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To the Chief Executive Department for Trade and Investment

Opinion

I have audited the financial report of the Department for Trade and Investment 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 Trade and Investment as at 30 June 2023, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2023
- a Statement of Administered Financial Position as at 30 June 2023
- a Statement of Administered Cash Flows for the year ended 30 June 2023
- a Schedule of Assets and Liabilities attributable to Administered Programs
- notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Chief Executive and Chief Operating Officer.

Basis for opinion

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

18 September 2023

**Department for Trade and Investment
(DTI)**

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

Department for Trade and Investment
for the year ended 30 June 2023

Certification of the Financial Statements

We certify that the:

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



David Reynolds
Chief Executive
14 September 2023



Julie-Anne Burgess
Chief Operating Officer
14 September 2023

Department for Trade and Investment
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Appropriations	2.1	120 512	42 212
Fees and charges	2.2	50 887	-
Commonwealth-sourced grants and funding	2.3	589	452
Resources received free of charge	2.4	954	914
SA Government grants, subsidies and transfers	2.6	8 990	3 902
Net gain from the disposal of non-current assets	2.5	29	-
Other income	2.7	712	267
Total income		182 673	47 747
Expenses			
Employee benefits expenses	3.3	46 991	19 480
Supplies and services	4.1	118 667	12 635
Depreciation and amortisation	5.1, 5.2	7 240	1 613
Grants and subsidies	4.2	10 224	11 186
Borrowing costs		28	36
Cash returned to the Department of Treasury and Finance		-	7 530
Other expenses	4.3	8 018	623
Net loss from disposal of non-current assets	2.5	-	1
Total expenses		191 168	53 104
Net result		(8 495)	(5 357)
Total comprehensive result		(8 495)	(5 357)

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 Trade and Investment
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	23 384	20 297
Receivables	6.2	6 712	759
Total current assets		30 096	21 056
<u>Non-current assets</u>			
Property, plant and equipment	5.1	6 801	1 571
Right-of-use assets	5.1	2 035	3 303
Intangible assets	5.2	343 802	-
Total non-current assets		352 638	4 874
Total assets		382 734	25 930
<u>Current liabilities</u>			
Payables	7.1	12 166	3 768
Financial liabilities	7.2	1 060	1 388
Employee benefits	3.4	4 096	1 701
Provisions	7.3	107	35
Other current liabilities	7.4	739	81
Total current liabilities		18 168	6 973
<u>Non-current liabilities</u>			
Payables	7.1	625	283
Financial liabilities	7.2	941	1 985
Employee benefits	3.4	6 276	2 937
Provisions	7.3	314	97
Other non-current liabilities	7.4	6 143	341
Total non-current liabilities		14 299	5 643
Total liabilities		32 467	12 616
Net assets		350 267	13 314
<u>Equity</u>			
Retained earnings		350 267	13 314
Total equity		350 267	13 314

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

Department for Trade and Investment
Statement of Changes in Equity
for the year ended 30 June 2023

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021	18 671	18 671
<u>Net result for 2021-22</u>	<u>(5 357)</u>	<u>(5 357)</u>
Balance at 30 June 2022	13 314	13 314
Balance at 1 July 2022	13 314	13 314
<u>Net result for 2022-23</u>	<u>(8 495)</u>	<u>(8 495)</u>
Net assets received as a result of an administrative restructure	344 996	344 996
Net assets transferred out as a result of an administrative restructure	452	452
Balance at 30 June 2023	350 267	350 267

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

Department for Trade and Investment
Statement of Cash Flows
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<u>Cash flows from operating activities</u>			
<i>Cash inflows</i>			
Appropriations		120 512	42 212
Fees and charges		51 791	-
Receipts from Commonwealth-sourced grants		597	662
SA Government grants, subsidies and transfers		8 993	3 902
Net GST recovered from ATO		6 829	1 679
Other receipts		2 600	345
Cash generated from operations		191 322	48 800
<i>Cash outflows</i>			
Employee benefits payments		(46 724)	(20 004)
Payments for supplies and services		(125 358)	(14 537)
Cash returned to the Department of Treasury and Finance		-	(7 530)
Payments of grants and subsidies		(13 094)	(12 712)
Borrowing costs		(28)	(36)
Cash used in operations		(185 204)	(54 819)
Net cash used in operating activities		6 118	(6 019)
<u>Cash flows from investing activities</u>			
<i>Cash inflows</i>			
Proceeds from sale of property, plant and equipment and other assets		29	-
Cash generated from investing activities		29	-
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(1 629)	(9)
Cash used in investing activities		(1 629)	(9)
Net cash used in investing activities		(1 600)	(9)
<u>Cash flows from financing activities</u>			
<i>Cash outflows</i>			
Cash transferred as a result of restructuring activities		(22)	-
Repayment of principal portion of lease liabilities		(1 409)	(1 357)
Cash used in financing activities		(1 431)	(1 357)
Net cash used in financing activities		(1 431)	(1 357)
Net decrease in cash and cash equivalents		3 087	(7 385)
Cash and cash equivalents at the beginning of the period		20 297	27 682
Cash and cash equivalents at the end of the period	6.1	23 384	20 297

The accompanying notes form part of these financial statements.

Department for Trade and Investment

Notes to and forming part of the financial statements

for the year ended 30 June 2023

1. About the Department for Trade and Investment

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

The department produces both controlled and administered financial statements. The controlled financial statements and accompanying notes include all the controlled activities of the department.

Administered financial statements relate to administered resources and except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for controlled items.

As a result of administrative arrangements, the department relinquished responsibility for Industry Capability Network SA (ICNSA) and International Education (including StudyAdelaide) to the Department for Industry, Innovation and Science effective 1 July 2022.

The department took over the functions of Planning and Land Use Services (excluding the Office of Local Government), Office of the Valuer-General and Office of the Registrar-General from the Attorney-General's Department effective 1 July 2022.

See note 1.3 for more information.

1.1. Basis of preparation

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

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

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

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

Significant accounting policies are set out throughout the notes.

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

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

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

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

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

Department for Trade and Investment

Notes to and forming part of the financial statements

for the year ended 30 June 2023

1.2. Objectives and programs

Objectives

The Department for Trade and Investment facilitates South Australia's growth in a way that is strong, effective and sustainable by identifying and promoting South Australia's competitive advantages. The department helps attract local, national, and international investment and makes it easier for South Australian businesses to export premium goods and services.

The department oversees South Australia's planning system to create liveable and sustainable communities that enhance the lives of all South Australians. It helps create an environment that promotes a culture of good design in the built environment and one where people and businesses can thrive.

Trade and investment

A program of the department is Trade and Investment which enables economic growth in South Australia, by promoting the state to key markets, attracting investment, increasing value and diversity of exports, building global reputation and removing barriers to business success. The department works with industry to help create employment opportunities, economic sustainability and an internationally competitive economy.

Planning and Land Use Services

Planning and Land Use Services provides advice on the preparation of new planning instruments, strategic planning and undertaking the assessment of complex land use proposals.

Office of the Valuer-General

The Office of the Valuer-General assists the Valuer-General in providing regulatory oversight and management of the various services undertaken by the service provider (Land Services SA), whilst also ensuring the integrity of the valuation roll, service delivery and the independence of the Valuer-General, which in turn provides service to the whole community.

Office of the Registrar-General

The Office of the Registrar-General is the regulatory body that oversees the performance of the contractual obligations and operational aspects of the land titling functions provided to the State by the service provider (Land Services SA) to ensure the integrity of the land register is maintained.

Office for Design and Architecture SA

The Office for Design and Architecture South Australia promotes high quality design across South Australia's built environments, by embedding design quality in government and planning policy, shaping and influencing significant developments, promoting the role of good design in contributing to healthy neighbourhoods, supporting design innovation and promoting the integration of smart and sustainable technologies.

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

1.2. Objectives and programs (continued)

	Trade and Investment		Office of the Valuer- General		Office of the Registrar- General	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income						
Appropriations	-	-	-	-	-	-
Fees and charges	-	-	15 902	-	17 975	-
Commonwealth-sourced grants and funding	589	452	-	-	-	-
Resources received free of charge	350	783	-	-	-	-
SA Government grants and subsidies	297	3 902	601	-	-	-
Net gain from disposal of non-current assets	29	-	-	-	-	-
Other income	151	267	255	-	304	-
Total income	1 416	5 404	16 758	-	18 279	-
Expenses						
Employee benefits expenses	20 170	19 480	2 698	-	1 486	-
Supplies and services	13 312	12 635	11 668	-	80 311	-
Grants and subsidies	9 166	11 186	-	-	1 023	-
Depreciation and amortisation	1 598	1 613	32	-	1 530	-
Borrowing costs	28	36	-	-	-	-
Other expenses	-	597	40	-	7 545	-
Cash returned to the Department of Treasury and Finance	-	7 530	-	-	-	-
Net loss from disposal of non-current assets	-	1	-	-	-	-
Total expenses	44 274	53 078	14 438	-	91 895	-
Net result	(42 858)	(47 674)	2 320	-	(73 616)	-

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

1.2. Objectives and programs (continued)

	Planning and Land Use Services		Office for Design and Architecture SA		General/ Not attributable		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income								
Appropriations	-	-	-	-	120 512	42 212	120 512	42 212
Fees and charges	17 000	-	10	-	-	-	50 887	-
Commonwealth-sourced grants and funding	-	-	-	-	-	-	589	452
Resources received free of charge	-	-	-	-	604	131	954	914
SA Government grants and subsidies	4 285	-	2 082	-	1 725	-	8 990	3 902
Net gain from disposal of non-current assets	-	-	-	-	-	-	29	-
Other income	2	-	-	-	-	-	712	267
Total income	21 287	-	2 092	-	122 841	42 343	182 673	47 747
Expenses								
Employee benefits expenses	19 794	-	2 843	-	-	-	46 991	19 480
Supplies and services	12 985	-	391	-	-	-	118 667	12 635
Grants and subsidies	35	-	-	-	-	-	10 224	11 186
Depreciation and amortisation	3 877	-	203	-	-	-	7 240	1 613
Borrowing costs	-	-	-	-	-	-	28	36
Other expenses	284	-	-	-	149	26	8 018	623
Cash returned to the Department of Treasury and Finance	-	-	-	-	-	-	-	7 530
Net loss from disposal of non-current assets	-	-	-	-	-	-	-	1
Total expenses	36 975	-	3 437	-	149	26	191 168	53 104
Net result	(15 688)	-	(1 345)	-	122 692	42 317	(8 495)	(5 357)

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

1.2. Objectives and programs (continued)

	Trade and investment		Office of the Valuer- General		Office of the Registrar- General	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current assets						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	1 222	759	-	-	3 751	-
Total current assets	1 222	759	-	-	3 751	-
Non-current assets						
Property, plant and equipment	1 414	1 571	3	-	-	-
Right-of-use assets	2 035	3 303	-	-	-	-
Intangible assets	-	-	-	-	317 874	-
Total non-current assets	3 449	4 874	3	-	317 874	-
Current liabilities						
Payables	4 006	3 768	20	-	7 331	-
Financial liabilities	1 081	1 388	(4)	-	-	-
Employee benefits	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Other current liabilities	74	81	-	-	-	-
Total current liabilities	5 161	5 237	16	-	7 331	-
Non-Current liabilities						
Payables	625	283	-	-	-	-
Financial liabilities	941	1 985	-	-	-	-
Employee benefits	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Other non-current liabilities	267	341	-	-	-	-
Total non-current liabilities	1 833	2 609	-	-	-	-
Net Assets	(2323)	(2 213)	(13)	-	314 294	-

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

1.2. Objectives and programs (continued)

	Planning and Land		Office for Design		General /		Total	
	Use Services		and Architecture		Not attributable			
	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Current assets</u>								
Cash and cash equivalents	-	-	-	-	23 384	20 297	23 384	20 297
Receivables	1 738	-	1	-	-	-	6 712	759
Total current assets	1 738	-	1	-	23 384	20 297	30 096	21 056
<u>Non-current assets</u>								
Property, plant and equipment	5 164	-	220	-	-	-	6 801	1 571
Right-of-use assets	-	-	-	-	-	-	2 035	3 303
Intangible assets	25 928	-	-	-	-	-	343 802	-
Total non-current assets	31 092	-	220	-	-	-	352 638	4 874
<u>Current liabilities</u>								
Payables	809	-	-	-	-	-	12 166	3 768
Financial liabilities	(17)	-	-	-	-	-	1 060	1 388
Employee benefits	-	-	-	-	4 096	1 701	4 096	1 701
Provisions	-	-	-	-	107	35	107	35
Other current liabilities	665	-	-	-	-	-	739	81
Total current liabilities	1 457	-	-	-	4 203	1 736	18 168	6 973
<u>Non-Current liabilities</u>								
Payables	-	-	-	-	-	-	625	283
Financial liabilities	-	-	-	-	-	-	941	1 985
Employee benefits	-	-	-	-	6 276	2 937	6 276	2 937
Provisions	-	-	-	-	314	97	314	97
Other non-current liabilities	5 876	-	-	-	-	-	6 143	341
Total non-current liabilities	5 876	-	-	-	6 590	3 034	14 299	5 643
Net Assets	25 497	-	221	-	12 591	15 527	350 267	13 314

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

1.3. Changes to the department

Transferred in 2022-23

As a result of administrative arrangements outlined in the Government Gazette on 30 June 2022 effective from 1 July 2022, the Office of the Valuer-General, the Office of the Registrar-General and Planning and Land Use Services (including the Office for Design and Architecture SA) were transferred to the department from Attorney-General's Department (AGD).

Net assets assumed by the department as a result of these transfers were recognised at their carrying amount. Net assets transferred were treated as a contribution by the government as owner.

The following assets and liabilities for the Office of the Valuer-General were transferred to the department:

	\$'000
Receivables	391
Property, plant and equipment	75
Total assets	466
Payables	1 057
Employee benefits liability	979
Total liabilities	2 036
Total net assets transferred	(1 570)

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

1.3. Changes to the department (continued)

The following assets and liabilities for the Office of the Registrar-General were transferred to the department:

	\$'000
Receivables	3 797
Property, plant and equipment	135
Intangible assets	326 679
Total assets	330 611
Payables	7 659
Employee benefits liability	414
Total liabilities	8 073
Total net assets transferred	322 538

The following assets and liabilities for Planning and Land Use Services were transferred to the department:

	\$'000
Receivables	2 504
Property, plant and equipment	1 151
Intangible assets	27 855
Total assets	31 510
Payables	1 554
Employee benefits liability	5 666
Provisions	262
Total liabilities	7 482
Total net assets transferred	24 028

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

1.3. Changes to the department (continued)

Transferred out 2022-23

As a result of administrative arrangements outlined in *The Government Gazette No. 43, 30 June 2022* the Industry Capability Network SA, and International Education transferred from the Department for Trade and Investment (DTI) to the Department for Industry, Innovation and Science (DIIS).

The effective date of the transfer was 1 July 2022.

The following liabilities for Industry Capability Network SA were transferred from the department:

	\$'000
Cash	22
Total assets	22
Payables	41
Employee benefits liability	164
Total liabilities	205
Total net assets transferred	(183)

The following liabilities for International Education were transferred from the department:

	\$'000
Payables	27
Employee benefits liability	242
Total liabilities	269
Total net assets transferred	(269)

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

1.4. Budget performance

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

		Original DTI			
		Budget	Actual	Variance	
		2023	2023	2023	
		\$'000	\$'000	\$'000	
Statement of Comprehensive Income					
Income					
Appropriations	2.1	a)	106 640	120 512	13 872
Fees and charges	2.2		50 432	50 887	455
Commonwealth-sourced grants and funding	2.3		453	589	136
Resources received free of charge	2.4		-	954	954
SA Government grants, subsidies and transfers	2.6	b)	1 841	8 990	7 149
Other income	2.7		3 989	712	(3 277)
Net gain from the disposal of non-current assets	2.5		-	29	29
Total income			163 355	182 673	19 318
Expenses					
Employee benefits expenses	3.3		48 568	46 991	(1 577)
Supplies and services	4.1	c)	102 941	118 667	15 726
	5.1,5.				
Depreciation and amortisation	2		4 982	7 240	2 258
Grants and subsidies	4.2		11 009	10 224	(785)
Borrowing costs			61	28	(33)
Other expenses	4.3		118	8 018	7 900
Total expenses			167 679	191 168	23 489
Net result			(4 324)	(8 495)	(4 171)

Explanations are required to be provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses.

Statement of Comprehensive Income

- a) Appropriations is \$13.9 million favourable compared to original budget primarily due to changes in Land Services Fees and Charges (\$16.6m), Grant funding changes (\$1.3m), offset by Machinery of Government changes (-\$4.0m).
- b) SA Government grants, subsidies and transfers is \$7.1 million favourable compared to budget due to the Targeted Voluntarily Separation Packages (TVSP) recoveries of \$1.7 million, other recoveries of \$4.0 million received in PLUS and service recoveries for the Office of Design and Architecture SA of \$0.8 million and Office of the Valuer-General of \$0.6 million.
- c) Supplies and services expenses is \$15.7 million unfavourable compared to original budget, due primarily to Land Services expense outlays related to changes in Fees and Charges.

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

1.4. Budget performance (continued)

		Original Budget	Actual	Variance
	Note	2023 \$'000	2023 \$'000	2023 \$'000
Investing expenditure summary				
Annual program - minor capital works	d)	1 293	1 577	284
Total leases		175	94	(81)
Total investing expenditure		1 468	1 671	203

d) Variance relates to additional capital expenditure for the ePlanning system

1.5. Significant transactions with government related entities

Significant transactions with the SA government are identifiable throughout this financial report. Noteworthy are:

- approximately 67% of grant payments were paid to SA government entities, primarily for investment programs.
- accrued expenses liability includes \$0.6 million relating to reimbursements to other government related entities.
- costs of \$4.9 million related to accommodation and utility costs supplied by the Department of Infrastructure and Transport (DIT) and SA Water.

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

2. Income

2.1. Appropriations

Appropriations are recognised on receipt.

Appropriation pursuant to the *Appropriation Act* consists of \$120.5 million (2022: \$42.2 million) for operational funding. This appropriation comprises money issued and applied to the department as per Schedule 1 of the Act.

2.2. Fees and charges

	2023 \$'000	2022 \$'000
Land services fees	18 033	-
Planning and land use services	16 797	-
Office of the valuer-general services	15 861	-
Sales of goods - Fees	196	-
Total fees and charges	50 887	-

All revenue from fees and charges is revenue recognised from contracts with customers.

Land Services fees are collected for the sale of land information products and property interest reports.

Planning and Land Use Services provide planning and development services on South Australian land and buildings via an online platform.

Office of the Valuer-General provide property valuation reports, data and review services on South Australian land and buildings.

2.3. Commonwealth-sourced grants and funding

	2023 \$'000	2022 \$'000
TradeStart	582	452
Employment Facilitator Services for Regional Employment Trials Program	7	-
Total Commonwealth-sourced grants and funding	589	452

The department was selected by the Australian Trade and Investment Commission (Austrade) as the successful tenderer to deliver TradeStart services in South Australia for 2019-24.

Such funding is recognised over time as there is an enforceable contract and the department's performance obligations are satisfied over time. \$582 000 was received in 2023 (2022: \$452 000).

Department for Trade and Investment
Notes to and forming part of the financial statements
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2.4. Resources received free of charge

	2023	2022
	\$'000	\$'000
Services received free of charge - Shared Services SA	580	131
Services received free of charge - DPC ICT & Media monitoring	374	342
Contributed assets - leasehold improvements	-	441
Total resources received free of charge	954	914

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

The department receives financial accounting, taxation, payroll, accounts payable and accounts receivable services from Shared Services SA free of charge valued at \$580 000 (2022: \$131 000) and ICT services and media monitoring services (from 2022-23) valued at \$350 000 (2022: \$342 000) and \$24 000 respectively from the Department of the Premier and Cabinet (DPC) following approval to cease intra-government charging.

The fitout of office accommodation for the Minister for Trade and Investment at 1 King William Street, Adelaide, valued at \$441 000, was transferred from the Department for Innovation and Skills (now known as the Department for Industry, Innovation and Science) to the department on 20 March 2022.

2.5. Net gain from disposal of non-current assets

	2023	2022
	\$'000	\$'000
<u>Plant and equipment and other assets</u>		
Proceeds from disposal	29	-
Less net book value of assets disposed	-	-
Net loss from disposal of plant and equipment and other assets	29	-
<u>Heritage (Artwork)</u>		
Proceeds from disposal	-	-
Less net book value of assets disposed	-	(1)
Net gain/loss from disposal of Heritage (Artwork)	-	(1)
<u>Total assets</u>		
Proceeds from disposal	29	-
Less net book value of assets disposed	-	(1)
Total net gain/loss from disposal of non-current and other assets	29	(1)

Department for Trade and Investment
Notes to and forming part of the financial statements
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2.6. SA Government grants, subsidies and transfers

	2023	2022
	\$'000	\$'000
Project funding	3 972	3 877
Other recoveries	3 297	25
Employee separation package and TVSP reimbursements	1 721	-
Total SA Government grants, subsidies and transfers	8 990	3 902

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

Project funding relates to contributions from other South Australian Government entities for specific time-limited projects led by the department.

Other recoveries are amounts reimbursed for payroll and supplies and services undertaken on behalf of other government agencies.

2.7. Other income

	2023	2022
	\$'000	\$'000
Recoveries	430	144
Other income	282	123
Total other income	712	267

Recoveries and other income are recognised as income on receipt.

Department for Trade and Investment
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3. Committees and employees

3.1. Key management personnel

Key management personnel of the department include the Minister for Trade and Investment (the Minister), the Chief Executive and the eight members of the Executive Team.

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

	2023	2022
<u>Compensation</u>	<u>\$'000</u>	<u>\$'000</u>
Salaries and other short term employee benefits	2 058	1 361
Termination benefits	770	170
Post-employment benefits	281	139
Other long-term employment benefits	263	23
Total	3 372	1 693

Transactions with key management personnel and other related parties

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

3.2. Committee members

Audit and Risk Committee

D Powell (Chair – appointed November 2022)
L Jones* (appointed February 2023)
N Wessel* (appointed November 2022)

State Commission Assessment Panel

R Thomas (Chair) (re-appointed June 2023)
M D Adcock (re-appointed June 2023)
D Altmann (re-appointed June 2023)
J Botten (appointed June 2023)
D Donaldson (appointed June 2023)
J Eckert (appointed June 2023)
J Hayter (appointed June 2023)
E Herriman (term expired June 2023)
S Johnston (appointed June 2023, resigned April 2023)
P Leadbeter (re-appointed June 2023)
J Newman (appointed June 2023)
G Pember (term expired May 2023)
R Rutschack (re-appointed June 2023)
E Walker (appointed April 2023)
M Wohlstadt (term expired May 2023)

Brand SA Advisory Board

J Jeffreys (Chair – appointed January 2023)
F dos Santos (appointed January 2023)
G Georgiadis (appointed January 2023)
C Hann (appointed January 2023)
R Morse (appointed January 2023)
J Torres (appointed January 2023)

State Planning Commission

C Holden (Chair)
S Griffiths (term expired August 2022)
N M Hurley (resigned February 2023)
S Johnston (appointed August 2022)
S Moseley
S Smith *
E Walker

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

3.2. Committee members (continued)

Building Technical Panel

D Frisby (Chair) (reappointed October 2022)
 J Shillabeer (reappointed October 2022)
 J Payne (reappointed October 2022)
 J Cibich* (reappointed October 2022)
 B Fennel (reappointed October 2022)
 B Steer (reappointed October 2022)
 P Murton (reappointed October 2022)
 N Ingerson (reappointed October 2022)
 M Centofanti (reappointed October 2022)
 L Bertholini* (reappointed October 2022)

Heritage Subcommittee

S Johnston (Chair) (appointed September 2022)
 L Bird*
 R Danvers
 B Harry
 E Little
 D Lindsay
 J Newman
 A Pope*
 M Queale*
 E Walker

Risk and Performance Committee #

C Dunsford (Chair) (term expired December 2022)
 S Adlaf*(term expired December 2022)

 P Chau* (term expired December 2022)
 J Cirson*(term expired December 2022)
 D Contala (term expired December 2022)
 R Hindmarsh* (term expired December 2022)

Expert Panel for the Planning System Implementation Review^

C Hart * (appointed August 2022, expired March 2023)
 A McKeegan (appointed August 2022, expired March 2023)
 J Stimson (Presiding Member) (appointed August 2022, expired March 2023)
 L Teburea (appointed August 2022, expired March 2023)

Building Fire and Safety Committee

J Evans * (Chair) (re-appointed March 2023)
 M Brown * (appointed June 2022)
 H Lim * (appointed July 2022)
 C Paton *

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

#The Risk and Performance Committee was disbanded December 2022. The disbanded Risk and Performance Committee was shared with the Department for Energy and Mining (DEM) and the Department for Industry, Innovation and Science (DIIS).

^ The term of the Expert Panel for the Planning System Implementation Review expired on 31 March 2023.

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

	2023	2022
\$0 - \$19 999	47	9
\$40 000 - \$59 999	8	-
\$60 000 - \$79 999	2	-
\$100 000 - \$119 999	1	-
Total number of paid members	58	9

The total remuneration received or receivable by members was \$ 0.7 million (2022: nil). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

Department for Trade and Investment
Notes to and forming part of the financial statements
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3.2. Committee members (continued)

Unless otherwise disclosed, transactions with members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

3.3. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	35 117	15 144
Employment on-costs - superannuation	3 975	1 666
Annual leave	3 303	1 370
Employment on-costs - other	2 291	968
Targeted voluntary separation packages	681	-
Board fees	667	-
Long service leave	666	186
Skills and experience retention leave	204	97
Workers compensation	87	49
Total employee benefits expenses	46 991	19 480

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

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

Employee remuneration

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

	2023	2022
	Number	Number
\$160 001 to \$180 000	8	5
\$180 001 to \$200 000	7	3
\$200 001 to \$220 000	6	1
\$220 001 to \$240 000	1	1
\$240 001 to \$260 000	2	2
\$300 001 to \$320 000 ^A	2	-
\$320 001 to \$340 000	1	1
\$340 001 to \$360 000 ^A	2	-
\$560 001 to \$580 000	-	1
\$700,001 to \$720,000*	1	-
Total	30	14

^A This band includes employees that have received payments for contract termination, leave payouts or TVSP in 2023.

* Includes payments in lieu of leave

Department for Trade and Investment
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3.3. Employee benefits expenses (continued)

The total remuneration received by those employees for the year was \$7.0 million (2022: \$3.3 million).

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

Targeted voluntary separation packages

Seven (7) employees received a TVSP during the reporting period (2022:0).

	2023	2022
	\$'000	\$'000
Amount paid to separated employees:		
Targeted voluntary separation packages	681	-
Leave paid to separated employees	209	-
Recovery from the Department of Treasury and Finance	(890)	-
Net cost to the department	-	-

3.4. Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Annual leave	3 540	1 404
Long service leave	272	117
Skills and experience retention leave	254	117
Accrued salaries and wages	30	63
Total current employee benefits	4 096	1 701
Non-current		
Long service leave	6 276	2 937
Total non-current employee benefits	6 276	2 937
Total employee benefits	10 372	4 638

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at their nominal amounts. Accrued salaries and wages varies depending on the timing of the last payroll for the year.

Salaries and wages, annual 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 the reporting date.

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

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

Long service leave

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

Department for Trade and Investment
Notes to and forming part of the financial statements
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3.4. Employee benefits liability (continued)

Long service leave liability – measurement

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

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

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

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

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and employee benefits expense of \$0.204 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.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience.

Department for Trade and Investment
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4. Expenses

4.1 Supplies and services

	2023	2022
	\$'000	\$'000
Contract payments – Land Administration Services	90 852	-
Contractors	6 059	2 646
Accommodation	4 641	337
Overseas trade representation	4 118	4 078
Information technology and communication charges	3 373	1 523
Office administration expenses	2 841	1 033
Service level agreements ⁽¹⁾	2 689	595
Staff related expenses	1 378	571
Travel and related expenses	1 354	398
Marketing	849	674
Consultants	295	348
Accounting and audit fees	172	159
Short term leases	116	292
Records management	4	-
Accommodation incentive amortisation	(74)	(19)
Total supplies and services	118 667	12 635

⁽¹⁾ Resources provided free of charge by Department for Innovation and Skills (now known as the Department for Industry, Innovation and Science), the Department of the Premier and Cabinet ICT and Digital Government division and Shared Services SA for the provision of corporate, ICT, financial and payroll support were expensed at fair value (refer to note 2.4).

Accommodation

The department's accommodation for Planning and Land Use Services, the Office for Design and Architecture SA and the Minister's Office is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement issued in accordance with Government wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed.

Accounting and audit fees

Audit fees paid / payable to the Auditor-General's Department relate to work performed under the *Public Finance and Audit Act 1987* were \$108 800 (2022: \$98 000). No other services were provided by the Auditor-General's Department.

Department for Trade and Investment
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4.2. Grants and subsidies

	2023 \$'000	2022 \$'000
Class of assistance:		
Investment	6 227	5 081
Trade	1 964	3 530
Intra Government Disbursements	1 033	-
Other	1 000	75
International Education	-	2 500
Total grants and subsidies	10 224	11 186

The timing of payments for Investment grants varies between financial years, predominantly as per Economic Investment Fund commitments.

4.3. Other expenses

	Note	2023 \$'000	2022 \$'000
Revaluation decrement	5.2	7 455	-
Leasehold improvements written-off		414	-
Bad and doubtful debts	6.2	148	26
Other		1	-
Assumption of liabilities		-	434
Donated assets		-	163
Total other expenses		8 018	623

The Planning and Land Use Services and the Office of the Valuer-General relocated offices to 83 Pirie Street, Adelaide. This resulted in the leasehold improvements in the 101 Grenfell and 50 Flinders Street premises being derecognised during the year.

The assumption of liabilities relates to the lease incentive associated with the fitout of office accommodation transferred to the department from the Department for Innovation and Skills (now known as the Department for Industry, Innovation and Science) on 20 March 2022. Refer to note 2.4 for further information.

The fitout of office accommodation for the Minister for Trade and Investment at Level 13 State Administration Centre, valued at \$153 000, was donated to the Department for Environment and Water on 20 March 2022.

Department for Trade and Investment
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4.4. Overseas representative offices

The following table provides a summary of the financial transactions for the reporting period for overseas offices, where the department funds their operations. The transactions relating to operating expenses and operating revenues have been included in the financial statements.

The costs relating to overseas representation provided through Austrade are not included in the table below. These costs are shown in note 4.1 (refer Overseas trade representation).

	Jinan	London	2023
	\$'000	\$'000	\$'000
Operating expenses	204	1 495	1 699
Operating revenues	-	138	138
Funds advanced to overseas offices towards operating expenses	173	1 573	1 746
	Jinan	London	2022
	\$'000	\$'000	\$'000
Operating expenses	210	1 740	1 950
Operating revenues	11	287	298
Funds advanced to overseas offices towards operating expenses	242	1 412	1 654

Department for Trade and Investment
Notes to and forming part of the financial statements
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5. Non-financial assets

5.1. Property, plant and equipment

Property, plant and equipment comprises tangible assets owned and right-of-use assets.

Property, plant and equipment owned by the department with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed, with the exception of works of art. Works of art are capitalised irrespective of their value. 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 does not own any property, plant and equipment, with the exception of minor artworks, which would require regular revaluation.

Depreciation

All non-current assets not held for sale with a limited useful life are systematically depreciated / amortised over their useful lives in a manner that reflects the consumption of their service potential.

Review of accounting estimates

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

Works of art controlled by the department have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. Consequently, no depreciation has been recognised.

Useful life

Depreciation 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)
Plant and equipment	3-13
Intangible assets	5-20
Service Commission data	Infinite
Leasehold improvements	Lease term
Right-of-use buildings	Lease term
Right-of use vehicles	Lease term

Department for Trade and Investment
Notes to and forming part of the financial statements
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5.1. Property, plant and equipment (continued)

Reconciliation 2022-23

	Plant and equipment	Leasehold improvements	Works of art	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	-	1 547	24	3 245	58	4 874
Additions	178	5 254	-	3	96	5 531
Disposals	-	(414)	-	(4)	-	(418)
Depreciation and amortisation	(82)	(1067)	-	(1 301)	(62)	(2 512)
Transfer in from administrative restructure	301	1 060	-	-	-	1 361
Carrying amount at 30 June 2023	397	6 380	24	1 943	92	8 836
Gross carrying amount						
Gross carrying amount	1 572	8 770	24	2 204	185	12 755
Accumulated depreciation	(1 175)	(2 390)	-	(261)	(93)	(3 919)
Carrying amount at 30 June 2023	397	6 380	24	1 943	92	8 836

Department for Trade and Investment
Notes to and forming part of the financial statements
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5.1. Property, plant and equipment (continued)

Reconciliation 2021-22

	Plant and equipment	Buildings and leasehold improvements	Works of art	Capital works in progress	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	2	1 232	35	240	4 431	51	5 991
Additions	-	-	-	9	170	40	219
Transfers between asset class	-	249	-	(249)	-	-	-
Disposals	-	-	(1)	-	-	-	(1)
Donated assets	-	(153)	(10)	-	-	-	(163)
Other movements	-	441	-	-	-	-	441
Depreciation and amortisation	(2)	(222)	-	-	(1 356)	(33)	(1 613)
Carrying amount at 30 June 2022	-	1 547	24	-	3 245	58	4 874
Gross carrying amount							
Gross carrying amount	86	2 866	24	-	3 515	109	6 600
Accumulated depreciation	(86)	(1 319)	-	-	(270)	(51)	(1 726)
Carrying amount at 30 June 2022	-	1 547	24	-	3 245	58	4 874

Department for Trade and Investment
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5.1. Property, plant and equipment (continued)

Leased property, plant and equipment

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

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

The department has a limited number of leases:

- Right-of-use buildings leases relate to overseas representative offices disclosed in note 4.4 and the office tenancy at Victoria Square.
- The department has 10 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The department's maturity, analysis of its lease liabilities is disclosed in note 7.2. Expenses related to leases, including interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.1.

Department for Trade and Investment
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5.2 Intangible assets

	Service concession asset - data \$'000	Service concession asset - software \$'000	Intangible software \$'000	Intangible work in progress \$'000	Total \$'000
Carrying amount at 1 July 2022	-	-	-	-	-
Additions	-	52	412	987	1 451
Capitalisation	-	-	-	-	-
Amortisation	-	(1 482)	(3 246)	-	(4 728)
Transferred in from administrative restructure	316 301	10 378	27 855	-	354 534
Revaluation decrement	(7 455)	-	-	-	(7 455)
Transfer between asset classes	-	-	987	(987)	-
Carrying amount at 30 June 2023	308 846	8 948	26 008	-	343 802
Gross carrying amount					
Gross carrying amount	308 846	17 388	35 256	-	361 490
Accumulated depreciation	-	(8 440)	(9 248)	-	(17 688)
Carrying amount at 30 June 2023	308 846	8 948	26 008	-	343 802

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

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

The internally developed computer software mostly relates to the departments ePlanning system with a remaining useful life of 7 years and 9 months and carrying amount of \$26.0m

Department for Trade and Investment
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5.2 Intangible assets (continued)

Intangible - Service Concession Assets

Service concession arrangements (SCAs) are contracts between a grantor and an operator where an operator provides a public service related to a service concession asset on behalf of the public sector grantor for a specified period of time and manages at least some of those services.

Based on the department's assessment, the following arrangement falls in scope of AASB 1059 - *Service Concession Arrangements: Grantors*.

Description	Service Concession Arrangement
Name and description of the SCA	Land Services SA (LSSA) operates and maintains the South Australian Integrated Land Information System (SAILIS) on behalf of the State. SAILIS is the electronic register used to keep all current and historical information underpinning the government guarantee of indefeasibility of title.
Terms of the arrangement	Under the Land Services Agreement, the Service Provider LSSA is responsible for delivering the following services; <ul style="list-style-type: none"> (i) Lands Titling Services (ii) Valuation Services (iii) General Services (iv) New Project Services; and (v) Disengagement Assistance
Period of the arrangement	The arrangement began on October 2017. The maximum term was 40 years as prescribed in the Land Services Agreement, which has now been extended by a further seven years to 47 years as per the election under clause 9.7(d) of the Implementation Deed.
Rights and obligations	
Changes in arrangements occurred during the FY23	The Offices of the Registrar-General and Valuer-General transferred from AGD to the department refer note 1.4.
The carrying amount of service concession assets as at transfer date on 1 July 2022	\$316.3 million (data service concession asset) \$10.378 million (software service concession asset)
The carrying amount of service concession assets as at 30 June 2023	\$308.8 million (data service concession asset) \$8.9 million (software service concession asset)

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5.2 Intangible assets (continued)

Initial recognition

The data service concession asset was initially recognised at current replacement cost based on *AASB 13 Fair Value Measurement* in accordance with AASB 1059. The software service concession asset was an existing intangible asset of the Department for Infrastructure and Transport (DIT) initially recognised at cost under *AASB 138 Intangible Assets* and continues to be recognised at cost upon adoption of AASB 1059 as per the Treasurer's approval.

The initial recognition of these assets under AASB 1059 has been recognised in the DIT 2020-21 financial statements.

Subsequent to initial recognition

Subsequent to the initial recognition, the data service concession asset is measured at current replacement cost, and the software service concession asset is measured at cost. The fair value of the data service concession asset is assessed at each year end. The data service concession asset is assessed to have an indefinite life and therefore is not amortised. The software asset is assessed to have a finite life and is amortised over the useful life of 11 years.

Delivery of Land Titling, Registration and Valuation Services

In 2017-18 the State entered into a contract with a private operator Land Services South Australia (LSSA) for the delivery of land titling, registration and valuation services to the State. The commercialisation of the State's land services operations resulted in an arrangement that meets *AASB 1059 Service Concession Arrangements: Grantors*.

Planning and Land Use Services transferred to the department from AGD (refer note 1.4) on 1 July 2022 which included SAILIS.

Based on DTI's assessment, the SAILIS contract falls in the scope of AASB 1059. The arrangement involves LSSA in the management of the SAILIS Software System.

The related liability is recognised as unearned revenue (referred to as the grant of a right to the operator liability). Refer to note A6.2 in the departments administered financial statements. The unearned revenue will be progressively reduced over the period of the arrangement, which is 47 years, on a straight-line basis.

The value of the data asset subject to the service concession arrangement has been revalued at 30 June 2023 as per the revaluation model in line with *AASB 138 Intangible Assets*.

Revaluation of data service concession asset

To comply with the requirements of *AASB1059 Service Concession Arrangements: Grantors*, KPMG were engaged by the department during 2022-23 to undertake a fair value valuation of the data and the cost in replacing that data held within SAILIS. This led to a \$7.5 million revaluation decrement being recognised in 2022-23.

The fair value of the Land Titles register and the valuation roll are measured in reference to current replacement cost in *AASB 13 Fair Value Measurement*, where the market value of an asset is determined by reference to the new replacement cost of a modern equivalent of the asset and adjusted to reflect losses in value attributable to physical depreciation/amortisation and obsolescence. This approach is also deemed to be the minimum cost to replace the existing asset with the same economic benefit.

The current replacement cost of SAILIS data was derived as a hypothetical exercise with the following assumptions

- The information required to populate and recreate the register is available at no cost.
- The existence of a physical or electronic copy of a record that can be used to recreate the data
- SAILIS software, architecture and trained workforce required for data recreation are available.
- Only data that sits within the SAILIS is replicated.

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

5.2 Intangible assets (continued)

Considering these assumptions, the minimum cost to replicate the existing service potential of SAILIS data is calculated based on:

1. The cost of manually inputting and manipulating records, using the cost incurred by the current operator to process dealings/plan/titles at valuation date. These costs are then applied to the relevant total volume of records.
2. Scanning and digitizing costs i.e. the estimates of current cost to input non digital records into SAILIS.
3. Due to the nature and complexity that might surround a data recreation project of this size, a contingency amount is included to cater for variations in the cost of recreating complicated records, technological requirements, quality assurance, timing and staffing.

The calculation of the fair value of the service concession asset data requires judgements, estimates and assumptions relating to future events.

The estimates and assumptions made are based on previous experience and other factors that management considers reasonable in the circumstances, but that are inherently uncertain and unpredictable. The assumptions may be incomplete or inaccurate and unexpected events or circumstances may arise. Furthermore, the department, is subject to risks and uncertainties which may result in the actual amounts deviating from the estimates.

It may become necessary to change estimates made previously due to changes in the assumptions on which the previous estimates were based or due to knowledge or subsequent events.

The department revises the estimates and assumptions periodically and the effects of any changes are reflected through the profit and loss if they only involve that period. If the revision involves both the current and the future periods, the change is recognised in the period in which the revision is made and in the related future periods.

6. Financial assets

6.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer – Operating Account	21 773	17 727
Deposits with the Treasurer – Accrual Appropriation Excess Funds Account	1 453	2 219
Deposits at call - overseas offices	158	351
Total cash and cash equivalents	23 384	20 297

Deposits with the Treasurer

The department has two deposit accounts with the Treasurer – a general operating account and an Accrual Appropriation Excess Funds Account.

Although the department controls the money 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 office has overseas deposit accounts in China and the United Kingdom. The carrying amount of cash and cash equivalents represents nominal value in Australian dollars.

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

6.2. Receivables

	2023	2022
	\$'000	\$'000
Current		
From non-government entities	1 360	84
From government entities	1 421	77
Less allowance for doubtful debts	10.2 (168)	(28)
Total trade receivables	2 613	133
Prepayments	672	394
GST input tax recoverable	1 417	167
Accrued revenue	1 970	42
Other receivables	40	23
Total other receivables	4 099	626
Total receivables	6 712	759

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

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.

Allowance for impairment loss on receivables

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	28	2
Amounts written off	(8)	-
Movement in allowance	148	26
Carrying amount at the end of the period	168	28

Impairment losses relate to contracts with customers external to SA Government. No impairment loss was recognised in relation to statutory receivables.

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

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

7. Liabilities

7.1. Payables

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Accrued expenses	10 600	3 149
Employment on-costs	1 112	482
Trade payables	454	137
Total current payables	12 166	3 768
<u>Non-current</u>		
Employment on-costs	625	283
Total non-current payables	625	283
Total payables	12 791	4 051

Payables are measured at nominal amounts.

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

Statutory payables do not arise from contracts.

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has increased from 42% in 2022 to a rate of 43% and the average factor for the calculation of employer superannuation on-costs has changed to 11.1% (2022: 10.6%). These rates are used in the employment on-cost calculation. The impact on 2023 is \$86 000 and cannot be reliably estimated for future years.

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

7.2. Financial liabilities

All financial liabilities relate to leases.

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

	2023	2022
	\$'000	\$'000
Financial liabilities		
Within one year	1 078	1 415
Later than one year but no longer than five years	975	1 806
Later than five years	-	231
Total financial liabilities (undiscounted)	2 053	3 452

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

Interest expense on lease liabilities was \$28 000 (2022: \$36 000).

7.3. Provisions

All provisions relate to workers compensation.

	2023	2022
	\$'000	\$'000
Reconciliation of provisions (statutory and non-statutory)		
Carrying amount at the beginning of the period	132	85
Net provision transferred as a result of an administrative restructure	262	-
Increase in provisions recognised	82	50
Reductions arising from payments / other sacrifice of future economic benefits	(55)	(3)
Carrying amount at the end of the period	421	132

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 directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a provision 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 for 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.

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

7.4. Other liabilities

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Accommodation incentive	739	74
Unearned revenue	-	7
Total current other liabilities	739	81
<u>Non-current</u>		
Accommodation incentive	6 143	341
Total non-current other liabilities	6 143	341
Total other liabilities	6 882	422

Accommodation incentive liabilities relate to an arrangement with the Department for Infrastructure and Transport (DIT) for office accommodation. This arrangement does not comprise leases and the accommodation incentive does not comprise financial liabilities. DIT has provided fit-out free of charge and 8.5 months rent free at the beginning of the arrangement. The benefit of these incentives is spread over the accommodation term so that each year's reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

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

8. Other disclosures

8.1. Cash flow reconciliation

Cash flow reconciliation

	2023	2022
	\$'000	\$'000
<u>Reconciliation of cash and cash equivalents at the end of the reporting period</u>		
Cash and cash equivalents disclosed in the Statement of Financial Position	23 384	20 297
Balance as per the Statement of Cash Flows	23 384	20 297
<u>Reconciliation of net cash used in operating activities to net result</u>		
Net cash used in operating activities	6 118	(6 019)
<u>Add / (less) non-cash items</u>		
Depreciation and amortisation expense of non-current assets	(7 240)	(1 613)
Amortisation of lease incentive	185	19
Assumption of liabilities	(1 400)	(434)
Asset derecognition	(414)	-
Bad and doubtful debts expense	(148)	(26)
Resources received free of charge	954	914
Revaluation decrement	(7 455)	-
Other liability movements	58	-
Assets transferred to other agencies	-	(163)
Resources provided free of charge	(954)	(473)
Transfer in for administrative restructure	10 899	-
Transfer out for administrative restructure	(474)	-
Gain / (Loss) from disposal and write down of non-current	29	(1)
<u>Movement in assets and liabilities</u>		
Increase in receivables	6 101	31
(Increase) / Decrease in payables	(8 738)	1 634
Decrease in other liabilities	7	389
Increase in provisions	(289)	(47)
(Increase) / Decrease in employee benefits	(5 734)	432
Net result	(8 495)	(5 357)

Total cash outflows for leases were \$1.553 million (2022: \$1.357 million).

Department for Trade and Investment
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, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value.

Capital commitments

	2023	2022
	\$'000	\$'000
Within one year	321	-
Total expenditure commitments	321	-

The department's commitments are for fitout costs for office accommodation at SA Water House.

Other contractual commitments

	2023	2022
	\$'000	\$'000
Within one year	16 045	22 046
Later than one year but not longer than five years	12 342	6 568
Total expenditure commitments	28 387	28 614

The department's other contractual commitments comprise:

- memoranda of administrative arrangements with DIT for accommodation
- commitments arising from agreements with contractors, service contracts, consultants, ICT contracts and grant recipients.

9.2. Contingent assets and liabilities

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

The department is not aware of any contingent liabilities.

Contingent assets

Where specific conditions relating to a financial assistance grant are not met, the department may request the amount granted be repaid by the grantee.

There are no known contingent assets arising from these present obligations as at 30 June 2023.

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

9.3. Impact of standards and statements not yet effective

The department continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The department continues to assess liabilities (e.g. LSL) and whether or not the department has a substantive right to defer settlement. Where applicable, these liabilities will be classified as current.

9.4. Events after the reporting period

No events after the reporting date to report.

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

10. Measurement and risk

10.1. Fair value

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

Initial recognition

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

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (that is the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment, other than right of use assets, is subsequently measured at fair value after allowing for depreciation.

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

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

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

Fair value hierarchy

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

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date
- Level 2 - not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly), and
- 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 and 2022, the department had no valuations categorised into level 1 and level 2; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

All assets are classified at level 3 and movement schedules are in note 5.1.

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

10.2. Financial instruments

Financial risk management

Risk management is managed by the department's corporate services section. 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 SA Government budgetary processes to meet the expected cash flows.

Refer to note 7.1 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

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

To measure the expected credit losses, receivables are grouped based on shared risks 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.

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

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

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	1 360	12%	168
1 - 30 days past due	-	33%	-
31 - 60 days past due	-	57%	-
61 - 90 days past due	-	84%	-
More than 90 days past due	-	97%	-
Loss allowance	1 360		168

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

10.2. Financial instruments (continued)

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. 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.

There were no receivables written off during the year.

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

Market risk

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

The department has minor exposure to foreign currency gain / loss due to overseas transactions including the department's overseas representation offices. The net loss in 2023 was \$6 064 (2022: net loss \$13 000).

Categorisation of financial instruments

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

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Receivables and Payables at amortised cost are \$4.623 million (2022: \$0.198 million) and \$10.9453 million (2022: \$3.188 million) respectively.

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 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at amortised cost.

**Department of Trade and Investment
(DTI)**

Administered Financial Statements

For the year ended 30 June 2023

Department of Trade and Investment
for the year ended 30 June 2023

We certify that the:

- financial statements for the Minister for Department for Trade and Investment:
 - are in accordance with the accounts and records of the Department of Trade and Investment;
 - 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 of Trade and Investment at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Minister for Department of Trade and Investment for the financial year over its financial reporting and its preparation of financial statements have been effective.



David Reynolds
Chief Executive

14 September 2023



Julie-Anne Burgess
Chief Operating Officer

14 September 2023

Department of Trade and Investment
Statement of Administered Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<u>Administered income</u>			
Fees and charges	A2.1	360 736	-
Appropriation	A2.2	2 074	354
Recoveries and other income	A2.5	34 258	-
SA Government grants, subsidies and transfers	A2.3	276	186
Interest and investment revenue	A2.4	844	-
Total administered income		398 188	540
<u>Administered expenses</u>			
Payments to Consolidated Account	A4.1	336 129	-
Intra-government transfers	A4.2	1 034	-
Employee benefits	A3.1	968	553
Other	A4.3	25 655	-
Total administered expenses		363 786	553
Net result		34 402	(13)
Total comprehensive result		34 402	(13)

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

Department of Trade and Investment
Statement of Administered Financial Position
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<u>Administered current assets</u>			
Cash and cash equivalents	A5.1	38 179	214
Receivables	A5.2	2 156	17
Total current assets		40 335	231
Total assets		40 335	231
<u>Administered current liabilities</u>			
Other current liabilities	A6.3	541	-
Contract liabilities	A6.2	34 210	-
Payables	A6.1	32 211	-
Employee benefits	A3.2	16	-
Total current liabilities		66 978	-
<u>Administered non-current liabilities</u>			
Contract liabilities	A6.2	1 368 389	-
Employee benefits	A3.2	22	-
Payables	A6.1	2	-
Total non-current liabilities		1 368 413	-
Total liabilities		1 435 391	-
Net Assets (Liabilities)		(1 395 056)	231
<u>Administered equity</u>			
Retained earnings		(1 395 056)	231
Total equity		(1 395 056)	231

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

Department of Trade and Investment
Statement of Administered Cash Flows
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<u>Cash flows from operating activities</u>			
<i>Cash inflows</i>			
Fees and charges		355 728	-
Appropriation		2 074	540
SA Government grants, subsidies and transfers		276	-
Interest receipts		850	-
Other receipts		279	-
Cash generated from operations		359 207	540
<i>Cash outflows</i>			
Payments to Consolidated Account		(336 129)	-
Intra-government transfers		(790)	-
Employee benefit payments		(950)	(554)
Other payments		(26 017)	-
Cash used in operations		(363 886)	(554)
Net cash provided by / (used in) operations	A7.1	(4 679)	(14)
<u>Cash flows from financing activities</u>			
<i>Cash inflows</i>			
Cash transferred from administrative restructure		42 644	-
Cash generated from financing activities		42 644	-
Net cash provided by / (used in) financing activities		42 644	-
Net increase in cash and cash equivalents		37 965	(14)
Cash and cash equivalents at the beginning of the period		214	228
Cash and cash equivalents at the end of the period	A5.1	38 179	214

The accompanying notes form part of these financial statements.

Department of Trade and Investment
Schedule of Assets and Liabilities attributable to Administered Programs
for the year ended 30 June 2023

Administered programs - refer note A1.1	Trade and Investment		Office of the Registrar- General		Planning and Land Use Services		General/Non Attributable		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Administered income</u>										
Fees and charges	-	-	335 816	-	24 910	-	10	-	360 736	-
Appropriation	-	-	54	-	1 376	-	644	354	2 074	354
Recoveries and other income	-	-	34 258	-	-	-	-	-	34 258	-
SA Government grants, subsidies and transfers	276	186	-	-	-	-	-	-	276	186
Interest and investment revenues	-	-	617	-	-	-	227	-	844	-
Total administered income	276	186	370 745	-	26 286	-	881	354	398 188	540
<u>Administered expenses</u>										
Payments to Consolidated Account	-	-	336 129	-	-	-	-	-	336 129	-
Intra-government transfers	-	-	-	-	1 034	-	-	-	1 034	-
Employee benefits	269	553	-	-	-	-	699	-	968	553
Other	-	-	716	-	24 936	-	3	-	25 655	-
Total administered expenses	269	553	336 845	-	25 970	-	702	-	363 786	553
Net result	7	(367)	33 900	-	316	-	179	354	34 402	(13)

Department of Trade and Investment
Schedule of Assets and Liabilities attributable to Administered Programs
as at 30 June 2023

Administered programs - refer note A1.1	Trade and Investment		Office of the Registrar-General		Planning and Land Use Services		General/Non Attributable		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Administered current assets</u>										
Cash and cash equivalents	-	-	-	-	-	-	38 179	214	38 179	214
Receivables	-	-	2 120	-	12	-	24	17	2 156	17
Total current assets	-	-	2 120	-	12	-	38 203	231	40 335	231
Total administered assets	-	-	2 120	-	12	-	38 203	231	40 335	231
<u>Administered current liabilities</u>										
Other non-current liabilities	-	-	-	-	-	-	541	-	541	-
Contract liabilities	-	-	34 210	-	-	-	-	-	34 210	-
Payables	-	-	31 672	-	472	-	67	-	32 211	-
Employee benefits	-	-	-	-	-	-	16	-	16	-
Total current liabilities	-	-	65 882	-	472	-	624	-	66 978	-
<u>Administered non-current liabilities</u>										
Contract liabilities	-	-	1 368 389	-	-	-	-	-	1 368 389	-
Payables	-	-	-	-	-	-	2	-	2	-
Other liabilities	-	-	-	-	-	-	22	-	22	-
Total non-current liabilities	-	-	1 368 389	-	-	-	24	-	1 368 413	-
Total administered liabilities	-	-	1 434 271	-	472	-	648	-	1 435 391	-
Net Assets (Liabilities)	-	-	(1 432 151)	-	(460)	-	37 555	231	(1 395 056)	231

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

A1. Basis of preparation and accounting policies

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

A1.1. Objectives/Activities of the department's Administered Items

Administered items of the department include:

- Planning Fees
- Real Property Act Assurance Fund
- Real Property Act Trust Accounts
- Registrar-General and Surveyor-General Statutory Act revenues
- Special Acts - Payment of Ministerial Salary and Allowances
- Special Acts - Payment of Statutory Officer Salaries
- Urban Tree Canopy Offset Scheme
- West Beach Trust – tax equivalent regime
- Worker's Liens Trust Account

The department's administered items are structured to contribute to three main programs, these are:

Trade and Investment

The department disburses salaries and allowances pursuant to the *Agent-General Act 1901* and the *Parliamentary Remuneration Act 1990* on behalf of the State Government.

Office of the Registrar-General

This administered program relates to the fees and charges collected in relation to land title transactions, mainly under the *Real Property Act 1886*.

Planning and Land Use Services

Administering the South Australian Planning and Development system, leading and presenting South Australia's strategic land use and development planning, and assessing applications for land use and development.

Department of Trade and Investment
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A1.2. Changes to the reporting entity

Transferred in 2022-23

As a result of an administrative arrangement outlined in the Government Gazette on 30 June 2022 the ministerial responsibilities of Planning and Land Services, Office of the Registrar-General and Office of Valuer-General were transferred to the Department for Trade and Investment (DTI). The effective date of the transfer was 1 July 2022.

Net assets assumed by the department as a result of these transfers were recognised at their carrying amount. Net assets transferred were treated as a contribution by the government as owner.

The following assets and liabilities for the Office of the Valuer-General were transferred to the department:

	\$'000
Cash	21
Receivables	1
Total assets	22
Employee benefits	24
Payables	36
Total liabilities	60
Total net assets transferred	(38)

The following assets and liabilities for the Office of the Registrar-General were transferred to the department:

	\$'000
Cash	41 090
Receivables	250
Total assets	41 340
Contract liabilities	1 436 808
Payables	34 905
Other liabilities	553
Total liabilities	1 472 266
Total net assets transferred	(1 430 926)

Department of Trade and Investment
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A1.2. Changes to the reporting entity (continued)

The following assets and liabilities for Planning and Land Use Services were transferred to the department:

	\$'000
Cash	1 533
Total assets	1 533
Payables	258
Total liabilities	258
Total net assets transferred	1 275

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A1.3. Budget performance

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

		Original budget 2023	Adjustment for Planning and Development Fund 2023	Original DTI budget 2023	Actual 2023	Variance
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Statement of Administered Comprehensive Income						
<u>Administered Income</u>						
Fees and charges	a)	304 896	28 249	276 647	360 736	55 840
Appropriation		1 585	-	1 585	2 074	489
Recoveries and other income		35 462	-	35 462	34 258	(1 204)
SA Government grants, subsidies and transfers		400	-	400	276	(124)
Interest revenues		-	-	-	844	844
Total administered income		342 343	28 249	314 094	398 188	55 845
<u>Administered Expenses</u>						
Payments to Consolidated Account	b)	277 908	17	277 891	336 129	58 221
Grants and subsidies		22 014	21 117	897	-	(22014)
Intra-government transfers		-	-	-	1 034	1 034
Employee benefits		928	-	928	968	40
Supplies and services		980	926	54	-	(980)
Other	c)	-	-	-	25 655	25 655
Total administered expenses		301 830	22 060	279 770	363 786	61 956
Net result		40 513	6 189	34 324	34 402	(6 111)
Total comprehensive result		40 513	6 189	34 324	34 402	(6 111)

- a) Fees and charges were higher than the original budget mainly due to higher regulatory fees collected under the *Real Property Act 1886*.
- b) Payments to Consolidated Account were higher than the original budget due to the higher regulatory fees in 2022-23.
- c) Unbudgeted Planning Development and Infrastructure (PDI) Act fees.

Department of Trade and Investment
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A2. Income

A2.1. Fees and charges

	2023	2022
	\$'000	\$'000
Regulatory Fees - Land Services	335 816	-
Regulatory Fees - PLUS	24 910	-
Other	10	-
Total fees and charges	360 736	-

Fees and charges are recognised on receipt.

A2.2. Appropriation

	2023	2022
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	2 074	354
Total revenues from appropriation	2 074	354

Appropriations are recognised on receipt.

Total revenues from appropriation consist of \$2.074 million (2022: \$0.354 million) for operational funding. There were no material variations between the amount appropriated and the expenditure associated with this appropriation. Refer to notes A3.1, A4.1 to A4.3 for details on the expenditure.

A2.3. SA Government grants, subsidies and transfers

	2023	2022
	\$'000	\$'000
SA government grants	276	186
Total SA Government grants, subsidies and transfers	276	186

A2.4. Interest and investment revenues

	2023	2022
	\$'000	\$'000
Royalties	618	-
Interest	226	-
Total interest revenues	844	-

Department of Trade and Investment
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A2.5. Recoveries and other income

	2023 \$'000	2022 \$'000
Land Services commercialisation	34 210	-
Other	48	-
Total recoveries and other income	34 258	-

Recoveries and other income are recognised on receipt.

Land Services commercialisation of \$34.2 million (2022: nil) reflects the straight-line apportionment of the total commercialisation price. The remaining commercialisation price is recognised as unearned revenue, refer to Note 6.2.

A3. Board, committees and employees

A3.1. Employee benefits expenses

	2023 \$'000	2022 \$'000
Salaries and wages	828	527
Employment on-costs - superannuation	69	26
Employment on-costs - other	31	-
Annual leave	30	-
Long service leave	10	-
Total employee benefits expenses	968	553

The department disburses salaries and allowances pursuant to the Valuation of Land Act 1971, Agent-General Act 1901 and the Parliamentary Remuneration Act 1990 on behalf of the State Government.

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

Employee remuneration

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

	2023 Number	2022 Number
\$180 001 to \$200 000	-	1
\$260 001 to \$280 000	2	-
Total number of officers	2	1

Total remuneration received or receivable by these officers for the year was \$ 0.532 million (2022: \$ 0.186 million).

The Minister's banding is disclosed in the Department of Treasury and Finance statements.

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

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A3.2. Employee benefits liability

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Annual leave	15	-
Long service leave	1	-
Total current employee benefits	16	-
<u>Non-current</u>		
Long service leave	22	-
Total non-current employee benefits	22	-
Total employee benefits	38	-

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

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

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

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

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 1.5% (2022) to 2.0% (2023).

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

Long service leave

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

Long service leave - measurement

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

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities. 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 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds increased to 4% (2022: 3.5%).

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

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

Department of Trade and Investment
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A3.2. Employee benefits liability (continued)

The net financial effect of the changes to actuarial assumptions in the current financial year is immaterial. 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 current portion of long service leave reflects the department's past experience of long service leave which is expected to continue in future.

A4. Expenses

A4.1. Payment to Consolidated Account

	2023 \$'000	2022 \$'000
Payments to Consolidated Account	336 129	-
Total payments to Consolidated Account	336 129	-

Payments to the SA Government include fees and charges paid directly to the Consolidated Account.

A4.2. Intra-government transfers

	2023 \$'000	2022 \$'000
West Beach Trust - tax equivalent regime	1 034	-
Total intra-government transfers	1 034	-

A4.3. Other expenses

	2023 \$'000	2022 \$'000
Planning Fees	25 215	-
Bad and doubtful debts	297	-
Promotions and publications	64	-
Office expenses	50	-
Claims	25	-
Other expenses	4	-
Total other expenses	25 655	-

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A5. Financial assets

A5.1. Cash and cash equivalents

	2023 \$'000	2022 \$'000
Deposits with the Treasurer	38 179	214
Total cash and cash equivalents	38 179	214

Cash is measured at nominal amounts.

Interest rate risk

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

A5.2. Receivables

	2023 \$'000	2022 \$'000
<u>Current</u>		
Receivables	2 103	-
Accrued revenue	349	17
Less allowance for doubtful debts	(296)	-
Total current receivables	2 156	17
Total receivables	2 156	17

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Department of Trade and Investment
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A6. Liabilities

A6.1. Payables

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Consolidated account	31 621	-
Accrued expenses	482	-
Other current payables	67	-
Creditors	38	-
Employment on-costs	3	-
Total current payables	32 211	-
<u>Non-current</u>		
Employment on-costs	2	-
Total non-current payables	2	-
Total payables	32 213	-

Payables are measured at nominal amounts.

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

Refer to note A9.1 for further information on risk management.

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 is discharged.

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.

As a result of an actuarial assessment performed by the Department of Treasury and Finance the proportion of long service leave taken as leave has increased from the 2022 rate of 42% to 43%. The average factor for the calculation of employer superannuation on-costs has increased to 11.1% (2022: 10.6%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year on employment on-costs and employee benefit expense is immaterial.

Department of Trade and Investment
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A6.2. Contract liabilities

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Contract liabilities	34 210	-
Total current contract liabilities	34 210	-
<u>Non-current</u>		
Contract liabilities	1 368 389	-
Total non-current contract liabilities	1 368 389	-
Total contract liabilities	1 402 599	-

The department has recognised a liability of the unearned revenue arising from the consideration received for the commercialisation of the State's land services operation as at 30 June 2023. The recognition of the unearned revenue is calculated on a straight-line basis over the term of the contract, reducing the liability. The contract liabilities are measured at amortised cost.

A6.3. Other liabilities

	2023	2022
	\$'000	\$'000
<u>Current</u>		
Worker's Liens Trust Account	541	-
Total current other liabilities	541	-
Total other liabilities	541	-

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A7. Other disclosures

A7.1. Cash flow reconciliation

	2023	2022
	\$'000	\$'000
<u>Reconciliation of cash and cash equivalents at the end of the reporting period</u>		
Cash and cash equivalents disclosed in the Statement of Financial Position	38 179	214
Balance as per the Statement of Cash Flows	<u>38 179</u>	<u>214</u>
<u>Reconciliation of net cash provided by / (used in) operating activities to net result</u>		
Net cash used in operating activities	(4 679)	(14)
<u>Add / (less) non-cash items</u>		
Bad and doubtful debts expense	(296)	-
Net transfers from administrative restructures	1 472 333	-
<u>Movement in assets and liabilities</u>		
Increase in receivables	2 435	1
Increase in payables	(32 213)	-
Increase in employee benefits	(38)	-
Increase in other liabilities	(541)	-
Increase in contract liabilities	(1 402 599)	-
Net result	<u>34 402</u>	<u>(13)</u>

A8. Outlook

A8.1. Contingent assets and liabilities

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

There are no known contingent assets or liabilities as at 30 June 2023.

A8.2. Impact of standards and statements not yet effective

The department continues to assess the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

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

A8.3. Events after the reporting period

No events after the reporting date to report.

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A9. Measurement and risk

A9.1. Financial instruments

Financial risk management

Risk management is managed by the department's corporate services section. Departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The department'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

Financial liabilities principally represent taxation receipts payable to the Treasurer. Therefore, the department's exposure to liquidity risk is insignificant due to the nature of the financial instruments held and current assessment of risk.

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.

Market risk

Cash administered by the department is subject to interest rate risk.

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.