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To the Chief Executive Department for Education

Opinion

I have audited the financial report of the Department for Education (the Department) and the consolidated entity comprising the Department for Education and its controlled entities for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Education and its controlled entities as at 30 June 2023, their financial performance and their 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 Changes in Equity for the year ended 30 June 2023
- a Statement of Administered Cash Flows for the year ended 30 June 2023
- a Schedule of Income and Expenses 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 Chief Executive and the Executive Director, Finance.

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 for Education and its controlled entities. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and 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 Chief Executive is responsible for assessing the entity's and consolidated entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

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

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department for Education's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson
Auditor-General

21 September 2023

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Department for Education

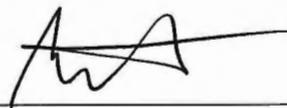
**Financial Statements
for the year ended
30 June 2023**

We certify that the:

- financial statements of the Department for Education:
 - 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 for Education for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Martin Westwell
Chief Executive
15 September 2023



Anthony Creek
Executive Director, Finance
15 September 2023

Department for Education
Statement of Comprehensive Income
for the year ended 30 June 2023

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		2023	2022	2023	2022
		Consolidated	Consolidated	Department	Department
	Note	\$'000	\$'000	\$'000	\$'000
Income					
Appropriation	2.1	3 299 615	2 916 845	3 299 615	2 916 845
Commonwealth sourced grants and funding	2.2	793 828	691 283	793 828	691 263
Sale of goods and services	2.3	164 141	140 337	22 589	17 663
Grants and transfers	2.4	78 273	58 685	25 133	14 401
Investment income	2.5	13 982	1 789	11 662	1 600
Resources received free of charge	2.6	12 691	11 619	12 474	11 382
Net gain from disposal of non-current assets	4.5	-	2 063	-	2 593
Other income	2.7	52 331	46 350	21 617	13 319
Total income		4 414 861	3 868 971	4 186 918	3 669 066
Expenses					
Employee benefits expenses	3.3	2 830 133	2 628 621	2 772 848	2 577 276
Supplies and services	4.1	885 790	864 560	540 324	515 316
Grants and subsidies	4.2	417 840	55 303	635 051	287 910
Depreciation and amortisation	4.3	177 124	168 771	166 278	153 849
Borrowing costs	4.4	33 700	32 591	33 647	32 534
Cash alignment transfers to Consolidated Account		-	91 080	-	91 080
Net loss from disposal of non-current assets	4.5	973	-	784	-
Other expenses	4.6	12 508	8 935	10 324	6 173
Total expenses		4 358 068	3 849 861	4 159 256	3 664 138
Net result		56 793	19 110	27 662	4 928
Other comprehensive income					
<i>Items that will not be reclassified to net result</i>					
Changes in property, plant and equipment asset revaluation surplus	5.1	427 691	174 528	427 263	174 528
Total other comprehensive income		427 691	174 528	427 263	174 528
Total comprehensive result		484 484	193 638	454 925	179 456

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

Department for Education
Statement of Financial Position
as at 30 June 2023

OFFICIAL

		2023	2022	2023	2022
	Note	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
Current assets					
Cash and cash equivalents	6.1	1 496 951	1 181 755	935 083	635 205
Receivables	6.2	77 457	64 997	38 910	36 254
Other financial assets	6.3	77	78	-	-
Inventories	5.4	6 159	5 962	-	-
Non-current assets classified as held for sale	5.5	707	2 148	707	2 148
Total current assets		1 581 351	1 254 940	974 700	673 607
Non-current assets					
Receivables	6.2	1 916	2 094	12 651	7 467
Other financial assets	6.3	189	175	-	-
Property, plant and equipment	5.1	6 326 852	5 821 130	6 276 611	5 774 340
Right of use assets	5.2	174 568	177 712	172 639	176 246
Intangible assets	5.3	112 226	115 385	112 226	115 385
Total non-current assets		6 615 751	6 116 496	6 574 127	6 073 438
Total assets		8 197 102	7 371 436	7 548 827	6 747 045
Current liabilities					
Payables	7.1	326 447	142 129	392 710	201 062
Financial liabilities	7.2	15 721	13 973	11 068	11 262
Employee benefits	3.4	289 844	272 778	287 290	270 214
Provisions	7.3	24 757	23 259	24 894	23 456
Other liabilities	7.4	19 684	18 034	18 431	16 022
Total current liabilities		676 453	470 173	734 393	522 016
Non-current liabilities					
Payables	7.1	66 819	64 555	66 819	64 555
Financial liabilities	7.2	372 057	379 386	370 765	378 444
Employee benefits	3.4	405 947	416 306	401 849	412 310
Provisions	7.3	102 709	99 421	102 674	99 386
Other liabilities	7.4	115 742	118 519	115 476	118 223
Total non-current liabilities		1 063 274	1 078 187	1 057 583	1 072 918
Total liabilities		1 739 727	1 548 360	1 791 976	1 594 934
Net assets		6 457 375	5 823 076	5 756 851	5 152 111
Equity					
Retained earnings		2 793 533	2 638 240	2 093 617	1 967 455
Revaluation surplus		3 023 865	2 596 174	3 023 257	2 595 994
Contributed capital		639 977	588 662	639 977	588 662
Total equity		6 457 375	5 823 076	5 756 851	5 152 111

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

Department for Education
Statement of Changes in Equity
for the year ended 30 June 2023

OFFICIAL

Consolidated	Note	Contributed capital \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021		325 091	2 428 390	2 612 386	5 365 867
Net result for 2021-22		-	-	19 110	19 110
Gain on revaluation of land	5.1	-	174 528	-	174 528
Total comprehensive result for 2021-22		-	174 528	19 110	193 638
Equity contribution received	8.1	263 571	-	-	263 571
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		-	(6 744)	6 744	-
Balance at 30 June 2022		588 662	2 596 174	2 638 240	5 823 076
Net result for 2022-23		-	-	56 793	56 793
Gain on revaluation of land		-	429 652	-	429 652
Loss on revaluation of buildings and improvements		-	(1 961)	-	(1 961)
Total comprehensive result for 2022-2023		-	427 691	56 793	484 484
Net assets transferred in from an administrative restructure	1.3	-	-	98 500	98 500
Equity contribution received	8.1	131 642	-	-	131 642
Equity contribution repaid		(80 327)	-	-	(80 327)
Balance at 30 June 2023		639 977	3 023 865	2 793 533	6 457 375

Department	Note	Contributed capital \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021		325 091	2 428 209	1 955 784	4 709 084
Net result for 2021-22		-	-	4 928	4 928
Gain on revaluation of land	5.1	-	174 528	-	174 528
Total comprehensive result for 2021-22		-	174 528	4 928	179 456
Equity contribution received	8.1	263 571	-	-	263 571
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		-	(6 743)	6 743	-
Balance at 30 June 2022		588 662	2 595 994	1 967 455	5 152 111
Net result for 2022-23		-	-	27 662	27 662
Gain on revaluation of land	5.1	-	429 224	-	429 224
Loss on revaluation of buildings and improvements	5.1	-	(1 961)	-	(1 961)
Total comprehensive result for 2022-2023		-	427 263	27 662	454 925
Net assets transferred in from an administrative restructure	1.3	-	-	98 500	98 500
Equity contribution received	8.1	131 642	-	-	131 642
Equity contribution returned		(80 327)	-	-	(80 327)
Balance at 30 June 2023		639 977	3 023 257	2 093 617	5 756 851

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

Department for Education
Statement of Cash Flows
for the year ended 30 June 2023

OFFICIAL

		2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Cash flows from operating activities	Note				
Cash inflows					
Appropriation		3 442 165	2 916 845	3 442 165	2 916 845
Receipts from Commonwealth sourced grants and funding		793 828	691 351	793 828	691 331
Sales of goods and services		159 400	153 413	26 521	25 072
Grants and transfers		78 336	58 719	25 133	14 435
Investment income received		14 588	1 183	12 019	1 237
GST recovered from the ATO		78 083	125 991	77 438	95 004
Other receipts		47 868	43 938	18 945	10 907
Cash generated from operations		4 614 268	3 991 440	4 396 049	3 754 831
Cash outflows					
Employee benefit payments		(2 815 225)	(2 714 524)	(2 758 005)	(2 663 375)
Payments for supplies and services		(956 960)	(946 265)	(608 581)	(568 823)
Payments of grants and subsidies		(415 654)	(67 043)	(627 810)	(268 386)
Cash alignment transfers to Consolidated Account		-	(91 080)	-	(91 080)
Interest paid		(22 142)	(23 218)	(22 089)	(23 161)
Other payments		(8 231)	(7 311)	(7 528)	(4 649)
Cash used in operations		(4 218 212)	(3 849 441)	(4 024 013)	(3 619 474)
Net cash provided by operating activities	8.2	396 056	141 999	372 036	135 357
Cash flows from investing activities					
Cash inflows					
Proceeds from the sale of property, plant and equipment		2 307	10 450	2 081	10 010
Proceeds from maturing term deposits		26	70	-	-
Receipt of loan repayments		-	11	1 224	706
Cash generated from investing activities		2 333	10 531	3 305	10 716
Cash outflows					
Purchase of property, plant and equipment		(205 721)	(392 362)	(192 202)	(379 018)
Purchase of investments		(8)	(69)	-	-
Loans provided		-	-	(6 565)	(2 410)
Cash used in investing activities		(205 729)	(392 431)	(198 767)	(381 428)
Net cash provided by investing activities		(203 396)	(381 900)	(195 462)	(370 712)
Cash flows from financing activities					
Cash inflows					
Cash received from restructuring activities		93 736	-	93 736	-
Capital contributions from Government		131 642	263 571	131 642	263 571
Cash generated from financing activities		225 378	263 571	225 378	263 571
Cash outflows					
Repayment of leases		(7 634)	(6 852)	(6 866)	(5 935)
Capital contributions to Government		(80 327)	-	(80 327)	-
Repayment of borrowings		(14 881)	(4 113)	(14 881)	(4 139)
Cash used by financing activities		(102 842)	(10 965)	(102 074)	(10 074)
Net cash provided by financing activities		122 536	252 606	123 304	253 497
Net increase in cash and cash equivalents		315 196	12 705	299 878	18 142
Cash and cash equivalents at the beginning of the reporting period		1 181 755	1 169 050	635 205	617 063
Cash and cash equivalents at the end of the reporting period	6.1	1 496 951	1 181 755	935 083	635 205

The accompanying notes form part of these financial statements.

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

1. About the Department for Education

The Department for Education (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 financial statements and accompanying notes include all the controlled activities of the department (refer to the disaggregated schedule for details of the department's controlled activities).

Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to the department's overall financial performance and position, they are disclosed in the administered financial statements which follows the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

Consolidated financial statements

The Consolidated financial statements incorporate the activities of the department and those of government schools; including governing councils activities such as the operations of canteens, out of school hours care services (including vacation care programs) and aquatic programs. The financial transactions for preschool activities that are provided by government schools are also included in the Consolidated financial statements, however the financial transactions of stand-alone government-controlled pre-schools are not material and are not included in the Consolidated financial statements.

In accordance with Australian Accounting Standards, all material transactions between the department and its controlled entities are eliminated when preparing the Consolidated financial report.

The financial activities of the department include those that support the operations of government owned schools and pre-schools including:

- expenses such as salaries and wages, salary related on-costs and some utilities expenses of school staff
- expenses incurred in maintaining school infrastructure, including land, buildings and major improvements
- liabilities recorded in the corporate department's financial systems such as employee benefits.

Administered items

The department is responsible for the administration of specific funds. The department does not have control over how these funds are to be spent and operates in the capacity as an agent responsible for the administration of the transfer process to third parties. The Administered Financial Statements include the income, expenses, assets and liabilities of these funds.

The main administered funds are:

- Ministers salaries
- Ministers payments
- Advocacy bodies
- Family Day Care

For further information refer to note A1.2.

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

1.1. Basis of preparation

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

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

No Australian Accounting Standards have been early adopted other than AASB 2021-2 which was adopted from 1 July 2021.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

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

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.

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

Significant accounting policies are set out throughout the notes.

1.2. Objectives and programs**Purpose**

The Department for Education provides a range of integrated education, training and child development services to benefit children, young people and families. These services improve education and developmental outcomes for children through to transition to adulthood, reflecting the commitment to support every child and student to thrive, prosper and fulfil their potential.

School and preschool education is at the core of the department, and it recognises that the success of South Australian government schools and preschools depends on mutually-beneficial partnerships with parents and families, community, tertiary providers, industry, government and non-government organisations.

The department helps students, businesses, and industry to increase skills and participate in vocational education and training (VET) through Skills SA, by providing an across government leadership role for the universal early years system through the Office for the Early Years, and wellbeing services in collaboration with the Department of Human Services and the Women's and Children's Health Network.

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

Programs

In achieving its objectives, the department provides a range of services classified into the following programs:

Early Childhood Development

The department is responsible for delivering early childhood education, wellbeing and some care services for children and their families. The department recognises the important role of parents in their child's development and provides a combination of universal services and targeted interventions to achieve improved outcomes.

The provision of high quality early childhood education, multidisciplinary interventions and targeted family support programs provide a strong basis to support every child to fulfil their potential.

School Education

The department is responsible for delivering primary and secondary public education to enable children and young people to fulfil their potential and to equip them with the knowledge, skills and capabilities they will need throughout their lives.

The department supports leaders, principals and teachers to improve student growth and achievement by providing evidence based support and advice focussing on quality learning, continuous school improvement, instructional leadership and tailored system support.

Skills SA

Ensure that South Australians have the skills and training to participate in the workforce, secure jobs and contribute to a growing economy by:

- aligning the investment of public funds with identified skills and training needs and economic priorities
- engaging with business, peak bodies, community and training providers to build the skills of the workforce through responsive services with a customer focus
- providing information and support services to learners and workers about skills, and training pathways and opportunities
- regulating the apprenticeship and traineeship system to ensure compliance with the *South Australian Skills Act 2008*
- supporting a responsive and high-quality VET system.

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

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Department for Education
Expenses and income by program
for the year ended 30 June 2023
Consolidated

Expenses and income by program

	Early Childhood Development		School Education		Skills SA		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income								
Appropriation	226 217	204 577	2 739 683	2 712 268	333 715	-	3 299 615	2 916 845
Commonwealth sourced grants and funding	33 002	36 336	722 249	654 947	38 577	-	793 828	691 283
Sale of goods and services	6 504	6 422	157 637	133 915	-	-	164 141	140 337
Grants and transfers	2 191	2 195	62 296	56 490	13 786	-	78 273	58 685
Investment income	798	115	13 184	1 674	-	-	13 982	1 789
Resources received free of charge	873	886	11 818	10 733	-	-	12 691	11 619
Net gain from disposal of non-current assets	-	15	-	2 048	-	-	-	2 063
Other income	670	1 164	50 960	45 186	701	-	52 331	46 350
Total income	270 255	251 710	3 757 827	3 617 261	386 779	-	4 414 861	3 868 971
Expenses								
Employee benefits expenses	197 415	185 631	2 618 961	2 442 990	13 757	-	2 830 133	2 628 621
Supplies and services	41 908	40 196	837 646	824 364	6 236	-	885 790	864 560
Grants and subsidies	18 700	10 422	47 249	44 881	351 891	-	417 840	55 303
Depreciation and amortisation	6 043	5 826	169 267	162 945	1 814	-	177 124	168 771
Borrowing costs	2 640	2 554	31 060	30 037	-	-	33 700	32 591
Cash alignment transfers to Consolidated Account	-	6 388	-	84 692	-	-	-	91 080
Net loss from disposal of non-current assets	1 762	-	(789)	-	-	-	973	-
Other expenses	644	350	11 457	8 585	407	-	12 508	8 935
Total expenses	269 112	251 367	3 714 851	3 598 494	374 105	-	4 358 068	3 849 861
Net result	1 143	343	42 976	18 767	12 674	-	56 793	19 110

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Department for Education
Expenses and income by program
for the year ended 30 June 2023
Department

Expenses and income by program

	Early Childhood Development		School Education		Skills SA		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income								
Appropriation	226 217	204 577	2 739 683	2 712 268	333 715	-	3 299 615	2 916 845
Commonwealth sourced grants and funding	33 002	36 336	722 249	654 927	38 577	-	793 828	691 263
Sale of goods and services	6 504	6 422	16 085	11 241	-	-	22 589	17 663
Grants and transfers	2 191	2 195	9 156	12 206	13 786	-	25 133	14 401
Investment income	798	115	10 864	1 485	-	-	11 662	1 600
Resources received free of charge	873	886	11 601	10 496	-	-	12 474	11 382
Net gain from disposal of non-current assets	-	15	-	2 578	-	-	-	2 593
Other income	670	1 164	20 246	12 155	701	-	21 617	13 319
Total income	270 255	251 710	3 529 884	3 417 356	386 779	-	4 186 918	3 669 066
Expenses								
Employee benefits expenses	197 415	185 631	2 561 676	2 391 645	13 757	-	2 772 848	2 577 276
Supplies and services	29 455	27 103	504 633	488 213	6 236	-	540 324	515 316
Grants and subsidies	31 153	23 515	252 007	264 395	351 891	-	635 051	287 910
Depreciation and amortisation	6 043	5 826	158 421	148 023	1 814	-	166 278	153 849
Borrowing costs	2 640	2 554	31 007	29 980	-	-	33 647	32 534
Cash alignment transfers to Consolidated Account	-	6 388	-	84 692	-	-	-	91 080
Net loss from disposal of non-current assets	1 762	-	(978)	-	-	-	784	-
Other expenses	644	350	9 273	5 823	407	-	10 324	6 173
Total expenses	269 112	251 367	3 516 039	3 412 771	374 105	-	4 159 256	3 664 138
Net result	1 143	343	13 845	4 585	12 674	-	27 662	4 928

Department for Education
Assets and liabilities by program
as at 30 June 2023
Consolidated

OFFICIAL

Assets and liabilities by program

	Early Childhood Development		School Education		Skills SA		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets								
Cash and cash equivalents	54 219	42 495	1 318 838	1 139 260	123 894	-	1 496 951	1 181 755
Receivables	3 129	3 164	74 733	63 927	1 511	-	79 373	67 091
Inventories	-	-	6 159	5 962	-	-	6 159	5 962
Other financial assets	-	-	266	253	-	-	266	253
Non-current assets classified as held for sale	111	1 924	596	224	-	-	707	2 148
Property, plant and equipment	237 848	217 852	6 081 996	5 603 278	7 008	-	6 326 852	5 821 130
Right of use assets	14 398	13 225	160 165	164 487	5	-	174 568	177 712
Intangible assets	8 703	9 058	102 158	106 327	1 365	-	112 226	115 385
Total assets	318 408	287 718	7 744 911	7 083 718	133 783	-	8 197 102	7 371 436
Liabilities								
Payables	28 927	12 408	345 058	194 276	19 281	-	393 266	206 684
Financial liabilities	31 108	31 061	356 654	362 298	16	-	387 778	393 359
Employee benefits	49 016	49 183	642 657	639 901	4 118	-	695 791	689 084
Provisions	9 106	8 864	118 284	113 816	76	-	127 466	122 680
Other liabilities	9 283	9 450	126 140	127 103	3	-	135 426	136 553
Total liabilities	127 440	110 966	1 588 793	1 437 394	23 494	-	1 739 727	1 548 360
Net assets	190 968	176 752	6 156 118	5 646 324	110 289	-	6 457 375	5 823 076

Department for Education
Assets and liabilities by program
as at 30 June 2023
Department

OFFICIAL

Assets and liabilities by program

	Early Childhood Development		School Education		Skills SA		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	54 219	42 495	756 970	592 710	123 894	-	935 083	635 205
Receivables	3 129	3 164	46 921	40 557	1 511	-	51 561	43 721
Inventories	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-
Non-current assets classified as held for sale	111	1 924	596	224	-	-	707	2 148
Property, plant and equipment	237 848	217 852	6 031 755	5 556 488	7 008	-	6 276 611	5 774 340
Right of use assets	14 398	13 225	158 236	163 021	5	-	172 639	176 246
Intangible assets	8 703	9 058	102 158	106 327	1 365	-	112 226	115 385
Total assets	318 408	287 718	7 096 636	6 459 327	133 783	-	7 548 827	6 747 045
Liabilities								
Payables	28 927	12 408	411 321	253 209	19 281	-	459 529	265 617
Financial liabilities	31 108	31 061	350 709	358 645	16	-	381 833	389 706
Employee benefits	49 016	49 183	636 005	633 341	4 118	-	689 139	682 524
Provisions	9 106	8 864	118 386	113 978	76	-	127 568	122 842
Other liabilities	9 283	9 450	124 621	124 795	3	-	133 907	134 245
Total liabilities	127 440	110 966	1 641 042	1 483 968	23 494	-	1 791 976	1 594 934
Net assets	190 968	176 752	5 455 594	4 975 359	110 289	-	5 756 851	5 152 111

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

1.3. Changes to the Department

As a result of administrative arrangements outlined in the South Australian Government Gazette on 30 June 2022, the former Department for Innovation and Skills (DIS) has transferred Skills SA functions to the Department for Education.

Upon the transfer of these functions, which are now the responsibility of the Minister for Education, Training and Skills, the following assets and liabilities will be recognised as opening balances for Skills SA within the controlled items general ledger of the Department for Education.

The effective date of the transfer was 1 July 2022.

Transferred In

The following assets and liabilities were transferred in:

	Skills	Total
	\$'000	\$'000
Cash	93 736	93 736
Receivables	460	460
Property, plant and equipment	8 248	8 248
Right of use assets	12	12
Intangibles	3 464	3 464
Total assets	105 920	105 920
Payables	3 368	3 368
Financial liabilities	12	12
Employee benefits	3 651	3 651
Provisions	132	132
Other liabilities	257	257
Total liabilities	7 420	7 420
Total net assets received	98 500	98 500

Net assets assumed by the department because of the administrative restructure are the carrying amount of those assets in the DIS Statement of Financial Position immediately prior to transfer. The net assets transferred were treated as a contribution by the government as owner.

Department for Education
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 consolidated entity 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.

	Original budget 2023 \$'000	Actual 2023 \$'000	Variance 2023 \$'000
Statement of Comprehensive Income			
Income			
Appropriation	3 092 779	3 299 615	206 836
Commonwealth sourced grants and funding	734 285	793 828	59 543
Sale of goods and services	177 277	164 141	(13 136)
Grants and transfers	50 238	78 273	28 035
Investment income	2 058	13 982	11 924
Resources received free of charge	-	12 691	12 691
Other income	56 093	52 331	(3 762)
Total income	4 112 730	4 414 861	302 131
Expenses			
Employee benefits expenses	2 919 785	2 830 133	(89 652)
Supplies and services	899 630	885 790	(13 840)
Grants and subsidies ¹	78 761	417 840	339 079
Depreciation and amortisation	170 475	177 124	6 649
Borrowing costs	32 649	33 700	1 051
Net loss from disposal of non-current assets	720	973	253
Other expenses	4 810	12 508	7 698
Total expenses	4 106 830	4 358 068	251 238
Net result	5 900	56 793	50 893
Other comprehensive income			
Changes in revaluation surplus	-	427 691	427 691
Total comprehensive result	5 900	484 484	478 584

¹ The higher grants paid compared to original budget reflects the grants paid by Skills SA which transferred from the Department for Industry, Innovation and Science to the Department for Education from 1 July 2022.

There were no other variances exceeding the greater of 10% of the original budgeted amount and 5% of original budgeted total investing or operating expenditure.

OFFICIAL

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

1.4 Budget performance (continued)

	Original budget 2023 \$'000	Actual 2023 \$'000	Variance 2023 \$'000
Investing expenditure summary			
Total new projects ¹	84 496	32 199	(52 297)
Total existing projects	205 749	194 257	(11 492)
Total annual projects	3 360	7 307	3 947
Total leases	1 727	5 089	3 362
Total investing expenditure	295 332	238 852	(56 480)

- ¹ This variance mainly relates to the timing of expenditure on the Adelaide Botanic High School and Roma Mitchell Secondary College projects which has been re-profiled to future years.

1.5. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- incurred expenditure with Department for Infrastructure and Transport (DIT) of \$148 million (2022: \$799 million). As at 30 June 2023 the outstanding balance payable to DIT was \$7.6 million (2022: \$5.2 million) (refer to note 7.1).

OFFICIAL

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

2. Income

2.1. Appropriation

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i> *	3 299 615	2 916 845	3 299 615	2 916 845
Total appropriation	3 299 615	2 916 845	3 299 615	2 916 845

Appropriation

Appropriations are recognised on receipt.

This table does not show appropriations in the form of a loan or an equity contribution. Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the department and the appropriation is recorded as contributed equity. Refer to the Statement of Changes in Equity and note 8.1.

*The original amount appropriated to the department under the annual Appropriation Act was \$3.09 billion and no additional funds were received from the Treasurer via the Governor's Appropriation Fund. Appropriations are net of \$142.5 million funds received and returned to the consolidated account in July 2023 and are included in payables note 7.1.

OFFICIAL

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

2.2. Commonwealth sourced grants and funding

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
National Schools Reform Agreement	701 419	647 743	701 419	647 743
Preschool Reform Agreement	28 964	32 223	28 964	32 223
12 Month Skills Agreement - Fee Free TAFE	24 261	-	24 261	-
Student Engagement Project	10 131	-	10 131	-
Job Trainer	13 786	-	13 786	-
National School Chaplaincy Program	2 978	5 949	2 978	5 949
National School Wellbeing Program	2 972	-	2 972	-
Schools Upgrade Fund	2 779	-	2 779	-
Rural Care Worker Program*	2 305	2 162	2 305	2 162
Connected Beginnings*	781	1 000	781	1 000
Detainee Minors*	745	500	745	500
Community Childcare Funding	683	675	683	675
Advanced Technology Industry - School Pathways Program	600	-	600	-
VET Data Streamlining	530	-	530	-
Indigenous Advancement Strategy*	371	550	371	550
Australian Early Development Index*	308	276	308	276
SA Aboriginal Sports Training Academy*	130	130	130	130
Inspiring Aus Science	85	55	85	55
Job Keeper	-	20	-	-
Total Commonwealth sourced grants and funding	793 828	691 283	793 828	691 263

Commonwealth sourced grants and funding are recognised as income on receipt.

Obligations under Commonwealth sourced grants and funding are required to be met by the state of South Australia. For accounting purposes, the obligations under the funding arrangements do not sit with the department unless paid direct to the department.

*These grants were received directly from the Commonwealth by the department, and therefore obligations under the funding arrangements rest with the department representing the state of South Australia's obligations under the grant for accounting purposes.

OFFICIAL

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

2.3. Sales of goods and services

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Student related fees and charges	119 551	99 863	6 645	3 830
Canteen sales	14 976	14 691	-	-
Sales/fee for service revenue	15 085	13 168	517	664
Other user fees and charges	14 529	12 615	15 427	13 169
Total sales of goods and services	164 141	140 337	22 589	17 663

Student related fees and charges are recognised when performance obligations have been satisfied.

All revenue from the sales of goods and services is revenue recognised from contracts with customers.

2.4. Grants and transfers

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
SA Government grants	40 130	22 438	22 923	9 290
Grants and subsidies revenue	36 570	35 094	637	3 958
Respite care funding	1 209	1 140	1 209	1 140
Contingency funding provided by the Department of Treasury and Finance	364	13	364	13
Total grants and transfers	78 273	58 685	25 133	14 401

Grants and transfers are recognised as an asset and income when the department obtains control of the grants and transfers or obtains the right to receive the grants and transfers and the income recognition criteria are met.

2.5. Investment income

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Other investment income	13 977	1 789	11 411	1 467
Interest from entities within the SA Government	5	-	251	133
Total investment income	13 982	1 789	11 662	1 600

OFFICIAL

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

2.6. Resources received free of charge

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Services received free of charge – Shared Services SA	12 474	11 288	12 474	11 288
Goods received free of charge	-	94	-	94
Services received free of charge – Volunteers	217	237	-	-
Total resources received free of charge	12 691	11 619	12 474	11 382

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.

Shared Services SA

The department receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge. A corresponding expense is recognised in the financial statements (see note 4.1).

Volunteers

The department receives volunteer services at schools for assistance across a range of functions. The department recognises these services received free of charge because they form a necessary part of the school's activities. Services of this nature are recognised where they would have otherwise been purchased and fair value can be determined reliably. A corresponding expense is also recognised, but is not required to be disclosed as a separate line item.

Goods received free of charge

There were no goods received free of charge in 2022-23. Goods received free of charge in 2021-22 includes the land and buildings for Kimba Area School, Moonta Kindergarten and the Mawson Lakes School sites that transferred to the Minister for Education, Training and Skills.

2.7. Other income

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Fundraising income	7 273	5 830	-	-
Commission received	2 703	1 902	4 668	3 745
Recoveries	4 305	2 284	4 386	2 351
Assets recognised for the first time	3 394	2 527	3 394	2 527
Donations	996	949	-	-
Other income	33 660	32 858	9 169	4 696
Total other income	52 331	46 350	21 617	13 319

Fundraising and donations are received by SA Government schools from various sources.

Other revenues are recognised as income on receipt.

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

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the department include the Minister, the Chief Executive and other members of the Senior Executive Group who have responsibility for the strategic direction and management of the department.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Education, Training and Skills receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*. See administered items for disclosures of the Minister's remuneration paid and recovered from the Consolidated Account.

	2023	2022
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	4 104	4 000
Post-employment benefits (employer contributed superannuation)	662	478
Total compensation	4 766	4 478

Transactions with key management personnel and other related parties

Related parties of the department include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

There are no material transactions to disclose for key management personnel and related parties.

3.2. Board and committee members

Members of the boards and committees during the 2022-23 financial year were:

Animal Ethics Committee

Mr Graeme Aust
 Mr Alex Carr¹ (retired 8/11/2022)
 Mr John Hatch
 Mr Manfred Heide
 Ms Sahra McFetridge (retired 26/04/2023)
 Mr Matthew Mercorella¹
 Dr Adam O'Connell
 Ms Kerry Petersen¹ (appointed 28/07/2022)
 Mr Ross Templeman¹
 Ms Michelle Webbe (retired 31/12/2022)
 Ms Tracey Davies¹
 Ms Jenna Hoffman (appointed 1/05/2023)
 Ms Josephine Mair (appointed 2/11/2022)
 Ms Holly Crighton¹ (appointed 28/07/2022)

Capital Works Governance Committee

Hon Dr Dean Brown AO
 Ms Helen Doyle¹
 Mr Bill Glasgow¹
 Mr John Harrison (appointed 28/09/2022)
 Mr Scott Hearne
 Mr Ben Hogarth¹ (retired 28/09/2022)
 Mr James MacDonald
 Ms Poppy Maio¹
 Mr Simin Morony¹
 Ms Jasmine Sinodinos¹
 Ms Libby Sowry¹
 Mr Nick Strongman
 Mr Ben Temperly¹
 Mr Carmine Vetere¹

Education Innovation Council

Sir Kevan Collins (appointed 17/02/2023)
 Professor Patricia Eadie (appointed 17/02/2023)
 Professor Alan Reid (appointed 17/02/2023)
 Mr Chris Wardlaw (appointed 17/02/2023)
 Professor Martin Westwell (appointed 17/02/2023)

OFFICIAL

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

3.2 Board and committee members (continued)

Education Audit and Risk Committee

Ms Natalie Atkinson¹ (appointed 1/06/2023)
 Ms Ruth Blenkiron
 Ms Jackie Bray¹ (retired 31/05/2023)
 Ms Natalie Johnston¹ (appointed 1/08/2022)
 Ms Anne Millard¹
 Mr Coenraad Robberts¹ (retired 6/07/2022)
 Dr Tom Stubbs (retired 6/07/2022)
 Mr Ben Temperly¹
 Mr Elroy Todd (appointed 1/12/2022)

Orbis Expert Advisory Board

Ms Marina Elliott¹
 Ms Anne Millard¹
 Mr Paul Reville
 Ms Laura Schonfeldt¹
 Mr Jonathan Sharples
 Ms Lorraine Stewart (appointed 1/04/2023)
 Ms Helen Timperley
 Mr Chris Wardlaw
 Professor Martin Westwell¹

SA Teacher Certification Committee

Mr Adrian Dilger
 Ms Elizabeth Gary-Smith¹
 Mrs Belinda Radcliffe¹
 Ms Belinda Ramsey¹
 Ms Lynda Seacombe
 Ms Elizabeth Sexton
 Ms Sue Kennedy-Bradford (appointed 1/03/2022)

Education Management System Project Board

Dr Eva Balan-Vnuk¹ (retired 1/07/2022)
 Mr Scott Bayliss¹ (retired 4/11/2022)
 Mr Chris Bernardi¹
 Mr Sean Cummins¹
 Ms Rowena Fox¹
 Mr Daniel Hughes¹ (appointed 5/11/2022)
 Ms Aimee Marks¹
 Mr Bret Morris¹
 Mr Alex Semmens¹
 Ms Jasmine Sidodinos¹
 Mr Ben Temperly¹

Expert Advisory Panel for the Aboriginal Education Strategy

Professor Peter Buckskin
 Mr Rueben Burton¹
 Ms Shirley Hartman
 Ms April Lawrie¹
 Professor Chris Matthews
 Dr Kaye Price
 Professor Daryle Rigney (retired 1/09/2022)
 Dr Karen Sinclair
 Ms Annette Williams¹

¹ Government employee who did not receive any remuneration for board/committee duties during the financial year in accordance with the Premier and Cabinet Circular No.16.

	2023	2022
	Number of members	Number of members
The number of members whose remuneration received/receivable falls within the following bands:		
\$0	66	55
\$1 - \$19 999	12	12
\$20 000 - \$39 999	1	1
Total number of members	79	68

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax. The total remuneration, including employer superannuation contributions, received or receivable by members was \$93 000 (2022: \$170 000).

OFFICIAL

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

3.3. Employee benefits expenses

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including annual leave)	2 344 260	2 233 395	2 292 837	2 187 251
Employment on-costs - superannuation	259 769	227 263	254 865	222 920
Employment on-costs - payroll tax	131 315	119 528	131 315	119 528
Long service leave	49 703	(10 275)	48 921	(11 020)
Workers Compensation	26 441	23 383	26 441	23 383
Skills and experience retention leave	11 597	12 219	11 597	12 219
Targeted voluntary separation payments	849	16 953	849	16 953
Country incentive leave	420	77	420	77
Board and committee fees	98	126	98	126
Other employee related expenses	5 681	5 952	5 505	5 839
Total employee benefits expenses	2 830 133	2 628 621	2 772 848	2 577 276

Employment on-costs - superannuation

Superannuation employment on-cost charges represent the department's contribution to superannuation plans in respect of current services of current employees.

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 8 (2022: 274).

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Amounts paid or payable to employees:				
Separation payments	849	16 953	849	16 953
Leave paid to those employees	408	7 196	408	7 196
Total amount paid	1 257	24 149	1 257	24 149
Recovery from the Department of Treasury and Finance	(350)	-	(350)	-
Net cost to the department	907	24 149	907	24 149

Annual leave and long service leave are paid at the time of separation payments. All leave entitlements are reported on an accrual basis in the employee benefits expenses note.

During the 2021-22 year, the Government offered employees the opportunity to participate in the South Australian Public Sector Workforce Rejuvenation Scheme. The above table includes 212 employees who accepted the offer under the scheme (\$11 million).

OFFICIAL

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

3.3 Employee benefits expenses (continued)

Employee remuneration

	2023	2022	2023	2022
The number of employees whose remuneration received or receivable falls within the following bands:	Consolidated Number of executives ¹	Consolidated Number of executives ¹	Consolidated Number of employees ²	Consolidated Number of employees ²
\$157 001 to \$160 000*	N/A	-	N/A	71
\$160 001 to \$180 000	11	15	415	415
\$180 001 to \$200 000	18	13	154	108
\$200 001 to \$220 000	16	17	71	68
\$220 001 to \$240 000	16	9	57	38
\$240 001 to \$260 000	4	4	7	12
\$260 001 to \$280 000	3	4	4	5
\$280 001 to \$300 000	4	1	4	1
\$300 001 to \$320 000	1	3	1	3
\$320 001 to \$340 000	3	2	4	2
\$340 001 to \$360 000	-	-	-	1
\$360 001 to \$380 000	1	-	1	-
\$420 001 to \$440 000	-	-	-	1
\$520 001 to \$540 000	1	-	1	-
Total	78	68	719	725

¹ The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 2023 and 30 June 2022 respectively and who have earned the base remuneration during the year. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2023 and 2022.

² Includes resigned and retired executives not included in the executive column.

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

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

Remuneration received or due and receivable by the above employees was \$133.5 million (2022: \$131.2 million), which is included in employee benefits expenses.

OFFICIAL

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

3.4. Employee benefits liabilities

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	143 422	135 013	141 640	133 231
Accrued salaries and wages	62 032	51 969	61 333	51 267
Long service leave	62 919	63 230	62 846	63 150
Skills and experience retention leave	21 082	22 223	21 082	22 223
Country incentive leave	389	343	389	343
Total current employee benefits	289 844	272 778	287 290	270 214
Non-current				
Long service leave	404 710	415 060	400 612	411 064
Country incentive leave	1 237	1 246	1 237	1 246
Total non-current employee benefits	405 947	416 306	401 849	412 310
Total employee benefits	695 791	689 084	689 139	682 524

Employee benefits accrued 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, country incentive leave, skills and experience retention leave (SERL) and sick leave

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

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

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

Long service leave

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

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

The actuarial assessment performed by the Department for Treasury and Finance (DTF) has provided the basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the education sector across government. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

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 increased to 4% (2022: 3.5%).

The actuarial assessment performed by the DTF has increased the salary inflation rate to 3.5% (2022: 2.5%) for long service leave liability and 2% (2022: 1.5%) for annual leave and skills and experience retention leave liability.

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

3.4 Employee benefits liabilities (continued)

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 \$12.9 million (\$76 million) and decrease in the employee benefits expense of \$14.6 million (\$85.5 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.

The impact on annual leave and skills and experience retention leave liabilities was immaterial.

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

OFFICIAL

Department for Education
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	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Minor works, maintenance and equipment	212 145	232 702	148 292	168 143
Information technology and communication	88 902	72 374	79 746	63 242
Printing, postage and consumables	72 248	78 953	4 280	3 766
Contractors and other outsourced services	65 985	60 719	63 059	57 179
Cleaning	52 507	61 323	8 189	10 725
Utilities	41 500	42 449	40 272	41 417
Student learning materials	36 366	32 961	662	776
Bus contractors	31 987	28 517	32 004	28 534
Vehicle and travelling expenses	29 640	24 071	27 205	22 490
Management fees and charges	27 662	28 206	27 369	27 410
Excursions and camps	25 369	15 942	-	-
Rentals and operating leases	23 241	21 787	21 166	20 030
Training and development	20 829	14 782	12 117	8 446
Cost of goods sold	14 932	14 753	-	-
Public Private Partnerships Service Fee	13 829	8 926	13 829	8 926
Shared Services SA charges	13 457	12 082	13 457	12 082
Security	11 968	8 770	11 718	8 554
Insurance (including self-insurance)	9 019	8 449	9 095	8 449
Copyright	4 017	4 009	4 015	4 004
Legal costs	3 575	4 364	3 575	4 364
Consultants	2 277	3 445	2 277	3 445
Other supplies and services	84 335	84 976	17 997	13 334
Total supplies and services	885 790	864 560	540 324	515 316

Accommodation

Most of the department's accommodation is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of lease set out in AASB 16 and accordingly are expensed.

Operating lease payments

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term. Operating Lease payments include rental agreements that do not meet the definition of a lease as per AASB 16 *Leases*.

Operating leases includes short term (lease term less than 12 months) and low value leases (lease value less than \$15,000).

Short term hire for vehicles

The department uses short term hire for vehicles which are shown above in vehicle and travelling expenses.

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

4.1 Supplies and services (continued)

Consultants

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

	2023 Consolidated Number	2023 Consolidated \$'000	2022 Consolidated Number	2022 Consolidated \$'000
Below \$10 000	4	23	3	19
\$10 000 or above	12	2 254	25	3 426
Total paid / payable to the consultants engaged	16	2 277	28	3 445

4.2. Grants and subsidies

	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Recurrent grants paid to other organisations	390 160	56 328	390 160	56 328
Recurrent grants paid to schools and units	-	-	217 211	232 607
Recurrent grants paid to preschools	7 462	(1 025)	7 462	(1 025)
Capital grants paid to other organisations	20 218	-	20 218	-
Total grants and subsidies	417 840	55 303	635 051	287 910

OFFICIAL

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

4.3. Depreciation and amortisation

	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Depreciation				
<i>Department owned assets</i>				
Buildings and improvements	149 060	140 891	148 730	140 556
Computing, communication, furniture and equipment	9 800	12 952	871	736
Buses and motor vehicles	2 792	3 306	2 176	2 205
Leasehold improvements	763	1 004	763	1 004
Other assets	447	385	262	136
Total department owned depreciation	162 862	158 538	152 802	144 637
<i>Right of use assets</i>				
Right of use plant and equipment	-	6	-	-
Right of use buildings	5 648	5 017	5 411	4 706
Right of use vehicles	2 637	2 821	2 088	2 117
Total right of use assets depreciation	8 285	7 844	7 499	6 823
Total depreciation	171 147	166 382	160 301	151 460
Amortisation				
Service right for use of equipment	4 524	2 389	4 524	2 389
Internally developed software	1 453	-	1 453	-
Total amortisation	5 977	2 389	5 977	2 389
Total depreciation and amortisation	177 124	168 771	166 278	153 849

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

Land and non-current assets held for sale are not depreciated.

The service right for use of equipment is amortised over the remaining period of the agreement.

Useful Life

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

Class of asset	Useful life (years)
Buildings and improvements	3-170
Leasehold improvements	5-67
Buses and motor vehicles	12-20
Computing, communications, furniture and equipment	2-20
Right of use assets	1-22
Intangible assets	5-6
Other assets	5-10

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

4.3. Depreciation and amortisation (continued)

Review of accounting estimates

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

4.4. Borrowing costs

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	25 181	23 049	25 149	23 009
Interest expense on financial liabilities	8 519	9 542	8 498	9 525
Total borrowing costs	33 700	32 591	33 647	32 534

Borrowing costs relate mainly to the interest expenses associated with the Public Private Partnership agreements. The department does not capitalise borrowing costs. For further information refer to note 5.2 and note 9.1.

4.5. Net gain/(loss) from disposal of non-current assets

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Land and buildings				
Proceeds from disposal	-	146	-	146
Less net book value of assets disposed	-	(146)	-	(146)
Net gain from disposal of land and buildings	-	-	-	-
Vehicles, plant and equipment				
Proceeds from disposal	474	752	249	312
Less net book value of assets disposed	(1 132)	(1 716)	(717)	(746)
Net loss from disposal of vehicles, plant and equipment	(658)	(964)	(468)	(434)
Non-current assets classified as held for sale				
Proceeds from disposal	1 833	9 552	1 832	9 552
Less net book value of assets disposed	(2 148)	(6 525)	(2 148)	(6 525)
Net gain/(loss) from disposal of non-current assets classified as held for sale	(315)	3 027	(316)	3 027
Total assets				
Proceeds from disposal	2 307	10 450	2 081	10 010
Less net book value of assets disposed	(3 280)	(8 387)	(2 865)	(7 417)
Net gain/(loss) from disposal of total assets	(973)	2 063	(784)	2 593

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

4.5. Net gain/(loss) from disposal of non-current assets (continued)

Gains/losses on disposal of non-current assets are recognised at the date the control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time.

When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

4.6. Other expenses

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Insurance	4 140	1 863	3 547	1 427
Non-current assets written off	2 977	1 841	2 968	1 678
Allowance for impairment loss on receivables	1 927	2 216	455	44
Auditor's remuneration – other	1 630	1 280	1 520	1 226
Emergency Services Levy	1 181	1 123	1 181	1 123
Auditor's remuneration - Auditor-General's Department *	583	604	583	604
Donated assets	69	7	69	70
Other expenses	1	1	1	1
Total other expenses	12 508	8 935	10 324	6 173

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

For further information on the allowance for impairment loss on receivables refer to note 6.2.

OFFICIAL

Department for Education
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 by asset class

	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Land				
Land	2 240 759	1 805 644	2 239 948	1 805 245
Total land	2 240 759	1 805 644	2 239 948	1 805 245
Buildings and improvements				
Buildings and improvements	9 821 542	9 698 865	9 817 111	9 695 297
Accumulated depreciation	(5 951 510)	(5 838 242)	(5 950 196)	(5 837 081)
Total buildings and improvements	3 870 032	3 860 623	3 866 915	3 858 216
Construction work in progress				
Construction work in progress	134 003	75 524	134 003	75 524
Total construction work in progress	134 003	75 524	134 003	75 524
Leasehold improvements				
Leasehold improvements	41 665	39 985	41 662	39 985
Accumulated depreciation	(33 739)	(32 696)	(33 739)	(32 696)
Total leasehold improvements	7 926	7 289	7 923	7 289
Buses and motor vehicles				
Buses and motor vehicles	54 505	55 607	38 801	40 369
Accumulated depreciation	(29 018)	(28 122)	(18 756)	(18 244)
Total buses and motor vehicles	25 487	27 485	20 045	22 125
Computing, communications, furniture and equipment				
Computing, communications, furniture and equipment	108 774	100 214	8 820	7 081
Accumulated depreciation	(63 784)	(58 532)	(4 347)	(3 541)
Total computing, communications, furniture and equipment	44 990	41 682	4 473	3 540
Other assets				
Other assets	6 791	6 109	5 813	5 014
Accumulated depreciation	(3 136)	(3 226)	(2 509)	(2 613)
Total other assets	3 655	2 883	3 304	2 401
Total property, plant and equipment	6 326 852	5 821 130	6 276 611	5 774 340

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

5.1 Property, plant and equipment by asset class (continued)

Property, plant and equipment owned by the department with a value equal to or in excess of \$5 000 is capitalised, otherwise it is expensed.

Property, plant and equipment owned by the department is recorded at fair value. Detail about the department's approach to fair value is set out in note 10.1.

Impairment

The department holds its property, plant and equipment for their service potential (at cost).

All non-current tangible assets are valued at fair value.

The department also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable amount will be close to or greater than fair value.

Land, Buildings and improvements for 1 (2022: 2) disused sites was written down to their fair value less cost of disposal. An impairment loss of \$4.5 million (2022: \$1.3 million) was recognised. The valuations were provided by independent certified practising valuers and were based on observable market data.

There were no other indications of impairment of property, plant and equipment as at 30 June 2023.

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

OFFICIAL

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

5.1 Property, plant and equipment by asset class (continued)

Reconciliation 2022-23

The reconciliation of non-current assets is for the Department entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Department 2022-23	Land	Buildings and improvements	Construction work in progress	Leasehold improvements	Buses and motor vehicles	Computing, communications, furniture and equipment	Other assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2022	1 805 245	3 858 216	75 524	7 289	22 125	3 540	2 401	5 774 340
Additions	107	231	215 603	-	1 320	1 777	1 184	220 222
Disposals	-	-	-	-	(695)	(2)	(19)	(716)
Assets derecognised	-	(1 727)	(832)	-	-	(3)	-	(2 562)
Assets reclassified to assets held for sale	(88)	(90)	-	-	(529)	-	-	(707)
Transfers to/(from) WIP	-	155 549	(156 292)	743	-	-	-	-
Transfer in from restructure	5 460	2 134	-	654	-	-	-	8 248
Revaluation increment/(decrement)	429 224	(1 961)	-	-	-	-	-	427 263
Depreciation	-	(148 730)	-	(763)	(2 176)	(871)	(262)	(152 802)
Assets recognised for the first time	-	3 362	-	-	-	32	-	3 394
Donated assets	-	(69)	-	-	-	-	-	(69)
Carrying amount at 30 June 2023	2 239 948	3 866 915	134 003	7 923	20 045	4 473	3 304	6 276 611

OFFICIAL

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

5.1 Property, plant and equipment by asset class (continued)

Reconciliation 2021-22

The reconciliation of non-current assets is for the Department entity only.

Department 2021-22	Land	Buildings and improvements	Construction work in progress	Leasehold improvements	Buses and motor vehicles	Computing, communications, furniture and equipment	Other assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount 1 July 2021	1 629 048	2 980 943	772 649	8 272	23 130	3 279	369	5 417 690
Additions	856	3 935	364 148	-	2 168	1 081	1 144	373 332
Disposals	(146)	-	-	-	(745)	-	-	(891)
Assets derecognised	-	(1 465)	-	-	(131)	(13)	(68)	(1 677)
Assets reclassified to assets held for sale	(1 205)	(695)	-	-	(237)	-	-	(2 137)
Transfers to/(from) WIP	-	1 015 409	(1 061 273)	21	-	-	1 092	(44 751)
Transfers between asset classes	-	-	-	-	145	-	-	145
Revaluation increment/(decrement)	175 799	(1 271)	-	-	-	-	-	174 528
Depreciation	-	(140 556)	-	(1 004)	(2 205)	(736)	(136)	(144 637)
Assets recognised for the first time	893	1 916	-	-	-	-	-	2 809
Donated assets	-	-	-	-	-	(71)	-	(71)
Carrying amount at 30 June 2022	1 805 245	3 858 216	75 524	7 289	22 125	3 540	2 401	5 774 340

OFFICIAL

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

5.2. Right of use assets

	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Right of use buildings				
Right of use buildings	222 396	219 115	220 323	217 707
Accumulated depreciation	(51 099)	(45 451)	(50 123)	(44 712)
Total right of use buildings	171 297	173 664	170 200	172 995
Right of use vehicles				
Right of use vehicles	8 588	8 608	6 434	6 463
Accumulated depreciation	(5 317)	(4 560)	(3 995)	(3 212)
Total right of use vehicles	3 271	4 048	2 439	3 251
Total right of use assets	174 568	177 712	172 639	176 246

Right of use assets are recorded at cost. On transition to AASB 16 all right of use assets which have been revalued are deemed to be recorded at cost and Treasurer's Instructions (APS) requires the revaluation model not to be adopted.

Right of use buildings for the Education Works New Schools Public Private Partnership lease were revalued prior to transition. The independent valuation of buildings for Education Works New Schools Public Private Partnership lease was performed as at 30 June 2017 by Mr Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practising Valuer of Valcorp Australia Pty Ltd. The valuer adopted depreciated replacement cost when valuing the buildings due to there not being an active market for purchasing such buildings. The depreciated replacement cost considered the need for ongoing provision of government services, the specialised nature of the assets including the restricted use of the assets, size, condition, location and current use of the asset. The valuation was based on the cost data from construction manuals and projects costs of buildings recently erected.

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

The department has a number of leases:

- 560 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms range from 3 years (60,000km) up to 5 years (100,000km).
- The department has 37 property leases that are non-cancellable. Remaining property lease terms range from 1 year to 20 years.
- Schools have 4 leases that are non-cancellable. The remaining lease terms range from 1 year to 13 years.
- Education Works New Schools Public Private Partnership lease relates to the design and construction of six schools. Refer to note 5.3 for service right for use of equipment and note 9.1 for expenditure commitments.

The lease liabilities related to the right of use assets are disclosed in note 7.2. The department's maturity analysis of its lease liabilities is disclosed in note 10.2. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.2.

OFFICIAL

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

5.2 Right of use assets (continued)

Reconciliation 2022-23

The reconciliation of right of use assets is for the Consolidated entity only.

Consolidated 2022-23	Right of use buildings \$'000	Right of use vehicles \$'000	Total \$'000
Carrying amount 1 July 2022	173 664	4 048	177 712
Additions	3 284	1 804	5 088
Assets derecognised	-	(14)	(14)
Transfer in from restructure	-	12	12
Depreciation	(5 648)	(2 637)	(8 285)
Transfer in	-	59	59
Remeasurement of leased asset	(3)	(1)	(4)
Carrying amount at 30 June 2023	171 297	3 271	174 568

Reconciliation 2021-22

The reconciliation of right of use assets is for the Consolidated entity only.

Consolidated 2021-22	Right of use plant and equipment \$'000	Right of use buildings \$'000	Right of use vehicles \$'000	Total \$'000
Carrying amount 1 July 2021	33	175 223	4 165	179 421
Additions	-	1 647	2 816	4 463
Assets derecognised	(27)	-	(303)	(330)
Transfers to/(from) WIP	-	1 811	-	1 811
Depreciation	(6)	(5 017)	(2 821)	(7 844)
Remeasurement of leased asset	-	-	191	191
Carrying amount at 30 June 2022	-	173 664	4 048	177 712

OFFICIAL

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

5.3. Intangible assets

	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Internally developed computer software				
Internally developed computer software	23 056	4 354	23 056	4 354
Accumulated amortisation	(21 691)	(4 354)	(21 691)	(4 354)
Total internally developed computer software	1 365	-	1 365	-
Purchased software				
Externally provided software	139	139	139	139
Accumulated amortisation	(139)	(139)	(139)	(139)
Total purchased software	-	-	-	-
Service right for use of equipment				
Service right for use of equipment	126 512	126 512	126 512	126 512
Accumulated amortisation	(15 651)	(11 127)	(15 651)	(11 127)
Total service right for use of equipment	110 861	115 385	110 861	115 385
Total intangibles	112 226	115 385	112 226	115 385

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

The acquisition of internally developed software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$5 000.

The internally developed computer software relates to the department's human resource management system (Valeo) and the skills and training VET system.

The service right to use equipment relates to the provision, maintenance and replacement of equipment under the Education Works New Schools agreement. The service right is amortised over the remaining period of the agreement. The Education Works New Schools agreement has been detailed in note 9.1.

In December 2019, the state of South Australia entered into a Project Deed for the delivery of the SA School Private Partnership Project for the finance, design, construction and maintenance of two birth-to-year 12 schools under a Public Private Partnership (PPP) agreement. The Northern School is in the Angle Vale suburb of Adelaide and the Southern School is in the Aldinga suburb of Adelaide. This is referred to as the SA Schools PPP agreement. Both schools were completed and capitalised in 2021-22. A corresponding finance charge and financial liability has been accounted for in note 4.4 and note 7.2 respectively.

Impairment

There were no indications of impairment of intangible assets as at 30 June 2023.

OFFICIAL

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

5.3. Intangible assets (continued)

Reconciliation 2022-23

The reconciliation of intangible assets is for the Department entity only.

Department 2022-23	Internally developed computer software \$'000	Service right for use of equipment \$'000	Total \$'000
Carrying amount 1 July 2022	-	115 385	115 385
Assets derecognised	(646)	-	(646)
Transfer in from restructure	3 464	-	3 464
Amortisation	(1 453)	(4 524)	(5 977)
Carrying amount at 30 June 2023	1 365	110 861	112 226

Department 2021-22	Service right for use of equipment \$'000	Total \$'000
Carrying amount 1 July 2021	15 600	15 600
Additions	59 425	59 425
Transfers from WIP	42 749	42 749
Amortisation	(2 389)	(2 389)
Carrying amount at 30 June 2022	115 385	115 385

5.4. Inventories

	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Materials at net realisable value	6 159	5 962	-	-
Total inventories	6 159	5 962	-	-

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

OFFICIAL

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

5.5. Non-current assets classified as held for sale

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Land	88	1 216	88	1 216
Buildings and improvements	90	695	90	695
Buses	529	237	529	237
Total non-current assets classified as held for sale	707	2 148	707	2 148

The department has measured the non-current assets held for sale at fair value less costs to sell because the assets' fair value less costs to sell is lower than its carrying amount. Detail about the department's approach to fair value is set out in note 10.1

As a result of school and preschool closures and amalgamations, the land and buildings located at these sites are surplus to requirements. It is anticipated the land and buildings will be sold within the next 12 months.

Buses that have reached the end of their useful lives and are no longer economically viable are held for sale at auction.

Movement in the non-current assets classified as held for sale

The following table shows the movement of non-current assets classified as held for sale:

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Land				
Carrying amount at the beginning of the period	1 216	6 431	1 216	6 431
Disposals	(1 216)	(6 420)	(1 216)	(6 420)
Assets reclassified to/(from) assets held for sale	88	1 205	88	1 205
Carrying amount at the end of the period	88	1 216	88	1 216
Buildings and improvements				
Carrying amount at the beginning of the period	695	105	695	105
Disposals	(695)	(105)	(695)	(105)
Assets reclassified to/(from) assets held for sale	90	695	90	695
Carrying amount at the end of the period	90	695	90	695
Buses				
Carrying amount at the beginning of the period	237	145	237	145
Disposals	(237)	-	(237)	-
Assets reclassified to/(from) assets held for sale	529	92	529	92
Carrying amount at the end of the period	529	237	529	237
Total non-current assets classified as held for sale	707	2 148	707	2 148

OFFICIAL

Department for Education
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	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Deposits with the Treasurer				
Operating Account*	417 970	179 991	417 970	179 991
Accrual Appropriation Excess Funds	516 537	454 185	516 537	454 185
Section 21 Deposit Account	-	394	-	394
Total deposits with the Treasurer	934 507	634 570	934 507	634 570
SA School Investment Fund (SASIF)	504 805	490 599	-	-
Cash at bank and on hand	57 639	56 586	576	635
Total cash and cash equivalents	1 496 951	1 181 755	935 083	635 205

Deposits with the Treasurer

Special deposit accounts are established under section 8 and 21 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Some of the department's appropriation is deposited into the Accrual Appropriation Excess Funds Account. Although the department controls the money reported above in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer.

The department does not earn interest on its deposits with the Treasurer.

*The operating account includes cash payments from DTF totalling \$142.5 million that were repaid in July 2023.

SA School Investment Fund (SASIF)

Represents the amount held in schools SASIF accounts at 30 June 2023 and does not include \$47.5 million (2022: \$47 million) held in the account for preschools and some units as these have been treated as transactions with third parties.

OFFICIAL

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

6.2. Receivables

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
<i>Fees, charges and other receivables</i>				
From government entities	5 685	1 549	3 588	4 819
From non-government entities	46 647	41 609	10 302	10 106
Less impairment loss on receivables	(6 610)	(6 757)	(1 906)	(1 734)
Total fees, charges and other receivables	45 722	36 401	11 984	13 191
GST recoverable from the ATO	20 151	16 427	17 214	12 845
Loan receivables	-	11	607	640
Prepayments	10 691	10 737	9 094	9 134
Accrued revenues	893	1 421	11	444
Total current receivables	77 457	64 997	38 910	36 254
Non-current				
Workers compensation receivable	1 912	2 020	1 912	2 020
Loan receivables	4	74	10 739	5 447
Total non-current receivables	1 916	2 094	12 651	7 467
Total receivables	79 373	67 091	51 561	43 721

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

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

Refer to note 10.2 for further information on risk management.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

The net amount of GST recoverable 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.

OFFICIAL

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

6.2. Receivables (continued)

Allowance for impairment loss on receivables

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	6 757	7 001	1 734	1 700
Increase in allowance recognised in profit or loss	1 927	2 216	455	41
Amounts written off	(2 074)	(2 460)	(283)	(7)
Carrying amount at the end of the period	6 610	6 757	1 906	1 734

All of the above impairment losses are from receivables arising from contracts with customers that are external to SA Government.

Refer to note 10.2 for details of credit risk and the methodology for determining impairment for the department.

6.3. Other financial assets

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits	77	78	-	-
Total current investments	77	78	-	-
Non-current				
Shares held in listed securities	189	175	-	-
Total non-current investments	189	175	-	-
Total other financial assets	266	253	-	-

The term deposits are carried at cost and are to be held to their maturity.

The fair value of shares held in listed securities is based on quoted market prices for identical assets or liabilities at balance date.

For further information on risk management refer to note 10.2.

OFFICIAL

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

7. Liabilities

7.1. Payables

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors*	256 077	80 674	326 381	144 738
Employment on-costs	56 154	46 811	56 117	46 747
Accrued expenses	7 295	8 458	3 291	3 391
Accrued interest on PPP liability	5 742	5 270	5 742	5 270
Paid Parental Leave Scheme payable	1 179	916	1 179	916
Total current payables	326 447	142 129	392 710	201 062
Non-current				
Employment on-costs	50 508	50 832	50 508	50 832
Accrued interest on PPP liability	16 311	13 723	16 311	13 723
Total non-current payables	66 819	64 555	66 819	64 555
Total payables	393 266	206 684	459 529	265 617

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

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

* The creditor account includes a payable to DTF of \$142.5 million that were repaid in July 2023.

Employment on-costs

Employment on-costs include Payroll Tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that 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 South Australian Superannuation Board and external schemes.

As a result of an actuarial assessment performed by Department of Treasury and Finance, the percentage of long service leave taken has decreased to a rate of 65% (2022: 66%) and the average factor for the calculation of employer superannuation increased to a rate of 11.1% (2022: 10.6%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year and subsequent years is impracticable to estimate.

Accrued interest on PPP liability

Accrued interest on PPP liability relates to the Education Works New Schools Public Private Partnership lease and SA Schools PPP agreement.

OFFICIAL

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

7.2. Financial Liabilities

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities	3 346	3 960	2 679	3 421
Education Works New Schools PPP lease ¹	3 568	3 192	3 568	3 192
SA Schools PPP borrowings ¹	4 821	4 649	4 821	4 649
Contract Balances	3 986	2 172	-	-
Total current financial liabilities	15 721	13 973	11 068	11 262
Non-current				
Lease liabilities	6 931	5 872	5 639	4 930
Education Works New Schools PPP lease ¹	151 026	154 594	151 026	154 594
SA Schools PPP borrowings ¹	214 100	218 920	214 100	218 920
Total non-current financial liabilities	372 057	379 386	370 765	378 444
Total financial liabilities	387 778	393 359	381 833	389 706

¹ These are related to the public private partnership agreements and are interest bearing.

The department measures financial liabilities including borrowings/debt at historical cost. Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Department of Treasury and Finance's incremental borrowing rate. There were no defaults or breaches on any of the financial liabilities throughout the year.

Refer to note 8.2 for cash outflow associated with lease liabilities.

The interest rate implied, based on the total payments due over the life of the Education Works New Schools PPP lease, is 11.26%.

The interest rate implied, based on total payments due over the life of the SA Schools PPP Project Agreement, is 3.87%.

For further information on risk management refer to note 10.2.

OFFICIAL

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

7.3. Provisions

	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Current				
Provision for workers' compensation	24 107	22 580	24 107	22 580
Provision for legal claims	642	671	642	671
Other provisions	8	8	145	205
Total current provisions	24 757	23 259	24 894	23 456
Non-current				
Provision for workers' compensation	99 114	95 846	99 114	95 846
Provision for legal claims	3 560	3 540	3 560	3 540
Other provisions	35	35	-	-
Total non-current provisions	102 709	99 421	102 674	99 386
Total provisions	127 466	122 680	127 568	122 842

Movement in workers compensation provisions

	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Carrying amount at the beginning of the period	118 426	115 221	118 426	115 221
Reductions arising from payments	(18 278)	(17 269)	(18 278)	(17 269)
Additional provision recognised	23 073	20 474	23 073	20 474
Carrying amount at the end of the period	123 221	118 426	123 221	118 426

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

Accordingly, a liability has been reported to reflect unsettled workers' compensation claims. The workers' compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

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.

Movement in legal claims provisions

	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Carrying amount at the beginning of the period	4 211	3 974	4 211	3 974
Reductions arising from payments	(912)	(354)	(912)	(354)
Reversal of prior provision	(600)	(531)	(600)	(531)
Additional provision recognised	1 503	1 122	1 503	1 122
Carrying amount at the end of the period	4 202	4 211	4 202	4 211

OFFICIAL

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

7.3 Provisions (continued)

Movement in other provisions	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Carrying amount at the beginning of the period	43	43	205	270
Reductions arising from payments	-	-	(96)	-
Reversal of prior provision	-	-	(76)	(81)
Additional provision recognised	-	-	112	16
Carrying amount at the end of the period	43	43	145	205

7.4. Other liabilities

	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'000
Current				
Deposits	15 932	14 194	15 652	13 900
Other liabilities	1 281	2 105	308	387
Equipment service right*	2 471	1 735	2 471	1 735
Total current other liabilities	19 684	18 034	18 431	16 022
Non-current				
Equipment service right*	115 266	117 737	115 266	117 737
Other liabilities	266	547	210	486
Deposits	210	235	-	-
Total non-current other liabilities	115 742	118 519	115 476	118 223
Total other liabilities	135 426	136 553	133 907	134 245

*The service right to use equipment relates to the provision, maintenance and replacement of equipment under the PPP agreements. The service right is amortised over the life of the agreement. Both PPP agreements are detailed in note 9.1.

OFFICIAL

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

8. Other disclosures

8.1. Equity

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

The equity contribution was provided to the department under the *Appropriation Act 2022*.

8.2. Cash flow

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 the operating cash flows.

Total cash outflow for leases was \$45.9 million (2022: \$44.2 million).

Cash Flow Reconciliation	2023 Consolidated \$'000	2022 Consolidated \$'000	2023 Department \$'000	2022 Department \$'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	1 496 951	1 181 755	935 083	635 205
Balance as per the Statement of Cash Flows	1 496 951	1 181 755	935 083	635 205
Reconciliation of net cash provided by operating activities to net cost of providing services				
Net cash provided by operating activities	396 056	141 999	372 036	135 357
Add / (less) non-cash items				
Depreciation and amortisation	(177 124)	(168 771)	(166 278)	(153 849)
Bad and doubtful debts	(1 927)	(2 216)	(455)	(44)
Non-current assets derecognised/written off	(2 977)	(1 841)	(2 968)	(1 678)
Resources received free of charge - expense	(12 691)	(11 525)	(12 474)	(11 288)
Resources received free of charge - income	12 691	11 525	12 474	11 288
Donated assets	(69)	(7)	(69)	(70)
Assets recognised for the first time	3 394	2 527	3 394	2 527
Net (loss)/gain from disposal of non financial assets	(973)	2 063	(784)	2 593
Movement in assets and liabilities				
Increase/(decrease) in receivables	13 830	(5 240)	2 576	(6 065)
Increase/(decrease) in other assets	-	19	-	-
Increase/(decrease) in inventories	197	(9)	-	-
(Increase)/decrease in payables	(157 067)	(11 800)	(162 606)	(38 561)
(Increase)/decrease in employee benefits	(3 056)	79 278	(2 964)	79 436
(Increase)/decrease in financial liabilities	(8 486)	(9 509)	(8 486)	(7 337)
(Increase)/decrease in provisions	(4 654)	(3 442)	(4 594)	(3 377)
(Increase)/decrease in other liabilities	(351)	(3 941)	(1 140)	(4 004)
Net result	56 793	19 110	27 662	4 928

OFFICIAL

Department for Education
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 capital arrangements arising from contractual sources and are disclosed at their nominal value and inclusive of non-recoverable GST.

Contractual commitments to acquire property, plant and equipment

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Within one year	151 523	152 167	151 523	152 167
Later than one year but not later than five years	-	9 175	-	9 175
Total capital commitments	151 523	161 342	151 523	161 342

The department's commitments to acquire property, plant and equipment are for commitments under the investing program.

Other contractual commitments

	2023	2022	2023	2022
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Within one year	22 532	15 108	22 532	15 108
Later than one year but not later than five years	59 031	55 938	59 031	55 938
Later than five years	231 940	233 201	231 940	233 201
Total expenditure commitments	313 503	304 247	313 503	304 247

The majority of other contractual commitments relate to future operations and maintenance commitments for Public Private Partnership agreements and memoranda of administrative arrangements with the Department of Infrastructure and Transport for accommodation.

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

9.1 Unrecognised contractual commitments (continued)

Public Private Partnership Agreements

In July 2009 the state of South Australia entered into a 30 year agreement for the delivery of the Education Works New School Private Partnership Project, under the Partnerships SA policy, for the financing, design, construction, and maintenance of six schools. This agreement and the SA Schools Public Private Partnership include the provision of operational and maintenance services by the operator for a specified period of time, and is referred to as a Public Private Partnership.

In December 2019, the state of South Australia entered into a Project Deed for the delivery of the SA School Private Partnership Project for the finance, design, construction and maintenance of two birth-to-year 12 schools under a Public Private Partnership (PPP) agreement. The Northern School is in the Angle Vale suburb of Adelaide and the Southern School is in the Aldinga suburb of Adelaide. This is referred to as the SA Schools PPP agreement.

Under the PPP agreements, the department pays the operator over the period of the arrangement, subject to specified performance criteria being met. These estimated periodic payments relate to the ongoing operation and maintenance of the facilities accounted for as operating costs which are expensed in the Statement of Comprehensive Income.

9.2. Contingent assets and liabilities

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

The department is not aware of any contingent assets.

The terms of offer for a new Enterprise Agreement (EA) for teachers and education staff are currently in negotiation. The current EA expired in March 2023 but continues to apply until it is rescinded or superseded by a new EA. The financial impact of the outcome cannot be reliably measured at this stage.

The department has undertaken a review of long service leave records and supporting documents and identified that a revision in the long service leave provision may be required for certain employee categories. The department is not able to reliably estimate the total potential amount of the change to the overall liability at the reporting date. Where amounts are able to reliably be identified and measured, they have been recognised as liabilities in line with the measurement and recognition criteria of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

9.3. Events after the reporting period

There are no identified events after the reporting period.

9.4. Impact of standards not yet effective

The department has assessed the impact of new and amended Australian Accounting Standards and Interpretations not yet effective. AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Entities* will apply to the department's 2024-25 financial report. Given the complexity and level of judgement required in applying AASB 13 and the new amending standard, together with the need to liaise with valuers, the department has not yet determined the impact.

The department does not expect any other standards issued but not yet effective to have a material impact on the financial statements.

Department for Education
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 measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

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

Revaluation of non-current assets

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

The department revalues its buildings and improvements and leasehold improvements at least every three years. However if at any time, management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Land is revalued annually if the revaluation is considered to be material in nature.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation where they are revalued to fair value.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Impairment of non-current assets

For further information refer to note 5.1.

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

10.1 Fair value (continued)

Fair value hierarchy

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

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

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

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

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

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

The department measures all assets at level 3, except for land (\$2.240 billion), buildings and improvements (\$695 000) and non-current assets held for sale (\$707 000) which are measured at level 2. Recurring fair value measurements relate to all assets (refer to note 5.1), except for non current assets held for sale which are measured on a non-recurring fair value basis (refer to note 5.5).

For level 3 assets, any gains/losses are recognised in the net result and other comprehensive income.

Land and buildings

The independent valuation of land was performed by the Valuer-General as at 30 June 2023.

Buildings and improvements are valued at current replacement cost less accumulated depreciation. Current replacement cost information on asset holdings was obtained from the Strategic Asset Management Information System (SAMIS) maintained by the Department for Infrastructure and Transport (DIT). Replacement costs have been established by reference to quantity surveyors' estimates and updated through the application of a relevant building index. The valuations for buildings are current as at 30 June 2021, paved areas are current as at 30 June 2021, and swimming pools are current as at 30 June 2023. The building data excludes landscaping, infrastructure, pergolas, playground equipment, fencing and some paving, sheds and outdoor learning areas because they either cannot be reliably measured or no information is recorded in SAMIS.

Refer to note 5.2 for independent valuation information on right of use buildings.

Leasehold improvements

An independent valuation of one leasehold improvement with the largest written down value was performed by Mr Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practising Valuer of Valcorp Australia Pty Ltd as at 30 June 2021. The valuer adopted depreciated replacement cost when valuing the asset as quoted prices in an active liquid market were not available. This valuation only resulted in a 10% increase in the value of the written down cost. Therefore based on this outcome the department considers the carrying value of the other leasehold improvements approximates fair value.

Buses and motor vehicles

Buses acquired prior to 30 June 2015 are valued based on an internal estimate of current depreciated replacement cost for each bus category based on recent acquisitions, and residual values as at 30 June 2015. New buses from 1 July 2015 are valued at historical cost.

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

10.1 Fair value (continued)

Computing, communications, furniture and equipment

All computing, communications, furniture and equipment and other assets which had a fair value at time of acquisition that was less than \$1.5 million have not been revalued in accordance with APS 116.D. The carrying values of these assets are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustment to their fair value, except for management assumptions about condition and remaining useful life.

Non-current assets held for sale

The department has measured land and buildings held for sale at fair value less costs to sell in accordance with AASB 5 *Non-current Assets held for Sale and Discontinued Operations* because the assets' fair value less costs to sell is lower than its carrying amount.

10.2. Financial instruments

Financial risk management

Risk management is managed by the department and departmental risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

Liquidity risk

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

Refer to note 7.1 and 7.2 for further information.

Credit risk

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

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

Impairment of financial assets

Impairment of financial assets is performed using a two step process.

First, an allowance for impairment loss is recognised when there is objective evidence the receivable is impaired. Then the remaining receivables are assessed for loss allowances using the simplified approach in AASB 9 *Financial Instruments*.

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

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

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

OFFICIAL

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

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

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

The following tables relate to the department's assessment of credit risk. This provides information about the exposure to the expected credit loss for non-government debtors. Credit risk has been assessed at the school level, however information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Table 1. General receivables debtors

\$201 000 was impaired based on objective evidence.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2023			
Current (not past due)	2 440	2.41%	59
1-30 days past due	1 397	2.41%	34
31-60 days past due	105	5.98%	6
61-90 days past due	75	14.35%	11
More than 90 days past due	1 629	20.84%	339
Loss allowance			449

Salary overpayments debtors.

\$1 615 000 was impaired based on objective evidence. There are no expected lifetime losses.

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

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

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

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses.

No impairment losses were recognised in relation to contract assets and accrued revenue during the year.

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.

OFFICIAL

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

10.2 Financial instruments (continued)

Market risk

The department does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. There is no exposure to foreign currency or other price risks. There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

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

Classification of financial instruments

The department measures all financial instruments at amortised cost.

The following tables are for the department entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Maturity analysis of financial instruments (Department)

Category of financial asset and financial liability	Notes	2023	2023 Contractual maturities			2022
		Carrying amount/ fair value \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000	Carrying amount/ fair value \$'000
Financial assets						
Cash and cash equivalents						
Cash and cash equivalents	6.1	935 083	935 083	-	-	635 205
Financial assets at amortised cost						
Receivables	6.2	23 341	12 602	10 739	-	19 722
Total financial assets		958 424	947 685	10 739	-	654 927
Financial liabilities						
Financial liabilities at amortised cost						
Payables	7.1	342 356	296 864	45 492	-	166 525
Lease liabilities	7.2	162 912	6 247	23 564	133 101	166 137
Borrowings	7.2	218 921	4 821	21 027	193 073	223 569
Other liabilities	7.4	133 907	18 431	2 984	112 492	134 246
Total financial liabilities		858 096	326 363	93 067	438 666	690 477

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 *Financial Instruments: Disclosure* will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

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Department for Education

Administered Financial Statements

**Financial Statements
for the year ended 30 June 2023**

Department for Education **OFFICIAL**
Statement of Administered Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Administered income			
Commonwealth sourced grants and funding	A2.2	1 413 408	1 268 026
Appropriation	A2.1	192 770	397 459
Grants and transfers	A2.3	1 583	7 542
Resources received free of charge		6	5
Other income	A2.4	9	181
Total administered income		1 607 776	1 673 213
Administered expenses			
Transfer payments	A4.2	1 536 996	1 598 913
Grants and subsidies	A4.3	67 355	70 552
Employee benefits expenses	A3.2	5 654	4 645
Supplies and services	A4.1	1 364	1 198
Depreciation	A4.4	530	492
Total administered expenses		1 611 899	1 675 800
Net result		(4 123)	(2 587)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in revaluation surplus		1 900	445
Total other comprehensive income		1 900	445
Total comprehensive result		(2 223)	(2 142)

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

Department for Education **OFFICIAL**
Statement of Administered Changes in Equity
for the year ended 30 June 2023

		Revaluation surplus	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000
Balance at 1 July 2021		8 534	51 349	59 883
Net result for 2021-22		-	(2 587)	(2 587)
Changes on revaluation of property during 2021-22	A5.2	445	-	445
Total comprehensive result for 2021-22		445	(2 587)	(2 142)
Balance at 30 June 2022		8 979	48 762	57 741
Net result for 2022-23		-	(4 123)	(4 123)
Changes on revaluation during 2022-23	A5.2	1 900	-	1 900
Total comprehensive result for 2022-23		1 900	(4 123)	(2 223)
Balance at 30 June 2023		10 879	44 639	55 518

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

Department for Education
Statement of Administered Cash Flows
for the year ended 30 June 2023

OFFICIAL

	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Receipts from Commonwealth sourced grants and funding	1 413 408	1 268 026
Appropriation	192 770	397 459
GST recovered from the ATO	20 693	33 607
Grants and transfers	1 483	7 542
Other receipts	9	181
Cash generated from operations	1 628 363	1 706 815
Cash outflows		
Transfer payments	(1 536 953)	(1 630 344)
Payments of grants and subsidies	(67 355)	(74 310)
Employee benefit payments	(5 562)	(4 616)
Payments for supplies and services	(1 431)	(1 216)
Cash used in operations	(1 611 301)	(1 710 486)
Net cash provided by / (used in) operations	17 062	(3 671)
	A8.1	
Cash flows from investing activities		
Cash outflows		
Purchase of property, plant and equipment	(508)	(13)
Cash used in investing activities	(508)	(13)
Net cash provided by / (used in) investing activities	(508)	(13)
Net increase / (decrease) in cash and cash equivalents	16 554	(3 684)
Cash and cash equivalents at the beginning of the period	17 495	21 179
Cash and cash equivalents at the end of the period	34 049	17 495

The accompanying notes form part of these financial statements.

Department for Education
Schedule of Income and Expenses attributable to Administered Activities
for the year ended 30 June 2023

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Activities - refer note A1.2

	Minister's salaries		Minister's payments		Advocacy bodies		Family Day Care		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered income										
Appropriation	379	369	186 061	391 350	6 330	5 740	-	-	192 770	397 459
Commonwealth sourced grants and funding	-	-	1 398 235	1 252 120	-	-	15 173	15 906	1 413 408	1 268 026
Grants and transfers	-	-	925	6 888	658	622	-	32	1 583	7 542
Resources received free of charge	-	-	-	-	6	5	-	-	6	5
Other income	-	-	7	178	1	2	1	1	9	181
Total administered income	379	369	1 585 228	1 650 536	6 995	6 369	15 174	15 939	1 607 776	1 673 213
Administered expenses										
Employee benefits expenses	381	371	8	19	5 265	4 255	-	-	5 654	4 645
Supplies and services	-	-	34	77	1 330	1 121	-	-	1 364	1 198
Transfer payments	-	-	1 536 996	1 598 913	-	-	-	-	1 536 996	1 598 913
Grants and subsidies	-	-	52 155	54 613	25	-	15 175	15 939	67 355	70 552
Depreciation	-	-	399	399	131	93	-	-	530	492
Total administered expenses	381	371	1 589 592	1 654 021	6 751	5 469	15 175	15 939	1 611 899	1 675 800
Net result	(2)	(2)	(4 364)	(3 485)	244	900	(1)	-	(4 123)	(2 587)

Department for Education OFFICIAL
Notes to and forming part of the administered financial statements
As at 30 June 2023

Activities - refer note A1.2	Minister's salaries		Minister's payments		Advocacy bodies		Family Day Care		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Administered assets										
Cash and cash equivalents	-	-	33 828	16 923	218	504	3	68	34 049	17 495
Receivables	-	-	658	21 267	133	108	1	-	792	21 375
Property, plant and equipment	-	-	21 255	19 754	958	581	-	-	22 213	20 335
Total assets	-	-	55 741	57 944	1 309	1 193	4	68	57 054	59 205
Administered liabilities										
Payables	-	-	357	311	232	280	3	68	592	659
Employee benefits	-	-	-	-	944	805	-	-	944	805
Total liabilities	-	-	357	311	1 176	1 085	3	68	1 536	1 464
Net assets	-	-	55 384	57 633	133	108	1	-	55 518	57 741

A1. About the Administered items for the Department for Education

The Department for Education is responsible for the administration of specific funds or bodies on behalf of the Minister for Education, Training and Skills. The department does not have control over how these funds are to be spent and operates in the capacity as an agent responsible for the administration of the transfer process to third parties. The Administered Financial Statements include the income, expenses, assets, liabilities and equity of these funds.

A1.1. Basis of preparation

The basis of preparation for the administered financial statements is the same as the basis outlined in the department's 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.

A1.2. Administered activities

The main administered funds are:

Ministers salaries

The Minister's salary and allowances are funded by specific legislation and the department has no control over this part of the annual appropriation.

Ministers payments

Funds are appropriated to the Minister for Education, Training and Skills and are disbursed at the discretion of the Minister. The principal payments are:

- the State Government contribution to the operation of the South Australia Certificate of Education (SACE) Board of South Australia
- the State Government contribution to the operation of the Education Standards Board of South Australia
- payments to the Department for Infrastructure and Transport for the purposes of student travel
- payments to Ministerial committees
- the State Government and Commonwealth Government contributions to the operation of non-government schools, community language schools, organisations and early childhood services
- the State Government contribution to the operations of the History Trust of South Australia, Windmill Production Company Limited, Carclew Incorporated and Patch Theatre Company Incorporated.

Advocacy bodies

Operations of the following advocacy bodies are administered by the department:

- Commissioner for Children and Young People
- Guardian for Children and Young People
- Commissioner for Aboriginal Children and Young People

Family Day Care

The following Commonwealth subsidy is administered by the Department for Education:

- Receipts and payments for Commonwealth child care subsidies relating to family day care.

Department for Education **OFFICIAL**
Notes to and forming part of the administered financial statements
For the year ended 30 June 2023

A1.3. Budget performance

The budget performance table compares the department's administered items 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.

	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Statement of Comprehensive Income			
Income			
Commonwealth sourced grants and funding	1 325 357	1 413 408	88 051
Appropriation	190 058	192 770	2 712
Grants and transfers	1 278	1 583	305
Resources received free of charge	-	6	6
Other income	-	9	9
Total administered income	1 516 693	1 607 776	91 083
Expenses			
Employee benefits expense	6 035	5 654	(381)
Supplies and services	1 379	1 364	(15)
Transfer payments	1 450 737	1 536 996	86 259
Grants and subsidies	58 535	67 355	8 820
Depreciation	623	530	(93)
Total expenses	1 517 309	1 611 899	94 590
Net result	(616)	(4 123)	(3 507)
Other comprehensive income			
Changes in revaluation surplus	-	1 900	1 900
Total other comprehensive income	-	1 900	1 900
Total comprehensive result	(616)	(2 223)	(1 607)

The budget information presented to Parliament includes the revenue and expenses of the South Australian Certificate of Education (SACE) and Education Standards Board (ESB). These entities do not form part of the Administered entity and are therefore excluded from the original budget information.

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

	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Investing expenditure summary			
Total new projects	383	508	125
Total investing expenditure	383	508	125

Department for Education **OFFICIAL**
Notes to and forming part of the administered financial statements
For the year ended 30 June 2023

A1.4. Significant transactions with government related entities

The department's administered items had no significant transactions with government related entities except for the appropriation funding received from Department of Treasury and Finance (A2.1) and incurred expenditure with:

- SACE Board of SA of \$17.2 million (2022: \$17 million) (A4.2)
- Education Standards Board of SA of \$4.3 million (2022: \$4 million) (A4.2)
- Department for Infrastructure and Transport (DIT) of \$18.2 million (2022: \$15.2 million) (A4.1 and A4.3).

A2. Income

A2.1. Appropriation

	2023 \$'000	2022 \$'000
Appropriation from Consolidated Account pursuant to the Appropriation Act	192 391	375 932
Appropriations under other Acts	379	369
Appropriation from Governor's Appropriation Fund	-	21 158
Total appropriation	192 770	397 459

A2.2. Commonwealth sourced grants and funding

	2023 \$'000	2022 \$'000
National School Reform Agreement	1 392 522	1 250 476
Family Day Care Scheme	15 173	15 906
National School Chaplaincy Program	5 713	1 644
Total Commonwealth sourced grants and funding	1 413 408	1 268 026

A2.3. Grants and transfers

	2023 \$'000	2022 \$'000
Grants from other SA Government departments	634	6 890
Contingency funding provided by the Department of Treasury and Finance	225	5
Grants from the Department for Education	721	615
Grants from Non SA Government	3	32
Total Grants and transfers	1 583	7 542

A2.4. Other income

	2023 \$'000	2022 \$'000
Recoveries	9	181
Total other income	9	181

Notes to and forming part of the administered financial statements

For the year ended 30 June 2023

* Government employee who did not receive any remuneration for board/committee duties during the financial year in accordance with DPC Circular 16.

^ Part-time government employees who gained approval to receive remuneration for board/committee duties during the financial year

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

	2023	2022
	Number of	Number of
	members	members
\$0	20	18
\$1 - \$19 999	46	27
Total number of members	66	45

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, out of hours fees, retention fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid. The total remuneration received or receivable by members was \$66 000 (2022: \$40 000).

A3.2. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	4 280	3 664
Employment on-costs - superannuation	404	419
Employment on-costs - payroll tax	244	190
Annual leave	434	322
Long service leave	180	(39)
Board and committee fees	63	46
Skills and experience retention leave	16	8
Workers' compensation	2	2
Other employee related expenses	31	33
Total employee benefits expenses	5 654	4 645

Employee remuneration

A3.2 : Remuneration of employees

	2023	2023	2022	2022
The number of employees whose remuneration received or receivable falls within the following bands:	Number of Executives	Number of Employees	Number of Executives	Number of Employees
\$157 001 to \$160 000*	-	-	N/A	N/A
\$200 001 to \$220 000	1	1	-	-
\$220 001 to \$240 000	-	-	1	1
\$300 001 to \$320 000	2	2	1	1
\$340 001 to \$360 000	-	-	1	1
Total number of executives / employees	3	3	3	3

The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 2023 and 30 June 2022 respectively and who have earned the base remuneration during the year. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2023 and 2022.

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

Remuneration received or due and receivable by the above employees was \$0.8 million (2022: \$0.9 million) which is included in employee benefits expenses.

A3.3. Employee benefits liabilities

	2023 \$'000	2022 \$'000
Current		
Annual leave	376	329
Long service leave	88	70
Accrued salaries and wages	80	49
Skills and experience retention leave	6	8
Total current employee benefits	550	456
Non-current		
Long service leave	394	349
Total non-current employee benefits	394	349
Total employee benefits	944	805

A4. Expenses**A4.1. Supplies and services**

	2023 \$'000	2022 \$'000
Accommodation	308	223
Vehicle and travelling expenses	134	59
Other supplies and services	148	98
Printing, postage and consumables	139	156
Minor works, maintenance and equipment	88	129
Advertising, publicity and promotion expenses	59	30
Cleaning	40	33
Contractors and other outsourced services	116	61
Catering	29	16
Sponsorship	113	148
Information technology and communication	40	23
Legal expenses	18	12
Conference expenses	33	12
Program development	17	28
Consultants	61	64
Training and development	8	61
Management fees and charges	7	40
Shared Services SA charges	6	5
Total supplies and services	1 364	1 198

Department for Education **OFFICIAL**
Notes to and forming part of the administered financial statements
For the year ended 30 June 2023

Consultants

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

	2023 Number	2023 \$'000	2022 Number	2022 \$'000
Above \$10 000	1	61	1	64
Total paid / payable to the consultants engaged	1	61	1	64

A4.2. Transfer payments

	2023 \$'000	2022 \$'000
Non-government schools	1 507 168	1 567 256
SACE Board of South Australia	17 201	17 122
Arts entities	8 326	10 461
Early Education Board of South Australia	4 301	4 074
Total transfer payments	1 536 996	1 598 913

Transfer payments are payments made to eligible recipients, consistent with legislation or other authority, where the amount transferred is determined by the initial transferring entity. The department is the agent responsible for the transfer process but does not control the amount of funds transferred or the use of the funds by the eligible recipients.

A4.3. Grants and subsidies

	2023 \$'000	2022 \$'000
Transport concessions	17 951	15 051
Family Day Care subsidies	15 174	15 939
Non-government schools	12 142	23 767
Other organisations	11 672	4 268
Non-government preschools	5 197	5 086
Arts entities	2 711	3 698
Multicultural grants	2 175	2 082
Other SA Government entities	333	661
Total grants and subsidies	67 355	70 552

A4.4. Depreciation

	2023 \$'000	2022 \$'000
Depreciation		
Buildings and improvements	398	398
Leasehold improvements	121	82
Computing, furniture and equipment	11	12
Total depreciation	530	492

A5. Non-financial assets

A5.1. Property, plant and equipment by asset class

	2023 \$'000	2022 \$'000
Land		
Land	12 330	10 430
Total land	<u>12 330</u>	<u>10 430</u>
Buildings and improvements		
Buildings and improvements	33 690	33 689
Accumulated depreciation	(24 788)	(24 389)
Total buildings and improvements	<u>8 902</u>	<u>9 300</u>
Construction work in progress		
Construction work in progress	-	-
Total construction work in progress	<u>-</u>	<u>-</u>
Leasehold improvements		
Leasehold improvements	1 331	823
Accumulated depreciation	(403)	(282)
Total leasehold improvements	<u>928</u>	<u>541</u>
Computing, furniture and equipment		
Computing, furniture and equipment	101	101
Accumulated depreciation	(48)	(37)
Total computing, furniture and equipment	<u>53</u>	<u>64</u>
Other assets		
Other assets	2 132	2 132
Accumulated depreciation	(2 132)	(2 132)
Total other assets	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u><u>22 213</u></u>	<u><u>20 335</u></u>

Department for Education OFFICIAL
Notes to and forming part of the administered financial statements
For the year ended 30 June 2023

A5.2. Property, plant and equipment

Reconciliation

2022-23	Land	Buildings and Improvements	Construction Work in Progress	Leasehold improvements	Computing, furniture and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	10 430	9 300	-	541	64	20 335
Additions	-	-	508	-	-	508
Revaluation increment/(decrement)	1 900	-	-	-	-	1 900
Transfers to/(from) WIP	-	-	(508)	508	-	-
Depreciation	-	(398)	-	(121)	(11)	(530)
Carrying amount at 30 June 2023	12 330	8 902	-	928	53	22 213

2021-22	Land	Buildings and Improvements	Construction Work in Progress	Leasehold improvements	Computing, furniture and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	9 985	9 698	-	623	63	20 369
Additions	-	-	-	-	13	13
Revaluation increment/(decrement)	445	-	-	-	-	445
Depreciation	-	(398)	-	(82)	(12)	(492)
Carrying amount at 30 June 2022	10 430	9 300	-	541	64	20 335

In 2023 and 2022 all land was classified as level 2 and all buildings, improvements, computing, furniture and equipment were classified as level 3 and are recurring fair value measurements. There are no significant unobservable inputs for level 3 property, plant and equipment.

Department for Education **OFFICIAL**
Notes to and forming part of the administered financial statements
For the year ended 30 June 2023

A6. Receivables

A6.1. Receivables

	2023	2022
	\$'000	\$'000
Current		
GST recoverable from ATO	682	21 375
Other receivables	110	-
Total current receivables	<u>792</u>	<u>21 375</u>
Total receivables	<u>792</u>	<u>21 375</u>

A7. Liabilities

A7.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Creditors	431	451
Employment on-costs	89	73
Accrued expenses	23	19
Total current payables	<u>543</u>	<u>543</u>
Non-current		
Employment on-costs	49	116
Total non-current payables	<u>49</u>	<u>116</u>
Total payables	<u>592</u>	<u>659</u>

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Department for Education
Notes to and forming part of the administered financial statements
For the year ended 30 June 2023

A8. Other disclosures

A8.1. Cash flow

Cash flow reconciliation

	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 Administered Financial Position	34 049	17 495
Balance as per the Statement of Administered Cash Flows	34 049	17 495
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/ (used in) operating activities	17 062	(3 671)
Add / (less) non-cash items		
Depreciation	(530)	(492)
Movement in assets and liabilities		
(Increase)/decrease in payables	67	(260)
Increase/(decrease) in receivables	(20 583)	1 787
(Increase)/decrease in employee benefits	(139)	49
Net result	(4 123)	(2 587)

A9. Outlook

A9.1. Unrecognised contractual commitments

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

	2023	2022
	\$'000	\$'000
Other contractual commitments		
Within one year	353	277
Later than one year but not longer than five years	1 665	1 621
Later than five years	1 137	1 534
Total expenditure commitments	3 155	3 432

Other contractual commitments relate to the memoranda of administrative arrangements with the Department for Infrastructure and Transport and for accommodation.