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To the Under Treasurer Department of Treasury and Finance

Opinion

I have audited the financial report of the Department of Treasury and Finance (the Department) for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department of Treasury and Finance as at 30 June 2024, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2024
- a Statement of Administered Financial Position as at 30 June 2024
- a Statement of Administered Cash Flows for the year ended 30 June 2024
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Under Treasurer and the Director, Financial Services.

Basis for opinion

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

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

Responsibilities of the Under Treasurer for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of Treasury and Finance for the financial year ended 30 June 2024.

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

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

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

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

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



Andrew Blaskett
Auditor-General

23 September 2024

Department of Treasury and Finance

Financial Statements

For the year ended 30 June 2024

Department of Treasury and Finance
Statement of Certification
For the year ended 30 June 2024

We certify that the:

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



Rick Persse
Under Treasurer

13 September 2024



Paul Williams
Director, Financial Services

13 September 2024

Department of Treasury and Finance
Statement of Comprehensive Income
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Appropriation	2.1	178 795	168 062
SA Government grants subsidies and transfers	2.2	14 988	8 357
Fees and charges	2.3	88 678	82 513
Resources received free of charge	2.4	2 422	2 187
Other income	2.5	3 081	2 779
Total income		287 964	263 898
Expenses			
Employee related expenses	3.3	166 735	162 549
Supplies and services	4.1	94 458	89 056
Depreciation and amortisation	5.3	11 344	10 892
Borrowing costs		36	25
Grants subsidies and transfers		104	72
Other expenses	4.3	149	114
Total expenses		272 826	262 708
Net result		15 138	1 190
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment assets revaluation surplus		3 073	-
Total other comprehensive income		3 073	-
Total comprehensive result		18 211	1 190

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

Department of Treasury and Finance
Statement of Financial Position
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	46 723	29 433
Receivables	6.2	17 737	17 936
Total current assets		64 460	47 369
Non-current assets			
Receivables	6.2	68	180
Property, plant and equipment	5.1	26 529	24 227
Intangible assets	5.4	23 705	28 329
Total non-current assets		50 302	52 736
Total assets		114 762	100 105
Current liabilities			
Payables	7.1	8 941	12 114
Financial liabilities	7.2	653	870
Employee related liabilities	3.4	20 001	19 659
Provisions	7.3	1 009	881
Other liabilities	7.4	653	653
Total current liabilities		31 257	34 177
Non-current liabilities			
Financial liabilities	7.2	438	251
Employee related liabilities	3.4	30 518	27 878
Provisions	7.3	3 911	6 716
Other liabilities	7.4	3 943	4 599
Total non-current liabilities		38 810	39 444
Total liabilities		70 067	73 621
Net assets		44 695	26 484
Equity			
Contributed capital		5 344	5 344
Asset revaluation surplus		3 900	827
Retained earnings		35 451	20 313
Total equity		44 695	26 484

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

Department of Treasury and Finance
Statement of Changes in Equity
For the year ended 30 June 2024

Note	Contributed Capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022	5 344	827	17 455	23 626
Net result for 2022-23	-	-	1 190	1 190
Total comprehensive result for 2022-23	-	-	1 190	1 190
Net assets transferred as a result of an administrative restructure	-	-	1 668	1 668
Balance at 30 June 2023	5 344	827	20 313	26 484
Net result for 2023-24	-	-	15 138	15 138
Gain on revaluation of property, plant and equipment	-	3 073	-	3 073
Total comprehensive result for 2023-24	-	3 073	15 138	18 211
Balance at 30 June 2024	5 344	3 900	35 451	44 695

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

Department of Treasury and Finance
Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		178 795	168 062
SA Government grants subsidies and transfers		14 988	8 357
Fees and charges		98 387	97 468
GST recovered from the ATO		3 223	-
Other receipts		3 079	2 804
Receipts for Paid Parental Leave Scheme		-	292
Cash generated from operations		298 472	276 983
Cash outflows			
Employee related payments		(166 406)	(173 189)
Payments for supplies and services		(108 040)	(90 780)
Grants subsidies and transfers		(104)	(72)
Payments for Paid Parental Leave Scheme		-	(282)
GST paid to the ATO		-	(793)
Cash used in operations		(274 550)	(265 116)
Net cash provided by operating activities	8.2	23 922	11 867
Cash outflows			
Purchase of property, plant and equipment		(4 706)	(3 946)
Purchase of intangible assets		(1 081)	(1 433)
Cash used in investing activities		(5 787)	(5 379)
Net cash used in investing activities		(5 787)	(5 379)
Cash outflows			
Repayment of principal portion of lease liabilities		(845)	(897)
Cash used in financing activities		(845)	(897)
Net cash used in financing activities		(845)	(897)
Net increase in cash and cash equivalents		17 290	5 591
Cash and cash equivalents at the beginning of the period		29 433	23 842
Cash and cash equivalents at the end of the period	€.1	46 723	29 433
Non-cash transactions	8.2		

The accompanying notes form part of these financial statements.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1. About the Department of Treasury and Finance

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

The department does not control any other entity and has no interests in unconsolidated structured entities.

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

Administered financial statements relating to administered resources are presented separately.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared to comply with:

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

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

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

Significant accounting policies are set out throughout the notes.

The department is not subject to income tax. The department is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

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

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

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs

Objectives

The department's objectives are to:

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

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

Programs

In achieving its objectives for 2023-24, the department undertook the following programs:

Accountability for Public Sector Resources

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

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

Treasury Services

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

These services included:

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs (continued)

Government Services

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

These services included:

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

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

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs (continued)

Income and expenses by program	Accountability for Public Sector					
	Resources		Treasury Services		Government Services	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income						
Appropriation	-	-	-	-	-	-
SA Government grants, subsidies and transfers	1 499	781	5 096	2 806	8 393	4 770
Fees and charges	2 557	1 457	72 224	66 414	13 897	14 642
Resources received free of charge	242	204	823	734	1 357	1 249
Other income	775	931	929	849	1 377	999
Total income	5 073	3 373	79 072	70 803	25 024	21 660
Expenses						
Employee related expenses	20 922	15 372	64 256	64 760	81 557	82 417
Supplies and services	4 706	6 105	45 184	40 259	44 568	42 692
Depreciation and amortisation	449	400	9 108	7 663	1 787	2 829
Borrowing costs	4	2	13	8	19	15
Grants subsidies and transfers	7	7	25	24	72	41
Other expenses	3	11	130	39	16	64
Total expenses	26 091	21 897	118 716	112 753	128 019	128 058
Net result	(21 018)	(18 524)	(39 644)	(41 950)	(102 995)	(106 398)

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs (continued)

Income and expenses by program

	General / Not attributable		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income				
Appropriation	178 795	168 062	178 795	168 062
SA Government grants, subsidies and transfers	-	-	14 988	8 357
Fees and charges	-	-	88 678	82 513
Resources received free of charge	-	-	2 422	2 187
Other income	-	-	3 081	2 779
Total income	178 795	168 062	287 964	263 898
Expenses				
Employee related expenses	-	-	166 735	162 549
Supplies and services	-	-	94 458	89 056
Depreciation and amortisation	-	-	11 344	10 892
Borrowing costs	-	-	36	25
Grants subsidies and transfers	-	-	104	72
Other expenses	-	-	149	114
Total expenses	-	-	272 826	262 708
Net result	178 795	168 062	15 138	1 190

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs (continued)

Assets and liabilities by program	Accountability for Public Sector		Treasury Services		Government Services	
	Resources		2024	2023	2024	2023
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	-	-	-	-	13	17
Property, plant and equipment	526	402	5 952	7 394	4 206	3 760
Intangible assets	170	252	23 535	27 994	-	83
Total assets	696	654	29 487	35 388	4 219	3 860
Liabilities						
Payables	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-
Contract liabilities	-	-	-	-	-	-
Employee related liabilities	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net assets	696	654	29 487	35 388	4 219	3 860

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs (continued)

Assets and liabilities by program

	General / Not attributable		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Assets				
Cash and cash equivalents	46 723	29 433	46 723	29 433
Receivables	17 792	18 099	17 805	18 116
Property, plant and equipment	15 845	12 671	26 529	24 227
Intangible assets	-	-	23 705	28 329
Total assets	80 360	60 203	114 762	100 105
Liabilities				
Payables	8 941	12 114	8 941	12 114
Financial liabilities	1 091	1 121	1 091	1 121
Employee related liabilities	50 519	47 537	50 519	47 537
Provisions	4 920	7 597	4 920	7 597
Other liabilities	4 596	5 252	4 596	5 252
Total liabilities	70 067	73 621	70 067	73 621
Net assets	10 293	(13 418)	44 695	26 484

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.3. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2023-24 Budget Paper 4). Appropriation reflects appropriation to special deposit accounts and deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

		Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Statement of Comprehensive Income	Note			
Income				
Appropriation		175 788	178 795	3 007
SA Government grants subsidies and transfers		2 860	14 988	12 128
Fees and charges		79 101	88 678	9 577
Resources received free of charge		-	2 422	2 422
Other income		4 378	3 081	(1 297)
Total income		262 127	287 964	25 837
Expenses				
Employee related expenses		174 709	166 735	(7 974)
Supplies and services	1	70 272	94 458	24 186
Depreciation and amortisation		10 817	11 344	527
Borrowing costs		423	36	(387)
Grants Subsidies and transfers		262	104	(158)
Other expenses		4 052	149	(3 903)
Total expenses		260 535	272 826	12 291
Net result		1 592	15 138	13 546
Other comprehensive income				
<i>Items that will not be reclassified to net results</i>				
Changes in property, plant and equipment assets reevaluation surplus		-	3 073	3 073
Total other comprehensive income		-	3 073	3 073
Total comprehensive result		1 592	18 211	16 619

	Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Investing expenditure summary			
Total existing projects	2 053	5 321	3 268
Total leases	608	782	174
Total investing expenditure	2 661	6 103	3 442

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.3. Budget performance (continued)

Supplies and services

The \$24.2 million variation against the original budget mainly reflects higher costs associated with engaging temporary staff to backfill vacant positions across the department which is offset by lower than budgeted costs in Employee benefits expenses. Further contributing to the variation to budget was higher expenditure associated with several Super SA strategic projects, a higher revised budget and associated expenditure following the transfer of centrally held funding for the Finance Reform project and higher than budgeted ICT expenditure across the department.

1.4. Significant transactions with government related entities

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

2. Income

2.1. Appropriation

	2024	2023
	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	175 788	168 062
Appropriation from Governor's Appropriation Fund	3 007	-
Total appropriation	178 795	168 062

Appropriations are recognised on receipt.

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

Appropriation pursuant to the *Appropriation Act* consist of \$174 million (2023: \$164 million) for operational funding and \$2.0 million (2023: \$4.2 million) for capital projects. This appropriation comprises money issued and applied to the department as per Schedule 1 of the Act, varied pursuant to section 5 of the Act for changed functions and duties of the department.

2.2. SA Government grants, subsidies and transfers

	2024	2023
	\$'000	\$'000
Grants subsidies and transfers provided by SA Government entities	571	1 944
Contingency Funding provided by Department of Treasury and Finance Administered Items	14 417	1 400
Recovery from the Department of Treasury and Finance Administered Items for Targeted Voluntary Separation Packages	-	5 013
Total SA Government grants subsidies and transfers	14 988	8 357

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2.3. Fees and charges

	2024	2023
	\$'000	\$'000
South Australian Superannuation Board	49 002	44 434
South Australian Government Financing Authority	14 961	13 670
Service provision	13 836	14 826
Other recoveries	3 111	1 896
Administration fee - Community Emergency Services Fund	7 280	7 139
Land Tax certificates	412	405
Regulatory fees	76	143
Total fees and charges	88 678	82 513

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

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

The department recognises revenue from the following major sources:

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

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2.4. Resources received free of charge

	2024	2023
	\$'000	\$'000
Services received free of charge	2 422	2 187
Total resources received free of charge	2 422	2 187

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

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

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

2.5. Other income

	2024	2023
	\$'000	\$'000
Commissions	5	5
Other income	3 076	2 774
Total other income	3 081	2 779

3. Board, committees and employees

3.1. Key management personnel

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

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

	2024	2023
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	3 936	3 281
Post-employment benefits	660	914
Total compensation	4 596	4 195

Transaction with key management personnel and other related parties

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.2. Board and committee members

SAFA Advisory Board

Rick Persse* (Presiding Member)
Tammie Pribanic* (Deputy Member, appointed August 2023)

Mark Day
David Russell
Jacqueline Guerin*
Susan Crago

DTF Risk and Performance Committee

Debra Contala (Chair, appointed August 2023)
Kathryn Presser (Former Chair, resigned September 2023)
Andrew Armour (Independent Member, resigned December 2023)
Chris Oerman - Independent Member
Mark Carey*
Scott Bayliss*
Les Jones* (resigned September 2023)
Jasmine Sinodinos* (appointed January 2024)
Phuong Chau* (appointed November 2023)

SAFA Risk and Performance Committee

Susan Crago (Chair)
Gianna Giannopoulos*
David Price* (term expired March 2024)
John Frazer (appointed January 2024)

Super SA Board Members Outcome and Insurance Committee

Alison Kimber (Chair, appointed January 2024)
Dr Bill Griggs (Former Convenor, resigned January 2024)
Kevin Foley (resigned July 2023)
Rosina Hislop (appointed January 2024)

Super SA Board

Kevin Foley (Former Presiding Member, resigned July 2023)
June Roache (Presiding Member, appointed July 2023)
Virginia Deegan (concluded July 2023)
Rosina Hislop (appointed December 2023)
Alison Kimber
Dr Bill Griggs
Richard Dennis

Super SA Audit, Risk and Finance Committee

Rosina Hislop (Chair, appointed January 2024)
Virginia Deegan (Convenor, concluded July 2023)
Alison Kimber (appointed July 2023, resigned January 2024)
Richard Dennis
Kevin Foley (resigned July 2023)
June Roache (appointed July 2023)

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

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3.2. Board and committee members (continued)

Board and committee remuneration

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

	2024	2023
	Number	Number
\$0 - \$19 999	8	5
\$20 000 - \$39 999	3	7
\$40 000 - \$59 999	4	2
Total number of members	15	14

The total remuneration received or receivable by members was \$340 000 (2023: \$347 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefit tax.

3.3. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	124 050	117 032
Employment on-costs - superannuation	16 938	15 294
Annual leave	12 147	11 066
Employment on-costs - other	7 812	7 334
Long service leave	4 694	3 071
Targeted voluntary separation packages	-	4 737
Skills and experience retention leave	722	712
Board and committee fees	508	517
Other employee related expenses	(136)	2 786
Total employee related expenses	166 735	162 549

Employment expenses

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

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

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3.3. Employee related expenses (continued)

Employees remuneration

The number of employees whose remuneration received or receivable falls within the following bands:	2024	2023
	Number	Number
\$160 001 - \$166 000*	N/A	4
\$166 001 - \$186 000	12	7
\$186 001 - \$206 000	8	9
\$206 001 - \$226 000	9	11
\$226 001 - \$246 000	9	4
\$246 001 - \$266 000	5	7
\$266 001 - \$286 000	4	1
\$286 001 - \$306 000	2	7
\$306 001 - \$326 000	3	1
\$326 001 - \$346 000	1	2
\$346 001 - \$366 000	1	1
\$366 001 - \$386 000	1	-
\$426 001 - \$446 000	1	1
\$526 001 - \$546 000	-	1
\$626 001 - \$646 000	1	-
Total number of employees	57	56

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2022-23.

The total remuneration received by those employees for the year was \$13.8 million (2023: \$13.4 million).

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

Targeted voluntary separation packages (TVSPs)

There were no TVSP payments made during 2023-24 reporting period (2023: 55).

	2024	2023
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	-	4 737
Leave paid to those employees	-	2 287
Recovery from the department's administered items	-	(5 013)
Net cost to the department	-	2 011

Department of Treasury and Finance
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3.4. Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Accrued salaries and wages	18	46
Annual leave	13 121	12 761
Long service leave	3 148	3 225
Skills and experience retention leave	980	1 023
Employment on-costs	2 734	2 604
Total current employee related liabilities	20 001	19 659
Non-current		
Long service leave	27 685	25 346
Employment on-costs	2 833	2 532
Total non-current employee related liabilities	30 518	27 878
Total employee related liabilities	50 519	47 537

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Non-current employee related liabilities are measured at present value and current employee related liabilities are measured at nominal amounts.

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

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

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

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 2.0% (2023) to 2.4% (2024). This change had an immaterial net financial effect in the current financial year.

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

Department of Treasury and Finance
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3.4. Employee related liabilities (continued)

Long service leave liability – measurement

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

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

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions for expected future salary and wage levels, experience of employee departures, and periods of service. These assumptions are based on employee data over SA Government entities.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 4.0% (2023) to 4.25% (2024).

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

From the actuarial assessment performed by the department, the salary inflation rate has increased from 2023 (2.5%) to 2024 (3.5%) for long service leave liability. This increase to the percentage has led to an overall increase in the reported long service leave for 2024.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$1.3 million and employee benefits expense of \$1.3 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

Employment on-costs

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

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

As a result of an actuarial assessment performed by the department, the portion of long service leave taken as leave has increased from 43% in 2023 to 44% in 2024 and the average factor for the calculation of employer superannuation on-costs has changed from the 2023 rate (11.1%) to 11.5%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$93 000 and employee benefits expense of \$93 000. The impact on future periods is impracticable to estimate.

Department of Treasury and Finance
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4. Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Information technology and communication	31 021	27 319
Contractors and temporary staff	24 161	19 826
Accommodation	13 061	13 013
General administration and consumables	9 926	10 762
Valuation fees	6 307	5 702
Other*	5 383	6 443
Consultants	1 714	2 982
Corporate recharge expense	1 683	1 007
Minor works, maintenance and equipment	607	756
Legal costs	595	1 246
Total supplies and services	94 458	89 056

*Includes audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* of \$1.107 million (2023: \$1.067 million). No other services were provided by the Audit Office of South Australia.

Accommodation

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

Department of Treasury and Finance
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4.2. Expenditure – SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2024 \$'000	Proportion SA and non-SA businesses
Total expenditure on South Australian businesses	33 324	60.23%
Total expenditure on non-South Australian businesses	22 001	39.77%
	55 325	100%

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Department, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

4.3. Other expenses

	2024 \$'000	2023 \$'000
Donated assets	-	113
Plant and equipment write-off	43	-
Buildings fitouts write-off	106	-
Salary overpayments write-off	-	1
Total other expenses	149	114

Other expenses relate to plant and equipment and building fitouts disposals and write-offs resulting from the Department's annual asset stocktake.

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

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5. Non-financial assets

5.1. Property, plant and equipment by asset class

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

Reconciliation 2023-24	Building fitouts	Plant and equipment	Work in Progress	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	19 002	1 431	2 586	98	1 110	24 227
Additions	13	130	4 110	-	782	5 035
Capital transfers from work in progress	4 014	1 772	(5 786)	-	-	-
Transfer between asset classes	(60)	60	-	-	-	-
Depreciation and amortisation	(2 596)	(2 141)	-	(98)	(817)	(5 652)
Write-offs	(106)	(43)	-	-	-	(149)
Revaluation increment/(decrement)	3 073	-	-	-	-	3 073
Cost expensed	-	-	(5)	-	-	(5)
Carrying amount at the end of the period	23 340	1 209	905	-	1 075	26 529
Gross carrying amount						
Gross carrying amount	23 340	5 244	905	-	2 021	31 510
Accumulated depreciation	-	(4 035)	-	-	(946)	(4 981)
Carrying amount at the end of the period	23 340	1 209	905	-	1 075	26 529

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

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

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5.2. Property, plant and equipment owned by the department

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

\$2.570 million of fully depreciated property, plant and equipment is still in use.

Impairment

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

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

5.3. Property, plant and equipment leased by the department

Right-of-use assets for property, plant and equipment leased by the department as lessee are measured at cost.

The department has 81 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

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

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

5.4. Depreciation and amortisation

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

Useful life

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

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

Review of accounting estimates

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

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5.5. Intangible assets

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

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

Reconciliation of Intangible assets

Reconciliation 2023-24	Internally developed computer software	Externally acquired computer software	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	24 220	23	4 086	28 329
Additions	-	-	1 068	1 068
Capital transfers from work in progress	5 074	-	(5 074)	-
Amortisation	(5 686)	(6)	-	(5 692)
Carrying amount at the end of the period	23 608	17	80	23 705
Gross carrying amount				
Gross carrying amount	72 876	29	80	72 985
Accumulated amortisation	(49 268)	(12)	-	(49 280)
Carrying amount at the end of the period	23 608	17	80	23 705

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5.5 Intangible assets (continued)

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

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6. Financial assets

6.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer		
Treasury and Finance Operating Account	28 114	19 728
Accrual Appropriation Excess Funds	18 609	9 705
Total deposits with the Treasurer	46 723	29 433
Total cash and cash equivalents in the Statement of Financial Position	46 723	29 433
Total cash and cash equivalents in the Statement of Cash Flows	46 723	29 433

Although the department controls the funds reported above in the Accrual Appropriation Excess Funds account, the Treasurer must approve its use. The department does not earn interest on its deposits with the Treasurer.

6.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Trade receivables	1 277	2 349
Accrued revenues	10 501	11 459
Prepayments	4 859	2 855
Net GST receivable from the ATO	1 100	1 273
Total current receivables	17 737	17 936
Non-current		
Receivables	68	180
Total non-current receivables	68	180
Total receivables	17 805	18 116

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

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

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

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

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

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. No impairment loss was recognised in 2024 in relation to statutory receivables as all were with South Australian government debtors.

Department of Treasury and Finance
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7. Liabilities

7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Trade payables	570	477
Accrued expenses	8 371	11 637
Total current payables	8 941	12 114
Total payables	8 941	12 114

Payables are measured at nominal amounts.

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

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

7.2. Financial liabilities

The department's financial liabilities are lease liabilities.

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

	2024	2023
	\$'000	\$'000
Financial Liabilities		
1 to 3 years	1 126	1 158
Total financial liabilities (undiscounted)	1 126	1 158

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

Borrowing costs associated with these lease liabilities was \$36 000 (2023: \$25 000).

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7.3. Provisions

All provisions relate to workers compensation.

	2024	2023
	\$'000	\$'000
Movement in provisions		
Carrying amount at the beginning of the period	7 597	9 877
Payments/other sacrifices of future economic benefits	(3 817)	(1 481)
Additional provisions recognised	1 140	(799)
Carrying amount at the end of the period	4 920	7 597

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

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

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

The workers compensation is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

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

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

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7.4. Other liabilities

	2024	2023
	\$'000	\$'000
Current		
Accommodation incentive	653	653
Total current other liabilities	<u>653</u>	<u>653</u>
Non-current		
Accommodation incentive	3 920	4 574
Unearned revenue	23	25
Total non-current other liabilities	<u>3 943</u>	<u>4 599</u>
Total other liabilities	<u><u>4 596</u></u>	<u><u>5 252</u></u>

8. Other disclosures

8.1. Equity

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

8.2. Cash flow

	2024	2023
	\$'000	\$'000
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by operating activities	23 922	11 867
Add / (less) non-cash items		
Depreciation and amortisation	(11 344)	(10 892)
Donated assets	-	(113)
Other expenses - write off	(149)	(1)
Borrowing costs	(36)	(25)
Movement in assets and liabilities		
Decrease in receivables	(138)	(7 411)
Decrease in payables	2 532	(3 238)
Increase in employee liabilities	(2 982)	8 095
Decrease in provisions	2 677	2 280
Decrease in other liabilities	656	628
Net result	<u><u>15 138</u></u>	<u><u>1 190</u></u>

Total cash outflows for leases was \$0.845 million (2023: \$0.897 million).

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9. Outlook

9.1. Unrecognised commitments

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

Other contractual commitments

	2024	2023
	\$'000	\$'000
Within one year	11 727	10 387
Later than one year but not later than five years	41 482	26 347
Later than five years	22 973	24 092
Total other contractual commitments	76 182	60 826

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

Other commitments

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

	2024	2023
	\$'000	\$'000
Within one year	26 383	21 858
Later than one year and not later than five years	68 315	23 123
Later than five years	8 425	-
Total other commitments	103 123	44 981

9.2. Contingent assets and liabilities

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

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

9.3. Impact of standards and statements not yet effective

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

9.4. Events after the reporting period

From the 1 July 2024, the Office of the Chief Information Officer and Office for Data Analytics transferred to the department from Department of the Premier and Cabinet. The financial effect of this machinery of government change has not been reflected in the financial statements.

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10. Measurement and risk

10.1. Fair value

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

Initial recognition

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

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

Revaluation

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

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

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

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

To ensure the department's building fitouts were not materially different from their fair value, on 30 June 2024, the department, in conjunction with Shared Services SA, undertook a review. The impact of the department's review resulted in a net fair value increase of \$3.073 million. The increase is mainly due to increases in both labour rates and costs of materials used in the non-residential building/construction industry. The valuation was based on a combination of internal records, specialised facilities knowledge, ABS Produce Price Index, and acquisition costs. The last independent valuation of building fitouts was performed in 30 June 2021 and the next revaluation is due in 30 June 2027.

Fair value hierarchy

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

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

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. All non-financial assets as at 30 June 2024 and 30 June 2023 were categorised in level 3.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

10.1. Fair value (continued)

Building fitout

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

Plant and equipment

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

10.2. Financial instruments

Financial risk management

The department's risk management policies are in accordance with the *South Australian Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

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

Liquidity risk

The department is funded principally from appropriation by the Government of South Australia. The department determines the cash flows associated with its government approved program of work and to ensure funding is provided through the Government of South Australia budgetary processes to meet the expected cash flows.

Refer to notes 7.1 and 7.2 for further information.

Credit risk

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

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

Cash and debt investments

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

All of the department's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2024

10.2. Financial instruments (continued)

Market risk

The department does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The department does not undertake any hedging in relation to interest or foreign currency risk and manages its risk according to the government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

Categorisation of financial instruments

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

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Department of Treasury and Finance

Administered Financial Statements

For the year ended 30 June 2024

Department of Treasury and Finance
Statement of Administered Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Administered income			
Appropriation	A2.1	3 327 318	2 148 760
Taxation	A2.2	5 823 676	5 075 301
Commonwealth revenues	A2.3	12 476 894	11 736 490
Dividends	A2.4	338 107	119 112
Interest revenues	A2.5	402 768	274 606
Grants and contributions	A2.6	220 319	397 102
Fees and charges	A2.7	247 605	242 377
Other income	A2.8	422 038	683 466
Total administered income		23 258 725	20 677 214
Administered expenses			
Employee related expenses	A3.1	538 753	422 309
Supplies and services	A4.1	54 503	57 129
Borrowing costs	A4.3	978 133	732 607
Grants subsidies and transfers	A4.4	5 177 762	4 898 520
Depreciation and amortisation		1 445	1 019
Payments to SA Government	A4.5	16 046 369	14 558 014
Other expenses	A4.6	89 198	117 028
Total administered expenses		22 886 163	20 786 626
Net result		372 562	(109 412)
Total comprehensive result		372 562	(109 412)

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

Department of Treasury and Finance
Statement of Administered Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Administered current assets			
Cash and cash equivalents	A6.1	1 520 895	857 317
Receivables	A6.2	282 064	263 432
Other financial assets	A6.3	44 478	46 439
Total current assets		1 847 437	1 167 188
Administered non-current assets			
Receivables	A6.2	9	3
Other financial assets	A6.3	316 329	278 469
Property, plant and equipment	A5.1	13 663	12 921
Intangible assets	A5.2	325	325
Total non-current assets		330 326	291 718
Total assets		2 177 763	1 458 906
Administered current liabilities			
Payables	A7.1	760 488	414 429
Employee related liabilities	A3.2	2 286	1 859
Provisions	A7.2	174	110
Other current liabilities	A7.3	5 906	6 179
Total current liabilities		768 854	422 577
Administered non-current liabilities			
Payables	A7.1	31 274	31 274
Employee related liabilities	A3.2	1 363	1 039
Provisions	A7.2	473	337
Other non-current liabilities	A7.3	143 665	144 107
Total non-current liabilities		176 775	176 757
Total liabilities		945 629	599 334
Net assets		1 232 134	859 572
Administered equity			
Accumulated surplus	A8.1	1 229 342	856 780
Asset revaluation surplus	A8.1	2 792	2 792
Total equity		1 232 134	859 572

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

Department of Treasury and Finance
Statement of Administered Cash Flows
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
Taxation received		5 823 676	5 075 301
Receipts from Commonwealth		12 494 629	11 628 336
Dividends		338 107	119 112
Interest received		402 768	274 606
Appropriation		3 327 318	2 148 760
Grants and contributions		220 319	397 246
Fees and charges		210 532	313 054
GST recovered from ATO		3 190	3 367
Other receipts		421 922	680 991
Cash generated from operations		23 242 461	20 640 773
Cash outflows			
Payments to SA Government		(15 702 348)	(15 958 433)
Employee related payments		(537 802)	(423 955)
Payments for supplies and services		(52 975)	(30 201)
Interest payments		(978 133)	(732 607)
Grants, subsidies and transfers		(5 180 162)	(4 906 827)
Other payments		(90 035)	(116 590)
Cash used in operations		(22 541 455)	(22 168 613)
Net cash provided by / used in operations	A8.2	701 006	(1 527 840)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(1 529)	(9 621)
Cash used in investing activities		(1 529)	(9 621)
Cash (used in) investing activities		(1 529)	(9 621)
Net cash used in investing activities		(1 529)	(9 621)
Cash flows from financing activities			
Cash inflows			
Proceeds from other financial assets		53 748	25 526
Cash generated from financing activities		53 748	25 526
Cash outflows			
Other financial assets granted		(89 647)	(89 648)
Cash used in financing activities		(89 647)	(89 648)
Net cash used in financing activities		(35 899)	(64 122)
Net increase / (decrease) in cash and cash equivalents		663 578	(1 601 583)
Cash and cash equivalents at the beginning of the period		857 317	2 458 900
Cash and cash equivalents at the end of the period	A6.1	1 520 895	857 317
Non-cash transactions	A8.2		

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2024

	Administered Items on behalf of the Consolidated Account		State Owned Generators Leasing Co		Commonwealth Mirror Taxes on Commonwealth Places Revenue Account	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered income						
Appropriation	29 147	56 659	-	-	-	-
Taxation	5 429 428	4 709 142	-	-	-	-
Commonwealth revenues	8 932 802	8 131 442	-	-	38 476	34 870
Dividends	338 107	119 112	-	-	-	-
Interest revenues	399 153	270 928	-	-	-	-
Grants and contributions	5 917	166 841	-	-	-	-
Fees and charges	199 191	194 166	-	-	-	-
Other income	419 065	678 865	-	3 046	-	-
Total administered income	15 752 810	14 327 155	-	3 046	38 476	34 870
Administered expenses						
Employee related expenses	418	388	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	28 728	56 270	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	15 723 553	14 294 013	-	-	-	-
Other expenses	-	-	-	-	38 476	34 870
Total administered expenses	15 752 699	14 350 671	-	-	38 476	34 870
Net result	111	(23 516)	-	3 046	-	-

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2024

	Community Development Fund		Community Emergency Services Fund		Country Equalisation Scheme Account	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered income						
Appropriation	-	-	-	-	-	-
Taxation	-	-	190 699	175 527	-	-
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	-	-	223	115	835	490
Grants and contributions	20 000	20 000	137 972	138 309	-	-
Fees and charges	-	-	231	232	-	-
Other income	-	-	-	-	-	-
Total administered income	20 000	20 000	329 125	314 183	835	490
Administered expenses						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	20 000	20 000	329 170	314 157	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	20 149	-
Other expenses	-	-	-	-	-	-
Total administered expenses	20 000	20 000	329 170	314 157	20 149	-
Net result	-	-	(45)	26	(19 314)	490

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2024

	Fines Enforcement Recovery		Hospitals Fund		Intergovernmental Agreement on Federal Financial Relations	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	-	-	-	-
Taxation	-	-	202 912	189 135	-	-
Commonwealth revenues	-	-	-	-	3 482 686	3 496 661
Dividends	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-
Fees and charges	48 183	47 979	-	-	-	-
Other income	-	-	-	-	-	-
Total administered income	48 183	47 979	202 912	189 135	3 482 686	3 496 661
Administered expenses						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	25 519	24 658	-	-	3 401 215	3 408 093
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	202 912	189 135	44 124	64 713
Other expenses	22 664	23 323	-	-	-	-
Total administered expenses	48 183	47 981	202 912	189 135	3 445 339	3 472 806
Net result	-	(2)	-	-	37 347	23 855

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2024

	Industry Financial Assistance		Local Government Taxation			
	Account (IFAA)		Local Government Disaster Fund		Equivalents Fund	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered income						
Appropriation	-	-	-	-	-	-
Taxation	-	-	-	-	637	1 497
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	74	96	(41)	379	(20)	30
Grants and contributions	21 601	33 656	529	-	-	-
Fees and charges	-	-	-	-	-	-
Other income	116	(46)	-	-	-	-
Total administered income	21 791	33 706	488	379	617	1 527
Administered expenses						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	301	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	23 399	29 126	5 507	5 915	640	1 503
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	3 000	-	-	-	-	-
Other expenses	(793)	(112)	-	-	-	-
Total administered expenses	25 606	29 315	5 507	5 915	640	1 503
Net result	(3 815)	4 391	(5 019)	(5 536)	(23)	24

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2024

	Support Services to Parliamentarians		Treasury and Finance Administered Items Account		Treasurer's Interest in the National Wine Centre Account	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered income						
Appropriation	-	-	3 298 171	2 092 101	-	-
Taxation	-	-	-	-	-	-
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-
Grants and contributions	30 631	31 843	-	-	569	3 653
Fees and charges	-	-	-	-	-	-
Other income	13	38	-	-	25	25
Total administered income	30 644	31 881	3 298 171	2 092 101	594	3 678
Administered expenses						
Employee related expenses	22 512	19 841	515 823	402 080	-	-
Supplies and services	8 274	8 011	46 229	48 769	-	-
Borrowing costs	-	-	978 133	732 607	-	-
Grants, subsidies and transfers	-	-	1 327 769	1 014 761	-	-
Depreciation and amortisation	327	229	-	-	1 118	790
Payments to SA Government	-	-	52 631	-	-	-
Other expenses	-	-	25 327	13 891	-	-
Total administered expenses	31 113	28 081	2 945 912	2 212 108	1 118	790
Net result	(469)	3 800	352 259	(120 007)	(524)	2 888

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2024

	Treasury and Finance Working Account		Treasury Asset Management Account		Commonwealth Funding for National Partnerships	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered income						
Appropriation	-	-	-	-	-	-
Taxation	-	-	-	-	-	-
Commonwealth revenues	-	-	-	-	22 930	73 517
Dividends	-	-	-	-	-	-
Interest revenues	-	-	129	72	2 415	2 496
Grants and contributions	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-
Other income	2 385	1 254	-	-	-	-
Total administered income	2 385	1 254	129	72	25 345	76 013
Administered expenses						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	-	-	-	-	15 815	24 037
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
Other expenses	2 385	1 254	-	-	-	43 000
Total administered expenses	2 385	1 254	-	-	15 815	67 037
Net result	-	-	129	72	9 530	8 976

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2024

	Affordable Housing Fund		Scope Global Shares		Market Projects Unit		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered income								
Appropriation	-	-	-	-	-	-	3 327 318	2 148 760
Taxation	-	-	-	-	-	-	5 823 676	5 075 301
Commonwealth revenues	-	-	-	-	-	-	12 476 894	11 736 490
Dividends	-	-	-	-	-	-	338 107	119 112
Interest revenues	-	-	-	-	-	-	402 768	274 606
Grants and contributions	3 100	2 800	-	-	-	-	220 319	397 102
Fees and charges	-	-	-	-	-	-	247 605	242 377
Other income	434	284	-	-	-	-	422 038	683 466
Total administered income	3 534	3 084	-	-	-	-	23 258 725	20 677 214
Administered expenses								
Employee related expenses	-	-	-	-	-	-	538 753	422 309
Supplies and services	-	-	-	48	-	-	54 503	57 129
Borrowing costs	-	-	-	-	-	-	978 133	732 607
Grants, subsidies and transfers	-	-	-	-	-	-	5 177 762	4 898 520
Depreciation and amortisation	-	-	-	-	-	-	1 445	1 019
Payments to SA Government	-	-	-	10 150	-	3	16 046 369	14 558 014
Other expenses	1 139	796	-	6	-	-	89 198	117 028
Total administered expenses	1 139	796	-	10 204	-	3	22 886 163	20 786 626
Net result	2 395	2 288	-	(10 204)	-	(3)	372 562	(109 412)

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

A1. About the department's Administered Items

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

A1.1. Overview of Administered financial statements

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

Administered Items on behalf of the Consolidated Account

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

Affordable Housing Fund

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

Commonwealth Funding for National Partnerships

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

Commonwealth Mirror Taxes on Commonwealth Places Revenue Account

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

Community Development Fund

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

Community Emergency Services Fund

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

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

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

Country Equalisation Scheme Account

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

ETSA Sales / Lease Proceeds Account

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

Fines Enforcement and Recovery

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

Hospitals Fund

The purpose of the fund is to receive money payable into the Hospitals Fund in accordance with the *State Lotteries Act 1966* and stamp duty on insurance policies relating to motor vehicles in accordance with *Stamp Duties Act 1923* and to make payments from the Hospitals Fund to the Consolidated Account in accordance with the *State Lotteries Act 1966*.

Intergovernmental Agreement on Federal Financial Relations

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

Industry Financial Assistance Account (IFAA)

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

Local Government Disaster Fund

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

Local Government Taxation Equivalents Fund

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

Market Projects Unit

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

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

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

Scope Global Shares

The purpose of this fund is to record all financial transactions associated with the Treasurer's financial interest in Scope Global Pty Ltd that transferred to the Treasurer in 2018-19. One hundred per cent of the Treasurer's investment in Scope Global Pty Ltd was sold in 2021-22 with the remaining cash balance of the special deposit account returned to the Consolidated Account in 2022-23.

Support Services to Parliamentarians

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

SuperSA Select*

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

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

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

Treasury and Finance Administered Items Account

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

Treasurer's Interest in the National Wine Centre Account

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

Treasury and Finance Working Account

The purpose of the account is to record receipts and payments on behalf of the Treasurer and other SA Government agencies in the course of the Department of Treasury and Finance's across government financial management and administration function, where such amounts are not required to be credited into another account under the *Public Finance and Audit Act 1987* (including Consolidated Account).

Treasury Asset Management Account

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

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

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2024

A1.2. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2023-24 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Administered Comprehensive Income	Note	Original	Actual	Variance
		budget 2024 \$'000	2024 \$'000	\$'000
Administered Income				
Appropriation		3 622 181	3 327 318	(294 863)
Taxation		4 946 421	5 823 676	877 255
Commonwealth revenues	1	9 024 675	12 476 894	3 452 219
Dividends		174 591	338 107	163 516
Interest revenues		355 665	402 768	47 103
Grants and contributions		13 722	220 319	206 597
Fees and charges		224 673	247 605	22 932
Other income		67 851	422 038	354 187
Total administered income		18 429 779	23 258 725	4 828 946
Administered Expenses				
Employee related expenses		517 211	538 753	21 542
Supplies and services		50 510	54 503	3 993
Borrowing costs		1 008 530	978 133	(30 397)
Grants, subsidies and transfers		4 436 546	5 177 762	741 216
Depreciation and amortisation		-	1 445	1 445
Payments to SA Government	2	14 811 886	16 046 369	1 234 483
Other expenses		32 678	89 198	56 520
Total administered expenses		20 857 361	22 886 163	2 028 802
Net result		(2 427 582)	372 562	2 800 144
Total comprehensive result		(2 427 582)	372 562	2 800 144

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
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A1.3. Budget performance (continued)

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

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

1 Commonwealth revenues

The \$3.452 billion variation against the original budget is primarily due to the actual funding from the Commonwealth for Intergovernmental Agreement on Federal Financial Relations (\$3.506 billion) being recorded in the Statement of Administered Comprehensive Income while the associated budget is disclosed as part of the Statement of Cash Flows for Other Accounts which does not form part of the Statement of Administered Comprehensive Income original budget amount.

2 Payments to SA Government

The \$1.234 billion variation against the original budget is due to increased payments for the transfer of revenue received on behalf of the Consolidated Account resulting from additional income primarily for taxation and other revenues for return of surplus cash by agencies in accordance with the cash alignment policy.

A1.4. Significant transactions with government related entities

Significant transactions with the SA government related entities are identifiable throughout this financial report.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
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A2. Income

A2.1. Appropriation

	2024	2023
	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	3 182 110	2 064 488
Appropriation under other Acts	29 147	56 659
Appropriation from Governor's Appropriation Fund	116 061	27 613
Total appropriation	3 327 318	2 148 760

Appropriations are recognised on receipt.

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

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

A2.2. Taxation

	2024	2023
	\$'000	\$'000
Stamp Duties - conveyances on sale of property	1 461 290	1 223 476
Stamp Duties - general insurance	658 496	608 030
Stamp Duties - motor vehicles registrations	277 605	247 156
Stamp Duties - other	25 613	23 714
Commonwealth Places Mirror - Stamp Duties	263	263
Payroll Tax	2 109 027	1 923 113
Commonwealth Places Mirror - Payroll Tax	36 897	33 640
Land Tax	757 839	567 964
Commonwealth Places Mirror - Land Tax	1 316	1 053
Emergency Services Levy	190 699	175 527
Local Government rate equivalents	3 653	5 012
Income tax equivalents	91 969	52 892
Contributions from Lotteries Commission of South Australia	123 637	107 436
Betting Operations Tax	61 189	83 329
Casino Duty	24 183	22 696
Total taxation	5 823 676	5 075 301

Department of Treasury and Finance
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A2.2 Taxation (continued)

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

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

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

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

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

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

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

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

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

Department of Treasury and Finance
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A2.3. Commonwealth revenues

	2024	2023
	\$'000	\$'000
Commonwealth general purpose grants		
GST revenue grants	8 697 556	7 899 150
Commonwealth Places Mirror taxes	38 476	34 870
Total Commonwealth general purpose grants	8 736 032	7 934 020
Commonwealth specific purpose grants		
Council of Australian Governments Funding arrangements	235 246	232 292
Intergovernmental Agreement on Federal Financial Relations - Recurrent	2 672 723	2 551 309
Intergovernmental Agreement on Federal Financial Relations - Capital	832 893	1 018 869
Total Commonwealth specific purpose grants	3 740 862	3 802 470
Total Commonwealth revenues	12 476 894	11 736 490

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

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

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

Commonwealth grants

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

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

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

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

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

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A2.4. Dividends

	2024	2023
	\$'000	\$'000
Adelaide Venue Management	1 600	1 600
Home Start Finance	32 892	26 093
Renewal SA	85 402	34 792
Public Trustee	5 845	5 053
SA Water Corporation	106 952	49 824
Motor Accident Commission	7 560	-
South Australian Government Financing Authority	95 690	1 750
State Owned Generators Leasing Co. Pty Ltd	2 166	-
Total dividends	338 107	119 112

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

A2.5. Interest revenues

	2024	2023
	\$'000	\$'000
Interest	402 768	274 606
Total interest revenues	402 768	274 606

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

A2.6. Grants and contributions

	2024	2023
	\$'000	\$'000
Intra-government transfers	85 726	262 473
Emergency services levy remission	127 906	128 055
Emergency services levy- pensioner	6 687	6 574
Total grants and contributions	220 319	397 102

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

Department of Treasury and Finance
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A2.7. Fees and charges

	2024	2023
	\$'000	\$'000
Guarantee fees	122 923	116 604
Court fines	61 955	62 800
Court Regulatory fees	14 240	14 692
Victims of Crime levy collections	25 520	24 657
Fines Enforcement and Recovery - suitor collections	22 663	23 322
Other recoveries	304	302
Total fees and charges	247 605	242 377

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

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

A2.8. Other income

	2024	2023
	\$'000	\$'000
Cash alignment transfers to the Consolidated Account	347 023	436 901
Return of capital	-	118 599
Return of deposit account balances	20 149	10 153
Recoveries DIT- Indentured Ports	11 735	11 790
Essential Services Commission of SA	14 645	14 593
Recovery from SAFA Insurance Fund	6 701	8 685
Hotel quarantine interstate crosscharge	-	27 465
Return of private hospital funding	-	18 477
Return of Live Music and Event Cancellation Fund	5 258	-
Revision to carrying value of State Owned Generator Leasing Co. Pty. Ltd.	-	3 046
Other income	16 527	33 757
Total other income	422 038	683 466

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

Department of Treasury and Finance
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A3. Board, committees and employees

A3.1. Employee related expenses

	2024	2023
	\$'000	\$'000
Superannuation contributions to various schemes*	515 823	402 080
Salaries and wages	17 387	16 088
Long service leave	349	166
Annual leave	1 238	1 198
Skills and experience retention leave	18	13
Employment on-costs - superannuation	2 067	1 812
Employment on-costs - other	1 033	950
Minister's salary, electorate and expense allowance	418	388
Other employee related expenses	420	(386)
Total employee related expenses	538 753	422 309

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

Employment expenses

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

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

Employee remuneration

	2024	2023
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$166 001 - \$186 000	1	1
Total	1	1

The total remuneration received by those employees for the year was \$185 000 (2023: \$180 000).

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

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A3.2. Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Accrued salaries and wages	93	68
Annual leave	1 238	1 065
Long service leave	153	141
Skills and experience retention leave	30	17
Employment on-costs	772	568
Total current employee related liabilities	2 286	1 859
Non-current		
Long service leave	1 235	941
Employment on-costs	128	98
Total non-current employee related liabilities	1 363	1 039
Total employee related liabilities	3 649	2 898

Long service leave liability measurement

The net financial effect of the changes in the financial year described in note 3.4 is an increase in the long service leave liability of \$83 300 (2023: \$45 200) and employee benefits expense of \$83 300 (2023: \$45 200). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

A4. Expenses

A4.1. Supplies and services

	2024	2023
	\$'000	\$'000
State's share of GST administration	43 321	46 523
Accommodation	4 179	3 945
General administration and consumables	3 210	2 862
Minor works, maintenance and equipment	458	690
Unclaimed monies	1 218	387
Information technology and communication expenses	234	328
Consultants	31	53
Legal costs	1 699	1 867
Other	153	474
Total supplies and services	54 503	57 129

Department of Treasury and Finance
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A4.2. Expenditure – SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement. Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2024	Proportion SA and non-SA businesses
	\$'000	
Total expenditure on South Australian businesses	2 468	86.05%
Total expenditure on non-South Australian businesses	400	13.95%
	2 868	100%

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Department, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

Department of Treasury and Finance
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A4.3. Borrowing costs

	2024	2023
	\$'000	\$'000
Interest on borrowings	895 198	685 895
Interest paid on deposit accounts and other monies	82 935	46 712
Total borrowing costs	978 133	732 607

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

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

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

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

Department of Treasury and Finance
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A4.4. Grants, subsidies and transfers

	2024	2023
	\$'000	\$'000
Recurrent grants, subsidies and transfers	3 987 105	3 673 870
Capital grants, subsidies and transfers	750 656	996 687
Equity capital contribution	414 482	187 432
Private hospital payments	-	1 872
COVID-19 support fund	-	13 837
Hotel quarantine interstate crosscharge	-	164
Victims of Crime Levy collections	25 519	24 658
Total grants, subsidies and transfers	5 177 762	4 898 520

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

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

	2024	2023
	\$'000	\$'000
Department for Education	2 405 777	2 300 867
Department for Infrastructure and Transport	763 148	831 871
Department of Human Services	151 291	-
South Australian Housing Authority	119 588	118 081
Department of Treasury and Finance	-	241 078
Total	3 439 804	3 491 897

Department of Treasury and Finance
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A4.5. Payments to SA Government

	2024	2023
	\$'000	\$'000
Transfer of revenue received on behalf of the Consolidated Account	15 767 677	14 358 726
Other payments to the Consolidated Account	226 061	199 288
Repayment of Advances payable to Consolidated Account	52 631	-
Total payments to SA Government	16 046 369	14 558 014

A4.6. Other expenses

	2024	2023
	\$'000	\$'000
Payments to Commonwealth Government	38 476	77 870
Refunds and remissions*	24 685	13 823
Doubtful debts	(830)	95
Fines Enforcement and Recovery - suitor payments	22 664	23 323
Other	4 203	1 917
Total other expenses	89 198	117 028

*Refunds and Remissions includes taxation relief approved as part of the government's COVID-19 support fund of \$8.9 million (2023: \$9.6 million).

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A5. Non-financial assets

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

Reconciliation

2023-24	Land	Buildings	Building fitouts	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	581	11 260	294	786	12 921
Additions	-	1 042	-	1 145	2 187
Capital transfers from WIP	-	-	1 005	(1 005)	-
Depreciation and amortisation	-	(1 118)	(327)	-	(1 445)
Carrying amount at the end of the period	581	11 184	972	926	13 663
Gross carrying amount					
Gross carrying amount	581	13 462	4 038	926	19 007
Accumulated depreciation/amortisation	-	(2 278)	(3 066)	-	(5 344)
Carrying amount at the end of the period	581	11 184	972	926	13 663

Department of Treasury and Finance
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A5.1. Property, plant and equipment owned by the department (continued)

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

Department of Treasury and Finance
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A5.1. Property, plant and equipment owned by the department (continued)

Valuation of non-current assets

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

A5.2. Intangible assets

Reconciliation of intangible assets

Reconciliation 2023-24	Water licences \$'000	Total \$'000
Carrying amount at the beginning of the period	325	325
Carrying amount at the end of the period	<u>325</u>	<u>325</u>
Gross carrying amount		
Gross carrying amount	325	325
Carrying amount at the end of the period	<u><u>325</u></u>	<u><u>325</u></u>

There has been no movement in intangibles.

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

A6. Financial assets

A6.1. Cash and cash equivalents

	2024 \$'000	2023 \$'000
Deposits with the Treasurer	1 520 895	857 317
Total cash and cash equivalents in the Statement of Financial Position	<u><u>1 520 895</u></u>	<u><u>857 317</u></u>
Total cash and cash equivalents in the Statement of Cash Flows	<u><u>1 520 895</u></u>	<u><u>857 317</u></u>

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A6.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Trade receivables	271 731	251 459
Accrued revenues	10 096	11 645
GST input tax recoverable	237	328
Total current receivables	<u>282 064</u>	<u>263 432</u>
Non-current		
Receivables	<u>9</u>	<u>3</u>
Total non-current receivables	<u>9</u>	<u>3</u>
Total receivables	<u><u>282 073</u></u>	<u><u>263 435</u></u>

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. There is no provision recognised at 30 June 2024.

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

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A6.3. Other financial assets

	2024	2023
	\$'000	\$'000
Current		
Loans for financial assistance	6 497	7 594
Less allowance for impairment loss	(5 745)	(7 481)
Loans with the Treasurer	43 726	46 326
Total current other financial assets	44 478	46 439
Non-current		
Loans for financial assistance	30 819	28 125
Less allowance for impairment loss	(20 216)	(19 310)
Loans with the Treasurer	152 926	116 854
Contributed capital in subsidiary company SOGLC	152 800	152 800
Total non-current other financial assets	316 329	278 469
Total other financial assets	360 807	324 908

Loans with the Treasurer

The loans with the Treasurer represent loans advanced to state government departments, statutory authorities and other bodies that are made for policy purposes. Details of the recipient of these loans are disclosed in Statement I of the Treasurer's Statements.

The recognition of the transactions for the advances and repayment of Loans with the Treasurer has previously been treated as revenue and expenses in the Statement of Administered Comprehensive Income, this has now been corrected to properly reflect these transactions in the Statement of Administered Financial Position under Other financial assets. The 2022-23 comparatives have been updated to reflect the recognition of the opening balances for the loans as at 1 July 2022 resulting in an error correction of \$100.2 million and loan movements during 2022-23 of \$63.7 million. Refer to note A8.1 for further information.

State Owned Generators Leasing Co Pty Ltd

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

At 30 June 2024, SOGLC's generator assets are operating at their permanent locations, where they are expected to remain for the life of the leases.

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A7. Liabilities

A7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Creditors - revenue received on behalf of the Consolidated Account	614 166	322 776
Repayment of Advances payable to Consolidated Account	52 631	-
Creditors - other	1 536	3 866
Accrued expenses	92 155	87 787
Total current payables	760 488	414 429
Non-current		
Creditors - electricity entities lease proceeds	28 273	28 273
Creditors - other	2 501	2 501
Super SA Select Loan	500	500
Total non-current payables	31 274	31 274
Total payables	791 762	445 703

A7.2. Provisions

	2024	2023
	\$'000	\$'000
Movement in provisions		
Carrying amount at the beginning of the period	447	1 055
Additional provisions recognised	386	(578)
Reductions arising from payments/other sacrifices of future economic benefits	(186)	(30)
Carrying amount at the end of the period	647	447

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A7.3. Other liabilities

	2024	2023
	\$'000	\$'000
Current		
Unearned revenue	5 906	6 179
Total current other liabilities	<u>5 906</u>	<u>6 179</u>
Non-current		
Unearned revenue	32 898	38 804
Unearned revenue - capital projects	108 906	103 618
Unclaimed monies Fines Unit	1 861	1 685
Total non-current other liabilities	<u>143 665</u>	<u>144 107</u>
Total other liabilities	<u><u>149 571</u></u>	<u><u>150 286</u></u>

Reconciliation of unearned revenue - capital projects

	2024	2023
	\$'000	\$'000
Balance at the beginning of the year	103 618	191 497
Grant revenue for capital projects received during the year	155 050	121 364
Grant revenue for capital projects recognised consistent with the works undertaken during the year	(149 762)	(209 243)
Balance at the end of the year	<u><u>108 906</u></u>	<u><u>103 618</u></u>

Unearned revenue

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

Unearned revenue includes interest received in advance of \$38.324 million (2023: \$44.478 million) on the novation of Urban Renewal Authority loans to the Treasurer as part of the TAFE buy-back transaction.

Unearned revenue – capital projects

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

The balance of this unearned revenue at 30 June 2024 primarily relates to various road and infrastructure projects to be constructed over the next three years by the Department for Infrastructure and Transport.

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A8. Other disclosures

A8.1. Equity

Prior period adjustments

During the financial year adjustments were made to prior year balances. The impact of these adjustments is detailed in the table below:

		2023 Original balance \$'000	2023 Reprofiled adjustment \$'000	2023 Error correction \$'000	2023 Restated balance \$'000
Statement of Comprehensive Income	Note				
Grants and contributions	A2.6	397 246	(145)	-	397 101
Fees and charges	A2.7	242 307	70	-	242 377
Other income	A2.8	707 506	(525)	(23 515)	683 466
Grants, subsidies and transfers	A4.4	4 986 331	(600)	(87 211)	4 898 520
Prior period adjustments relating to net result		<u>(3 639 272)</u>	-	63 696	<u>(3 575 576)</u>
Statement of Financial Position					
Loans with the Treasurer	A6.3	-	-	163 180	163 180
Total prior period adjustments		<u>-</u>	<u>-</u>	<u>163 180</u>	<u>163 180</u>

Equity Adjustments

Restatement of Opening balances

	Original Accumulated Surplus \$'000		Error correction \$'000	Restated Accumulated Surplus \$'000
Original balance at 30 June 2022	865 299	-	-	865 299
Error correction	-	-	99 484	99 484
Adjusted balance at 1 July 2022	<u>865 299</u>	<u>-</u>	<u>99 484</u>	<u>964 783</u>
Net result for 2022-23	(173 108)	-	63 696	(109 412)
Total comprehensive result for 2022-23	<u>(173 108)</u>	<u>-</u>	<u>63 696</u>	<u>(109 412)</u>
Net assets transferred as a result of an administrative restructure	1 409	-	-	1 409
Balance at 30 June 2023	<u>693 600</u>	<u>-</u>	<u>163 180</u>	<u>856 780</u>

Refer to note A6.3 for further information on the error correction and other financial assets.

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A8.2. Cash flow reconciliation

	2024	2023
	\$'000	\$'000
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	701 006	(1 527 839)
Add / (less) non-cash items		
Depreciation and amortisation	(1 445)	(1 019)
Expected credit loss	830	(95)
Discounted cash flow valuations for financial assistance loans - other income	116	(46)
Revision of carrying of SOGLC	-	3 046
Movement in assets and liabilities		
Increase in receivables	18 638	(56 593)
Increase in payables	(346 388)	1 377 670
Increase in employee related liabilities	(710)	904
Increase in provisions	(200)	608
Decrease in other liabilities	715	93 952
Net result	372 562	(109 412)

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A9. Outlook

A9.1. Unrecognised commitments

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

Expenditure commitments

	2024	2023
	\$'000	\$'000
Within one year	2 782	2 503
Later than one year but not longer than five years	5 790	3 766
Later than five years	1 080	109
Total expenditure commitments	9 652	6 378

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

Other commitments

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

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

	2024	2023
	\$'000	\$'000
Within one year	31 755	80 430
Later than one year but not longer than five years	65 992	6 810
Later than five years	897	861
Total other commitments	98 644	88 101

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A9.2. Contingent assets and liabilities

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

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

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

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

The Treasurer has guaranteed a \$6.45 million loan provided by Beyond Bank to the Royal Society for the Prevention of Cruelty to Animals (RSPCA), for a term of up to 20 years. The guarantee will be invoked in the event that the RSPCA does not meet its repayment obligations under the loan to the bank.

Liabilities incurred or assumed by the Local Government Finance Authority are guaranteed by the Treasurer. The Treasurer's exposure at 30 June 2024 was \$1019.7 million (2023: \$805.5 million).

The Treasurer has indemnified the fund of the Local Government Association (LGA) Mutual Liability Scheme for any admitted claim in the nature of a general liability that the LGA in respect of the Mutual Liability Scheme becomes legally liable to pay. For liability risks not covered under the State Government's liability reinsurance program, the indemnity is capped at \$100 million for any one such admitted claim. Any losses that exceed the State Government's liability reinsurance program limits and the \$100 million limit for liability risks not covered by the reinsurance program will be subject to separate negotiations between the LGA and the State Government.

The Treasurer has indemnified South Australian Government Financing Authority (SAFA) against any profit or loss as a result of activities in the Insurance Fund 2 and Fund 3 portfolios. Given the nature of the activities in these funds, the Treasurer has approved that any operating profit before tax will be nil. This is achieved by negating the operating profit or loss with either a payable to or a receivable from the Treasurer. This policy resulted in a net receivable from the Treasurer of \$50.13 million for the year 2023-24 (2023: \$13.2 million receivable from the Treasurer).

The Government of South Australia established the Future Jobs Fund. The Fund provided grants and loans to non-government entities intended to create ongoing jobs in a range of sectors. The Fund is now closed to new applicants. Provision of loans and grants from the Fund has been contingent upon applicants meeting their obligations and performance milestones. The amount of undrawn loans and grants from the Fund as at 30 June 2024 was \$2.77 million (2023: \$5.05 million).

The Government of South Australia established the Economic and Business Growth Fund that has been renamed to the Jobs and Economic Growth Fund. The Fund promotes economic growth in South Australia by encouraging growth of existing industries, developing new industries, building international connections, and attracting foreign and national direct investment that create long-term sustainable jobs. Provision of grants from the Fund is contingent upon applicants meeting their obligations and performance milestones. For commitments entered into up to 30 June 2024, the amount of undrawn grants from the Fund as at 30 June 2024 was \$3 million (2023: \$1.13 million).

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A9.2. Contingent assets and liabilities (continued)

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

The Government of South Australia established a Local Government Infrastructure Partnership program (LGIPP). The program provides various grants and loans. The amount of undrawn loans and grants from the Program as at 30 June 2024 was \$43.78 million (2023: \$65.52 million).

The Government of South Australia established a Treasurer's School Loans Scheme. The amount of undrawn loans and grants from the Scheme as at 30 June 2024 was \$31.9 million (2023: \$72.73 million).

The Government of South Australia established an Aluminium Composite Panel Cladding Loan Scheme. The amount of undrawn loans that are expected to be provided to recipients as at 30 June 2024 was \$10 million.

The Government of South Australia established an Economic Recovery Fund. The amount of undrawn loans that are expected to be provided to recipients as at 30 June 2024 was \$31.3 million.

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

In 2020, Commercial and General sold its interest in the Multi Party Deed to Dexus. To support progress of the Australian Bragg Centre in the onset of the COVID 19 pandemic, in April 2020 the previous government committed the State to support an arrangement with the project's private sector financiers for Lendlease to deliver the building through a managing contractor arrangement. The State's support is in the form of sharing risk with the building's financiers if the cost of delivering the building exceeded its budget of \$372 million. The total budget included both construction and private financing of the building, meaning the State carries the risk of increases in both of these costs. If the budget is exceeded the State must contribute 70% towards the additional cost, with Commercial and General (the project's developers) contributing 30% of the additional cost with their contribution capped at \$4 million. The actual cost of constructing the building and any associated budget overrun to be carried by the State will not be known fully until end of the warranty period, in September 2025. As at June 2024, the cost of the completing the building is understood to exceed its budget by approximately \$6 million. The State's share of this overrun per the Multi Party Deed is approximately \$4 million.

The previous government also agreed to step-in commitments to the building owner (Dexus) and debt financier (CBA) that the State would complete the proton therapy facility project under limited circumstances, such as if SAHMRI were unable to make payments to complete the project. In certain events, the Treasurer must enter into a short-term license arrangement with Dexus, to complete the installation and appoint an operator. The State's financial obligation in relation to licence rental payments is 70% of the bunker rent that SAHMRI would otherwise have paid, for a maximum period of 21 months.

The Government of South Australia established the Digital Investment Fund to drive strategic and targeted investment in digital initiatives across the South Australian public sector. Provision of funding is contingent upon applicants meeting their obligations and performance milestones. The amount of undrawn funding from the fund as at 30 June 2024 was \$134.9 million.

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

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