mirror - Land Tax	1 053	1 004
Emergency Services Levy	175 527	166 417
Local Government rate equivalents	5 012	5 416
Income tax equivalents	52 892	88 827
Contributions from Lotteries Commission of South Australia	107 436	105 341
Betting Operations Tax	83 329	49 590
Casino Duty	22 696	17 255
Total taxation	5 075 301	4 974 413

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A2.2 Taxation (continued)

Taxation revenue includes payroll tax, stamp duty, betting operations tax, property taxes (land tax and emergency services levy), income tax equivalents and contributions from the Lotteries Commission of South Australia. All taxes and levies are collected on behalf of the state government and recognised on receipt. All taxation and levy revenues are reported net of any refunds issued.

Payroll tax is payable pursuant to the *Payroll Tax Act 2009*.

Stamp duty is a charge on certain instruments. Stamp duty is charged at either a flat rate or an *ad valorem* rate (based on the value of the transaction) depending on the particular document or transaction. Stamp duty applies to a range of instruments including conveyances, motor vehicles transfers and insurance transactions. Stamp Duty is levied under the authority of the *Stamp Duties Act 1923*, which is supported by the *Stamp Duties Regulations 2002*.

Land tax is charged on land ownership and calculated according to the site value. The land owner is exempt from land tax where the land constitutes the owner's principal place of residence, conditions apply (other exemptions also apply based on land use).

As a result of changes to the *Casino Act 1997* and Casino Agreements the Commissioner of State Taxation commenced administration and collection of the Casino Duty from 1 January 2014. This includes all duty from gaming tables and gaming machines within the Adelaide Casino.

Betting operations tax is effective from 1 July 2017. It is a consumption tax of 15% on the Net Wagering Revenue (NWR) of betting companies offering services to South Australia.

The department also collects the fixed property component of emergency services levy payable under the *Emergency Services Funding Act 1998*.

Tax equivalents are collected from applicable public authorities or business units in accordance with *Treasurer's Instruction 22 'Tax Equivalent Payments'*. Tax equivalent payments calculated and collected include Accounting Profits Method at the companies' income tax rate under the *Commonwealth's Income Tax Assessment Act 1997*, *Land Tax and Local Government Rates*.

Contributions from the Lotteries Commission of South Australia include distributions to the Hospitals Fund received in accordance with the *State Lotteries Act 1966*.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A2.3. Commonwealth revenues

	2023 \$'000	2022 \$'000
Commonwealth general purpose grants		
GST revenue grants	7 899 150	7 120 261
Commonwealth Places Mirror taxes	34 870	33 400
Total Commonwealth general purpose grants	7 934 020	7 153 661
Commonwealth specific purpose grants		
Council of Australian Governments Funding arrangements	232 292	222 008
Intergovernmental Agreement on Federal Financial Relations - Recurrent	2 551 309	2 455 821
Intergovernmental Agreement on Federal Financial Relations - Capital	1 018 869	867 958
Total Commonwealth specific purpose grants	3 802 470	3 545 787
Total Commonwealth revenues	11 736 490	10 699 448

Commonwealth revenue includes GST grants, Specific Purpose Payments and National Partnership Payments received from the Commonwealth pursuant to the Intergovernmental Agreement on Federal Financial Relations.

Specific Purpose Payments can either be ongoing tied grants or time-limited National Partnership payments (NPPs) and Project Agreements (PAs).

National Partnership Payments are time limited agreements associated with the relevant federal financial agreement, to fund specific projects and to facilitate or reward the states that deliver national significant reforms. Funding can be for both recurrent and capital purposes.

Commonwealth grants

Income from Commonwealth grants is recognised when the department obtains control over the granted assets (eg cash), unless the grant is a capital grant to acquire/construct recognisable non-financial assets. All Commonwealth grants are accounted for under AASB 1058 as the arrangements with the Commonwealth do not constitute contracts with customers.

GST revenue is general revenue assistance provided by the Commonwealth in accordance with the principles of horizontal fiscal equalisation under the Intergovernmental Agreement on Federal Financial Relations that may be spent for any purpose. The GST revenue is received monthly.

Specific Purpose payments and the National Partnership Payments are typically received when the state completes each milestone stipulated in the contract agreement and or/ its schedule and submits the performance report for the completed milestones by the due dates to the Commonwealth.

Commonwealth capital grants to acquire/construct recognisable non-financial assets

Income from Commonwealth capital grants to acquire or construct a recognisable non-financial asset to be controlled by the state is recognised as the non-financial assets are being constructed. The recognition of revenue is in proportion with the expenditure on the asset, as this best represents the satisfaction of the state's obligation to acquire/construct the assets under the agreements. Grants to acquire or construct recognisable non-financial assets primarily relate to Commonwealth funding received for construction or upgrade of transport and road infrastructure assets.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A2.4. Dividends

	2023	2022
	\$'000	\$'000
Adelaide Venue Management	1 600	1 600
Home Start Finance	26 093	46 441
Renewal SA	34 792	4 054
Public Trustee	5 053	6 221
SA Water Corporation	49 824	29 882
Motor Accident Commission	-	10 321
South Australian Government Financing Authority	1 750	51 343
Scope Global Pty Ltd	-	5 000
Total dividends	119 112	154 862

Dividends represent distributions from applicable for-profit government agencies and include returns of accumulated capital. Dividend amounts are approved by the Treasurer before reporting date and recognised on receipt. Dividends are passed on to the Consolidated Account.

A2.5. Interest revenues

	2023	2022
	\$'000	\$'000
Interest	274 606	6 168
Total interest revenues	274 606	6 168

Interest revenues principally relate to the income received/receivable on the Treasurer's deposit with the South Australian Government Financing Authority (SAFA). This interest is received/receivable monthly at prevailing market rates. The increase in Interest revenues is mainly due to higher interest rates on cash deposits.

A2.6. Grants and contributions

	2023	2022
	\$'000	\$'000
Intra-government transfers	262 617	110 458
Emergency services levy remission	128 055	129 145
Emergency services levy- pensioner	6 574	6 412
Total grants and contributions	397 246	246 015

Grants and contributions mainly represent Emergency Services Levy general remissions as well as intra-government transfers received for administered funds.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A2.7. Fees and charges

	2023	2022
	\$'000	\$'000
Guarantee fees	116 604	119 459
Court fines	62 800	61 228
Court Regulatory fees	14 692	15 293
Victims of Crime levy collections	24 657	9 561
Fines Enforcement and Recovery - suitor collections	23 322	23 913
Other recoveries	232	237
Total fees and charges	242 307	229 691

Guarantee fees represent a price for the funding cost advantage the government guarantee gives to an agency and reflects other advantages afforded by the government's financing frameworks and mechanisms.

Guarantee fees are collected pursuant to Section 20 of the *Public Finance and Audit Act (PFAA) 1987*.

A2.8. Other income

	2023	2022
	\$'000	\$'000
Cash alignment transfers to the Consolidated Account	436 901	799 845
Return of capital	118 599	50 000
Return of deposit account balances	10 153	247
Recoveries DIT- Indentured Ports	11 790	13 449
Essential Services Commission of SA	14 593	13 272
Repayment of advances	23 515	19 297
Recovery from SAFA Insurance Fund	8 685	7 123
Hotel quarantine interstate crosscharge	27 465	2 344
Return of private hospital funding	18 477	9 028
Gain on disposal of financial assets for Scope Global Pty Ltd	-	4 057
Return of Green Industry SA Bushfire funding	-	2 444
Equiticorp Tasman Limited - liquidation dividend	-	2 499
Revision to carrying value of State Owned Generator Leasing Co. Pty. Ltd.	3 046	-
Other income	34 282	21 843
Total other income	707 506	945 448

Other revenues mainly represent the receipt of cash from agencies which is passed on to the Consolidated Account in accordance with the government's relevant policy directive. Revenue received in this manner and subsequently transferred to the Consolidated Account includes repayment of capital and advances, return of cash pursuant to the government's cash alignment policy and return of deposit account balances.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A3. Board, committees and employees

A3.1. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Superannuation contributions to various schemes*	402 080	422 270
Salaries and wages	16 088	17 756
Long service leave	166	(356)
Annual leave	1 198	770
Skills and experience retention leave	13	(3)
Employment on-costs - superannuation	1 812	2 154
Employment on-costs - other	950	1 039
Minister's salary, electorate and expense allowance	388	399
Other employee related expenses	(386)	2 038
Total employee benefits expenses	422 309	446 067

*These payments were made to support funding of the defined benefit superannuation liability for the Police Superannuation Scheme and the South Australia Superannuation Fund as part of the government's commitment to have all superannuation liabilities fully funded by 2034.

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the department's contributions to superannuation plans in respect of current services of current employees.

Employee and judicial officers remuneration

	2023	2022
	Number	Number
The number of officers, including judicial officers, whose remuneration received or receivable falls within the following bands:		
\$180 001 - \$200 000	1	-
\$200 001 - \$220 000	-	1
\$460 001 - \$480 000	-	1
\$500 001 - \$520 000	-	1
\$580 001 - \$600 000	-	3
\$640 001 - \$660 000	-	1
Total number of employees and judicial officers	1	7

The total remuneration received by those employees and officers for the year was \$180 000 (2022: \$3.6 million). The judicial officers transferred to Attorney-General's Department as per Note A1.3.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits and any related fringe benefits tax paid.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A3.2. Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Accrued salaries and wages	68	59
Annual leave	1 065	1 083
Long service leave	141	426
Skills and experience retention leave	17	16
Total current employee benefits	1 291	1 584
Non-current		
Long service leave	941	1 490
Total non-current employee benefits	941	1 490
Total employee benefits	2 232	3 074

Long service leave liability measurement

The net financial effect of the changes in the financial year described in note 3.4 is a decrease in the long service leave liability of \$45 200 (2022: \$50 000) and employee benefits expense of \$45 200 (2022: \$50 000). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

A4. Expenses

A4.1. Supplies and services

	2023	2022
	\$'000	\$'000
State's share of GST administration	46 523	40 908
Accommodation	3 945	3 705
General administration and consumables	2 861	2 875
Minor works, maintenance and equipment	690	300
Unclaimed monies	387	360
Information technology and communication expenses	328	238
Consultants	53	753
Legal costs	1 867	1 109
Contractors and temporary staff	-	50
Other	474	248
Total supplies and services	57 128	50 546

Refer to note 4.1.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A4.2. Borrowing costs

	2023	2022
	\$'000	\$'000
Interest on borrowings	685 895	317 860
Interest paid on deposit accounts and other monies	46 712	466
Total borrowing costs	732 607	318 326

The department administers payment of interest on borrowings on behalf of the Treasurer but the debt is not recorded in the Statement of Administered Financial Position. Treasurer's borrowings are disclosed in Statement J of the Treasurer's Statements and the government's annual consolidated financial report.

Borrowing costs include annual interest charges on the Treasurer's borrowings from South Australian Government Financing Authority and interest paid by the Treasurer on agency deposit and special deposit accounts. The increase in borrowing costs is mainly due to higher interest rates.

Interest is paid from the Treasury and Finance Administered Items special deposit account using funds appropriated for that purpose. While the department administers these payments on behalf of the Treasurer, the underlying loan arrangements are administered by South Australian Government Financing Authority and are therefore not included in the Statement of Administered Financial Position.

Further information on borrowings undertaken by the Treasurer for the Government of South Australia and other government financial assets and liabilities can be found in the South Australian Government Financing Authority annual report and the Consolidated Financial Report for the Government of South Australia prepared under AASB 1049 *Whole of Government and Government Sector Financial Reporting*.

A4.3. Grants, subsidies and transfers

	2023	2022
	\$'000	\$'000
Recurrent grants, subsidies and transfers	3 761 681	3 587 961
Capital grants, subsidies and transfers	996 687	710 420
Equity capital contribution	187 432	267 740
Private hospital payments	1 872	27 990
COVID-19 support fund	13 837	379 460
Hotel quarantine interstate crosscharge	164	1 070
Victims of Crime Levy collections	24 658	9 560
Total grants, subsidies and transfers	4 986 331	4 984 201

Grants, subsidies, and transfers mainly reflect the transfer of Commonwealth funding received pursuant to the Intergovernmental Agreement on Federal Financial Relations (IAFFR) to relevant government agencies. Also included are the payment of grants and other contributions approved by the Treasurer using appropriation funding provided to the Treasury and Finance administered items account. Grants, subsidies and transfers are recognised when paid.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A4.3. Grants, subsidies and transfers (continued)

The following table lists recipient departments including their administered items which received more than \$100 million pursuant to the IAFFR:

	2023	2022
	\$'000	\$'000
Department for Education	2 300 867	1 938 035
Department for Infrastructure and Transport	831 871	689 101
South Australian Housing Authority	118 081	111 657
Department for Innovation and Skills	-	165 258
Department of Treasury and Finance	241 078	222 521
Total	3 491 897	3 126 572

A4.4. Payments to SA Government

	2023	2022
	\$'000	\$'000
Transfer of revenue received on behalf of the Consolidated Account	14 358 726	13 482 304
Other payments to the Consolidated Account	199 288	186 991
Cash alignment transfer to Consolidated Account	-	186 006
Total payments to SA Government	14 558 014	13 855 301

A4.5. Other expenses

	2023	2022
	\$'000	\$'000
Payments to Commonwealth Government	77 870	41 400
Refunds and remissions*	13 823	140 695
Revision to carrying value of State Owned Generator Leasing Co. Pty. Ltd.	-	63 146
Doubtful debts	95	(660)
Fines Enforcement and Recovery - suitor payments	23 323	23 914
Other	1 917	2 148
Total other expenses	117 028	270 643

*Refunds and Remissions includes taxation relief approved as part of the government's COVID-19 support fund of \$9.6 million (2022: \$134 million).

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A5. Non-financial assets

A5.1. Property, plant and equipment owned by the department

Reconciliation

2022-23	Land	Buildings	Building fitouts	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	581	2 951	530	2 954	7 016
Additions	-	6 398	-	526	6 924
Capital transfers from WIP	-	2 701	-	(2 701)	-
Depreciation and amortisation	-	(790)	(229)	-	(1 019)
Other	-	-	(7)	7	-
Carrying amount at the end of the period	581	11 260	294	786	12 921
Gross carrying amount					
Gross carrying amount	581	12 420	3 107	786	16 894
Accumulated depreciation/amortisation	-	(1 160)	(2 813)	-	(3 973)
Carrying amount at the end of the period	581	11 260	294	786	12 921

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A5.1. Property, plant and equipment owned by the department (continued)

2021-22	Land	Buildings	Building fitouts	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	581	2 913	692	192	4 378
Additions	-	-	-	3 125	3 125
Capital transfers from WIP	-	173	178	(351)	-
Depreciation and amortisation	-	(135)	(352)	-	(487)
Other	-	-	12	(12)	-
Carrying amount at the end of the period	581	2 951	530	2 954	7 016
Gross carrying amount					
Gross carrying amount	581	3 321	3 259	2 954	10 115
Accumulated depreciation/amortisation	-	(370)	(2 729)	-	(3 099)
Carrying amount at the end of the period	581	2 951	530	2 954	7 016

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A5.1. Property, plant and equipment owned by the department (continued)

Valuation of non-current assets

A valuation of the land and buildings for the National Wine Centre was performed by an independent certified practising valuer as at 30 June 2019. The revaluation involved discounting to net present value of the National Wine Centre land and buildings at the termination of the forty year lease arrangement with University of Adelaide. A revaluation surplus of \$2.750 million is held for the revalued land and building. The next revaluation is scheduled for 30 June 2025.

A5.2. Intangible assets

Reconciliation of intangible assets

Reconciliation 2022-23	Water licences \$'000	Total \$'000
Carrying amount at the beginning of the period	325	325
Carrying amount at the end of the period	<u>325</u>	<u>325</u>
Gross carrying amount		
Gross carrying amount	325	325
Carrying amount at the end of the period	<u><u>325</u></u>	<u><u>325</u></u>

There has been no movement in intangibles.

Water licences transferred to the Treasurer as part of the 2012 forward sale of the State's Green Triangle Forest Plantations. These water licences were retained by the Treasurer after finalising the lease arrangements with OneFortyOne Plantations Pty Ltd.

A6. Financial assets

A6.1. Cash and cash equivalents

	2023 \$'000	2022 \$'000
Deposits with the Treasurer	857 317	2 450 884
Promissory notes	-	8 016
Total cash and cash equivalents	<u><u>857 317</u></u>	<u><u>2 458 900</u></u>

Promissory notes

The Treasurer held promissory notes on behalf of the Local Government Disaster Fund where the cash balance of the fund was not immediately required to fund Local Government costs relating to disasters. It was invested with the Local Government Finance Authority of South Australia for periods of three months. Promissory notes earned interest at their respective promissory note rates. This amount was not reinvested upon maturity during 2022-23 in order to ensure funding availability to meet anticipated claims for financial assistance from local governments resulting from recent significant natural disaster events.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A6.2. Receivables

	2023	2022
	\$'000	\$'000
Current		
Trade receivables	251 459	234 033
Accrued revenues	11 645	85 566
GST input tax recoverable	328	410
Total current receivables	263 432	320 009
Non-current		
Receivables	3	19
Total non-current receivables	3	19
Total receivables	263 435	320 028

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated 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. There is no provision recognised at 30 June 2023.

Current trade receivables from non-government entities mainly comprises Commonwealth funding receivables relating to capital projects by the Department for Infrastructure and Transport for which work has been completed and recovery is based on achievement of further milestones.

A6.3. Other financial assets

	2023	2022
	\$'000	\$'000
Current		
Loans for financial assistance	7 594	7 765
Less allowance for impairment loss	(7 481)	(6 138)
Total current other financial assets	113	1 627
Non-current		
Loans for financial assistance	28 125	27 879
Less allowance for impairment loss	(19 310)	(20 558)
Contributed capital in subsidiary company SOGLC	152 800	149 754
Total non-current other financial assets	161 615	157 075
Total other financial assets	161 728	158 702

State Owned Generators Leasing Co Pty Ltd

The Treasurer of South Australia holds 113 100 001 fully paid ordinary shares in the State Owned Generators Leasing Co Pty Ltd (SOGLC). SOGLC owns the state's emergency electricity generators and leases these assets to third party operators.

At 30 June 2023, SOGLC's generator assets are operating at their permanent locations, where they are expected to remain for the life of the leases.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A7. Liabilities

A7.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Creditors - revenue received on behalf of the Consolidated Account	322 776	1 723 195
Creditors - other	3 866	11 557
Accrued expenses	87 787	61 625
Employment on-costs	568	648
Paid parental leave scheme payable	-	3
Total current payables	414 997	1 797 028
Non-current		
Creditors - electricity entities lease proceeds	28 273	28 273
Employment on-costs	98	211
Creditors - other	2 501	2 501
Super SA Select Loan	500	500
Total non-current payables	31 372	31 485
Total payables	446 369	1 828 513

Refer to note 7.1.

A7.2. Provisions

Reconciliation of workers compensation (statutory and non-statutory)	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	1 055	200
Additional provisions recognised	(578)	1 145
Reductions arising from payments/other sacrifices of future economic benefits	(30)	(290)
Carrying amount at the end of the period	447	1 055

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A7.3. Other liabilities

	2023	2022
	\$'000	\$'000
Current		
Unearned revenue	6 179	6 270
Total current other liabilities	<u>6 179</u>	<u>6 270</u>
Non-current		
Unearned revenue	38 804	44 983
Unearned revenue - capital projects	103 618	191 497
Unclaimed monies Fines Unit	1 685	1 488
Total non-current other liabilities	<u>144 107</u>	<u>237 968</u>
Total other liabilities	<u><u>150 286</u></u>	<u><u>244 238</u></u>

Reconciliation of unearned revenue - capital projects

	2023	2022
	\$'000	\$'000
Balance at the beginning of the year	191 497	397 917
Grant revenue for capital projects received during the year	121 364	165 492
Grant revenue for capital projects recognised consistent with the works undertaken during the year	<u>(209 243)</u>	<u>(371 912)</u>
Balance at the end of the year	<u><u>103 618</u></u>	<u><u>191 497</u></u>

Unearned revenue

In 2003 the Treasurer agreed to lease to the University of Adelaide over a forty year period the land and buildings previously owned by the National Wine Centre. The agreement's upfront consideration of \$1 million has been recorded as unearned revenue and is being amortised over the life of the lease.

Unearned revenue includes interest received in advance of \$44.478 million (2022: \$50.723 million) on the novation of Urban Renewal Authority loans to the Treasurer as part of the TAFE buy-back transaction.

Unearned revenue – capital projects

Commonwealth grant funding received in the current and prior years to support various infrastructure and capital projects is recorded as unearned revenue. Income is recognised progressively in proportion with the expenditure on the associated asset as this best represents the state's obligation to acquire/construct the assets under the agreements with the Commonwealth.

The balance of this unearned revenue at 30 June 2023 primarily relates to various road and infrastructure projects to be constructed over the next three years by the Department for Infrastructure and Transport.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A8. Other disclosures

A8.1. Equity

Refer to note 8.1.

A8.2. Cash flow reconciliation

	2023 \$'000	2022 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	857 317	2 458 900
Balance as per the Statement of Cash Flows	<u>857 317</u>	<u>2 458 900</u>
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	(1 591 535)	46 604
Add / (less) non-cash items		
Depreciation and amortisation	(1 019)	(487)
Expected credit loss	(95)	660
Discounted cash flow valuations for financial assistance loans - other income	(46)	215
Revision of carrying of SOGLC	3 046	(63 146)
Movement in assets and liabilities		
Increase/(decrease) in receivables	(56 593)	205 062
(Increase)/decrease in payables	1 377 670	(308 675)
(Increase)/decrease in employee benefits	904	1 739
(Increase)/decrease in provisions	608	(855)
(Increase)/decrease in other liabilities	93 952	211 819
Net result	<u>(173 108)</u>	<u>92 936</u>

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A9. Outlook

A9.1. Unrecognised commitments

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

Expenditure commitments

	2023	2022
	\$'000	\$'000
Within one year	2 001	2 088
Later than one year but not longer than five years	1 843	3 321
Later than five years	45	699
Total expenditure commitments	3 889	6 108

The department's administered expenditure commitments are for arrangements for Memorandum of Administrative Arrangements with the Department for Infrastructure and Transport for accommodation.

Other commitments

The department's administered other commitments primarily relate to distribution of Commonwealth funds to agencies in accordance with Schedule G of the Intergovernmental Agreement on Federal Financial Relations and Industry Assistance grants.

Commitments in relation to other expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2023	2022
	\$'000	\$'000
Within one year	80 430	11 511
Later than one year but not longer than five years	6 810	4 496
Later than five years	861	814
Total other commitments	88 101	16 821

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A9.2. Contingent assets and liabilities

The following contingent assets and liabilities exist for the Administered Items:

Residual responsibilities for structural integrity of the National Wine Centre's buildings outside agreed maintenance regimes as required by the Memorandum of Lease - National Wine Centre. The lease expires in September 2043. The estimated maximum exposure of this liability is undefined.

On 26 November 2012, the State appointed Tatts Lotteries SA Pty Ltd (Tatts) as its exclusive Master Agent to operate SA Lotteries' brands and products for a term of 40 years, starting 11 December 2012. Under this arrangement the Lotteries Commission of South Australia is required to pay the Master Agent a master agency fee (payment obligation). The Treasurer has unconditionally and irrevocably guaranteed the performance by Lotteries Commission of South Australia of the payment obligation. The Treasurer has also indemnified the Master Agent against any cost, expense, loss or damage that the Master Agent may incur as a direct result of non-compliance by Lotteries Commission of South Australia with the payment obligation. The Treasurer's maximum aggregate liability to the Master Agent under this agreement is limited to an amount equal to the total quantum of Lotteries Commission of South Australia's liability to the Master Agent for the payment obligation.

The Treasurer guarantees the annual lease obligations and a proportion of outgoings of the Ice Factor Foundation for the Thebarton Ice Arena up to \$4.06 million.

Liabilities incurred or assumed by the Local Government Finance Authority are guaranteed by the Treasurer. The Treasurer's exposure at 30 June 2023 was \$805.5 million (2022: \$692.71 million).

The Treasurer unconditionally and irrevocably guarantees to each beneficiary the due and punctual payment and performance by the Adelaide Venue Management Corporation of the Corporation's obligations to that beneficiary. The estimated maximum exposure of this liability is undefined.

The Treasurer has indemnified the fund of the Local Government Association (LGA) Mutual Liability Scheme for any admitted claim in the nature of a general liability that the LGA in respect of the Mutual Liability Scheme becomes legally liable to pay. For liability risks not covered under the State Government's liability reinsurance program, the indemnity is capped at \$50 million for any one such admitted claim. Any losses that exceed the State Government's liability reinsurance program limits and the \$50 million limit for liability risks not covered by the reinsurance program will be subject to separate negotiations between the LGA and the State Government.

The Treasurer has indemnified South Australian Government Financing Authority (SAFA) against any profit or loss as a result of activities in the Insurance Fund 2 and Fund 3 portfolios. Given the nature of the activities in these funds, the Treasurer has approved that any operating profit before tax will be nil. This is achieved by negating the operating profit or loss with either a payable to or a receivable from the Treasurer. This policy resulted in a net receivable from the Treasurer of \$13.2 million for the year 2022-23 (2022: \$6.4 million payable to the Treasurer).

The Government of South Australia established the Future Jobs Fund. The Fund provided grants and loans to non-government entities intended to create ongoing jobs in a range of sectors. The Fund is now closed to new applicants. Provision of loans and grants from the Fund has been contingent upon applicants meeting their obligations and performance milestones. The amount of undrawn loans and grants from the Fund as at 30 June 2023 was \$5.05 million (2022: \$10.85 million).

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

A9.2. Contingent assets and liabilities (continued)

The Government of South Australia established the Economic and Business Growth Fund that has been renamed to the Jobs and Economic Growth Fund. The Fund promotes economic growth in South Australia by encouraging growth of existing industries, developing new industries, building international connections, and attracting foreign and national direct investment that create long-term sustainable jobs. Provision of grants from the Fund is contingent upon applicants meeting their obligations and performance milestones. For commitments entered into up to 30 June 2023, the amount of undrawn grants from the Fund as at 30 June 2023 was \$1.13 million (2022: \$4.29 million).

Under Section 15 of the *Government Financing Authority Act 1982*, all financial obligations incurred or assumed by SAFA are guaranteed by the Treasurer on behalf of the state of South Australia.

The Government of South Australia established a Local Government Infrastructure Partnership program (LGIPP). The program provides various grants and loans. The amount of undrawn loans and grants from the Program as at 30 June 2023 was \$65.52 million (2022: \$99.90 million).

The Government of South Australia established a Treasurer's School Loans Scheme. The amount of undrawn loans and grants from the Scheme as at 30 June 2023 was \$72.73 million (2022: \$108.82 million).

The Treasurer has indemnified ASIC against any claims by Logistic Education Centre creditors as a consequence of ASIC transferring land back to the Minister for Education, Training and Skills. The estimated maximum exposure of this liability is undefined.

In 2020, Commercial and General sold its interest in the Multi Party Deed to Dexu. To support progress of the Australian Bragg Centre in the onset of the COVID 19 pandemic, in April 2020 the previous government committed the State to support an arrangement with the project's private sector financiers for Lendlease to deliver the building through a managing contractor arrangement. The State's support is in the form of sharing risk with the building's financiers if the cost of delivering the building exceeded its budget of \$372 million. The total budget included both construction and private financing of the building, meaning the State carries the risk of increases in both of these costs. If the budget is exceeded the State must contribute 70% towards the additional cost, with Commercial and General (the project's developers) contributing 30% of the additional cost with their contribution capped at \$4 million. The actual cost of constructing the building and any associated budget overrun to be carried by the State will not be known fully until the building is scheduled to be completed, currently anticipated to occur by September 2023. As at June 2023, the cost of the completing the building is expected to exceed its budget by approximately \$14.2 million. The State's share of this overrun per the Multi Party Deed is approximately \$10.1 million.

A9.3. Events after the end of the reporting period

The department is not aware of any events after the reporting period that would impact on the administered financial statements.