

SOUTH AUSTRALIA

Report
of the
Auditor-General

Supplementary Report
for the
year ended 30 June 2008

Tabled in the House of Assembly and ordered to be published, 25 November 2008

Third Session, Fifty-First Parliament

Agency Audit Report
November 2008

By Authority: T. Goodes, Government Printer, South Australia

2008



Government of South Australia

Auditor-General's Department

24 November 2008

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President
Legislative Council
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The Hon J J Snelling, MP
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Gentlemen

REPORT OF THE AUDITOR-GENERAL: SUPPLEMENTARY REPORT: AGENCY AUDIT REPORT

Pursuant to section 36(3) of the *Public Finance and Audit Act 1987*, I herewith provide to each of you a copy of my Supplementary Report 'Agency Audit Report November 2008'.

At the time of submission of my 2008 Annual Report which was tabled in Parliament on the 14 October 2008, the Department of Primary Industries and Resources and the Department for Transport, Energy and Infrastructure had not completed their respective financial statements for the 2007-08 financial year. The Departments were in the process of addressing general ledger/bank reconciliation matters before finalising their financial statements and enabling the completion of the audits.

I indicated in my Annual Report that the audited financial statements and audit commentary for the abovementioned agencies would be included in a Supplementary Report to Parliament.

This Supplementary Report presents the audited financial statements and commentary on the operations for the Department of Primary Industries and Resources. The Department has addressed outstanding reconciliation matters enabling the completion of the preparation and audit of its financial statements.

At the time of preparation of this Supplementary Report, the Department for Transport, Energy and Infrastructure is continuing to address certain matters regarding general ledger/bank reconciliation matters.

Also Audit is presently in the process of undertaking the audit of the 2007-08 financial statements for the Legislature.

I intend to present the 2007-08 audited financial statements of the Department for Transport, Energy and Infrastructure and the Legislature with related audit commentary in a further Supplementary Report to Parliament in early 2009.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'S O'Neill'.

S O'NEILL
AUDITOR-GENERAL

DEPARTMENT OF PRIMARY INDUSTRIES AND RESOURCES

FUNCTIONAL RESPONSIBILITY

Establishment

The Department of Primary Industries and Resources (the Department) is an administrative unit established under the PSM Act.

Functions

The Department's main responsibility is to ensure the sustainable development of the State's natural, industrial and community resources and assets. It was responsible, until 1 July 2008, for guiding and administering the South Australian planning and development system.

For more information about the Department's role and objectives, refer to Note 1 of the financial report.

AUDIT MANDATE AND COVERAGE

Audit Authority

Audit of the Financial Report

Subsection 31(1)(b) of the PFAA provides for the Auditor-General to audit the accounts of the Department for each financial year.

Assessment of Controls

Subsection 36(1)(a)(iii) of the PFAA provides for the Auditor-General to assess the controls exercised by the Department in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.

This assessment also considers whether those controls are consistent with the prescribed elements of the FMF as required by TI 2.

Scope of Audit

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

During 2007-08 specific areas of audit attention included:

- financial accounting and reporting
- expenditure
 - goods and services procurements
 - payroll
 - grants and subsidies
- revenue
 - Planning SA revenue
 - Fisheries and Aquaculture licensing revenue
 - grants and advances
 - mining and petroleum revenue
 - consultancy and service fees
- cash at bank
- FMF and legal compliance
- Tenement Management System information technology controls.

AUDIT FINDINGS AND COMMENTS

Auditor's Report on the Financial Report

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Department of Primary Industries and Resources as at 30 June 2008, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards (including the Australian Accounting Interpretations).

Assessment of Controls

In my opinion, the controls exercised by the Department of Primary Industries and Resources in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, except for the matters raised in relation to expenditure, mining revenue and cash, as outlined under 'Communication of Audit Matters', are sufficient to provide reasonable assurance that the financial transactions of the Department of Primary Industries and Resources have been conducted properly and in accordance with law.

Communication of Audit Matters

Matters arising during the course of the audit were detailed in management letters to the Chief Executive of the Department. Responses to the management letters were generally considered to be satisfactory. The main matters raised with the Department and the related responses are presented below.

Expenditure

The 2007-08 audit included review of the control arrangements and detailed testing of controlled transactions processed through the accounts payable system. In performing the audit, consideration was given to the status of implementing recommendations from previous audits.

Audit have previously reviewed the Department's use of the online purchase order module and concluded it was not implemented effectively. In addition, previous audits of paper-based controls over accounts payable processing highlighted:

- controls implemented by the Department did not provide assurance that all purchasing transactions were authorised
- not all purchase orders are raised in accordance with departmental policies and procedures
- the Department had not implemented either a manual signature register or an automated approval system.

The Department responded to the previously raised findings by indicating it would explore the implementation of an electronic workflow system. In 2006-07 the Department advised that an electronic workflow system and signature register would not be implemented due to the proposed implementation of shared services and instead, interim control measures would be implemented. Follow-up in 2007-08 of these interim control measures identified:

- a review to evidence that appropriate contract delegation was exercised prior to committing the Department to expenditure had not been implemented
- a spot check of invoices to ensure they were authorised by an officer with payment delegation prior to disbursement had not been implemented
- the review of financial management reports by divisions had not been formalised by developing documented policies and procedures which require performance of specific review procedures.

Audit concluded that at the time of the follow-up audit the Department had not implemented the additional preventative controls over transaction processing with an attendant risk of invalid payments.

In response, the Department advised:

- regular reporting would be established to identify purchases greater than \$2200 that do not have a purchase order or the purchase order date is later than the invoice date
- a spot check of invoices to ensure they were appropriately authorised was implemented in May 2008
- a policy has been developed to formalise the review of the financial management reports by divisions and revised monthly financial transaction procedures will be implemented in 2008-09.

The Department also advised that the Department of Treasury and Finance has commenced a process to implement a whole-of-Government e-procurement solution that will provide functionality across the full procure to pay process through Shared Services SA. This will include automation of requisition and purchase order creation, automated workflow approvals for requisitions and invoices and automatic matching to purchase orders.

Mining Revenue

In 2006-07 Audit reviewed the revenue collected by the Minerals Resources Group within the Department. The scope included review of:

- the legislation impacting on the collection of revenue
- issuing licences and charging rentals
- raising invoices for collection of licenses and rental revenue
- receipting monies received for payment of licenses, rental revenue and royalties
- recording the collection of revenue in the general ledger.

Audit also reviewed aspects of the 'Review of the Controls over the Mineral Royalties Collection Processes' review performed by PIRSA Risk Management and Audit.

The Department collected \$73.5 million in administered mining royalty revenue during 2007-08. This is a significant revenue source to the Department requiring management attention regarding:

- diligent scrutiny of licensee returns and revenues
- the application of appropriate systems and controls to evidence compliance with law
- the collection of all revenue due and payable to the Department.

The 2007-08 audit included a review of the actions to address the 2006-07 Audit recommendations and testing of controlled license and rental revenue and administered royalty revenue for the 2007-08 financial year.

Follow-up of the 2006-07 audit findings identified the need for implementation of arrangements for validating royalty revenue paid in accordance with the *Roxby Downs (Indenture Ratification) Act 1982*, and the *Whyalla Steel Works Act 1958*.

Roxby Downs (Indenture Ratification) Act 1982

Approximately \$62 million of the \$73.5 million in royalties received by the Department is collected from BHP Billiton Olympic Dam Corporation Pty Ltd.

The Roxby Downs (Indenture Ratification) Act 1982 provides that should the Minister so request, BHP Billiton will submit an external audit report, with respect to the royalty return within six months of submitting a royalty return to the Department.

In 2006-07 Audit identified that audit reports to verify quarterly royalty returns had not been requested by the Department since September 1998. The Department does not have the capacity under the *Roxby Downs (Indenture Ratification) Act 1982* to completely validate the data submitted within the royalty return, other than from review of audited royalty returns, and performs a historical analysis check for reasonableness.

The review of historical data provides limited assurance that mining royalties collected in accordance with *Roxby Downs (Indenture Ratification) Act 1982* are correct and that there is no overpayment or underpayment of royalties to the State.

The Mineral Resources Group responded indicating that a request would be submitted to the Minister to reinstate the arrangements provided within the *Roxby Downs (Indenture Ratification) Act 1982* to obtain assurance the information provided by BHP Billiton is complete and accurately reflects the royalties payable to the State.

Audit follow-up in 2007-08 identified that while the Department had identified the necessary steps required to validate the Olympic Dam Royalties and is finalising an agreement with BHP Billiton that formalises the calculation and payment of royalties, at the time of the follow-up review the Department had not requested the external audit reports from the company.

The Department responded that since the follow-up review, the Minister for Mineral Resources Development has requested that BHP Billiton provide an external audit report on the royalty returns submitted to the Department for the four quarters ended 31 March 2008.

Whyalla Steel Works Act 1958

In 2006-07 Audit followed up a PIRSA Risk Management and Audit review of arrangements implemented by the Department to verify the calculation of royalties payable by Onesteel Manufacturing Pty Ltd pursuant to the *Whyalla Steel Works Act 1958*. The internal audit review highlighted the need for the Department to obtain more detail from the company and to verify the accuracy of the royalty calculations.

The Department responded to the Audit follow up review by advising it would seek to negotiate a more transparent methodology to calculate the royalty which would require amendments to the indenture. In addition, it would undertake a risk assessment and develop a program to ensure a registered auditor approved by the Minister periodically validates mining returns. The audit certificates would also be examined by the Minerals Resources Group for reasonableness against expectations.

Audit follow-up in 2007-08 identified that the Department has prepared terms of reference to guide the verification process however at the time of the audit the Department was negotiating a new methodology and had not requested the audit certificates from the company.

The Department responded that the Minister for Mineral Resources Development has requested that the company initiate an external audit on the six monthly royalty returns submitted to the Department as at 31 December 2007 and 30 June 2008.

Cash

The 2007-08 audit considered the policies and procedures, reconciliation methodologies and independent review of the:

- Petty Cash and Imprest Account reconciliations
- Prudential & Rural Financial Services Official Account reconciliations
- Planning SA Collection Account reconciliations
- PIRSA Operating Account reconciliations

The review of bank reconciliations identified the following instances of non-compliance with the established control policies and procedures:

- At the time of the audit the Operating Account bank reconciliation had not been prepared since January 2008 and reconciling items had not been cleared in a timely manner.
- Reconciling items on the Planning SA Collection Account reconciliation were not cleared in a timely manner.
- The Prudential & Rural Financial Services Official Account had not been reconciled since August 2007.

The review of petty cash identified:

- responsibility for claiming, reconciling and reimbursing petty cash was not appropriately segregated at one location
- instances where petty cash claims and petty cash tin reimbursements were not appropriately authorised.

The Department responded that:

- the Operating Account methodology would be reviewed and the account would be reconciled as at 30 June 2008
- reconciling items on the Planning SA Collection Account reconciliation would be reported to the Manager, Planning Services Branch on a monthly basis to assist clearing reconciling items on a timely basis
- the Prudential & Rural Financial Services Official Account was cleared on a regular basis, was reconciled as at 31 May 2008 and would be reconciled at 30 June 2008
- divisions were reminded of the importance of petty cash segregation of duty and this will be reinforced through updated policies and procedures
- the updated petty cash procedures will clearly identify the approvals required for petty cash transactions and a template has been developed that will require authorised officers' approval.

Review of the Operating Account reconciliation as at 30 June 2008 identified that the reconciliation was performed using an inappropriate reconciliation methodology. The Department subsequently re-performed the reconciliation which was satisfactorily verified by Audit.

Legal Compliance

In previous years Audit has recommended the Department implement a legal compliance framework that focuses on:

- processes to identify key provisions of assigned legislation
- assignment of legislative functions/responsibilities to Departmental employees linked to the Department's Delegations of Authority
- legal compliance monitoring and reporting systems.

During 2007-08 the Department implemented a legal compliance framework.

Audit noted the following areas in which implementation of the framework could be improved, notably the Register of Key Legislation was not complete and monitoring and reporting activities have not been formally established and incorporated into the framework.

The Department responded that:

- relevant job and person specifications and the Department's induction program and checklist would be updated to address the legal compliance framework
- the Minerals and Aquaculture divisions have now completed their legal compliance registers and further information would be incorporated into the Register of Key Legislation by October 2008
- Legal Compliance Coordinators within divisions will establish plans for ongoing compliance monitoring and the requirement to do so will be incorporated into the Legal Compliance Framework
- The follow-up of preventative and corrective actions will be incorporated into the Internal Audit Plan and the Risk and Audit Committee will be provided with an annual report on legal compliance.

Financial Management Framework

Until 1 July 2008 the Department was required to implement the Prescribed Elements of the FMF TI 2. From that date the Department will be required to implement revised Principles of Financial Management.

The 2007-08 audit focused on aspects of the Department's control framework which will continue notwithstanding the changes to the requirements of the TIs. The scope included:

- risk management
- internal controls
- monitoring and reporting
- planning and analysis
- transaction processing.

The audit identified that the Department's risk management systems were well developed and generally effectively implemented by Divisions. Audit recommended that the Department further improve these arrangements by developing regular and timely reporting to the Risk and Audit Committee of the status of key risks and ensuring risk management plans were reviewed and updated in the timeframes required by the Risk and Audit Committee.

The review of the Department's planning and analysis functions identified that the Department had established a Strategic Planning Framework. Audit recommended this framework be improved by ensuring the Strategic Directions include all of the relevant State Strategic Plan targets and that the Framework incorporate reference to the newly developed performance reporting system.

The Department responded that:

- an 'Action Plan' will be developed to report proposed risk treatments to mitigate identified risks. The Action Plan will be provided to the Risk and Audit Committee
- outdated risk management plans are currently being updated
- the Strategic Planning Framework is currently being updated and will refer to the newly developed performance reporting system.

Fisheries and Aquaculture Licensing Revenue

Audit reviewed the revenue collected by the Fisheries and Aquaculture Divisions within the Department. Revenue transactions are processed through a system titled PIIMS. The scope included review of:

- governing legislation
- policies and procedures
- licensing and invoicing
- raising and approving credit notes
- reconciliation of PIIMS and Masterpiece Accounts Receivable.

The review identified:

- a lack of documented evidence that price changes in PIIMS are independently reviewed
- the PIIMS system was not reconciled to the Masterpiece Accounts Receivable to provide assurance that revenue transactions were completely and accurately reflected in Masterpiece Accounts Receivable and consequently the General Ledger.

The Department responded that:

- a system application had been developed to enable a reconciliation between PIIMS and Masterpiece Accounts Receivable and the reconciliation would be performed as at 30 June 2008.
- new procedures have been developed to ensure all new rates or regulated fees entered in PIIMS are independently reviewed and this review is evidenced.

Payroll

The review of the Department's personnel and payroll functions considered whether controls provide reasonable assurance that transactions have been processed correctly and that CHRIS payroll system information can be relied upon for reporting and decision making purposes. The scope included review of:

- hiring and terminating personnel
- time and attendance recording
- payroll calculation
- payroll disbursement
- maintenance of employee data within the CHRIS system.

Regarding payroll disbursement the audit identified:

- the EFT file used to disburse funds was not read-only, and could be amended
- officers not involved in disbursing payroll had access to EFT file as it was stored on a shared drive.

The Department responded that it acknowledged the risk associated with the EFT file and its location and access and that it was not possible to change the file to read only. Access by officers not authorised in disbursing payroll had been removed.

Tenement Management System

During 2007-08, Audit also undertook a focused review of key security and control aspects of the Tenement Management System (TMS) and its computer processing environment. The review principally addressed controls over royalty revenues, system information security and integrity, maintenance and change control procedures and arrangements for business continuity.

With the exception of the matters of external audit certification of mining royalties and transparency of calculation referred to above, the review found that controls over the financial recording and reporting of mining royalties were generally satisfactory.

At the TMS and computer processing environment level, a number of areas reviewed were found to be operating satisfactorily. There were some important matters that required management attention relating to the ongoing operation and availability of the TMS. In particular, improvements were required in the following areas of operation:

- IT security policies, user guides and procedures
- documentation of system change management processes

- controls over changes to system data and logging of changes
- user security access privileges and review and monitoring of such access
- formal business continuity planning and testing.

The Department's response advised of a comprehensive plan of action to address all matters raised. Many individual matters have been addressed by the Department with the remaining anticipated to be completed during 2008-09.

INTERPRETATION AND ANALYSIS OF THE FINANCIAL REPORTS

Highlights of the Financial Report - Controlled Items

	2008 \$'million	2007 \$'million	Percentage Change
INCOME			
Revenue from fees and charges	40.0	33.0	21.2
Advances and grants	92.1	55.3	66.5
Other income	13.8	11.5	20.0
Total Income	145.9	99.8	46.2
EXPENSES			
Employee benefit expenses	131.6	122.3	7.6
Grants and subsidies	85.4	34.1	150.4
Supplies and services	72.2	64.0	12.8
Other expenses	11.8	12.3	(4.9)
Total Expenses	301.0	232.7	29.4
Net Cost of Providing Services	155.1	132.9	16.7
Net revenue from an administrative restructure	-	0.3	n/a
REVENUES FROM SA GOVERNMENT	152.1	140.9	7.9
Net Result after Restructuring	(3.0)	8.3	136.2
NET CASH PROVIDED BY OPERATING ACTIVITIES	1.4	15.7	91.1
ASSETS			
Current assets	108.9	104.5	4.2
Non-current assets	149.8	139.1	7.7
Total Assets	258.7	243.6	6.2
LIABILITIES			
Current liabilities	37.1	34.4	7.8
Non-current liabilities	26.8	26.0	3.1
Total Liabilities	63.9	60.4	5.8
EQUITY	194.8	183.2	6.3

Income Statement

Advances and Grants Revenue

Revenue from Advances and Grants increased by \$37 million from 2006-07 to 2007-08 due mainly to a \$39 million increase in Exceptional Circumstances/Drought Assistance funding from the Commonwealth. Fees and Charges increased by \$7 million due to increased revenue from Mining and Petroleum fees, rentals and licences and from provision of consultancies and services.

Grants and Subsidies Expense

Grants expense has increased from 2006-07 to 2007-08 due mainly to the \$39 million increase in grants paid by the Department for the Exceptional Circumstances/Drought Assistance program.

Cash Flow Statement

The following table summarises the net cash flows for the four years to 2008.

	2008	2007	2006	2005
	\$'million	\$'million	\$'million	\$'million
Net Cash Flows				
Operations	1.4	15.7	22.5	5.3
Investing	(5.1)	(4.4)	(7.3)	(8.9)
Financing	(1.0)	(1.4)	(0.9)	(2.4)
Change in Cash	(4.7)	9.9	14.3	(6.0)
Cash at 30 June	80.3	85.0	75.1	60.8

Highlights of the Financial Report - Administered Items

	2008	2007	Percentage
	\$'million	\$'million	Change
INCOME			
Revenues from fees and charges	37.0	29.0	27.6
Advances and grants	143.9	133.7	7.6
Royalties	143.0	144.2	(1.0)
Other income	4.8	4.4	9.1
Total Income	328.7	311.3	5.6
EXPENSES			
Grants and subsidies	179.1	163.1	9.8
Payments of royalties to Consolidated Account	143.0	144.2	(1.0)
Other expenses	10.0	10.3	(2.9)
Total Expenses	332.1	317.6	4.6
Net Cost of Providing Services	3.4	6.3	(46)
REVENUES FROM SA GOVERNMENT	5.5	5.8	(5.2)
Net Result	2.2	(0.5)	n/a
NET CASH PROVIDED BY OPERATING ACTIVITIES	5.1	3.4	n/a
ASSETS			
Current Assets	54.6	49.8	9.6
Non-Current Assets	7.5	5.4	38.9
Total Assets	62.1	55.2	12.5
LIABILITIES			
Current Liabilities	25.5	22.6	12.8
Non-Current Liabilities	0.1	0.1	n/a
Total Liabilities	25.6	22.7	12.8
NET ASSETS	36.5	32.5	12.3

Statement of Administered Expenses and Income

Administered revenue from Advances and Grants increased by \$10.2 million principally due to increased Commonwealth funding to the Local Government Grants Commission. Concurrently, grant payments by the Commission to Local Government bodies increased by \$8.8 million.

Administered revenue from Fees and Charges increased by \$8 million. The increases were mainly attributable to the following:

- Planning and development fees received in the Planning and Development Fund.
- Fishing licence fees received in the Fisheries Research and Development Fund.

Statement of Administered Cash Flows

Cash held at 30 June 2008 on account of programs administered by the Department was \$53.8 million (\$49 million).

FURTHER COMMENTARY ON OPERATIONS

Department of Planning and Local Government

By proclamation pursuant to section 7 of the PSM Act, Planning SA was established as a separate administrative unit with effect from 1 July 2008. A subsequent proclamation changed the name of the new administrative unit to the Department of Planning and Local Government.

The employees and functions of Planning SA, including related administered items, were transferred to the new administrative unit with effect from 1 July 2008.

The employees and functions of the Office for State/Local Government Relations were transferred to the new Department with effect from 3 November 2008.

Income Statement for the year ended 30 June 2008

		2008	2007
EXPENSES:	Note	\$'000	\$'000
Employee benefit expenses	6	131 627	122 306
Supplies and services	7	72 196	64 027
Depreciation and amortisation expense	8	9 240	9 222
Grants and subsidies	9	85 405	34 072
Borrowing costs	10	280	287
Net loss from disposal of non-current assets	17	328	547
Other expenses	11	1 924	2 255
Total Expenses		301 000	232 716
INCOME:			
Revenue from fees and charges	13	40 001	33 047
Advances and grants	14	92 089	55 306
Interest revenue	15	3 254	3 126
Resources received free of charge		323	-
Sale of goods	16	4 728	3 719
Other income	18	5 464	4 592
Total Income		145 859	99 790
NET COST OF PROVIDING SERVICES		155 141	132 926
REVENUES FROM (PAYMENTS TO) SA GOVERNMENT:			
Revenues from SA Government	19	152 137	140 930
NET RESULT BEFORE RESTRUCTURE		(3 004)	8 004
Net revenue from an administrative restructure	33	-	285
NET RESULT AFTER RESTRUCTURE		(3 004)	8 289

Net result after restructure is attributable to the SA Government as owner

Balance Sheet as at 30 June 2008

		2008	2007
	Note	\$'000	\$'000
CURRENT ASSETS:			
Cash	20	80 284	84 970
Receivables	21	25 360	16 009
Inventories	22	3 092	3 485
		108 736	104 464
Non-current assets classified as held-for-sale	24	140	50
Total Current Assets		108 876	104 514
NON-CURRENT ASSETS:			
Receivables	21	1 072	1 603
Financial assets	23	4 678	4 678
Property, plant and equipment	25	140 139	128 226
Intangible assets	26	3 644	4 248
Inventories	22	299	376
Total Non-Current Assets		149 832	139 131
Total Assets		258 708	243 645
CURRENT LIABILITIES:			
Payables	27	12 433	12 975
Employee benefits	29	15 172	12 702
Borrowings	28	2 657	3 184
Provisions	30	611	479
Other current liabilities	31	6 263	5 091
Total Current Liabilities		37 136	34 431
NON-CURRENT LIABILITIES:			
Payables	27	2 144	2 065
Employee benefits	29	22 657	21 749
Borrowings	28	346	812
Provisions	30	1 581	1 304
Other non-current liabilities	31	47	43
Total Non-Current Liabilities		26 775	25 973
Total Liabilities		63 911	60 404
NET ASSETS		194 797	183 241
EQUITY:			
Retained earnings	32	127 541	136 042
Contributed capital	32	1 483	1 483
Asset revaluation reserve	32	56 577	42 017
Committed grants reserve	32	9 196	3 699
TOTAL EQUITY		194 797	183 241
Total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	34		
Contingent assets and liabilities	35		

Statement of Changes in Equity for the year ended 30 June 2008

	Note	Assets		Contributed Equity	Committed	
		Revaluation Reserve	Retained Earnings		Grants Reserve	Total
		\$'000	\$'000		\$'000	\$'000
Restated balance at 30 June 2006		42 017	128 110	1 173	3 434	174 734
Equity contribution received		-	-	310	-	310
General reserve		-	(2)	-	-	(2)
Transfer to reserve		-	(265)	-	265	-
Net result after restructure for 2006-07		-	8 289	-	-	8 289
Total Recognised Income and Expense for 2006-07		-	8 022	310	265	8 597
Balance at 30 June 2007		42 017	136 132	1 483	3 699	183 331
Prior period correction	4(a)	-	(90)	-	-	(90)
Restated balance at 30 June 2007		42 017	136 042	1 483	3 699	183 241
Transfer to reserve		-	(5 497)	-	5 497	-
Gain on revaluation of property during 2007-08		14 560	-	-	-	14 560
Net Result after Restructure for 2007-08		-	(3 004)	-	-	(3 004)
Total Recognised Income and Expense for 2007-08		14 560	(8 501)	-	5 497	11 556
Balance at 30 June 2008		56 577	127 541	1 483	9 196	194 797

All changes in equity are attributable to the SA Government as owner

Cash Flow Statement for the year ended 30 June 2008

	2008	2007
	Inflows (Outflows)	Inflows (Outflows)
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
CASH OUTFLOWS:		
Employee benefit payments	(128 244)	(119 431)
Supplies and services	(73 633)	(72 818)
Grants and subsidies	(85 002)	(34 072)
Interest paid	(243)	(335)
GST payments on purchases	(17 769)	(9 899)
GST paid to the ATO	(6 189)	(1 405)
Other payments	(643)	(1 122)
Cash used in Operations	(311 723)	(239 082)
CASH INFLOWS:		
Fees and charges	41 274	33 607
Sale of goods	1 953	3 719
Advances and grants	87 148	55 306
Interest received	3 356	3 235
GST receipts on receivables	5 976	6 224
GST recovered from the ATO	15 721	6 232
Other receipts	5 536	5 555
Cash generated from Operations	160 964	113 878
CASH FLOWS FROM SA GOVERNMENT:		
Receipts from SA Government	152 137	140 930
Cash generated from SA Government	152 137	140 930
Net Cash provided by Operating Activities	1 378	15 726
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH OUTFLOWS:		
Purchase of property, plant and equipment	(5 385)	(4 570)
Payment of lease liability	(397)	(398)
Purchase of intangibles	(726)	(1 047)
Purchase of investments	-	(610)
Cash used in Investing Activities	(6 508)	(6 625)
CASH INFLOWS:		
Loans repaid by the rural sector and industry	1 303	2 196
Proceeds from the sale of property, plant and equipment	134	36
Cash generated from Investing Activities	1 437	2 232
Net Cash used in Investing Activities	(5 071)	(4 393)
CASH FLOWS FROM FINANCING ACTIVITIES:		
CASH OUTFLOWS:		
Repayment of borrowings	(993)	(1 747)
Cash used in Financing Activities	(993)	(1 747)
CASH INFLOWS:		
Capital contributions from government	-	310
Proceeds from restructuring activities	-	16
Cash generated from Financing Activities	-	326
Net Cash used in Financing Activities	(993)	(1 421)
NET (DECREASE) INCREASE IN CASH	(4 686)	9 912
CASH AT 1 JULY⁽¹⁾	84 970	75 058
CASH AT 30 JUNE	80 284	84 970

(1) 2007 opening cash balance has been restated by \$12 000 for a correction between the Controlled and Administered financial statements.

**Program Schedule of Expenses and Income
for the year ended 30 June 2008**

(Program - refer Note 5)	Program 1		Program 2		Program 3		Program 4	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES:								
Employee benefits costs	15 753	14 963	14 505	13 396	157	204	96 844	89 480
Supplies and services	7 939	6 870	5 383	4 721	59	67	57 271	50 827
Depreciation and amortisation	291	286	313	564	-	-	8 636	8 372
Grants and subsidies	5 277	4 487	583	142	20	279	78 992	27 702
Borrowing costs	-	-	-	-	-	-	280	287
Net loss from disposal of assets	-	-	-	476	-	-	328	71
Other expenses	498	6	107	32	1	-	1 298	2 209
Total Expenses	29 758	26 612	20 891	19 331	237	550	243 649	178 948
INCOME:								
Revenues from fees and charges	9 244	6 923	6 418	4 769	-	-	24 274	21 320
Advances and grants	495	287	482	863	-	-	90 907	53 813
Interest revenue	-	-	-	-	-	-	3 254	3 126
Resources received free of charge	50	-	-	-	-	-	273	-
Sale of goods	102	57	70	72	-	-	4 554	3 590
Other income	1 759	75	141	54	-	-	3 471	4 286
Total Income	11 650	7 342	7 111	5 758	-	-	126 733	86 135
NET COST OF PROVIDING SERVICES	18 108	19 270	13 780	13 573	237	550	116 916	92 813
REVENUES FROM (PAYMENTS TO) SA GOVERNMENT:								
Revenues from SA Government	18 108	19 270	13 780	13 573	237	550	113 912	100 817
NET RESULT BEFORE RESTRUCTURE	-	-	-	-	-	-	(3 004)	8 004
Net revenue (expense) from an administrative restructure	-	-	-	-	-	-	-	-
NET RESULT AFTER RESTRUCTURE	-	-	-	-	-	-	(3 004)	8 004
(Program - refer Note 5)	Program 5		Program 6		Program 7		Program Total	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES:								
Employee benefits costs	1 470	1 185	2 898	2 571	-	507	131 627	122 306
Supplies and services	506	376	1 038	1 024	-	142	72 196	64 027
Depreciation and amortisation	-	-	-	-	-	-	9 240	9 222
Grants and subsidies	313	301	220	307	-	854	85 405	34 072
Borrowing costs	-	-	-	-	-	-	280	287
Net loss from disposal of assets	-	-	-	-	-	-	328	547
Other expenses	-	-	20	8	-	-	1 924	2 255
Total Expenses	2 289	1 862	4 176	3 910	-	1 503	301 000	232 716
INCOME:								
Revenues from fees and charges	-	6	65	-	-	29	40 001	33 047
Advances and grants	205	193	-	150	-	-	92 089	55 306
Interest revenue	-	-	-	-	-	-	3 254	3 126
Resources received free of charge	-	-	-	-	-	-	323	-
Sale of goods	2	-	-	-	-	-	4 728	3 719
Other income	37	2	56	175	-	-	5 464	4 592
Total Income	244	201	121	325	-	29	145 859	99 790
NET COST OF PROVIDING SERVICES	2 045	1 661	4 055	3 585	-	1 474	155 141	132 296
REVENUES FROM (PAYMENTS TO) SA GOVERNMENT:								
Revenues from SA Government	2 045	1 661	4 055	3 585	-	1 474	152 137	140 930
NET RESULT BEFORE RESTRUCTURE	-	-	-	-	-	-	(3 004)	8 004
Net revenue (expense) from an administrative restructure	-	-	-	-	-	285	-	285
NET RESULT AFTER RESTRUCTURE	-	-	-	-	-	285	(3 004)	8 289

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Objectives of the Department of Primary Industries and Resources (PIRSA or the Department)

The Department plays a key role in contributing to the sustainable planning and development of South Australia's natural, industrial and community assets. PIRSA works with industry to manage resources sustainably and enhance value chains. PIRSA also works with communities to enhance the amenity and sustainability of built environments.

The Department's aim of fostering environmentally sustainable and internationally competitive industries is set in targets in South Australia's Strategic Plan. These targets include increasing exports to \$25 billion by 2014, maintaining mining exploration investment at (or above) \$100 million a year until 2010, and mineral production and processing to \$4 billion by 2014, and increasing voter participation in Local Government elections in South Australia to 50 percent by 2014.

In addition, to assist in achieving South Australia's Strategic Plan targets PIRSA also has the additional objectives of:

- facilitating the development and growth of food, wine, fisheries and aquaculture sectors
- promoting growth of the mineral, petroleum and geothermal industries
- promoting sustainable resource management across the industry sectors
- facilitating effective land use planning across all regional and metropolitan areas of the state
- streamlining development planning and facilitating state significant developments
- delivering rural and remote community support services
- improving State/Local Government relations and facilitating effective partnerships in all areas of common interest between the State and Local Government sectors
- facilitating the application of innovative new technologies, services, products and knowledge through its strong partnerships with industry sectors
- providing research and development capability delivering innovation in the food, fibre and bioscience industries
- delivering rural and remote community support services.

The principal sources of funds for the Department's programs consists of monies appropriated by Parliament, research grants from Industry Research Corporations, licence receipts, Commonwealth grants, land division fees and trading operations.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

The financial report is a general purpose financial report. The accounts have been prepared in accordance with relevant AASs, TIs and APSs promulgated under the provisions of the PFAA.

AASs include AIFRS and AAS 29. AASs and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2008. The Department has early-adopted the amendments to AASB 101. Refer to Note 4.

(b) Basis of Preparation

The preparation of the financial report requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Department's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements, are outlined in the applicable Notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported;
- compliance with accounting policy statements issued pursuant to section 41 of the PFAA. In the interest of public accountability and transparency the APSs require the following Note disclosures, that have been included in this financial report:
 - (a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items applies;
 - (b) expenses incurred as a result of engaging consultants;
 - (c) employees whose normal remuneration is \$100 000 or more (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees;

(b) Basis of Preparation (continued)

- (d) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Department's Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The Cash Flow Statement has been prepared on a cash basis.

The financial report has been prepared based on a 12 month operating cycle and presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial report for the year ended 30 June 2008 and the comparative information presented for the year ended 30 June 2007.

(c) Reporting Entity

The Department is a government department of the State of South Australia, established pursuant to the PSM Act. The Department is an administrative unit acting on behalf of the Crown.

The financial report includes all the controlled activities of the Department. Transactions and balances relating to administered resources are not recognised as departmental income, expense, assets and liabilities. As administered items are significant in relation to the Department's overall financial performance and position, they are disclosed in the Administered Financial Statements (Schedule of Administered Items) at the back of the controlled General Purpose Financial Report. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

In the process of reporting on the Department as a single unit, all internal transactions have been eliminated in full.

(d) Transferred Functions

In 2007-08 no functions were transferred.

In 2006-07:

- the Public Sector Management (Abolition of Administrative Unit and Public Service Restructure) Proclamation 2007 (dated 22 March 2007) declared that the Office for Volunteers would transfer from the Department to the Attorney-General's Department effective from 1 April 2007;
- the Public Sector Management (Abolition of Administrative Unit and Public Service Restructure) Proclamation 2006 (dated 29 June 2006) declared that the Forestry Policy and Industry Development functions of the South Australian Forestry Corporation (ForestrySA) transferred to the Department on 1 July 2006.

The amounts of assets, liabilities, income and expenditures relating to all transferred functions are set out in Note 33.

(e) Comparative Information

The presentation and classification of items in the financial report are consistent with prior periods except where a specific APS or AAS has required a change.

Where presentation or classification of items in the financial report has been amended comparative amounts have been reclassified unless reclassification is impracticable.

The restated comparative amounts do not replace the original financial report for the preceding period.

(f) Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

(g) Taxation

The Department is not subject to income tax. The Department is liable for payroll tax, FBT, GST, emergency services levy, land tax equivalents and Local Government rate equivalents.

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 ATO, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable;
- receivables and payables, which are stated with the amount of GST included.

(g) Taxation (continued)

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

Cash flows are included in the Cash Flow Statement 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.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

(h) Events after Balance Date

Where an event occurs after 30 June but provides information about conditions that existed at 30 June, adjustments are made to amounts recognised in the financial statements.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

(i) Income and Expenses

Income and expenses are recognised to the extent that it is probable that the flow of economic benefits to or from the entity will occur and can be reliably measured.

Income and expenses have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The Notes accompanying the financial statements disclose income, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

The following are specific recognition criteria:

Revenues from (Payments to) SA Government

Appropriations for program funding are recognised as revenues when the Department obtains control over the funding. Control over appropriations is normally obtained upon their receipt.

Where money has been appropriated in the form of a loan, the Department has recorded a loan receivable.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the Department and the appropriation is recorded as contributed equity.

Amounts appropriated to the Department for transfer to eligible beneficiaries in accordance with legislation or other authoritative requirements are not available to the Department for use in achieving its objectives and therefore are not recognised as revenues, but are reported as revenues in the Administered Financial Statements Schedule. Similarly, the amounts transferred are not recognised as expenses, but are reported as administered expenses in the Administered Financial Statements Schedule.

Fees and Charges

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Contributions Received/Paid

Contributions are recognised as an asset and income when the Department obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (ie the amount can be reliably measured and the flow of resources is probable).

Generally, the Department has obtained control or the right to receive for:

- contributions with unconditional stipulations - this will be when the agreement becomes enforceable, ie the earlier of when the receiving entity has formally been advised that the contribution (eg grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

All contributions received by the Department have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

Contributions Received/Paid (continued)

For contributions payable, the contribution will be recognised as a liability and expense when the entity has a present obligation to pay the contribution and the expense recognition criteria are met.

All contributions paid by the Department have been contributions with unconditional stipulations attached.

Resources Received/Provided Free of Charge

Resources received/provided free of charge are recorded as revenue and expenditure in the Income Statement at their fair value. Resources provided free of charge are recorded in the expense line items to which they relate.

Administered - Royalty Receipts

Royalty revenue relates to Minerals and Petroleum Production and is collected pursuant to the *Roxby Downs (Indenture Ratification) Act 1982*, *Mining Act 1971* and the *Petroleum Act 2000*. Royalty is recognised as income when received.

Administered - Contributions Received from Industry

Under the *Primary Industries Funding Scheme Act 1988* certain administered industry funds may impose a levy on industry participants to raise funds for the conduct of approved projects to advance research or development in the industry sector. For each industry fund, regulations under the Act specify the amount and nature of levies payable. Revenue from this source is recognised as income when received.

Disposal of Non-Current Assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation increments are transferred to retained earnings.

Employee Benefits

Employee benefit expense includes all cost related to employment including wages and salaries and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Income Statement represents the contributions made by the Department to the superannuation plan in respect of current services of current departmental staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole-of-government financial statements.

Borrowing Costs

All borrowing costs are recognised as expenses.

(j) Current and Non-Current Classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

(k) Cash

Cash in the Balance Sheet includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Cash Flow Statement cash consists of cash and cash equivalents as defined above.

Cash is measured at nominal value.

(l) Receivables

Receivables include amounts receivable from trade, prepayments, loans and other accruals.

Trade receivables arise in the normal course of selling goods and services to other SA Government agencies and to the public. Trade receivables are generally receivable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Other debtors arise outside the normal course of selling goods and services to other SA Government agencies and to the public.

Collectability of trade receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Department will not be able to collect the debt. Bad debts are written off when identified.

(m) Inventories

Biological Assets and Agricultural Produce

Biological assets are livestock, vines and fruit trees and are valued at fair value less estimated point-of-sale costs. Agricultural produce, including wool, fruit and harvested crops, is valued at fair value less estimated point-of-sale costs. Gains and losses resulting from measurement at fair value, and from changes in fair value, are recognised in the income statement.

Other Inventories

Other inventories are measured at the lower of cost or their net realisable value.

Inventories include maps, publications, seed stocks and other goods and property held either for sale or distribution at no or nominal cost in the ordinary course of business. It excludes depreciating assets.

Inventories held for distribution, for no or nominal consideration, are measured at cost and adjusted when applicable for any loss of service potential.

Bases used in assessing loss of service potential for inventory held for distribution at no or minimal cost include current replacement cost and technological or functional obsolescence.

Cost is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are recognised as an expense reduction.

(n) Other Financial Assets

The Department measures financial assets and debt at historical cost, except for interest free loans (measured at the present value of expected repayments).

(o) Non-Current Asset Acquisition and Recognition

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

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Balance Sheet. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recorded at the value recorded by the transferor prior to transfer.

Where the payment for an asset is deferred, the Department measures the obligation at the present value of the future outflow, discounted using the interest rate of a similar length borrowing.

In accordance with APF III APSs 2.15 and 7.2:

- all non-current tangible assets with a value of \$2000 or greater are capitalised
- componentisation of complex assets is only performed when the asset's fair value at the time of acquisition is greater than \$5 million for infrastructure assets and \$1 million for other assets.

(p) Revaluation of Non-Current Assets

All non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Every five years the Department revalues its land, buildings and leasehold improvements. However, 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. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any revaluation increment is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised in the Income Statement, in which case the increase is recognised in the Income Statement.

Any revaluation decrease is recognised in the Income Statement, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset class.

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.

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

(i) Land and Buildings

Land, buildings and infrastructure were independently reviewed to fair value as at 30 June 2008. Valuations comprised independent valuations received from Liquid Pacific Pty Ltd who valued the Department's assets located in the metropolitan and near country areas. Valuation increments/decrements were recorded where applicable for land, buildings and infrastructure, which represents roads, fencing, signage etc.

(ii) *Leasehold Improvements*
Leasehold improvements are brought to account at cost and are revalued in accordance with the valuation processes outlined above.

(iii) *Core Trays*
Core Trays were independently valued by Valcorp Australia Pty Ltd at 30 June 2003.

(iv) *Plant and Equipment*
In accordance with APF III all plant and equipment below the revaluation threshold are deemed to have been revalued to their fair values immediately following recognition at cost.

(q) Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which an asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets an impairment loss is offset against the asset revaluation reserve for that class of asset.

(r) Non-Current Assets Held-for-Sale

Non-current assets are classified as held-for-sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed one year from the date of classification.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Balance Sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

(s) Depreciation and Amortisation of Non-Current Assets

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

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

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land, heritage assets including artwork and minerals and assets held for sale are not depreciated.

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

<i>Class of Asset</i>	<i>Method</i>	<i>Useful Life (Years)</i>
Buildings and infrastructure	Straight Line	20-70
Leasehold improvements	Straight Line	10
Plant and equipment	Straight Line	3-20
Intangibles	Straight Line	1-4

(t) Construction and Works in Progress

Works in progress relate to costs associated with the systems development, purchases of plant and equipment and other developments.

(u) Intangible Assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10 000.

All research and development costs that do not meet the capitalisation criteria in AASB 138 are expensed.

(v) Payables

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Department.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

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

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 balance date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

(w) Employee Benefits

These benefits accrue for employees 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.

Wages, Salaries, Annual Leave and Sick Leave

Liability for salary and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages and annual leave are payable later than 12 months, the liability will be measured at present value.

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 recognised after an employee has completed 6.5 years of service. An actuarial assessment of long service leave undertaken by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector determined that the liability measured using the short-hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with the Department's experience of employee retention and leave taken.

The unconditional portion of the long service leave provision is classified as current as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

Employee Benefit On-Costs

Employee benefit on-costs (payroll tax, workcover and superannuation) are recognised separately under payables.

Provisions

Provisions are recognised when the Department has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Department expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

(x) Interest Bearing Liabilities

The Department measures financial assets and debt at historical cost, except for derivatives (measured at market value) and interest free loans (measured at the present value of expected repayments).

(y) Financial Guarantees

The Department may accept bank guarantees or other forms of securities like mortgages over land as security for loans advanced and receives securities in accordance with Acts administered by the Department for Mining and Petroleum to ensure that a mine operator rehabilitates a site and complies with all statutory requirements on cessation of a licence.

These financial guarantees and securities are recognised as contingent assets (Refer Note 35) as the Department only has claim to the funds in the event that a borrower defaults on the conditions of a loan agreement or a mine licensee fails to perform its legislative requirements with respect to mine rehabilitation.

(z) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The Department has assessed whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The Department has entered into operating leases.

Operating Leases

In respect of operating leases, the lessor retains substantially all the risks and rewards incidental to ownership of the leased assets. Operating lease payments are recognised as an expense on a basis that is representative of the pattern of benefits derived from the leased assets.

Lease Incentives

All incentives for the agreement of a new or renewed operating leases are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefits of lease incentives received by the Department in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement whichever is shorter.

(aa) Unrecognised Contractual Commitments and Contingent Assets and Liabilities

Commitments include those operating, capital and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a Note and, if quantifiable, are measured at nominal value (refer Note 35).

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

(ab) Reserves

The Committed Grants Reserve for Prudential and Rural Financial Services was established to provide for grant commitments which are committed but not advanced as at the end of the financial year.

(ac) Trust Funds

The Department has received monies in a trustee capacity for trusts as set out in Note 36. As the Department performs only a custodial role in respect of these monies, and because the monies cannot be used for achievement of the Department's objectives, the revenues and expenditures are only disclosed by way of Note and are not brought to account in the Department's financial statements.

3. Financial Instruments/Financial Risk Management

The Department has significant non-interest bearing assets (cash on hand and on call and receivables) and liabilities (payables) and interest bearing assets (deposits with the Treasurer) and liabilities (borrowings from the SA Government). The Department's exposure to market risk and cash flow interest risk is minimal.

Credit Risk

Credit risk arises when there is the possibility of the Department's debtors defaulting on their contractual obligations resulting in financial loss to the Department. The Department measures credit risk on a fair value basis and monitors risk on a regular basis.

The Department has minimal concentration of credit risk. The Department has policies and procedures in place to ensure transactions occur with customers with appropriate credit history.

Liquidity Risk

Liquidity risk arises where the Department is unable to meet its financial obligations as they fall due. The continued existence of the Department is dependent on State Government policy and on continuing appropriations by Parliament for the Department's administration and programs. The Department settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

Liquidity Risk (continued)

The Department's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

The carrying amount of financial liabilities recorded in Note 38 represents the Department's maximum exposure to financial liabilities.

Market Risk

Market risk for the Department is primarily through interest rate risk. Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. The Department's interest bearing liabilities are managed through the South Australian Government Financing Authority (SAFA) and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

A sensitivity analysis has not been undertaken for the interest rate risk of the Department as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

4. Changes in Accounting Policies

Except for the amendments to AASB 101, which the Department has early-adopted, the AASs and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the reporting period ending 30 June 2008. The Department has assessed the impact of the new and amended Standards and Interpretations and considers there will be no impact on the accounting policies or the financial report of the Department.

(a) Effect of Changes in Accounting Estimates and Errors

During 2007-08 \$90 000 of prior period adjustments were recognised in the Income Statement which were assessed to be not material. AASB 108 requires that these be recognised retrospectively by restating opening balances.

The financial statements and Notes include the restatement of opening balances for prior period adjustments.

5. Programs of the Department

The Program Schedule provides details of expenses and income applicable to the programs of the Department. Information about the Department's programs is set out below and in the Program Schedule.

Program 1 – Mineral Resources Development

The vision of the Mineral Resources Development program is to make South Australia a favoured mineral investment destination for private investment with mineral exploration expenditure to be maintained at (or above) \$100 million per annum until 2010 and mineral production and processing to reach \$4 billion by 2014. The Mineral Resources Development program will also lead the nation in attracting geothermal resource investment with a target of \$800 million of investment to establish geothermal energy resources in the term 2002-16.

Program 2 – Urban Development and Planning

Guiding and administering the South Australian Planning and Development system. Coordinating a whole-of-government approach to the Government's policy commitments and contributing to the State's sustainable economic development by developing strategic spatial policies to accommodate population growth and demographic change, facilitate industrial and commercial expansion and meet demand for housing growth and diversity.

Program 3 - Office for the Southern Suburbs

To assist in the realisation of the Government's policy commitments to improve economic development, social and environmental outcomes for the communities identified as being of high need in the southern suburbs.

Program 4 – Agriculture, Food and Fisheries

To deliver specialist services and advice across South Australia, fostering growth and development, prosperity, quality of life, while supporting environmentally sustainable development of the State's resources.

Program 5 – Forestry Policy

Support the sustainable development of an internationally competitive forest industry, regional development and the provision of services from State Government forest reserves.

Program 6 – State/Local Government Relations

Provide policy and other advice to the Government on the constructive relationship between the State Government and councils and other associated Local Government representative groups; whole-of-government policy and legislative frameworks as they affect Local Government; and the constitution and operations of the Local Government system, including the statutory authorities for which the Minister for State/Local Government Relations is responsible.

Program 7 – Volunteers

Provision of services that facilitate the implementation of the Volunteer Partnership Advancing the Community Together in order to build stronger communities and increase volunteer rates in accordance with South Australia's Strategic Plan; provision of policy and strategic advice that enhances the Government's capacity to identify, prioritise and respond appropriately to the needs of the volunteer community in South Australia; and initiate programs that support and promote volunteering.

The Office for Volunteers was transferred during 2006-07 to the Attorney-General's Department. Refer Note 33.

6. Employee Benefits Costs	2008 \$'000	2007 \$'000
Salaries and wages	97 344	91 539
Annual leave	8 839	8 193
Long service leave	4 977	3 888
Employment on-costs - Superannuation	12 470	11 680
Employment on-costs - Other	6 500	6 349
Workers compensation	344	210
Board fees ⁽¹⁾	572	383
Other employee related expenses	581	64
Total Employee Benefits Costs	131 627	122 306

(1) In 2007-08 a technical advisory group was formed to support the Brukunga Mine Site Remediation Board and provide technical expertise in the most effective solution for the Brukunga mine site. Membership of the advisory group consists of private sector representatives from the mining industry and research organisations with leading expertise in the field of acid mine drainage.

TVSPs

Number of employees who were paid TVSPs during the reporting period: nil (nil).

Remuneration of Employees

The number of employees whose total remuneration received or receivable falls within the following bands:	2008 Number of Employees	2007 Number of Employees
\$100 000 - \$109 999	69	38
\$110 000 - \$119 999	25	18
\$120 000 - \$129 999	13	23
\$130 000 - \$139 999	12	7
\$140 000 - \$149 999	9	4
\$150 000 - \$159 999	4	2
\$160 000 - \$169 999	6	3
\$170 000 - \$179 999	2	3
\$180 000 - \$189 999	3	1
\$190 000 - \$199 999	3	2
\$200 000 - \$209 999	3	4
\$210 000 - \$219 999	1	-
\$220 000 - \$229 999	2	-
\$230 000 - \$239 999	2	-
\$240 000 - \$249 999	-	1
\$290 000 - \$299 999	-	1
\$300 000 - \$309 999	1	-
\$330 000 - \$339 999 ⁽¹⁾	-	1
Total Number of Employees	155	107

The table includes all employees who received remuneration of \$100 000 or more during the year. Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, FBT and any other salary sacrifice benefits. The total remuneration received by the above employees for the year was \$19.785 million (\$13.931 million).

(1) Includes as remuneration termination payments in lieu of notice and superannuation rollover payments (2006-07).

Analysis of the above table of Remuneration of Employees categorised by the number of executive and non-executive employees is provided below:

	2008 Number of Employees	2007 Number of Employees
Executives	46	40
Non-executive	109	67
Total Number of Employees	155	107

The 2007 comparative in the table above has been restated.

The number of executives receiving remuneration of \$100 000 or more increased by seven during 2008. This was offset by a retirement.

The number of non-executives receiving remuneration of \$100 000 or more has increased by 42 in 2008 compared to 2007 due to government enterprise bargaining outcomes which have resulted in the inclusion of employees previously beneath the \$100 000 remuneration level, and the payment of retention allowances to key staff to facilitate knowledge and expertise retention.

7. Supplies and Services	2008	2007
Supplies and Services provided by Entities within SA Government:	\$'000	\$'000
Professional and technical services ⁽¹⁾	1 253	746
Administrative and operating costs	537	652
Utility and property costs ⁽³⁾	5 398	1 630
Computing and communications costs	2 935	4 186
Vehicle and equipment operating costs	94	95
Operating lease costs	11 115	10 520
Total Supplies and Services - SA Government Entities	21 332	17 829
Supplies and Services provided by Entities external to the SA Government:		
Professional and technical services ⁽¹⁾	16 913	15 800
Administrative and operating costs	13 858	12 285
Utilities and property costs ⁽³⁾	5 119	5 050
Computing and communications costs	6 351	4 906
Travel ⁽²⁾	5 091	4 882
Vehicle and equipment operating costs	1 299	1 150
Staff development and safety ⁽²⁾	2 119	1 967
Operating lease costs	114	158
Total Supplies and Services - Non-SA Government Entities	50 854	46 198
Total Supplies and Services	72 196	64 027

(1) Includes consultancies costs which are further broken down below and audit fees payable to the Auditor-General (refer Note 12).

(2) Includes payments to SA Government entities totalling less than \$100 000.

(3) 2007 comparative has been restated.

	2008		2007	
	Number	\$'000	Number	\$'000
The number and dollar amount of Consultancies paid/payable (included in supplies and services expense) that fell within the following bands:				
Below \$10 000	31	105	51	217
Between \$10 000 and \$50 000	23	596	15	344
Above \$50 000	8	1 038	3	249
Total Paid/Payable to the Consultants Engaged	62	1 739	69	810

8. Depreciation and Amortisation Expense	2008	2007
Depreciation:	\$'000	\$'000
Plant and equipment	4 450	4 538
Buildings and infrastructure	2 342	2 381
Core trays	640	637
Total Depreciation	7 432	7 556
Amortisation:		
Leasehold improvements	397	397
Intangibles	1 395	1 269
Amortisation of loan ⁽¹⁾	16	-
Total Amortisation	1 808	1 666
Total Depreciation and Amortisation	9 240	9 222

(1) The loan principal in relation to a borrowing by AMDEL has been amortised (refer Note 21) over the term of the loan.

9. Grants and Subsidies	2008	2007
Grants and Subsidies paid/payable to Entities within the SA Government	\$'000	\$'000
The Major Grant Programs paid to Entities within the SA Government:		
Attorney-General's Department	-	551
Environment and Heritage	100	269
Transport, Energy and Infrastructure	13	158
Families and Communities	178	128
Premier and Cabinet	225	123
Water, Land, Biodiversity and Conservation	1 868	97
Administrative and Information Services	61	77
Further Education, Employment, Science and Technology	1 812	45
Education and Children's Services	1 323	-
Human Services	1 065	360
Other	172	822
Total Grants and Subsidies - SA Government Entities	6 817	2 630

9. Grants and Subsidies (continued)	2008	2007
<i>Grants and Subsidies paid/payable to Entities external to the SA Government</i>	\$'000	\$'000
The Major Grant Programs paid to Entities external to the SA Government:		
University of Adelaide	847	783
Collaborative programs ⁽¹⁾	3 413	3 641
FarmBis	4 492	3 015
Plan for Accelerated Exploration	3 039	2 145
Exceptional Circumstances Drought ⁽¹⁾	49 038	9 603
Citrus Canker	202	195
Roxby Downs Council	725	724
Food Industry Development Funding	1 402	1 562
Branched Broomrape	585	614
Aquafin Cooperative Research Centre contributions	500	500
Indigenous Land Corporation ⁽¹⁾	138	46
Eyre Peninsular Bushfire Re-establishment	-	2 068
National Livestock Identification Scheme	86	691
Planning development review	500	-
Minerals Skills Centre	255	-
Soil for yield and quality ⁽¹⁾	347	448
Petroleum industry facilitation	340	-
Fruit fly eradication ⁽¹⁾	181	192
Aquatic Sciences	494	802
National Genetic Resources	868	1 004
Oat Breeding Program	176	195
Pig Research	298	278
Regional Communities Drought	400	-
Rural Industry and Development Fund	477	-
State Drought 2006	6 830	250
Rural Counsellors ⁽¹⁾	260	307
Other ⁽¹⁾	2 695	2 379
Total Grants and Subsidies - Non-SA Government Entities	78 588	31 442
Total Grants and Subsidies	85 405	34 072

(1) 2007 comparatives have been restated to reflect grant expenditure for the programs in the prior year.

10. Borrowing Costs		
Interest payable on borrowings	265	274
Guarantee fees	15	13
Total Borrowing Costs	280	287

11. Other Expenses		
Other Expenses paid/payable to Entities external to the SA Government:		
Publications, seed and miscellaneous stocks - Cost of sales	473	398
Write-down of stock to realisable value ⁽³⁾	435	-
Contributions to external bodies	-	5
Deemed cost of produce consumed ⁽²⁾	244	1 550
Property, plant and equipment write-offs	2	(2)
Bad and doubtful debts expense	143	23
Royalty payments	147	84
Workers compensation revaluation	409	193
Other ⁽¹⁾	71	4
Total Other - Non-SA Government Entities	1 924	2 255
Total Other	1 924	2 255

(1) Includes payments to SA Government entities totalling less than \$100 000.

(2) 2007 comparative restated. Publications, seed and other miscellaneous stocks are disclosed separately from the cost of sales of agricultural and livestock. This line predominantly represents the value of the inventory movement within the year and excludes the cost of crop harvesting from the use of internal resources. These amounts are included within the financial statements under the Notes for 'Employee Benefit Costs' and 'Supplies and Services'.

(3) The value of seed stocks and publications and maps were written down to realisable value.

12. Auditor's Remuneration	2008	2007
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	318	289
Total Auditor's Remuneration	318	289

Other Services

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

13. Revenues from Fees and Charges	2008	2007
User Fees and Charges received/receivable from Entities within SA Government:	\$'000	\$'000
Agriculture and Fisheries, consultancies and services	1 249	556
Rural Solutions, consultancies and services	6 275	5 972
SA Research and Development Institute, consultancies and services	179	243
Other	1 084	1 117
Total Fees and Charges - SA Government Entities	8 787	7 888
User Fees and Charges received/receivable from Entities external to SA Government:		
Agriculture and Fisheries, consultancies and services	2 204	2 292
Rural Solutions, consultancies and services	10 437	8 375
SA Research and Development Institute, consultancies and services	2 643	2 776
Planning and development fees	6 418	4 703
Mining and petroleum application fees, rentals and licences	9 202	6 886
Other	310	127
Total Fees and Charges - Non-SA Government Entities	31 214	25 159
Total Revenues from Fees and Charges	40 001	33 047

User fees and charges are categorised to reflect the nature of the income received and the Division delivering the services sought.

14. Advances and Grants		
State grants ⁽¹⁾	20 496	18 819
Commonwealth grants	51 455	11 108
Industry grants	20 138	25 379
Total Advances and Grants Revenue	92 089	55 306

The above contributions are allocated to a large range of projects involving the Commonwealth, other State Government departments and industry groups. Contributions were applied to the following business sectors:

	2008	2007
Advances and Grants received/receivable from Entities within SA Government: ^(a)	\$'000	\$'000
Fisheries ⁽¹⁾	6 577	5 748
South Australian Research and Development Institute ⁽¹⁾	8 846	5 913
Agriculture and wine	2 534	3 662
Aquaculture ⁽¹⁾	1 129	922
Prudential and Rural Financial Services	716	725
Biosecurity	37	600
Minerals and petroleum	275	270
Planning and development	298	945
Other	84	34
Total Advances and Grants Revenue - SA Government Entities	20 496	18 819
Advances and Grants received/receivable from Entities external to SA Government: ^(a)		
Fisheries	35	35
South Australian Research and Development Institute	20 787	25 178
Agriculture and wine	268	572
Prudential and Rural Financial Services	49 704	10 092
Minerals and petroleum	216	173
Planning and development ⁽¹⁾	227	38
Rural solutions ⁽¹⁾	125	179
Other	231	220
Total Advances and Grants Revenue - Non-SA Government Entities	72 593	36 487
Total Advances and Grants Revenue	92 089	55 306

(a) Grants and advances are categorised to reflect the business sectors receiving the benefits.

(1) Costs recovered from the Fisheries Research and Development Fund and the Aquaculture Resource Management Fund for the administration of licences are applied to the delivery of projects in compliance, research and fishing industry development in the Divisions of Fisheries, SA Research and Development Institute and Aquaculture. In 2007-08 the amount received from the Fisheries Research and Development Fund and the Aquaculture Resource Management Fund was \$11.963 million (\$11.123 million).

14. Advances and Grants (continued)	2008	
The major contributions received during 2007-08, with a value exceeding \$500 000, were for the following projects and programs:	\$'000	
Exceptional Circumstances/Drought Assistance	47 269	
Fishwatch Management	4 794	
FarmBis	2 734	
Abalone Stock Assessment	1 267	
Aquaculture licensing and licensing services	1 066	
Fisheries Industry Development	1 018	
Rocklobster Stock Assessment	1 017	
National Genetic Resources	1 012	
NCRIS Biophotoreactor facility	818	
Marine scale fishery	764	
Field Crop Evaluation Program	762	
State Ovine Johnes Disease	751	
Branched Broomrape	700	
Irrigation Research	600	
Improved oats for milling	538	
SAIMOS HF Radar	516	
All other projects with an individual value of less than \$500 000	26 463	
Total Major Projects	92 089	
15. Interest Revenues	2008	2007
	\$'000	\$'000
Interest from entities within the SA Government	2 897	2 716
Loans to the rural sector	357	410
Total Interest Revenues	3 254	3 126
16. Sale of Goods		
Sale of Goods received/receivable from Entities external to SA Government:		
Publications, books, maps and compact discs	520	553
Livestock	1 267	1 298
Agriculture produce	2 342	1 660
Other	599	208
Total Sale of Goods - Non-SA Government Entities⁽¹⁾	4 728	3 719
Total Sale of Goods	4 728	3 719
(1) Includes revenues from SA Government entities totalling less than \$100 000.		
17. Net Gain (Loss) from Disposal of Non-Current and Other Assets		
Land and Buildings:		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	346	1
Net Loss from Disposal of Land and Buildings	(346)	(1)
Plant and Equipment:		
Proceeds from disposal	134	36
Less: Net book value of assets disposed	116	582
Net Gain (Loss) from Disposal of Plant and Equipment	18	(546)
Total Assets:		
Total proceeds from disposal	134	36
Less: Total value of assets disposed	462	583
Total Net Loss from Disposal of Assets	(328)	(547)
18. Other Income		
Other Income received/receivable from Entities within to SA Government:		
Reimbursements/Recoveries	207	268
Total Other Income - SA Government Entities	207	268
Other Income received/receivable from Entities external to SA Government:		
Seed and other royalties	729	949
Reimbursements/Recoveries	4 265	1 817
Gains (Losses) from changes in fair value of biological assets ⁽²⁾	(109)	1 237
Other	372	321
Total Other Income - Non-SA Government Entities⁽¹⁾	5 257	4 324
Total Other Income	5 464	4 592

(1) Includes revenues from SA Government entities totalling less than \$100 000.

(2) The changes in fair values of livestock is reconciled along with the movement in inventory in Note 22.

19. Revenues from/Payments to SA Government	2008	2007
Revenues from SA Government:	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	152 137	140 930
Total Revenues from SA Government	152 137	140 930
20. Cash	2008	2007
Deposits with the Treasurer ⁽¹⁾	80 260	84 945
Imprest account and cash on hand	24	25
Total Cash	80 284	84 970

(1) The 2007 cash balance has been corrected between the Department's Controlled and Administered Financial statements for payroll tax of \$12 000 on Ministerial salaries and expenses that was incorrectly recognised against Administered funds in the 2005-06 financial year, with that value then subsequently captured within the Administered accumulated surplus. Payroll tax on Ministerial salaries and expenses are payable from the Department's controlled funds. Both cash and the carried forward accumulated surplus between the Controlled and Administered Financial statements have been impacted. An offset to this adjustment occurs in Note A17 of the Administered Financial Statements.

Deposits with the Treasurer

Includes funds held in the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use, ie funds can only be used in accordance with the Treasurer's/Under Treasurer's approval.

Interest Rate Risk

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer are bearing a floating interest rate between 6.17 percent and 7.09 percent. The carrying amount of cash and cash equivalents approximates fair value.

21. Receivables	2008	2007
Current:	\$'000	\$'000
Receivables	10 690	9 090
Less: Provision for doubtful debts	204	69
	10 486	9 021
Loans receivable ⁽¹⁾	2 721	3 526
Less: Provision for doubtful debts	-	5
	2 721	3 521
Workers compensation recoveries	16	16
Accrued interest on loans and deposits	231	333
Other accrued revenue	6 961	498
GST receivable	4 820	2 532
Prepayments	125	88
	12 153	3 467
Total Current Receivables	25 360	16 009
Non-Current:		
Loans receivable	1 020	1 550
	1 020	1 550
Non-current workers compensation recoveries	52	53
Total Non-Current Receivables	1 072	1 603
Total Receivables	26 432	17 612
Receivables from SA Government Entities:		
Receivables	4 110	3 430
Accrued interest revenues	183	225
Other accrued revenue	126	-
Total Receivables from SA Government Entities	4 419	3 655
Receivables from Non-SA Government Entities:		
Receivables	6 376	5 591
GST receivables	4 820	2 532
Other accrued revenues	6 835	498
Accrued interest revenues	48	108
Loan receivables	3 741	5 071
Other	193	157
Total Receivables from Non-SA Government Entities	22 013	13 957
Total Receivables	26 432	17 612

(1) Loans include a receivable from AMDEL. The loan principal has been amortised (refer Note 8) over the term of the loan in exchange for research and analytical services provided by the borrower over the term to maturity.

Interest Rate and Credit Risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the provision for doubtful debts, 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.

- (a) **Maturity analysis of receivables** - Refer to Note 38.
 (b) **Categorisation of financial instruments and risk exposure information** - Refer to Note 38.

In accordance with the APSs contained in APF IV, the Department measures loans at historical cost, except for interest free loans (measured at the present value of expected repayments). Where there is objective evidence that a loan is impaired, provision equal to the difference between the carrying value and the present value of expected future repayments is made.

Allowance for Doubtful Debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised in 'Other Expenses' in the Income Statement for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2008	2007
	\$'000	\$'000
Carrying amount at 1 July	74	148
Increase in the provision	136	21
Amounts written off	6	95
Carrying Amount at 30 June	204	74

Bad and Doubtful Debts

The Department has recognised a bad and doubtful debt expense of \$143 000 in the Income Statement. The Department has written off debts of \$13 000 during the year, mainly against provisions created in previous years. AASB 139 requires that there be objective evidence of impairment before an allowance for loss can be recognised.

22. Inventories	2008	2007
	\$'000	\$'000
Current Inventories:		
Biological Assets:		
Livestock (at fair value less estimated point of sale costs)	2 736	2 640
Agricultural produce (at fair value less estimated point of sale costs)	206	198
	2 942	2 838
Other inventories:		
Publications and maps (at the lower of cost and realisable value)	146	594
Plants and related items (at the lower of cost and realisable value)	4	53
	150	647
Total Current Inventories	3 092	3 485
Non-Current Inventories:		
Orchards and vineyards (at fair value less estimated point of sale costs)	299	376
Total Non-Current Inventories	299	376
Total Inventories	3 391	3 861

	2008	
	Orchards, Vineyards & Agricultural Produce	Livestock
	\$'000	\$'000
Balance at 1 July	574	2 640
Increase due to acquisitions	976	352
Decrease due to sales	(613)	(1 115)
Used as feed stock	(1 133)	-
Harvests transferred to inventories	778	-
Increase due to natural accretion	-	710
Inventory changes (Biological growth)	-	40
Change in fair value less estimated point of sale costs	-	109
Reduction in hectares under planting	(77)	-
Balance at 30 June	505	2 736
Current	206	2 736
Non-current	299	-
	505	2 736

22. Inventories (continued)

Agricultural activities are carried on to assist with research, but are conducted on a commercial basis. At 30 June 2008 inventory included 9713 sheep, 1823 cattle, 432.2 tonnes of crops and grain and 48.09 hectares of vines and fruit trees.

Production for the year included 2.59 million litres of milk, 205.8 tonnes of grapes and fruit, 6332 lambs, 711 calves, 324 bales of wool and 1689 tonnes of other crops.

23. Financial Assets

	2008	2007
	\$'000	\$'000
Non-Current:		
Investments in shares	4 678	4 678
Total Financial Assets	4 678	4 678

The Department holds ordinary shares in Australian Grain Technologies Pty Ltd (AGT), a joint venture entity involved in research to assist wheat breeding programs. The purchase consideration for these shares consisted of a mixture of cash and leased facilities.

The Department holds joint control along with the University of Adelaide, Grains Research and Development Corporation and SunPrime. The Department's 18 percent shareholding has been recognised at cost.

Other investments includes shares in Provisor Pty Ltd, purchased in 2003-04 (\$189 800), a grape and wine research company. The Department's shareholding in Provisor does not give it a controlling interest in the company. This investment is also recorded at cost.

	2008	2007
	\$'000	\$'000
Movement in financial assets:		
Carrying amount at 1 July	4 678	4 004
Cash contribution	-	610
Leased facilities	-	64
Carrying Amount at 30 June	4 678	4 678

(a) *Maturity Analysis of Financial Assets* - Refer to Note 38.

(b) *Categorisation of Financial Instruments and Risk Exposure Information* - Refer to Note 38.

24. Non-Current Assets Classified as Held-for-Sale

Land	140	50
Total Property Held-for-Sale	140	50

The Department reviews its asset base annually. Property, plant and equipment that is surplus to requirements or no longer meets current business needs are regularly disposed of by sale or auction.

During 2007-08 land, buildings and infrastructure were reviewed and revalued to fair value as at 30 June 2008 (refer Note 25). The carrying amount of the assets held for sale increased by \$90 000.

25. Property, Plant and Equipment

	2008	2007
	\$'000	\$'000
Land and Buildings:		
Land at fair value	31 906	25 507
Buildings and infrastructure at fair value	80 133	79 384
Accumulated depreciation	(1 125)	(6 106)
Total Land and Buildings	110 914	98 785
Leasehold Improvements:		
Leasehold improvements at fair value	4 098	3 971
Accumulated amortisation	(3 938)	(3 541)
Total Leasehold Improvements	160	430
Plant and Equipment:		
Core trays at fair value	10 902	10 870
Accumulated depreciation - Core trays	(3 181)	(2 540)
Plant and equipment at cost (deemed fair value)	48 426	49 234
Accumulated depreciation - Plant and equipment	(31 190)	(31 422)
Constructions and works in progress	4 055	2 869
Total Plant and Equipment	29 012	29 011
Heritage Assets:		
Heritage assets at fair value	53	-
Total Heritage Assets	53	-
Total Property, Plant and Equipment	140 139	128 226

Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, plant and equipment during 2007-08:

	Land \$'000	Buildings & Infra- structure \$'000	Leasehold Improve- ments \$'000	Core Trays \$'000	Plant and Equipment \$'000	Construct- ions & Works in Progress \$'000	Heritage Assets \$'000	2008 Total \$'000
Carrying amount at 1 July	25 507	73 278	430	8 330	17 815	2 869	-	128 229
Additions	-	70	126	32	3 995	1 185	-	5 408
Disposals	-	(346)	-	-	(116)	-	-	(462)
Depreciation/amortisation	-	(2 342)	(397)	(640)	(4 450)	-	-	(7 829)
Transfer between asset classes	(1)	3	1	(1)	(8)	1	5	-
Assets acquired free of charge	-	283	-	-	-	-	40	323
Revaluation	6 400	8 062	-	-	-	-	8	14 470
Carrying Amount at 30 June	31 906	79 008	160	7 721	17 236	4 055	53	140 139

Valuation of Land, Buildings and Infrastructure

During 2007-08 land, buildings and infrastructure were reviewed and revalued to fair value as at 30 June 2008 in accordance with AASB 116. Valuations comprised independent valuations received from Liquid Pacific Pty. Ltd who valued the Department's assets located in the metropolitan and near country areas.

Heritage Assets (include Artworks and Precious Metals)

In 2005 the Department sponsored an art commission with the Tjunga Palya art group in the Anangu Pitjantjatjara Yankunytjatjara Lands (APY) through the PACE program. Three paintings were presented to the Department in 2007-08. These were valued by independent qualified valuer Harold E Gallasch of Tineriba Tribal Gallery.

Precious metals include medallions of historical significance, and specimen stones. These were valued by Platinum Diagnostics at current replacement value from an antique or specialist coin dealer in the South Australian Market.

Impairment

There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2008.

Resources Received Free of Charge

Includes assets identified by the valuer that were not previously capitalised by the Department \$283 000 and artworks included under Heritage Assets \$40 000.

26. Intangible Assets

	2008 \$'000	2007 \$'000
Software:		
Computer software	9 452	8 661
Accumulated amortisation	(5 808)	(4 413)
Total Computer Software	3 644	4 248

Reconciliation of Intangibles

The following table shows the movement of Intangibles during the year:

Carrying amount at 1 July	4 248	4 237
Additions	791	1 047
Amortisation expense	(1 395)	(1 269)
Other movements ⁽¹⁾	-	233
Carrying Amount at 30 June	3 644	4 248

(1) Transfer from construction works in progress asset class.

27. Payables

Current:		
Creditors ⁽³⁾	2 542	4 349
Accrued expenses ⁽¹⁾	6 362	4 962
Accrued interest on borrowings ⁽¹⁾	37	-
GST payable	1 167	1 219
Employment on-costs	2 325	2 445
Total Current Payables	12 433	12 975

Expected to be paid more than 12 months after Reporting Date:

Employment on-costs	2 144	2 065
Total Expected to be paid more than 12 months after Reporting Date	2 144	2 065
Total Current Payables	14 577	15 040

Government/Non-Government Payables	2008	2007
Payables to SA Government Entities:	\$'000	\$'000
Creditors	869	1 819
Accrued expenses ⁽¹⁾	1 843	1 714
Accrued interest on borrowings ⁽¹⁾	37	-
Employment on-costs ⁽²⁾	4 469	4 510
Total Payables to Other SA Government Entities	7 218	8 043
Payables to Non-SA Government Entities:		
Creditors	1 673	2 530
Accrued expenses	4 519	3 248
GST payable	1 167	1 219
Total Payables to Non-SA Government Entities	7 359	6 997
Total Payables	14 577	15 040

- (1) 2007 comparative has been restated (refer Note 4(a)).
- (2) The 2007 comparatives for employment on-costs have been restated as payables to SA Government entities. On-costs consist of payroll tax and superannuation.
- (3) The loan comparative has been restated to include FBT liability transferred from employee benefits - refer Note 29.

Interest Rate Risk

Creditors and accruals are raised for all amounts billed but unpaid. Creditors are normally settled within 30 days and employment on-costs are settled when the related employee benefit is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

- (a) **Maturity Analysis of Payables** - Refer Note 38.
- (b) **Categorisation of Financial Instruments and Risk Exposure Information** - Refer Note 38.

28. Borrowings	2008	2007
(a) Borrowings consists of:	\$'000	\$'000
Indebtedness to SAFA	1 257	2 390
Indebtedness to the Treasurer	1 746	1 593
Indebtedness to Department of Trade and Economic Development	-	13
Total Borrowings	3 003	3 996
(b) Balance of Borrowings Outstanding Classifications:		
Current ⁽¹⁾	2 657	3 184
Non-Current ⁽¹⁾	346	812
Total Borrowings	3 003	3 996

- (1) 2007 comparative has been restated (refer Note 4(a)).

Borrowings having no maturity date are recognised at cost in accordance with APF IV APS 2.1. The interest rate is determined by the Treasurer at the time of brokering of the loan and remains fixed over its term. The weighted average interest rate for borrowings as at 30 June 2008 is 7.204 percent (6.431 percent).

- (i) **Maturity Analysis of Borrowings** - Refer to Note 38.
- (ii) **Categorisation of Financial Instruments and Risk Exposure Information** - Refer to Note 38.
- (iii) **Defaults and Breaches** - There were no defaults or breaches on any of the above liabilities throughout the year.

29. Employee Benefits	2008	2007
Current:	\$'000	\$'000
Annual leave	8 063	7 437
Long service leave	4 642	3 406
Accrued salaries and wages ⁽¹⁾	2 467	1 859
Total Current Employee Benefits	15 172	12 702
Non-Current:		
Long service leave	22 657	21 749
Total Non-Current Employee Benefits	22 657	21 749
Total Employee Benefits	37 829	34 451

- (1) 2007 comparative has been restated. Fringe benefits tax transferred to payables - Refer Note 27.

The total current and non-current employee expense (ie aggregate employee benefit in Note 29 plus related on-costs in Note 27) for 2008 is \$42.30 million (\$38.96 million).

Based on an actuarial assessment performed by the Department of Treasury and Finance, the benchmark for the measurement of the long service leave liability is 6.5 years (6.5 years).

30. Provisions	2008	2007
Current:	\$'000	\$'000
Provision for workers compensation	611	479
Total Current Provisions	611	479
Non-Current:		
Provision for workers compensation	1 581	1 304
Total Non-Current Provisions	1 581	1 304
Total Provisions	2 192	1 783
Carrying amount at 1 July	1 783	1 590
Increase in the provision	409	193
Carrying Amount at 30 June	2 192	1 783

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Public Sector Workforce Division of the Department of the Premier and Cabinet. These claims are expected to be settled within the next financial year.

31. Other Liabilities	2008	2007
Current:	\$'000	\$'000
Lease incentive	33	397
Unearned revenue	4 529	3 376
Security deposits	1 701	1 318
Total Current Other Liabilities	6 263	5 091
Non-Current:		
Other liabilities	47	10
Lease incentive	-	33
Total Non-Current Other Liabilities	47	43
Total Other Liabilities	6 310	5 134

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Securities are obtained to ensure that a mine operator rehabilitates a site and complies with all statutory requirements on cessation of a licence. Cash deposits are classified as 'Security Deposits'. The value of securities held in the form of bank guarantees are reflected as a contingent asset (Note 35) as the Department only has a claim on these funds if the licensee fails to perform its legislative requirements.

32. Equity	2008	2007
	\$'000	\$'000
Contributed capital	1 483	1 483
Accumulated surplus ⁽¹⁾	127 541	136 042
Asset revaluation reserve	56 577	42 017
Committed grants reserve	9 196	3 699
Total Equity	194 797	183 241

(1) 2007 comparative has been restated (Note 4(a)).

The asset revaluation reserve is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is disposed of or assets are transferred to another SA Government entity upon an administrative restructure.

33. Transferred Functions
Net Revenues from Restructuring of Administrative Arrangements

The net revenues relating to the restructuring of Administrative arrangements recognised in the Income Statement are shown below.

	2008	2007
	\$'000	\$'000
To the Attorney-General's Department (AGD)	-	285
From Forestry SA	-	-
Total Net Revenues from Restructuring of Administrative Arrangements	-	285

No transfers occurred in 2008. In 2007 the following transfers occurred:

- the Public Sector Management (Abolition of Administrative Unit and Public Service Restructure) Proclamation 2007 (dated 22 March 2007) declared that the Office for Volunteers would transfer from the Department to the Attorney-General's Department effective from 1 April 2007;
- the Public Sector Management (Abolition of Administrative Unit and Public Service Restructure) Proclamation 2006 (dated 29 June 2006) declared that the Forestry Policy and Industry Development functions of the South Australian Forestry Corporation (ForestrySA) transferred to the Department on 1 July 2006.

34. Unrecognised Contractual Commitments	2008	2007
<i>Operating Lease Commitments</i>	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	5 759	5 384
Later than one year and not later than five years	21 989	13 575
Later than five years	18 755	9 351
Total Operating Lease Commitments	46 503	28 310
Representing:		
Non-cancellable operating leases	46 503	28 310
Total Operating Lease Commitments⁽¹⁾	46 503	28 310

2007 comparative has been restated.

(1) At the commencement of the year the Department entered into a new long term accommodation lease agreement for 101 Grenfell Street with an expiry date of July 2018. The lease will commit \$21.568 million over the term. At 30 June 2007 the original lease had expired and no future commitments were represented in the comparative

Operating leases relate to property, which are non-cancellable leases, with rental payable monthly in advance. Contingent rental provisions within the lease agreements allow for the review of lease payments every two years. Any changes in lease payments would be based on market rates. Options exist to renew the leases at the end of their terms.

Non-cancellable operating leases have also been entered into for plant and office equipment. Rental is generally payable in advance. The rental period may continue beyond the expiry date expressed in the initial agreement, in which case, the agreement extends until either party gives written notice of their intention to terminate the agreement.

Capital Commitments

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

	2008	2007
	\$'000	\$'000
Within one year	127	-
Total Remuneration Commitments	127	-

Capital commitment relates to the purchase of replacement offshore fisheries patrol vessels and other construction works.

Remuneration Commitments

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2008	2007
	\$'000	\$'000
Within one year	7 156	5 699
Later than one year but not later than five years	15 787	10 207
Total Remuneration Commitments	22 943	15 906

2007 comparative has been restated to include superannuation contributions.

Amounts disclosed include commitments arising from executive and other service contracts. The Department does not offer fixed term remuneration contracts greater than five years.

Other Commitments

Within one year	3 266	2 849
Later than one year but not later than five years	2 366	2 857
Total Other Commitments	5 632	5 706

The Department's other commitments include agreements with Fleet SA for long-term hire of light vehicles and other amounts owing under fixed price contracts outstanding at the end of the reporting period.

Committed Grants

	2008	2007
	\$'000	\$'000
Grants committed but not advanced at the end of the year	9 196	3 699
Total Committed Grants	9 196	3 699

Grants committed in support of rural projects contain conditions to be met before payments are made.

35. Contingent Assets and Contingent Liabilities

Contingent Assets

The Department owns intangible assets consisting of intellectual property which includes core samples provided by the mineral and petroleum industries, which are stored by the Department. These assets are not recognised in the financial statements due to difficulties in determining reliable fair values.

The Department receives securities in accordance with Acts administered by the Department for mining and petroleum. These are obtained to ensure that a mine operator rehabilitates a site and complies with all statutory requirements on cessation of a licence. The amount held as Security Deposits at 30 June 2008 is \$25.05 million. The Department only has a claim on these funds if the licensee fails to perform its legislative requirements.

The Department may accept bank guarantees or other forms of securities like mortgages over land as security for loans advanced. Bank guarantees held at 30 June 2008 is \$3 million. The Department may claim on these funds if the borrower defaults on the conditions of the loan agreement.

The Department holds a Crown Lease over property situated at part section 222, 223 and 224 Bookpurnong Road, Loxton. This lease will be converted to a freehold title to facilitate disposal of the property, which has a net realisable value of approximately \$500 000.

Contingent Liabilities

The nature of activities that the Department is involved in can create potential exposure to environmental, fisheries and mining matters, which the Department may be required to remedy in the future. The Department has some potential outstanding litigation in a number of these areas, specifically resulting from interpretation of past mining practices and petroleum exploration.

Certain matters associated with contaminants such as contaminated land and hazardous materials have been identified and are managed in accordance with recognised standards. This includes the environmental liabilities of past mining practices where there is no longer an active licence. For new activities, it is a lease condition that rehabilitation be undertaken by the leaseholder before a lease is surrendered. The Department's responsibility is to ensure that a lease is not surrendered before appropriate rehabilitation has occurred, thus minimising the likelihood of future environmental risks to government. Work is progressing to determine any liabilities that may be associated with this role. At this time, the financial impact cannot be reliably estimated.

36. Trust Funds

The Trust Funds of the Department are:

Pleuro Pneumonia Fund

This Fund consists of monies belonging to all State Governments and the Federal Government. The Fund is controlled by the Standing Committee of Agriculture and all expenditure is subject to the approval of the Chairman. Funds are to be used principally for publication of the history of the Pleuro Pneumonia Eradication Campaign and are held in a Section 21 Deposit Account.

Extractive Areas Rehabilitation Fund

This Fund is credited with amounts by way of royalty on extractive minerals and is used for the rehabilitation of land disturbed by mining operations. The funds collected are used to limit damage to any aspect of the environment by such mining operations in addition to the promotion of research into methods of mining engineering and practice by which environmental damage might be reduced.

Aggregate details of the transactions and balances relating to these Trust Funds for the year ended 30 June are as follows:

	Pleuro Pneumonia Fund \$'000	Extractive Areas Rehabilitation Fund \$'000	2008 \$'000	Total 2007 \$'000
Operations:				
Revenue	5	3 264	3 269	2 779
Less: Expenditure	-	813	813	481
Net Operating Surplus	5	2 451	2 456	2 298
Net Assets:				
Cash at bank	82	10 050	10 132	7 675
Add: Receivables	-	-	-	4
Less: Payables	-	-	-	3
Net Assets	82	10 050	10 132	7 676
Funds:				
Balance of funds at 1 July	77	7 599	7 676	5 378
Add: Net receipts	5	2 451	2 456	2 298
Fund Balance 30 June	82	10 050	10 132	7 676
Commitments in Place at 30 June	-	1 234	1 234	1 378

37. Cash Flow Reconciliation	2008	2007
Reconciliation of Cash - Cash at 30 June as per:	\$'000	\$'000
Cash Flow Statement	80 284	84 970
Balance Sheet	80 284	84 970
Reconciliation of Net Cash provided by Operating Activities to Net Cost of Providing Services:		
Net cash provided by operating activities	1 378	15 726
Less: Revenues from SA Government	(152 137)	(140 930)
Add (Less): Non-Cash Items:		
Depreciation and amortisation	(9 240)	(9 222)
Loss on disposal of assets	(328)	(547)
Doubtful debts write off	6	95
Other non-cash items	323	-
Changes in Assets/Liabilities (net of restructure transfer):		
Increase (Decrease) in receivables	10 136	(3 163)
(Decrease) Increase in inventories	(470)	332
Decrease in payables and provisions	(142)	6 772
Increase in employee benefits	(3 378)	(2 681)
(Increase) Decrease in other liabilities	(1 573)	692
Net Cost of Providing Services from Ordinary Activities	(155 141)	(132 926)

38. Financial Instruments/Financial Risk Management**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 Note 3 'Significant Accounting Policies'.

	2008		2007	
	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
Financial Assets				
Cash	80 284	80 284	84 970	84 970
Loans and receivables - At cost:				
Loans and receivables ⁽¹⁾	10 117	10 117	10 662	10 662
Investments - At cost:				
Other financial assets	4 678	4 678	4 678	4 678
Total Financial Assets	95 079	95 079	100 310	100 310
Financial Liabilities				
Financial Liabilities - At Cost:				
Payables ⁽¹⁾	1 673	1 673	2 530	2 530
Interest bearing liabilities	3 003	3 003	3 996	3 996
Total Financial Liabilities	4 676	4 676	6 526	6 526

(1) Amount of receivables and payables disclosed here excludes statutory receivables and payables (amounts owing from/to SA Government and GST input tax credit payable and recoverable). They are carried at cost.

Currently the Department does not hold any collateral as security to any of its financial assets. At reporting date, there is no evidence to indicate that any of the financial assets are impaired.

Ageing Analysis of Financial Assets

	Past Due By			Total \$'000
	Overdue for less than 30 Days \$'000	Overdue for 30-60 Days \$'000	Overdue for more than 60 Days \$'000	
2008				
Not Impaired:				
Receivables	8 053	449	1 411	9 913
Other financial assets	4 678	-	-	4 678
Impaired:				
Receivables	-	-	-	-
Other financial assets	-	-	204	204
	12 731	449	1 615	14 795
2007				
Not Impaired:				
Receivables	8 806	286	1 496	10 588
Other financial assets	4 678	-	-	4 678
Impaired:				
Receivables	-	-	-	-
Other financial assets	-	-	74	74
	13 484	286	1 570	15 340

Maturity Analysis of Financial Assets and Liabilities

	Contractual Maturities			
	Carrying Amount	Less than 1 Year	1-5 Years	More than 5 Years
	\$'000	\$'000	\$'000	\$'000
2008				
Financial Assets:				
Cash	80 284	80 284	-	-
Loans and receivables	10 117	9 097	477	543
Other financial assets	4 678	4 678	-	-
Total Financial Assets	95 079	94 059	477	543
Financial Liabilities:				
Payables	1 673	1 673	-	-
Interest bearing liabilities	3 003	2 657	207	139
Total Financial Liabilities	4 676	4 330	207	139
2007				
Financial Assets:				
Cash	84 970	84 970	-	-
Loans and receivables	10 662	9 112	1 030	520
Other financial assets	4 678	4 678	-	-
Total Financial Assets	100 310	98 760	1 030	520
Financial Liabilities:				
Payables	2 530	2 530	-	-
Interest bearing liabilities	3 996	3 184	669	143
Total Financial Liabilities	6 526	5 714	669	143

39. Events after Balance Date

The Public Sector Management (Planning SA) Proclamation 2008 (dated 26 June 2008) proclaimed that effective from 1 July 2008 Planning SA would be established as a separate administrative unit of the public service and that all of the existing functions and staff of Planning SA would transfer to that entity.

40. Remuneration of Board and Committee Members

Members that were entitled to receive remuneration during the 2007-08 financial year are listed below in the following summary table:

	2008	2007
	Number of Members	Number of Members
The number of members whose remuneration received or receivable falls within the following bands:		
\$0	188	205
\$1 - \$9 999	159	138
\$10 000 - \$19 999	8	7
\$20 000 - \$29 999	2	1
\$30 000 - \$39 999	2	-
\$40 000 - \$49 999	-	1
\$60 000 - \$69 999	1	-
Total Number of Members	360	352

The 2007 comparative has been restated to disclose the number of members who do not receive payment for their membership of a committee. Included in this category are government employees.

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$610 731 (\$356 540).

Amounts paid to a superannuation plan for members was \$25 082 (\$22 560).

In accordance with the Department of the Premier and Cabinet Circular No 16, government employees do not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between 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.

* Member retired during the year.

Boundary Adjustment Facilitation Panel

Irving A
Maitland J W
Saunders C A
Wagstaff M
Birch L*
Duncan J*

Alpaca Advisory Group

Bentley J H
Gouldie T A
Lang R A
Porter J R
Richens L C*
Pridham L

Advisory Board Agriculture

Baldock H L
Correll Y A
Dennis M
Ferme N W
Hansen A S*
Konzag R B
Loffler A R
Meissner A D
Murdoch R G
Pledge S R
Ridgway J E
Rose P F
Teakle L M
Walter V L
Wheaton P
Wilksch T J
Maddocks S
Knight G R
Lewis R K
Rathjen A

Aquaculture Advisory Committee

Carthew S M
Christian A
Jeffriess B C
Marshall J R
Mitchell M P
Nowak B F
Pedler F W
Stehr H
Zeidler W
Zippel B L
Clarke S M
Stone S
Mawer S
Nightingale I
Dolan P

Aquaculture Tenure Allocation Board

Hill M K
Moore J J*
O'Loughlin J
Seamark R F
Vanco J A
Geddes M C
Hogarth R R*
Gillanders B
Davis G

Beverley Environmental Consultative Committee

Heithersay P
Dickman V
Caplygin S
Nominee (Heathgate Resources)
Baldry K
Whitworth T
Power N
Taylor M

Board Of Examiners For Mine Managers

Coker J
Farley R
Van Leuven M
Reynolds P
Marshall G

Brukungu Minesite Remediation Board

Johnson D
Macdonald H
Macdonald R
Vincent C
Tyne T
Stuart A

Local Heritage Advisory

Andersen D M*
Atkinson C M*
Barone M
Conway M C*
Faunt A J
Leydon G J
Ross P M*
Wigg C A
Stark P
Stroeher B
El Chiekh N

Mining Act Review Steering Group

Vincent C
Tyne T
Austin S
Beckworth A
Dalton P
Freeman P
Mills L
Moyle D
Roberts J
Windle B

Olympic Dam Community Consultative Forum

Heithersay P
Baldry K
Whitworth T
Yeeles R
Brake L
Farrow M
Forbes M
Ludby N
McGrath I
Mitchell M
Oag D
Harris F
Walsh S
Wilson G

Olympic Dam Environmental Consultative Committee

Palmer G
Heithersay P
Caplygin S
Power N
Yeeles R
Forbes M
Harris F
Laird A
Lock E
Reilly P

PIRSA Risk and Audit Management Committee

Cooper C S
Zacharin W
Archer S
Heithersay P

Port Waterfront Redevelopment

Brown D L
Douflias B
Moore J J*
Parisi C
Gagetti R L

Rural Solutions SA Board

Filby S
Hills D
Knight G R
McLaren L D M
Young E

Building Advisory Committee

Corby B P
Hopkins K R
Marsland M P
Mazzarolo J A
Poupoulas D P
Seppelt A K
Howland S J
Grimes B

Deer Advisory Group

Barnes K A
Clark D J*
Delaine M J*
Morley J R*
Phillips J M
Stevens M S
Thonard J
Varcoe J R
Lees A M G*

Develop Policy Advisory Committee

Barone M
Dagas J
Ellyard H S*
Filby S M
Gagetti R L
Hooper S P
Moore J F
Muffet L T*
Poupoulas D
Snoswell D G*
Veitch A C G
Moran B
Gall M

Development Assessment Committee

Brown D L
Douflias B
Ellis T J
Llewellyn-Smith M J
Loveday G M
Vjestica M
Zappia A*
Harvey N
Jackson N
Tyrteos H
Fatchen T
Rice R
Williamson D
Kracman B
Fuller N
Haren J
Walker K
Billsborough D
Cugley J

Extractive Industries Committee

Loveday G M
Miller C M
O'Neill H E
Saunders C A
Somers M J
Negri M J

Horticulture Plant Health Consultative Committee

Armstrong I L

Goat Advisory Group

Hall C M
Lauterbach P C
Evans C
Rogers P*

SA Meat Food Safety Advisory Committee

Ackland T M
Knoll F P
Lloyd M J
Marinos M C
Martin G L
Netherton R A*
Pedler B J
Robinson J O
Wedd R B
Zammit L O
Van Gastel C L*
Wintulich J H
Jenkins F
Wayne E
Raven G
Sandercock P
Wigg T
Hindson D
Smith G

SA Fisheries Research Advisory Board

Crocker L A*
Healy R C*
Jeffriess B C
Mieglich D C*
Pennington R T
Pyke C A
Winwood J W*
Nightingale I
Gillanders B
Doroudi M
Zacharin W
Cheshire A
Ward T*
Carragher J*

Strathalbyn (Angas Mine) Community Consultative Committee

Brown D
Irwin C W
Brazzalotto B
Carrangis F
Currie J
Davis B
Farrier M
Jettner S
Murphy K
Rusby T
Pederick A
Riches T
Twartz R
Woolford A

Yumbarra Ministerial Advisory Committee

Moyle D

Animal Ethics Committee

Craven E

Barley Exporting Advisory Committee

Andrew J N
Coldrey M E
Cooper C S
Hill J H L
Murdoch S K
Treloar P

GM Crops Advisory Committee

Bowden M S*
Boyce K G*
Cummins L*
Harvey H M*
Levy J A W*
Pearson J W*
Richards R H*
Schutz P R*
Dowling M A*
Brown C E*
Wicks R*
Annison G*

Horse Industry Advisory Group

Toole B
Arnold D P
Haynes R H
Horridge P S
McNicholl J E
Fieldler J
Hunt A

Horticulture Industry Development Board

Cox J B
Demasi A
Robinson J F N*
Walker C J
Warhurst E A
Buckley T J*
Smith Y J*
Barnett Communications (Barnett C)*
Philp B*
Mooney P

Resources Industry Development Board

Carter D N
Goldsworthy E R
Gould I G
Heithersay P
Roberts J B
Agius P
Carey J*
Guglielmo T
McKenzie G (Finlaysons Law Firm)
Powe V*
Yates K
Yeeles R
Mcmillan C
Carr P

Horticulture Plant Health Consultative Committee

Demasi A
Smith Y J
Cornish W
Armstrong I L
Cartwright D
Chown M
Dalwood G
Feutrill C
Fraser M
Fuller G
Green A
Hackworth P
Hannay J
Mundy J
Nguyen M
Ranford T
Redmond M
Sparron I
Thiet A D

Building Rules Assessment Committee

Corby B P
Dodd I M
Douflias B
Drogmuller N R
Mazzarolo J A
Poupoulas D
Prelgauskas E
Robinson D A
Seppelt A K
Vjestica M
Wigg C A
Hopkins K
Marsland M

FarmBis III State Planning Group

Fell L*
Jericho D*
Murphy K E*
Walker C
Cornish W*
Tegen S*
Larmont B*
Davies B*
Pickett I*
Heinrich I*
Bruce B
Barr B

Fish Council of SA (FCSA)

Cooper C S
Deane C H
Evans B J
McShane P E
Morison J B
Pennington R T
Sherriff R J
Watts T J
Wright L

Rural Adj Screening Committee

Annelis B M
Davidson W M
Hollands D J

Rural Assistance Appeals Committee

Archer S
Annelis B*
Davidson W
Hollands D
Hylton-Keele L

Building Fire Safety Committee

Freeman D
McAllister M
Payne J

Brukungu Remediation Project Technical Advisory Group

Earth Systems (Dr Talor J)
ENSR Australia Pty Ltd (Scott P)
GHD Pty Ltd (Brett D)
O'Kane Consulting (O'Kane M)
Williams D

**Statement of Administered Expenses and Income
for the year ended 30 June 2008**

	Note	2008	2007
EXPENSES:		\$'000	\$'000
Employee benefits cost	A4	1 695	1 572
Supplies and services	A5	4 628	3 857
Depreciation	A6	162	138
Grants and subsidies	A7	179 098	163 131
Levies payments	A8	573	999
Payment of Royalties to Consolidated Account		143 049	144 219
Net loss from disposal of assets	A14	-	448
Other expenses	A9	2 895	3 239
Total Expenses		332 100	317 603
INCOME:			
Revenue from fees and charges	A11	36 971	28 952
Advances and grants	A12	143 912	133 716
Interest revenue		2 185	1 839
Levies collection	A13	697	680
Royalties	A15(a)	143 004	144 219
Sale of goods		6	152
Net gain from disposal of assets	A14	30	-
Other income	A15	1 902	1 763
Total Income		328 707	311 321
NET COST OF PROVIDING SERVICES		3 393	6 282
REVENUES FROM SA GOVERNMENT:			
Revenues from SA Government	A16	5 543	5 801
NET RESULT		2 150	(481)

Net result is attributable to the SA Government as owner

**Statement of Administered Assets and Liabilities
as at 30 June 2008**

		2008	2007
	Note	\$'000	\$'000
CURRENT ASSETS:			
Cash	A17	53 752	49 012
Receivables	A18	814	803
Inventories	A19	20	-
Total Current Assets		54 586	49 815
NON-CURRENT ASSETS:			
Land acquired under planning strategies	A20	3 478	2 576
Property, plant and equipment	A21	3 958	2 773
Intangible assets	A22	27	27
Total Non-Current Assets		7 463	5 376
Total Assets		62 049	55 191
CURRENT LIABILITIES:			
Payables	A23	25 306	22 310
Employee benefits	A25	92	68
Borrowings	A24	-	37
Other current liabilities	A26	54	220
Total Current Liabilities		25 452	22 635
NON-CURRENT LIABILITIES:			
Payables	A23	12	8
Employee benefits	A25	128	80
Total Non-Current Liabilities		140	88
Total Liabilities		25 592	22 723
NET ASSETS		36 457	32 468
EQUITY:			
Retained earnings	A27	33 648	31 498
Asset revaluation reserve	A27	2 809	970
TOTAL EQUITY		36 457	32 468
Total Equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	A28		
Contingent assets and liabilities	A29		

**Statement of Changes in Administered Equity
for the year ended 30 June 2008**

	Note	Assets		Total \$'000
		Revaluation Reserve \$'000	Retained Earnings \$'000	
Balance at 30 June 2006		970	31 781	32 751
General reserve		-	8	8
Net result for 2006-07		-	(481)	(481)
Total recognised Income and Expense for 2006-07		-	(473)	(473)
Balance at 30 June 2007		970	31 308	32 278
Prior period correction	A2	-	190	190
Restated balance at 30 June 2007		970	31 498	32 468
Gain on revaluation of property during 2007-08	A21	1 839	-	1 839
Net Result for 2007-08		-	2 150	2 150
Total recognised Income and Expense for 2007-08		1 839	2 150	3 489
Balance at 30 June 2008		2 809	33 648	36 457

All changes in equity are attributable to the SA Government as owner

**Statement of Administered Cash Flows
for the year ended 30 June 2008**

	2008	2007
	Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES:		
CASH OUTFLOWS:	Note	\$'000
Employee benefit payments	(1 614)	(1 567)
Supplies and services	(4 861)	(3 239)
Grants and subsidies	(178 756)	(162 773)
Payment of royalties to Consolidated Account	(140 031)	(142 193)
Levy payments	(573)	(999)
Other payments	(2 778)	(2 689)
Cash used in Operations	(329 613)	(313 460)
CASH INFLOWS:		
User fees and charges	37 373	28 863
Sale of goods	6	152
Advances and grants	143 684	133 955
Interest received	2 145	1 839
Levy collections	697	680
Royalties	143 410	143 813
Other receipts	1 880	1 756
Cash generated from Operations	329 195	311 058
CASH FLOWS FROM SA GOVERNMENT:		
Receipts from SA Government	5 543	5 801
Cash generated from SA Government	5 543	5 801
Net Cash provided by Operating Activities	A30	5 125
CASH FLOWS FROM INVESTING ACTIVITIES:		
CASH OUTFLOWS:		
Purchase of property, plant and equipment	(389)	(1 810)
Purchase of intangibles	-	(27)
Cash used in Investing Activities	(389)	(1 837)
CASH INFLOWS:		
Proceeds from the sale of property, plant and equipment	41	53
Cash generated from Investing Activities	41	53
Net Cash used in Investing Activities	(348)	(1 784)
CASH FLOWS FROM FINANCING ACTIVITIES:		
CASH OUTFLOWS:		
Repayment of borrowings	(37)	(650)
Cash used in Financing Activities	(37)	(650)
Net Cash used in provided by Financing Activities	(37)	(650)
NET INCREASE IN CASH	4 740	965
CASH AT 1 JULY⁽¹⁾	49 012	48 647
CASH AT 30 JUNE	A17	53 752

(1) 2007 opening cash balance has been restated by \$12 000 for a correction between the Administered and Controlled financial statements. Refer Note A17.

Program Schedule of Administered Income and Expenses for the year ended 30 June 2008

(Program - refer Note A3)	2008						
	1	2	3	4	5	6	7
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ADMINISTERED INCOME:							
Revenues from SA Government	-	-	-	-	-	-	-
Revenue from fees and charges	(15 238)	(54)	(526)	(489)	(392)	(292)	(247)
Advances and grants	-	-	-	-	-	-	-
Levies collection	-	-	-	-	-	-	-
Interest revenue	(1 159)	-	(2)	(1)	(21)	(8)	(8)
Other income	(7)	-	-	-	-	-	-
Net gain from disposal of assets	(41)	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-
Sale of goods	-	-	-	-	-	-	-
Total Administered Revenues	(16 445)	(54)	(528)	(490)	(413)	(300)	(255)
ADMINISTERED EXPENSES:							
Employee benefits costs	2	-	-	-	-	-	-
Supplies and services	2 179	5	6	7	71	9	17
Depreciation	-	-	-	-	-	-	-
Grants and subsidies	13 804	-	-	305	401	160	205
Levies payments	-	-	-	-	-	-	-
Payments of Royalties to Consolidated Account	-	-	-	-	-	-	-
Other expenses	66	-	-	-	-	-	-
Total Administered Expenses	16 051	(5)	6	312	472	169	222
ADMINISTERED (DEFICIT) SURPLUS	(394)	(49)	(522)	(178)	59	(131)	(33)
(Program - refer Note A3)	2008						
	8	9	10	11	12	13	14
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ADMINISTERED INCOME:							
Revenues from SA Government	-	-	-	-	-	-	-
Revenue from fees and charges	(121)	(172)	(12 478)	-	(384)	(1)	-
Advances and grants	(16)	-	-	-	-	-	-
Levies collection	-	-	-	(540)	-	-	-
Interest revenue	(152)	(1)	-	(11)	(134)	(8)	(1)
Other income	-	-	(9)	-	(85)	-	-
Net gain from disposal of assets	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-
Sale of goods	-	-	-	-	-	-	-
Total Administered Revenues	(289)	(173)	(12 487)	(551)	(603)	(9)	(1)
ADMINISTERED EXPENSES:							
Employee benefits costs	4	-	-	-	2	-	-
Supplies and services	17	6	954	7	9	3	-
Depreciation	-	-	-	-	-	-	-
Grants and subsidies	19	171	11 603	(2)	556	-	-
Levies payments	-	-	-	486	-	-	-
Payments of Royalties to Consolidated Account	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total Administered Expenses	40	177	12 557	491	567	3	-
ADMINISTERED (DEFICIT) SURPLUS	(249)	4	70	(60)	(36)	(6)	(1)

**Program Schedule of Administered Income and Expenses
for the year ended 30 June 2008 (continued)**

	2008						
(Program - refer Note A3)	15	16	17	18	19	20	21
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ADMINISTERED INCOME:							
Revenues from SA Government	-	-	-	-	-	-	(709)
Revenue from fees and charges	(2 721)	(162)	(551)	(24)	(1 577)	(1 512)	-
Advances and grants	-	-	-	-	-	-	-
Levies collection	-	-	-	-	-	-	-
Interest revenue	(337)	(8)	(21)	(15)	(42)	-	-
Other income	-	-	-	-	-	-	-
Net gain from disposal of assets	-	-	-	-	-	-	-
Royalties	-	-	-	-	-	-	-
Sale of goods	-	-	-	-	-	-	-
Total Administered Revenues	(3 058)	(170)	(572)	(39)	(1 619)	(1 512)	(709)
ADMINISTERED EXPENSES:							
Employee benefits costs	20	-	-	-	-	-	-
Supplies and services	67	8	50	15	-	-	-
Depreciation	-	-	-	-	-	-	-
Grants and subsidies	1 266	146	410	5	1 913	-	952
Levies payments	-	-	-	-	-	-	-
Payments of Royalties to Consolidated Account	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total Administered Expenses	1 353	154	460	20	1 913	1 512	952
ADMINISTERED (DEFICIT) SURPLUS	(1 705)	(16)	(112)	(19)	294	-	243

	2008						
(Programs - Refer Note A3)	22	23	24	25	26	27	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ADMINISTERED INCOME:							
Revenues from SA Government	(987)	-	-	(3 098)	-	(749)	(5 543)
Revenue from fees and charges	-	(6)	(20)	-	-	(4)	(36 971)
Advances and grants	(1 465)	(566)	(141 864)	-	-	(1)	(143 912)
Levies collection	-	-	-	-	-	(157)	(697)
Interest revenue	(47)	(54)	(155)	-	-	-	(2 185)
Other income	987	(1 880)	703	-	-	(1 611)	(1 902)
Net gain from disposal of assets	-	11	-	-	-	-	(30)
Royalties	-	-	-	-	(143 004)	-	(143 004)
Sale of goods	-	-	(6)	-	-	-	(6)
Total Administered Revenues	(1 512)	(2 495)	(141 342)	(3 098)	(143 004)	(2 522)	(334 250)
ADMINISTERED EXPENSES:							
Employee benefits costs	-	501	414	-	-	752	1 695
Supplies and services	-	1 005	148	-	-	45	4 628
Depreciation	-	162	-	-	-	-	162
Grants and subsidies	1 654	659	141 789	3 081	-	1	179 098
Levies payments	-	-	-	-	-	87	573
Payments of Royalties to Consolidated Account	-	-	-	-	143 049	-	143 049
Other expenses	-	-	-	-	-	1 317	2 895
Total Administered Expenses	1 654	2 327	142 351	3 081	143 049	2 202	332 100
ADMINISTERED (DEFICIT) SURPLUS	142	(168)	1 009	(17)	45	(320)	(2 150)

NOTES TO AND FORMING PART OF THE ADMINISTERED ITEMS FINANCIAL STATEMENTS

A1. Summary of Significant Accounting Policies

Department of Primary Industries and Resources SA accounting policies are contained in Note 2 'Summary of Significant Accounting Policies'. The Policies in Note 2 apply to both the Department and Administered Financial Statements.

A2. Effect of Changes in Accounting Policies, Changes in Accounting Estimates and Errors

During 2007-08 \$190 000 of prior period adjustments were recognised in the Income Statement. AASB 108 requires that these be recognised retrospectively by restating opening balances.

The financial statements and notes include the restatement of opening balances for prior period adjustments.

A3. Administered Funds of the Department

The Program Schedule provides details of expenses and revenues applicable to the administered funds of the Department. Information about the Department's administered funds is set out below.

Program 1 - Planning and Development Fund

The Planning and Development Fund was established under section 79 of the *Development Act 1993*.

The key objective of the fund is to provide the Government with the means to implement open space and public realm programs across South Australia. It enables the Government to adopt a State-wide overview to strategically address open and public space issues in an objective manner through the Open Space and Places for People grant programs to Local Government.

The primary source of funding is from developers who are required, pursuant to section 50 of the *Development Act 1993*, to contribute to the Planning and Development Fund in lieu of the provision of 12.5 percent of the development as open space, in accordance with a prescribed formula and rate, where the number of allotments in a land sub-division are 20 or less. A contribution into the Planning and Development Fund is also required where developers create Community titles.

Program 2 - Clare Valley Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 21 February 2008. The primary purposes of the fund are to promote the Clare Valley wine industry, undertake research and development and encourage communication and co-operation between participants in the Clare Valley wine industry.

Program 3 - Barossa Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 29 November 2007. The primary purposes of the fund are to promote the Barossa wine industry, undertake research and development and encourage communication and co-operation between participants in the Barossa wine industry.

Program 4 - SA Grape Growers Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 29 November 2007. The primary purposes of the fund are to promote the SA grape growers industry, undertake research and development and encourage communication and co-operation between participants in the SA grape growers industry.

Program 5 - Eyre Peninsula Grain Growers Rail Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 7 September 2006. The primary purpose of the fund is to collect \$2 million towards the cost of improving the Eyre Peninsula grain railway line and associated equipment or infrastructure.

Program 6 - Adelaide Hills Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 8 August 2003. The primary purposes of the fund are to promote the Adelaide Hills wine industry, undertake research and development and encourage communication and co-operation between participants in the Adelaide Hills wine industry.

Program 7 - McLaren Vale Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 5 June 2003. The primary purposes of the fund are to promote the McLaren Vale wine industry, undertake research and development and encourage communication and co-operation between participants in the McLaren Vale wine industry.

Program 8 - SA Pig Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 1 October 2001. The primary purposes of the fund are to undertake research, investigations or other programs relating to pigs, pig products or any other aspect of the pig industry and payment of compensation in line with Regulations.

Program 9 - Citrus Growers Fund

The fund was established under the *Primary Industry Funding Schemes Act 1998* on 20 October 2005. The primary purposes of the fund are to collect industry funds for use by industry organisations to progress their industry and contribute to the State Food Plan and the economic, social and environmental progress of South Australia.

Program 10 - Fisheries Research & Development Fund

Under the *Fisheries Act 1982*, all commercial licence fees received by the Department are required to be paid into this fund. The primary purposes of the fund are to carry out research, exploration, experiments, works or operations for the conservation, management or enhancement of living resources found in waters to which the *Fisheries Act 1982* applies or promotion of any fishing, fish farming or fish processing activity.

Program 11 - Grains Industry Levy Fund

Two voluntary levies are collected from grain producers under the *Wheat Marketing Act 1989* (Cwlth). A five-cent levy is collected and returned quarterly to the South Australian Farmers Federation. A sixteen-cent levy is collected and returned quarterly to the South Australian Grains Industry Trust Fund.

Program 12 - SA Cattle Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 1 July 2000. The primary purposes of the fund are to undertake programs relating to cattle, cattle products or any other aspect of the cattle industry, and payment of compensation and other amounts in line with Regulations.

Program 13 - Deer Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 29 August 2002. The primary purposes of the fund are to undertake programs relating to deer, deer products or any other aspect of the deer industry, and payment of compensation and other amounts in line with Regulations.

Program 14 - Gulf of St Vincent Prawn Fishery Levy

The fund was established for the purpose of facilitating transactions associated with the voluntary buy back of Prawn Fishery licenses in the Gulf St Vincent under the *Gulf St Vincent Prawn Fishery Rationalisation Act 1987*.

Program 15 - SA Sheep Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998*. The purposes of the fund are to make financial assistance or ex gratia payments to farmers in line with the Regulations, undertake projects as recommended by the South Australian Sheep Advisory Group (SASAG) and provide contributions to the Dog Fence Board towards the maintenance or improvement of the dog-proof fence.

Program 16 - Langhorne Creek Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 14 June 2001. The primary purposes of the fund are to promote the Langhorne Creek wine industry, undertake research and development and encourage communication and co-operation between participants in the Langhorne Creek wine industry.

Program 17 - Riverland Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 14 June 2001. The primary purposes of the fund are to promote the Riverland wine industry, undertake research and development and encourage communication and co-operation between participants in the Riverland wine industry.

Program 18 - SA Apiary Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 31 January 2001. The primary purpose of the fund is to undertake programs relating to the apiary industry or apiary products or any other aspect of the apiary industry recommended by the Apiary Industry Advisory Group.

Program 19 - Aquaculture Resource Management Fund

The fund, established under the *Aquaculture Act 2001*, came into operation on 11 November 2002. Under the Act, fees are paid into the fund and are to be utilised primarily for the purposes of any investigation or other projects relating to the management of aquaculture resources.

Program 20 - Planning Fees

In accordance with Schedule 6 of the Development Regulations 1993, Planning SA on behalf of the Development Assessment Commission is required to transfer the relevant amount of land division application fees received, on a quarterly basis, to appropriate councils and State Agencies, pursuant to the directions set out in Schedule 7 of the Regulations.

Program 21 - West Beach Trust

Planning SA reimburses West Beach Trust for payments it makes under the Tax Equivalent Regime. Conversely, Planning SA receives government appropriation to fund these payments.

Program 22 - Local Government Taxation Equivalents Fund

The fund was established under the *Local Government Finance Authority Act 1983*, and requires the Local Government Finance Authority of South Australia to make taxation equivalents payments into the fund. Moneys from the fund are applied for Local Government development purposes.

Program 23 - Outback Areas Community Development Trust

The fund was established under *Outback Areas Community Development Trust Act 1978*. The Trust is recognised as a Local Government authority by the South Australian Local Government Grants Commission and, as such, receives an annual grant allocation from the commission.

Program 24 - SA Local Government Grants Commission

The fund was established under the *Local Government Grants Commission Act 1992* (SA). The primary purposes of the fund are to distribute untied Commonwealth Local Government Financial Assistance Grants to South Australian Local Government Authorities. The commission's operating costs are predominantly funded by State Parliamentary Appropriations.

Program 25 - ForestrySA Community Service Obligations

The Department receives appropriation to make payment to ForestrySA representing Community Service Obligations for the provision of: management of native forests for biodiversity conservation; community use of forest reserves; forest research programs; and provision of community fire protection services near forest reserves.

Program 26 - Royalties

The Department receives royalties levied on minerals and petroleum production on behalf of the State Government. The royalties received are deposited into the Consolidated Account.

Program 27 - Other Funds

This is the total of all other administered funds including the payment of the Minister's salary and allowances, and production receipts from companies for forwarding to native title claimants.

Program 28 - Marine Scalefish Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 16 January 2003. The primary purposes of the fund are to make payments to organisations which represent the marine scalefish industry in relation to the promotion, development and environmental management of the industry and make payments for other purposes to benefit the marine scale fish industry. This Fund was wound up on 30 June 2007.

A4. Employee Benefits Costs

	2008	2007
	\$'000	\$'000
Salaries and wages	1 385	1 291
Annual leave	66	47
Long service leave	49	16
Employment on-costs - Superannuation	71	63
Employment on-costs - Other	45	45
Board fees	79	110
Total Employee Benefits Costs	1 695	1 572

Remuneration of Employees

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

	2008	2007
	Number of	Number of
	Employees	Employees
\$110 000 - \$119 999	1	-
Total Number of Employees	1	-

The table includes all employees who received remuneration of \$100 000 or more during the year. Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, FBT and any other salary sacrifice benefits. The total remuneration received by the above employees for the year was \$112 000.

The above table of Remuneration of Employees categorised by the number of Executive and non-Executive employees is provided below:

	2008	2007
	Number	Number
Executive	1	-
Total Number of Employees	1	-

A5. Supplies and Services

Supplies and Services provided by Entities within the SA Government:

	2008	2007
	\$'000	\$'000
Professional and technical services ⁽¹⁾	1 897	836
Administrative and operating costs	-	1
Utility and property costs	51	54
Computing and communications costs	13	14
Vehicle and equipment operating costs	3	-
Operating lease costs	38	33
Total Supplies and Services - SA Government Entities	2 002	938

A5. Supplies and Services (continued)	2008	2007
Supplies and services provided by Entities external to the SA Government:	\$'000	\$'000
Professional and technical services ⁽¹⁾	1 567	1 192
Administrative and operating costs	542	1 285
Utility and property costs	398	268
Computing and communications costs	24	40
Travel	49	89
Vehicle and equipment operating costs	26	28
Staff development and safety	20	17
Total Supplies and Services - Non-SA Government Entities	2 626	2 919
Total Supplies and Services	4 628	3 857

(1) Includes audit fees paid/payable to the Auditor-General (refer Note A10.) Also includes consultancies costs which are further broken down below.

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:	2008		2007	
	Number	\$'000	Number	\$'000
Between \$10 000 and \$50 000	1	47	-	-
Total Paid/Payable to the Consultants Engaged	1	47	-	-

A6. Depreciation and Amortisation Expense	2008	2007
Depreciation and amortisation:	\$'000	\$'000
Plant and equipment	48	48
Buildings and infrastructure	31	8
STED systems	83	82
Total Depreciation and Amortisation Expense	162	138

A7. Grants and Subsidies		
Grants and Subsidies paid/payable to Entities within the SA Government:		
The major grant programs paid to entities within the SA Government:		
Planning and Development Fund	725	1 679
SA Grape Growers Industry Fund	305	-
Eyre Peninsula Grain Growers	401	-
Pig Industry Fund	10	76
Fisheries Research and Development Fund	10 897	10 222
Grain Industry levy	(1)	-
Cattle Industry Fund	476	698
Sheep Industry Fund	1 077	461
Apiary Industry Fund	5	-
Aquaculture Resource Management Fund	1 066	901
West Beach Trust	952	672
Outback Areas Community Development Trust	8	64
Other industry funds	-	7
ForestrySA - Community Service Obligation payment	3 081	3 365
Total Grants and Subsidies - SA Government Entities	19 002	18 145

Grants and Subsidies paid/payable to Entities external to the SA Government:		
The major grant programs paid to entities external to the SA Government:		
Planning and Development Fund	13 079	7 454
Petroleum Products Subsidy	-	18
Adelaide Hills Wine Industry Fund	160	160
McLaren Vale Wine Industry Fund	205	350
Pig Industry Fund	9	-
Citrus Growers Fund	171	183
Fisheries Research & Development Fund	706	915
Cattle Industry Fund	80	258
Sheep Industry Fund	190	-
Langhorne Creek Wine Industry Fund	146	122
Riverland Wine Industry Fund	410	597
Aquaculture Resource Management Fund	846	358
Office of Local Government Administered Items	1 654	1 000
Outback Areas Community Development Trust	651	547
SA Local Government Grants Commission	141 789	132 958
Other industry funds	-	66
Total Grants and Subsidies - Non-SA Government Entities	160 096	144 986
Total Grants and Subsidies	179 098	163 131

A8. Levies Payments	2008	2007
	\$'000	\$'000
Commonwealth levy payments	486	851
Organisation for Economic Cooperation and Development Report levy	87	148
Total Levy Payments	573	999
A9. Other Expenses		
Other Expenses paid/payable to Entities external to the SA Government:		
Native Title - Royalty payments	1 317	1 454
Planning fees	1 512	1 170
Land vested to Council	-	575
Bad and doubtful debts expense	-	9
Other ⁽¹⁾	66	31
Total Other Expenses - Non-SA Government Entities	2 895	3 239
Total Other Expenses	2 895	3 239
(1) Includes payments to SA Government entities totalling less than \$100 000.		
A10. Auditor's Remuneration		
Audit fees paid/payable to the Auditor-General's Department	114	92
Total Auditor's Remuneration	114	92
<i>Other Services</i>		
No other services were provided by the Auditor-General's Department.		
A11. Revenue from Fees and Charges		
User Charges and Fees received/receivable from Entities within the SA Government:		
Planning related fees	346	433
Consultancy and service	20	-
Total Fees and Charges - SA Government Entities	366	433
User Charges and Fees received/receivable from Entities external to the SA Government:		
Planning and development fees	14 892	10 937
Industry contribution	6 982	4 950
Fishing licences	11 386	9 369
Other fees and levies	3 293	3 203
Other	52	60
Total Fees and Charges - Non-SA Government Entities	36 605	28 519
Total Fees and Charges	36 971	28 952
A12. Advances and Grants		
Commonwealth grants	142 201	132 387
Industry grants	1 465	1 248
Intra-government transfer	246	81
Total Advances and Grants	143 912	133 716
A13. Levies Collection		
Commonwealth levy collection	540	548
Organisation for Economic Cooperation and Development Report levy collection	157	132
Total Levies Collection	697	680
A14. Net Gain (Loss) from the Disposal of Assets		
Land and Buildings:		
Proceeds from disposal	41	-
Less: Net book value of assets disposed	-	470
Net Gain (Loss) from Disposal of Land and Buildings	41	(470)
Plant and Equipment:		
Proceeds from disposal	-	53
Less: Net book value of assets disposed	-	31
Net Gain from Disposal of Plant and Equipment	-	22
Water, Sewerage and Drainage:		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	11	-
Net Loss from Disposal of Plant and Equipment	(11)	-
Total Assets:		
Proceeds from disposal	41	53
Less: Total value of assets disposed	11	501
Total Net Gain (Loss) from Disposal of Assets	30	(448)

A15. Other Income	2008	2007
Other Income received/receivable from Entities external to SA Government:	\$'000	\$'000
Reimbursements/recoveries	145	223
Fair value of assets acquired free of charge	8	7
Native Title - Royalty receipts ⁽²⁾	1 602	1 343
Other	147	190
Total Other Income - Non-SA Government Entities⁽¹⁾	1 902	1 763
Total Other Income	1 902	1 763

(1) Includes revenues from SA Government entities totalling less than \$100 000.

(2) Royalties are received from producers party to Native Title Agreements. The revenue received is subsequently paid to claimants (refer Note A9). The revenue has been separately disclosed together with its 2007 comparative due to its materiality.

(a) Royalties	2008	2007
	\$'000	\$'000
Royalties	143 004	144 219
Total Royalties Received from Non-SA Government Entities	143 004	144 219

Royalty revenue relates to Minerals and Petroleum Production and are collected pursuant to the *Roxby Downs (Indenture Ratification) Act 1982*, *Whyalla Steel Works Act 1982*, *Mining Act 1971* and the *Petroleum Act 2000*. Royalty revenue for the year comprised:

	2008	2007
	\$'000	\$'000
Minerals production	73 456	78 751
Petroleum production	69 548	65 468
Total Royalties Received from Non-SA Government Entities	143 004	144 219

A16. Revenues from (Payments to) Government

Revenues from SA Government:		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i> ⁽¹⁾	4 794	5 096
Reimbursements received for Parliamentary salaries and expense allowances	749	705
Total Revenues from SA Government	5 543	5 801
Total Revenues from Government	5 543	5 801

2007 comparative has been restated.

(1) The Department receives appropriation for its Administered Funds in accordance with the *Appropriation Act* for the financial year. Appropriation for the 'Administered Items for the Department of Primary Industries and Resources' is received into special deposit accounts of the Office for State Local Government Relations and Planning SA. The appropriation received is subsequently paid across as an intra-government transfer to each fund controlled by those administrative units, these include the Outback Areas Community Development Trust, Local Government Grants Commission and West Beach Trust. Appropriation is also received for forestry related community service obligations that are delivered by Forestry SA and for Parliamentary salaries and electorate allowances.

A17. Cash	2008	2007
	\$'000	\$'000
Deposits with the Treasurer ⁽¹⁾	53 752	49 012
Total Cash	53 752	49 012

(1) The 2007 cash balance has been corrected between the Department's Administered and Controlled Financial Statements for payroll tax of \$12 000 on Ministerial salaries and expenses that was incorrectly recognised against Administered funds in the 2005-06 financial year, with that value then subsequently captured within the Administered accumulated surplus. Payroll tax on Ministerial salaries and expenses are payable from the Department's Controlled funds. Both cash and the carried forward accumulated surplus between the Administered and Controlled Financial Statements have been impacted. An offset to this adjustment occurs in Note 20 of the Controlled Financial Statements.

Interest Rate Risk

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer are bearing a floating interest rate between 6.17 percent and 7.09 percent. The carrying amount of cash and cash equivalents approximates fair value.

A18. Receivables	2008	2007
	\$'000	\$'000
Current:		
Receivables	614	232
Less: Allowance for doubtful debts ⁽¹⁾	8	16
	606	216
Accrued interest on loans and deposits	180	140
Other accrued revenue	28	442
Prepayments	-	5
	208	587
Total Current Receivables	814	803
Total Receivables	814	803
Receivables from SA Government Entities:		
Receivables	-	3
Accrued interest revenues	180	140
Other accrued revenue	-	-
Total Receivables from SA Government Entities	180	143
Receivables from Non-SA Government Entities:		
Receivables	606	213
Other accrued revenues	28	442
Other	-	5
Total Receivables from Non-SA Government Entities	634	668
Total Receivables	814	803

(1) 2007 comparative restated for inclusion of additional doubtful debts of the Outback Areas Community Development Trust

Interest Rate and Credit Risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Trade receivables, prepayments and accrued revenues are non-interest bearing. Other than as recognised in the provision for doubtful debts, 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. In addition, there is no concentration of credit risk.

Allowance for Doubtful Debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised in 'other expenses' in the Income Statement for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2008	2007
	\$'000	\$'000
Carrying amount at 1 July	16	-
Increase in the provision	-	17
Amounts written off	8	1
Carrying Amount at 30 June	8	16

Bad and Doubtful Debts

The Department has recognised a bad and doubtful debt expense of \$nil (\$9000) in the Income Statement. The Department has written off debts of \$8000 during the year. AASB 139 requires that there be objective evidence of impairment before an allowance for loss can be recognised.

A19. Inventories	2008	2007
	\$'000	\$'000
<i>Current Inventories</i>		
Other inventories:		
Raw materials and stores (at the lower of cost and realisable value)	20	-
Total Inventories	20	-
A20. Land Acquired under Planning Strategies		
Land	3 478	2 576
Total Land held under Planning Strategies	3 478	2 576

The Planning and Development Fund operates under the *Development Act 1993* and provides a means for the Government to implement open and public space programs and urban regenerations programs across South Australia pursuant to planning strategy. Land acquired by the fund is not held as a fixed property asset in the furtherance of the business operations of the Fund. The land may be transformed to open space and public use, undergo remediation or be returned to Crown Land. The land is periodically revalued. The last valuation was undertaken as at 30 June, 2008. The land may be vested to other State or Local Government authorities for future management or it may be sold on the open market.

<i>Reconciliation of Land acquired under Planning Strategies</i>	2008	2007
The following table shows the movement of land during 2007-08:	\$'000	\$'000
Carrying amount at 1 July	2 576	2 190
Additions	-	961
Disposals	-	(575)
Revaluation increment (decrement)	902	-
Carrying Amount at 30 June	3 478	2 576

During 2007-08 the land holdings were reviewed and revalued to fair value as at 30 June 2008 by Liquid Pacific Pty Ltd (refer Note A21).

A21. Property, Plant and Equipment

Land and Buildings:		
Land at fair value	15	10
Buildings and infrastructure at fair value	1 491	403
Accumulated depreciation	(22)	(52)
Total Land and Buildings	1 484	361
Water, Sewerage and Drainage:		
Water, sewerage and drainage assets at fair value	1 884	1 742
Accumulated depreciation	-	(233)
Total Water, Sewerage and Drainage	1 884	1 509
Plant and Equipment:		
Plant and equipment at fair value	545	477
Accumulated depreciation - Plant and equipment	(136)	(89)
Work in progress	181	515
Total Plant and Equipment	590	903
Total Property, Plant and Equipment	3 958	2 773

Reconciliation of Property, Plant and Equipment

The following table shows the movement of property, plant and equipment during 2007-08:

	Land \$'000	Buildings and Infra- structure \$'000	Water Sewerage and Drainage \$'000	Plant and Equipment \$'000	Construct- ions and WIP \$'000	2008 Total \$'000
Carrying amount 1 July	10	150	1 509	388	515	2 572
Outback Areas Community Development Trust ⁽¹⁾	-	201	-	-	-	201
Carrying Amount at 1 July After Prior Period Correction	10	351	1 509	388	515	2 773
Additions	-	205	-	84	144	433
Disposals	-	-	(11)	-	-	(11)
Transfer between asset classes ⁽²⁾	-	2	471	(15)	(478)	(20)
Depreciation/amortisation expense	-	(31)	(83)	(48)	-	(162)
Assets acquired free of charge	-	8	-	-	-	8
Revaluation increment (decrement)	5	932	-	-	-	937
Carrying Amount at 30 June	15	1 467	1 886	409	181	3 958

(1) 2007 comparative restated for inclusion of Marla airstrip recognised by the Outback Areas Community Development Trust.

(2) Surplus pipeline construction materials were transferred to inventory for use in future construction works (Refer Note A19).

Valuation of Land and Water, Sewerage and Drainage Assets

During 2007-08 land, buildings and infrastructure were reviewed and revalued to fair value as at 30 June 2008 in accordance with AASB 116. Valuations comprised independent valuations received from Liquid Pacific Pty Ltd who valued the Department's assets located in the metropolitan and near country areas and Maloney Field Services who valued the Department's assets located in the remote communities managed by the Outback Areas Community Development Trust.

The valuer arrived at fair value based on recent market transactions for similar land, buildings and infrastructure in the area taking into account zoning and restricted use.

Impairment

There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2008.

Resources Received Free of Charge

During 2007-08 the Outback Areas Community Development Trust assumed responsibility from remote outback communities for outback communications infrastructure (UHF Repeaters) to the value of \$8000.

A22. Intangible Assets	2008	2007
Software:	\$'000	\$'000
Computer software	27	27
Total Intangible Assets	27	27
Reconciliation of Intangible Assets		
The following table shows the movement of Intangible Assets during the year:		
Carrying amount at 1 July	27	-
Additions	-	27
Carrying Amount at 30 June	27	27
A23. Payables		
Current:		
Creditors ⁽¹⁾	473	585
Accrued expenses ⁽²⁾	1 657	1 272
Employment on-costs	16	11
Royalties payable to the Consolidated Account	21 870	19 852
Other	1 290	590
Total Current Payables	25 306	22 310
Expected to be paid more than 12 months after Reporting Date:		
Employment on-costs	12	8
Total Expected to be paid more than 12 months after Reporting Date	12	8
Total Payables	25 318	22 318
Government/Non-Government Payables		
Payables to SA Government Entities:		
Accrued expenses	795	15
Royalties	21 870	19 852
Employment on-costs ⁽²⁾	28	19
Total Payables to Other SA Government Entities	22 693	19 886
Payables to Non-SA Government Entities:		
Creditors	473	585
Accrued expenses	862	1 257
Other	1 290	590
Total Payables to Non-SA Government Entities	2 625	2 432
Total Payables	25 318	22 318
Interest Rate Risk		
Creditors and accruals are raised for all amounts billed but unpaid. Creditors are normally settled within 30 days and employment on-costs are settled when the related employee benefit is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.		
A24. Borrowings	2008	2007
(a) Borrowings consists of:	\$'000	\$'000
Indebtedness to Department for Primary Industries and Resources for advances made to industry	-	37
Total Current Borrowings	-	37
(b) Balance of Borrowings Outstanding Classifications:		
Current	-	37
Total Borrowings	-	37
Borrowings are recognised at cost in accordance with APF IV, APS 2.1.		
Funds were advanced to the SA Sheep Industry Fund as a borrowing repayable to the Department over seven years. No interest is charged on the borrowing.		
A25. Employee Benefits	2008	2007
Current:	\$'000	\$'000
Annual leave	69	49
Long service leave	9	8
Accrued salaries and wages	14	11
Total Current Employee Benefits	92	68
Non-Current:		
Long service leave	128	80
Total Non-Current Employee Benefits	128	80
Total Employee Benefits	220	148

A25. Employee Benefits (continued)

The total current and non-current employee expense (ie aggregate of the employee benefit in Note A25 plus related on-costs in Note A23) for 2008 is \$247 000 (\$167 000).

Based on an actuarial assessment performed by the Department of Treasury and Finance, the benchmark for the measurement of the long service leave liability is 6.5 years (6.5 years).

A26. Other Liabilities	2008	2007
Current:	\$'000	\$'000
Unearned revenue	54	220
Total Current Other Liabilities	54	220
Total Other Liabilities	54	220
<hr/>		
A27. Equity		
Accumulated surplus ⁽¹⁾	33 648	31 498
Asset revaluation reserve	2 809	970
Total Equity	36 457	32 468

(1) 2007 comparative adjusted by \$190 000 for audit adjustments made following publication of last year Consolidated Administered financial statements.

The asset revaluation reserve is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is disposed of or when assets are transferred to another SA Government entity upon an administrative restructure.

A29. Commitments	2008	2007
<i>Operating Lease Commitments</i>	\$'000	\$'000
Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	55	17
Later than one year but not later than five years	111	72
Later than five years	-	29
Total Operating Lease Commitments	166	118
<hr/>		
Representing:		
Non-cancellable operating leases	166	118
Total Operating Lease Commitments	166	118

Operating leases relate to property and accommodation occupied by the Outback Areas Community Development Trust and the Local Government Grants Commission. These leases are non-cancellable, with rental payable monthly in advance. Contingent rental provisions within the lease agreements allow for the review of lease payments every two years. Any changes in lease payments would be based on market rates. Options exist to renew the leases at the end of their terms.

The Local Government Grants Commission is charged a proportional sum of the lease rent charged to the Office of Local Government who is the principal lessor of the accommodation.

<i>Other Commitments</i>	2008	2007
	\$'000	\$'000
Within one year	3 868	2 114
Later than one year but not later than five years	7 816	5 900
Later than five years	1 400	1 400
Total Other Commitments	13 084	9 414

Other commitments include agreements with Fleet SA for long-term hire of light vehicles; and committed funding from the Planning and Development Fund. The Government has entered into several open and public space, and urban regeneration initiatives including the SA Water aqueduct, one million trees program, River Torrens linear park upgrade (Underdale) and the Cheltenham Open Space program.

Remuneration Commitments

Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2008	2007
	\$'000	\$'000
Within one year	136	-
Later than one year but not later than five years	474	-
Total Remuneration Commitments	610	-

Amounts disclosed include commitments arising from executive and other service contracts. The Department does not offer fixed-term remuneration contracts greater than five years.

A30. Contingent Assets and Contingent Liabilities

The Department is not aware of any contingent assets or liabilities affecting the Administered entities comprising the consolidated financial report as at 30 June 2008.

A31. Cash Flow Reconciliation

Reconciliation of Cash - Cash at 30 June as per:	2008	2007
Statement of Administered Cash Flows	\$'000	\$'000
Statement of Administered Assets and Liabilities	53 752	49 012
	53 752	49 012

Reconciliation of Net Cash provided by Operating Activities to Net Cost of Providing Services

Net cash provided by operating activities	5 125	3 399
Less: Revenue from SA Government	(5 543)	(5 801)
Add (Less): Non-cash items:		
Depreciation and amortisation	(162)	(138)
Gain (Loss) on disposal of assets	30	(448)
Prior period adjustments	(38)	-
Doubtful debts expense reduction	8	-
Other non-cash items	(19)	(575)
Changes in Assets/Liabilities (Net of restructure transfer):		
Increase in inventories	20	-
Increase (Decrease) in receivables	11	512
Increase in payables and provisions	(2 956)	(3 006)
Increase in employee benefits	(72)	(5)
Decrease (Increase) in other liabilities	203	(220)
Net Cost of Providing Services from Ordinary Activities	(3 393)	(6 282)

A32. Events after Balance Date

The Public Sector Management (Planning SA) Proclamation 2008 (dated 26 June 2008) proclaimed that effective from 1 July 2008 Planning SA would be established as a separate administrative unit of the public service and that all of the existing functions and staff of Planning SA would transfer to that entity.

The Planning and Development Fund, West Beach Trust (tax equivalent payment) and Planning fees administered funds are an administered responsibility of the Minister for Urban Development and Planning. These funds will transfer as administrative items of the new Planning SA administrative unit.

A33. Remuneration of Board and Committee Members

Members that were entitled to receive remuneration for membership during the year are listed below in the following summary table:

The number of members whose remuneration received or receivable falls within the following bands:	2008	2007
	Number of Members	Number of Members
\$0	49	128
\$1 - \$9 999	69	74
\$10 000 - \$19 999	3	4
\$20 000 - \$29 999	1	-
Total Number of Members	122	206

The 2007 comparative has been restated to disclose the number of members who do not receive payment for their membership of a committee. Included in this category are government employees.

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$153 820 (\$167 500).

Amounts paid to a superannuation plan for board/committee members was \$5414 (\$12 900).

In accordance with the Department of the Premier and Cabinet Circular 16, government employees do not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between 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.

Pork Industry Development Board

Gilpin M A*
Hamann R K
Hampel G T
McLean L N
McMahon J
Parish I G W
Sapwell C M
Starick S R
Burford L K
Lewis B

Pig Industry Advisory Group

Brechin P M
Fyfe A R
Hamann R K
Lloyd B R
McLean R F
McMahon J
Moses C
Sapwell C M
Gierke S

Beef Industry Development Board

Bainger M T C
Bell A K
Buckley A L
Crosby J R*
Goode C B*
Lloyd M J
Ogilvie A D
Zammit L O
Smith G
Thomas D S*
Andre J A*
Black R*
Gunner R*
McLauchlan M A*
Morris J L*
Maddocks S
Umberger W
Treloar B
Maguire T

Cattle Advisory Board

Honner T J
Ogilvie A D
Smith K R
Williams K I
Withers I A S
Young S M
Oldfield A S
Spain G R
Dennis K

Dairy Industry Development Board

Basham D K B
Ewing V
Gilbert G J
Kourou A G
Lloyd K
Macdonald V F
Pfeiffer J L
Scott A R
Higgins B L*
Maddocks S

**Extractive Areas Rehabilitation Fund Project
Assessment Panel**

Lello D
Miller C
O'Neil H
Whiffen P
Heithersay P
Caplygin S
Marshall G
Nicolaou J
Crimes A
Linou S
McDonald T

Ovine Johnes Disease Committee

Altschwager P R
Gogel L D
Harris J W
Heinrich A S
Pocock M J
Crawford G C
Hammat T S
Tren Grove Dr C
Hassell G

Public Space Advisory Committee

Deslandes M T
Evans M J
Newbery I B
Patetsos M

SA Local Government Grants Commission

Germein M L
Patsesos M
Ross J S

Sheep Advisory Group

Andrews F G
Hall J M
Hassell G M
Kidman S
Pfeiffer I G
Power G M
Symons J B
Walden W J
Ingham G M
McTaggart A D
Pocock M
Kellock D L
Buchanan N

Sheep Industry Development Board

Arney L J
Blake M L
Dalla H M V
Quist N D*
Ryan B G
Stephan C R
Wheal S F*
Guerin S S *
McBride M P*
Derricove (Gunner L)
Saville Row Pty Ltd (Quist N)*
Hamilton P*
Maddocks S
Tegan S
Wedd B
Black Sheep Meat Co (Gunner L)
Talara Pty Ltd (Gunner L)
Pfeiffer I

Outback Areas Community Development Trust

Fuller G C
Giles B E
Katnich P L
McIntosh W R
Wilson A M*
Baluch J

GLOSSARY OF TERMS

AUSTRALIAN ACCOUNTING STANDARDS - AASB

Reference	Title
AASB 1	First-time Adoption of Australian Equivalents to International Financial Reporting Standards
AASB 2	Share-based Payment
AASB 3	Business Combinations
AASB 4	Insurance Contracts
AASB 5	Non-current Assets Held for Sale and Discontinued Operations
AASB 7	Financial Instruments: Disclosures
AASB 8	Operating Segments
AASB 101	Presentation of Financial Statements
AASB 102	Inventories
AASB 107	Cash Flow Statements
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 110	Events after the Balance Sheet Date
AASB 111	Construction Contracts
AASB 112	Income Taxes
AASB 114	Segment Reporting
AASB 116	Property, Plant and Equipment
AASB 117	Leases
AASB 118	Revenue
AASB 119	Employee Benefits
AASB 120	Accounting for Government Grants and Disclosure of Government Assistance
AASB 121	The Effects of Changes in Foreign Exchange Rates
AASB 123	Borrowing Costs
AASB 124	Related Party Disclosures
AASB 127	Consolidated and Separate Financial Statements
AASB 128	Investments in Associates
AASB 130	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
AASB 131	Interests in Joint Ventures
AASB 132	Financial Instruments: Presentation
AASB 133	Earnings per Share
AASB 136	Impairment of Assets
AASB 137	Provisions, Contingent Liabilities and Contingent Assets
AASB 138	Intangible Assets
AASB 139	Financial Instruments: Recognition and Measurement
AASB 140	Investment Property
AASB 141	Agriculture
AASB 1004	Contributions
AASB 1023	General Insurance Contracts
AASB 1031	Materiality
AASB 1038	Life Insurance Contracts
AASB 1045	Land Under Roads: Amendments to AAS 27A, AAS 29A and AAS 31A
AASB 1048	Interpretation and Application of Standards
AASB 1049	Whole of Government and General Government Sector Financial Reporting
AASB 1050	Administered Items
AASB 1051	Land Under Roads
AASB 1052	Disaggregated Disclosures

AASB INTERPRETATIONS

Reference	Title
Interpretation 4	Determining whether an Arrangement contains a Lease
Interpretation 113	Jointly Controlled Entities – Non-Monetary Contributions by Venturers
Interpretation 115	Operating Leases - Incentives
Interpretation 121	Income Taxes – Recovery of Revalued Non-Depreciable Assets
Interpretation 125	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders
Interpretation 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
Interpretation 132	Intangible Assets – Web Site Costs
Interpretation 1030	Depreciation of Long-Lived Physical Assets: Condition-Based Depreciation and Related Methods
Interpretation 1031	Accounting for the Goods and Services Tax (GST)
Interpretation 1038	Contributions by Owners Made to Wholly-Owned Public Sector Entities
Interpretation 1055	Accounting for Road Earthworks

AUSTRALIAN ACCOUNTING STANDARDS - AAS

Reference	Title
AAS 25	Financial Reporting by Superannuation Plans
AAS 29	Financial Reporting by Government Departments
AAS 29A	Amendments to the Transitional Provisions in AAS 29
AAS 31	Financial Reporting by Governments
AAS 31A	Amendments to the Transitional Provisions in AAS 31

TREASURER'S INSTRUCTIONS - TIs

Reference	Title
TI 1	Interpretation and Application
TI 2	Financial Management Policies
TI 3	Appropriation
TI 4	Establishment of Merchant Facilities for Acceptance of Payments
TI 5	Debt Recovery and Write Offs
TI 6	Deposit Accounts and Banking
TI 8	Financial Authorisations
TI 9	Payroll Deductions
TI 10	Engagement of Legal Practitioners
TI 11	Payment of Creditor's Accounts
TI 12	Government Purchase Cards
TI 13	Expenditure Incurred by Ministers and Ministerial Staff
TI 14	Ex Gratia Payments
TI 15	Grant Funding
TI 17	Evaluation of and Approvals to Proceed with Public Sector Initiatives
TI 18	Unclaimed Moneys
TI 19	Financial Reporting
TI 20	Guarantees and Indemnities
TI 22	Tax Equivalent Payments
TI 23	Management of Foreign Currency Exposures
TI 25	Taxation Policies

ACCOUNTING POLICY FRAMEWORK - APF

Reference	Title
APF I	Purpose and Scope
APF II	General Purpose Financial Reporting Framework
APF III	Asset Accounting Framework
APF IV	Financial Asset and Liability Framework
APF V	Income Framework
APF VI	Definitions

LEGISLATION

Reference	Title
ITAA	<i>Income Tax Assessment Act 1997</i>
NRMA	<i>Natural Resources Management Act 2004</i>
PCA	<i>Public Corporations Act 1993</i>
PFAA	<i>Public Finance and Audit Act 1987</i>
PSM Act	<i>Public Sector Management Act 1995</i>
WRCA	<i>Workers Rehabilitation and Compensation Act 1986</i>

ACRONYMS

Reference	Title
AASs	Australian Accounting Standards ¹
AGAAP	Australian Generally Accepted Accounting Principles
AIFRS	Australian equivalents to International Financial Reporting Standards
APF	Accounting Policy Framework
APS	Accounting Policy Statement
ATO	Australian Taxation Office
CHRIS	Complete Human Resource Information System
CPE	Computer Processing Environment
FBT	Fringe Benefits Tax
FMF	Financial Management Framework
GST	Goods and Services Tax
ICT	Information and Communications Technology
TI	Treasurer's Instruction
TVSP	Targeted Voluntary Separation Package

¹ 'Australian Accounting Standards' means accounting standards issued by the Australian Accounting Standards Board and any of the following standards: AAS 25, AAS 29 and AAS 31 and associated amendments to transitional provisions (AAS 29A, AAS 31A) which are in force in relation to the reporting period to which the financial report relates.