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To the Chief Executive Department of the Premier and Cabinet

Opinion

I have audited the financial report of the Department of the Premier and Cabinet 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 the Premier and Cabinet 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
- notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Operating Officer.

Basis for opinion

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

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

Responsibilities of the Chief Executive for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of the Premier and Cabinet 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 the Premier and Cabinet's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Blaskett
Auditor-General

22 September 2024

Department of the Premier and Cabinet

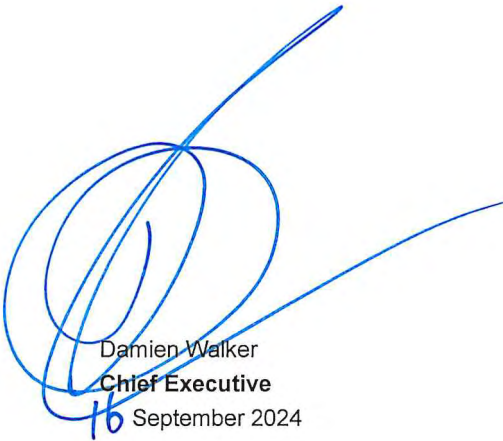
Financial Statements

For the year ended 30 June 2024

Department of the Premier and Cabinet
Certification of the Financial Statements
for the year ended 30 June 2024

We certify that the:

- financial statements of the Department of the Premier and Cabinet:
 - are in accordance with the accounts and records of the Department of the Premier and Cabinet;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Department of the Premier and Cabinet 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 the Premier and Cabinet for the financial year over its financial reporting and its preparation of financial statements have been effective.



Damien Walker
Chief Executive
16 September 2024



Wayne Hunter
Chief Operating Officer
16 September 2024

Department of the Premier and Cabinet
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Appropriation	2.1	351 253	335 563
Sales of goods and services	2.2	25 008	24 665
Commonwealth-sourced grants and funding	2.3	11 540	11 199
SA Government grants, subsidies and transfers	2.4	13 370	9 134
Local government grants		358	350
Resources received free of charge	2.5	704	684
Other income	2.6	6 173	2 138
Total income		408 406	383 733
Expenses			
Employee related expenses	3.3	71 106	67 012
Supplies and services	4.1	159 139	122 902
Depreciation and amortisation	5.1, 5.4	9 477	10 140
Borrowing costs		10	6
Grants and subsidies	4.2	146 344	135 218
Net loss from the disposal of non-current assets	4.3	16 694	554
Cash transfer to the Consolidated Account		225 206	71 344
Resources provided free of charge	4.4	2 646	5 808
Other expenses	4.5	5 127	12 699
Total expenses		635 749	425 683
Net result		(227 343)	(41 950)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		25 138	-
Total other comprehensive income		25 138	-
Total comprehensive result		(202 205)	(41 950)

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 the Premier and Cabinet
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash	6.1	97 218	87 274
Receivables	6.2	19 461	50 190
Inventories		136	173
Non-current assets classified as held for sale or transfer	5.5	-	199 162
Total current assets		116 815	336 799
Non-current assets			
Receivables	6.2	1 869	3 028
Property, plant and equipment	5.1	162 867	138 764
Intangible assets	5.4	9 023	7 460
Total non-current assets		173 759	149 252
Total assets		290 574	486 051
Current liabilities			
Payables	7.1	19 439	16 499
Employee related liabilities	3.4	9 301	8 522
Financial liabilities	7.2	185	165
Contract liabilities	7.3	3 883	1 009
Provisions	7.4	362	586
Total current liabilities		33 170	26 781
Non-current liabilities			
Employee related liabilities	3.4	11 213	9 782
Financial liabilities	7.2	75	184
Provisions	7.4	1 586	2 566
Total non-current liabilities		12 874	12 532
Total liabilities		46 044	39 313
Net assets		244 530	446 738
Equity			
Contributed capital		56 766	56 766
Asset revaluation surplus		50 747	25 609
Retained earnings		137 017	364 363
Total equity		244 530	446 738

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

Department of the Premier and Cabinet
Statement of Changes in Equity
for the year ended 30 June 2024

	Contributed capital	Asset revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	56 766	28 079	402 978	487 823
Net result for 2022-23	-	-	(41 950)	(41 950)
Total comprehensive result for 2022-23	-	-	(41 950)	(41 950)
Transactions with SA Government as owner:				
Equity transfer on asset transfer	-	(2 470)	2 470	-
Net assets transferred as a result of an administrative restructure	-	-	865	865
Balance at 30 June 2023	56 766	25 609	364 363	446 738
Prior period adjustments	-	-	(53)	(53)
Adjusted balance at 1 July 2023	56 766	25 609	364 310	446 685
Net result for 2023-24	-	-	(227 343)	(227 343)
Gain on revaluation of land and buildings during 2023-24	-	25 138	-	25 138
Total comprehensive result for 2023-24	-	25 138	(227 343)	(202 205)
Transactions with SA Government as owner:				
Net assets received from an administrative restructure	-	-	50	50
Balance at 30 June 2024	56 766	50 747	137 017	244 530

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

Department of the Premier and Cabinet
Statement of Cash Flows
for the year ended 30 June 2024

		2024	2023
		Inflows	Inflows
		(Outflows)	(Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		351 253	335 563
Sales of goods and services		17 165	28 469
Receipts from Commonwealth-sourced grants and funding		14 084	10 400
SA Government grants, subsidies and transfers		13 692	9 488
Local government grants		394	385
GST recovered from the ATO		13 949	13 362
Other receipts		46 734	2 228
Cash generated from operations		457 271	399 895
Cash outflows			
Employee related payments		(70 458)	(65 258)
Payments for supplies and services		(167 952)	(138 059)
Payments of grants and subsidies		(151 345)	(139 912)
Cash transfer to the Consolidated Account		(225 206)	(71 344)
Other payments		(1 099)	(1 354)
Cash used in operations		(616 060)	(415 927)
Net cash used in operating activities	8.2	(158 789)	(16 032)
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		181 243	635
Cash generated from investing activities		181 243	635
Cash outflows			
Purchase of property, plant and equipment		(9 100)	(21 027)
Purchase of intangible assets		(3 774)	(4 886)
Cash used in investing activities		(12 874)	(25 913)
Net cash provided by / (used in) investing activities		168 369	(25 278)
Cash flows from financing activities			
Cash inflows			
Cash transferred in as a result of restructuring activities		540	-
Cash used in financing activities		540	-
Cash outflows			
Repayment of principal portion of leases		(176)	(149)
Cash used in financing activities		(176)	(149)
Net cash provided by / (used in) financing activities		364	(149)
Net increase / (decrease) in cash		9 944	(41 459)
Cash at the beginning of the period		87 274	128 733
Cash at the end of the period	6.1	97 218	87 274
Non cash transactions	8.2		

The accompanying notes form part of these financial statements.

Department of the Premier and Cabinet

Notes to and forming part of the financial statements

for the year ended 30 June 2024

1 About the Department of the Premier and Cabinet

The Department of the Premier and Cabinet (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 as part of this report. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as the department's transactions.

1.1 Basis of preparation

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

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

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

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

Significant accounting policies are set out throughout the notes.

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

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

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

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

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

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2 Objectives and programs

Objectives

The department delivers specialist policy advice to the Premier and ministers and supports the Cabinet process. It also has overarching responsibility for Commonwealth-state relations and manages the Premier's National Cabinet and Council for the Australian Federation agenda.

The department leads the implementation of South Australia's strategic priorities and policy commitments in the areas of economic and social development, international relationships and strengthening digital engagement between government and the community.

The department provides leadership in across government policy development on multicultural affairs and the arts.

The department provides the following programs:

Premier and Cabinet Policy and Support

Coordination and leadership of the strategic economic and policy priorities of the state. Support to the Premier and Cabinet through rigorous Cabinet process across government (including thorough analysis of the risks, costs and benefits of proposals), cross government policy, and communications activities.

Deliver protocol and international engagement programs promoting the state and its competitive advantages and offerings, showcasing South Australia's strategic industries, businesses, knowledge institutions, community and regions.

Information, Data Analytics and Communication Technology Services

Provision of specialised information and communication technology (ICT), digital, data and cyber security services, and support and information to government, citizens and industry.

Multicultural Affairs

Supports South Australia's multicultural communities and promotes community capacity and harmony. It includes grant programs to community organisations that provide services to help families and individuals improve their quality of life and strengthen the wellbeing of culturally and linguistically diverse communities, as well as support for multicultural events and initiatives.

Arts South Australia

Ensure the state recognises and capitalises on artistic, cultural, economic, and social opportunities arising from the diverse arts and cultural practitioners and organisations, its creative industries, events and physical assets. This will be achieved by developing and investing in programs and initiatives that build on our cultural and creative heritage and support innovative creativity and artistry.

General / Not attributable

General / not attributable reflects internal transactions undertaken within the department.

The schedules on the following pages present expenses, income, assets and liabilities attributable to each of the programs for the years ended 30 June 2024 and 30 June 2023.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Income and expenses by program

	Information, Data Analytics and Communication							
	Premier and Cabinet Policy and Support		Technology Services		Multicultural Affairs		Arts South Australia	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation	351 253	335 563	-	-	-	-	-	-
Sales of goods and services	8 050	7 312	12 699	12 897	195	201	5 246	5 337
Commonwealth-sourced grants and funding	10 480	2 199	-	-	-	-	1 060	9 000
SA Government grants, subsidies and transfers	3 255	4 088	7 838	1 741	11	62	2 366	3 343
Local government grants	358	350	-	-	-	-	-	-
Resources received free of charge	266	288	347	299	17	18	74	79
Other income	5 019	1 466	318	3	203	275	689	416
Total income	378 681	351 266	21 202	14 940	426	556	9 435	18 175
Expenses								
Employee related expenses	38 578	31 737	22 337	23 522	2 365	3 578	7 826	8 175
Supplies and services	94 428	68 126	49 358	45 867	1 007	1 092	15 684	9 021
Depreciation and amortisation	1 032	1 133	5 740	6 163	56	55	2 649	2 789
Borrowing costs	9	5	1	1	-	-	-	-
Grants and subsidies	17 533	13 833	516	293	5 784	6 695	122 511	114 397
Net loss from the disposal of non-current assets	-	121	2 551	391	-	8	14 143	34
Cash transfer to the Consolidated Account	3 963	71 344	-	-	-	-	221 243	-
Resources provided free of charge	-	-	-	-	-	-	2 646	5 808
Other expenses	840	545	434	12 036	11	22	3 842	96
Total expenses	156 383	186 844	80 937	88 273	9 223	11 450	390 544	140 320
Net result	222 298	164 422	(59 735)	(73 333)	(8 797)	(10 894)	(381 109)	(122 145)

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

	General / Not attributable		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income				
Appropriation	-	-	351 253	335 563
Sales of goods and services	(1 182)	(1 082)	25 008	24 665
Commonwealth-sourced grants and funding	-	-	11 540	11 199
SA Government grants, subsidies and transfers	(100)	(100)	13 370	9 134
Local government grants	-	-	358	350
Resources received free of charge	-	-	704	684
Other income	(56)	(22)	6 173	2 138
Total income	(1 338)	(1 204)	408 406	383 733
Expenses				
Employee related expenses	-	-	71 106	67 012
Supplies and services	(1 338)	(1 204)	159 139	122 902
Depreciation and amortisation	-	-	9 477	10 140
Borrowing costs	-	-	10	6
Grants and subsidies	-	-	146 344	135 218
Net loss from the disposal of non-current assets	-	-	16 694	554
Cash transfer to the Consolidated Account	-	-	225 206	71 344
Resources provided free of charge	-	-	2 646	5 808
Other expenses	-	-	5 127	12 699
Total expenses	(1 338)	(1 204)	635 749	425 683
Net result	-	-	(227 343)	(41 950)

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

Assets and liabilities by program

	Premier and Cabinet		Information, Data Analytics and Communication				Arts South Australia	
	Policy and Support		Technology Services		Multicultural Affairs		Arts South Australia	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash	97 218	87 274	-	-	-	-	-	-
Receivables	14 658	7 048	6 271	5 712	12	11	389	40 447
Inventories	-	-	136	173	-	-	-	-
Non-current assets classified as held for sale or transfer	-	-	-	-	-	-	-	199 162
Property, plant and equipment	38 965	12 509	12 408	16 161	-	-	111 494	110 094
Intangible assets	564	352	8 453	7 098	-	-	6	10
Total assets	151 405	107 183	27 268	29 144	12	11	111 889	349 713
Liabilities								
Payables	11 794	16 236	3 982	-	-	-	3 663	263
Employee related liabilities	12 114	11 566	5 473	4 327	1 529	986	1 398	1 425
Financial liabilities	260	349	-	-	-	-	-	-
Contract liabilities	3 458	971	425	-	-	-	-	38
Provisions	1 114	3 050	593	-	-	-	241	102
Total liabilities	28 740	32 172	10 473	4 327	1 529	986	5 302	1 828
Net assets	122 665	75 011	16 795	24 817	(1 517)	(975)	106 587	347 885

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

	General / Not attributable		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Assets				
Cash	-	-	97 218	87 274
Receivables	-	-	21 330	53 218
Inventories	-	-	136	173
Non-current assets classified as held for sale or transfer	-	-	-	199 162
Property, plant and equipment	-	-	162 867	138 764
Intangible assets	-	-	9 023	7 460
Total assets	-	-	290 574	486 051
Liabilities				
Payables	-	-	19 439	16 499
Employee related liabilities	-	-	20 514	18 304
Financial liabilities	-	-	260	349
Contract liabilities	-	-	3 883	1 009
Provisions	-	-	1 948	3 152
Total liabilities	-	-	46 044	39 313
Net assets	-	-	244 530	446 738

All assets and liabilities for other activities that are not disclosed separately are included in Premier and Cabinet Policy Support.

Department of the Premier and Cabinet
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 issued to special 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.

Statement of Comprehensive Income	Note	Original	Actual	Variance
		budget 2024 \$'000	2024 \$'000	\$'000
Income				
Appropriation		334 504	351 253	16 749
Sales of goods and services		16 563	25 008	8 445
Commonwealth-sourced grants and funding	a	30 000	11 540	(18 460)
SA Government grants, subsidies and transfers		4 292	13 370	9 078
Local government grants		-	358	358
Resources received free of charge		-	704	704
Other income		951	6 173	5 222
Total income		386 310	408 406	22 096
Expenses				
Employee related expenses		69 312	71 106	1 794
Supplies and services	b	56 903	159 139	102 236
Depreciation and amortisation		13 217	9 477	(3 740)
Borrowing costs		12	10	(2)
Grants and subsidies	c	202 391	146 344	(56 047)
Net loss from the disposal of non-current assets		-	16 694	16 694
Cash transfer to the Consolidated Account	d	-	225 206	225 206
Resources provided free of charge		-	2 646	2 646
Other expenses		716	5 127	4 411
Total expenses		342 551	635 749	293 198
Net result		43 759	(227 343)	(271 102)
Other comprehensive income				
Items that will not be reclassified to net result				
Changes in property, plant and equipment asset revaluation surplus	e	-	25 138	25 138
Total other comprehensive income		-	25 138	25 138
Total comprehensive result		43 759	(202 205)	(245 964)

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.3 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.

- a) The variance is primarily due to the reprofiling of Adelaide City Deal funding attributable to Tarrkarri - Centre for First Nations Cultures by the Commonwealth Government (\$18.5 million).
- b) The variance is primarily due to a reclassification issue, where budgeted expenditure is classified as grants and subsidies (\$67.4 million), M365 operating model central tenancy (\$6.1 million), investing underspends (\$5.9 million), digital and cyber initiatives (\$5.1 million), labour hire partially offset by employee vacancies (\$4.6 million), and public information activities (\$4.4 million).
- c) The variance is primarily due to a reclassification issue, where budgeted expenditure is classified as grants and subsidies, but actual expenditure is reported as supplies and services (\$67.4 million), partially offset by the reprofiling of Adelaide City Deal grants (\$4.5 million) and additional expenditure relating to the transfer of Creative Industries from the Department of Industry, Innovation and Science (\$2.6 million).
- d) The variance is due to return of proceeds from the sale of Adelaide Festival Centre assets to the Treasurer's Consolidated Account (\$221.2 million) and return of surplus cash in accordance with Cash Alignment Policy (\$4.0 million).
- e) The variance is due to an unbudgeted revaluation surplus of land, buildings and leasehold improvements.

	Note	Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Investing expenditure summary				
Total new projects		-	4 450	4 450
Total existing projects	f	56 844	5 603	(51 241)
Total annual program		8 881	3 571	(5 310)
Total leases		35	25	(10)
Total investing expenditure		65 760	13 649	(52 111)

- f) The variance is primarily due to timing of project expenditure for which carryover of budget to future years has been sought with the Department of Treasury and Finance (\$52.1 million).

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.4 Changes to the department

Transfers in

Creative Industries

As a result of an administrative arrangements described in the Government Gazette on 14 September 2023, Creative Industries transferred from the Department for Industry, Innovation and Science to the department. The effective date of the transfer was 1 October 2023.

Cross Border Commissioner's Office

As a result of an administrative arrangements described in the Government Gazette on 11 April 2024, the Cross Border Commissioner's Office transferred from the Department of Primary Industries and Regions to the department. The effective date of the transfer was 11 April 2024.

The following assets and liabilities were transferred to the department:

Effective Date	Creative Industries	Cross Border Commissioner's Office	Total
	1 October 2023	11 April 2024	
	\$'000	\$'000	\$'000
Cash	540	-	540
Receivables	29	-	29
Property, plant and equipment	-	62	62
Total assets	569	62	631
Payables	227	-	227
Employee related liabilities	277	-	277
Provisions	13	-	13
Financial liabilities	-	64	64
Total liabilities	517	64	581
Total net assets transferred	52	(2)	50

Net assets assumed by the department as a result of the administrative restructure are the carrying amount of those assets and liabilities in the transferor's Statement of Financial Position immediately prior to transfer. The net assets transferred were treated as contributions by the government as owner.

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1.4 Changes to the department (continued)

Total income and expenses attributable to the Creative Industries for 2023-24 were:

Effective Date	Department for Industry, Innovation and Science 1 July 2023 to 30 Sept 2023 \$'000	Department of Premier and Cabinet 1 October 2023 to 30 June 2024 \$'000	Total \$'000
Appropriation	4 635	16 736	21 371
Fees and charges	-	2	2
SA Government grants, subsidies and transfers		850	850
Other income	-	69	69
Total income	4 635	17 657	22 292
Employee related expenses	242	769	1 011
Supplies and services	9	7 016	7 025
Grants and subsidies	4 384	8 475	12 859
Other expenses	-	20	20
Total expenses	4 635	16 280	20 915
Net result	-	1 377	1 377

Total income and expenses attributable to the Cross Border Commissioner's Office for 2023-24 were:

Effective Date	Department of Primary Industries and Regions 1 July 2023 to 11 April 2024 \$'000	Department of Premier and Cabinet 12 April 2024 to 30 June 2024 \$'000	Total \$'000
Appropriation	295	215	510
Total income	295	215	510
Employee related expenses	163	-	163
Supplies and services	109	44	153
Depreciation and amortisation	21	7	28
Other expenses	2	1	3
Total expenses	295	52	347
Net result	-	163	163

Transfers out

Lobbyist Register

As a result of an administrative arrangements described in the Government Gazette on 30 May 2024, the department relinquished responsibility for the administration of the Lobbyist Register. Responsibility for the register transferred to the Attorney-General's Department effective 30 May 2024. No assets or liabilities were transferred as a result of this change.

Department of the Premier and Cabinet
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1.5 Significant transactions with government related entities

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

- accommodation supplied by the Department for Infrastructure and Transport (DIT) is included in supplies and services – refer to note 4.1;
- grants payments to Major Arts entities – refer to Grants and subsidies note 4.2;
- land, and associated assets transferred to Renewal SA and the Adelaide Festival Centre Trust - refer to note 4.3. Proceeds from sale were returned to the Treasurer's Consolidated Account;
- accommodation leases supplied by Renewal SA and leased motor vehicles supplied by the South Australian Government Financing Authority (SAFA) – refer to note 7.2;
- in 2022-23 donated assets transferred to Renewal SA – refer to note 4.4.

Department of the Premier and Cabinet
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2. Income

2.1 Appropriation

	2024	2023
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	351 253	335 563
Total appropriation	351 253	335 563

Appropriation is recognised on receipt.

Appropriation pursuant to the *Appropriation Act* (the Act) consists of \$279.3 million (2023: \$259.3 million) for operational funding and \$71.9 million (2023: \$76.3 million) for capital projects. Appropriation comprises money issued and applied to the department as per Schedule 1 of the Act. Money appropriated for purposes other than the department's purposes and issued to special deposit accounts or deposit accounts of other public authorities is not reflected here.

2.2 Sales of goods and services

	2024	2023
	\$'000	\$'000
Service provision	17 124	18 800
Other	7 884	5 865
Total sales of goods and services	25 008	24 665

Service provision is the provision of specialised information and communication technology, digital and cyber security services, support and information to government and industry.

Other are sundry recoveries including salary on-charges.

2.3 Commonwealth-sourced grants and funding

	2024	2023
	\$'000	\$'000
Grants - special purpose	1 440	799
Specific Purpose Funding - Adelaide City Deal	10 100	10 400
Total Commonwealth-sourced grants and funding	11 540	11 199

The Commonwealth has provided funding to the State which has been recognised on receipt for the following purposes:

- Adelaide City Deal Agreement – funding to support growth in South Australia's innovation and tourism including Lot Fourteen, Tarrkarri – Centre for First Nations Cultures, Pavilion at Carrick Hill and Smart City \$10.1 million (\$10.4 million).
- The Circle - First Nations Entrepreneur Hub at Lot Fourteen \$1.0 million (\$0.8 million). The department uses direct costs incurred to measure the completion of performance obligations.
- Contribution towards review of the Anangu Pitjantjatjara Yankunytjatjara (APY) Art Centre Collective \$0.3 million.

Department of the Premier and Cabinet
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2.4 SA Government grants, subsidies and transfers

	2024	2023
	\$'000	\$'000
Grants, subsidies and transfers provided by SA Government entities	9 943	3 927
Contingency funding provided by DTF	2 177	4 557
Recoveries from Administered Items	-	250
Community Development Fund	1 250	400
Total SA Government grants, subsidies and transfers	13 370	9 134

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

For 2023-24 grants, subsidies and transfers includes funding to support digital and cyber initiatives from the Digital Investment Fund, Children in the North alliance, policy program, and contributions to the Office for Data Analytics initiatives. 2022-23 included funding for Lot Fourteen marketing and communications activities, strategy and policy program and contributions to the Office for Data Analytics initiatives.

2.5 Resources received free of charge

	2024	2023
	\$'000	\$'000
Shared Services SA	554	583
Other donated services	150	101
Total resources received free of charge	704	684

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. The department receives Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge, following Cabinet's approval to cease intra-government charging.

Other donated services received in 2023-24 and 2022-23 were ICT and telecommunication services received through the Optus Innovation Fund and by Telstra.

2.6 Other income

	2024	2023
	\$'000	\$'000
Refunds	4 132	1 561
Recovery of doubtful debts	860	-
Rental income	324	137
Other	857	440
Total other income	6 173	2 138

Rental income relates to rent charged to various arts entities, where arts and cultural buildings are provided by the department.

Refunds relate to returned unspent grant funding.

Department of the Premier and Cabinet
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3. Employees and committees

3.1 Key management personnel

Key management personnel of the department includes the Premier, the Minister for Tourism and Multicultural Affairs, the Minister for Arts and the Executive Governance Group who have responsibility for the strategic direction and management of the department.

The compensation disclosed in this note excludes salaries and other benefits received by the Premier, the Minister for Tourism and Multicultural Affairs and the Minister for Arts. The Premier's and the Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

Refer to the department's Administered Financial Statements for disclosure of the remuneration paid to the Premier and Minister for Tourism and Multicultural Affairs and recovered from the Consolidated Account. The remuneration received by the Minister for Arts is reported by the Attorney-General's Department (AGD).

	2024	2023
	\$'000	\$'000
Salaries and other short term employee benefits	2 624	3 921
Post-employment benefits	339	614
Total compensation	2 963	4 535

Transactions with key management personnel and other related parties

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

3.2 Committee members

Members during the 2023-24 financial year were:

Risk and Performance Committee

Virginia Hickey (Chair)
Colin Dunsford
Debra Contala
Alison Lloyd-Wright*
Mike Diakomichalis*
Jon Gorvett*
Andrew Forman
Wayne Hunter*

South Australian Multicultural Commission

Adriana Christopoulos
Anna Cheung*
Vun Fong (George) Chin
Bruce Djite
Carmen Anne Garcia
Manju Khadka*
Maria Maglieri
Rajendra Pandey*
Shaza Ravaji
Hussain Razaiat
Reinhard Struve*
Khuyen (Quin) Tran
Denis Yengi
Ahmad Zarikah

Department of the Premier and Cabinet
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3.2 Committee members (continued)

Aboriginal Art and Cultures Centre Aboriginal Reference Group

David Rathman
 Cara Kirkwood
 Mickey O'Brien*
 Jessica Davies-Huynh
 Ali Baker
 Craig Ritchie*
 Keith Thomas
 Diane Dixon*
 Jeremy Sibbald*

Tarrkarri Cultural Advisory Group

David Rathman
 Jessica Davies-Huynh
 Keith Thomas
 Lee-Ann Buckskin*

First Nations Reference Group

David Rathman
 Jessica Davies-Huynh
 Keith Thomas
 Khatija Thomas
 Keita Wyld

Major Events Attraction Committee

Leon Bignell
 Nikki Govan
 Wayne Hunter*
 Manuel Ortigosa
 Anna Moeller
 Emma Terry*
 Damien Walker*
 Kiara Johnson

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

Committee remuneration

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

	2024	2023
\$0 - \$19 999	41	63
\$40 000 - \$59 999	1	1
Total number of members	42	64

The total remuneration received or receivable by members was \$86 000 (2023: \$98 000). Remuneration of members reflects all costs of performing committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related FBT paid.

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3.3 Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	52 139	46 894
Employment on-costs - superannuation	7 264	6 348
Annual leave	5 318	4 255
Employment on-costs - other	3 352	2 940
Long service leave	2 518	893
Skills and experience retention leave	292	259
Committee fees	82	93
Workers compensation	(1 057)	3 075
Targeted voluntary separation packages	-	1 104
Other employee related expenses	1 198	1 151
Total employee related expenses	71 106	67 012

Employment on-costs - superannuation

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

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

Employee remuneration

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

	2024	2023
	Number	Number
\$ 160 001 - \$ 166 000*	n/a	5
\$ 166 001 - \$ 186 000	13	7
\$ 186 001 - \$ 206 000	10	10
\$ 206 001 - \$ 226 000	9	6
\$ 226 001 - \$ 246 000	6	5
\$ 246 001 - \$ 266 000	6	5
\$ 266 001 - \$ 286 000	3	3
\$ 286 001 - \$ 306 000	2	2
\$ 306 001 - \$ 326 000 #	-	2
\$ 326 001 - \$ 346 000	-	1
\$ 346 001 - \$ 366 000	-	1
\$ 366 001 - \$ 386 000	3	1
\$ 386 001 - \$ 406 000 **	3	-
\$ 446 001 - \$ 466 000 **	1	-
\$ 466 001 - \$ 486 000 **	1	-
\$ 686 001 - \$ 706 000	-	1
\$ 726 001 - \$ 746 000	1	-
Total	58	49

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

** The table above includes an eligible termination payment for an employee who left the department during the current financial year.

The table above includes eligible termination payments for employees who left the department during the previous financial year.

Department of the Premier and Cabinet
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3.3 Employee related expenses (continued)

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

The total remuneration received by employees for the year, listed above, was \$14.5 million (2023: \$11.6 million).

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was nil (2023: 12).

	2024	2023
	\$'000	\$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	-	1 104
Leave paid to separated employees	-	401
Recovery from DTF	-	(1 114)
Net cost to the department	-	391

Recoveries from DTF includes Shared Services SA processing fees and Payroll Tax components.

3.4 Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Annual leave	5 553	5 194
Long service leave	1 190	1 049
Skills and experience retention leave	425	394
Accrued salaries and wages	255	18
Employment on-costs	1 878	1 867
Total current employee related liabilities	9 301	8 522
Non-current		
Long service leave	10 171	8 897
Employment on-costs	1 042	885
Total non-current employee related liabilities	11 213	9 782
Total employee related liabilities	20 514	18 304

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

Department of the Premier and Cabinet
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3.4 Employee related liabilities (continued)

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 in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. The salary inflation rate applied to the annual leave and SERL liabilities increased to 2.4% in 2024 from 2% in 2023.

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

Long service leave

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

AASB 119 *Employee Benefits* contains 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 on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

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 to 4.25% in 2024 (2023: 4.0%)

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

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$0.5 million and employee related expense of \$0.5 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The salary inflation rate applied in the actuarial assessment performed by DTF for the long service leave liability has increased to 3.5% in 2024 (2023: 2.5%).

The current portion of long service leave reflects the department's 3-year average experience of long service leave which is expected to continue in the future.

Employment on-costs

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

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has increased to 44% (2023 43%) and the average factor for the calculation of employer superannuation on-costs has increased to 11.5% (2023: 11.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in employment on-costs of \$54 000 and employee related expense of \$54 000.

Department of the Premier and Cabinet
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4. Expenses

4.1 Supplies and services

	2024	2023
	\$'000	\$'000
Intra government transfers	72 467	41 359
Information technology and communication charges	31 553	26 005
Accommodation	8 777	9 342
Public information activities	8 011	8 611
Contractors	5 472	6 048
General administration and consumables	5 385	5 750
Managed network services	5 030	5 434
Temporary staff	3 947	4 051
Microsoft licence and support	2 934	2 570
Repairs, maintenance and minor equipment purchases	2 961	2 331
Sponsorships and external contributions	2 757	430
Consultants	1 567	2 269
Staff development and recruitment	1 194	1 242
Shared Services SA	554	583
Other supplies and services	6 530	6 877
Total supplies and services	159 139	122 902

Accommodation

A part of the department's accommodation is provided by DIT under Memoranda of Administrative Arrangements issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and are expensed.

Consultants

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

	No	2024	No	2023
		\$'000		\$'000
Below \$10 000	2	6	7	49
\$10 000 or above	24	1 561	30	2 220
Total	26	1 567	37	2 269

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4.1 Supplies and services (continued)

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.

Expenditure summary	2024 \$'000	Proportion SA and non-SA businesses
Total expenditure on South Australian goods and services	52 102	75%
Total expenditure on non-South Australian goods and services	17 616	25%
	69 718	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 the Premier and Cabinet
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4.2 Grants and subsidies

	2024	2023
	\$'000	\$'000
Grants and subsidies consists of the following		
Libraries Board of South Australia operating and capital funding	34 276	35 632
Adelaide Festival Centre Trust operating and capital funding	15 270	15 105
Museum Board operating and capital funding	11 139	11 813
Art Gallery Board operating and capital funding	9 312	9 824
Business Events Bid Fund (formerly Convention Bid Fund)	8 937	6 554
Adelaide Festival Corporation operating funding	8 806	8 784
Minor Arts Organisations operating funding	6 411	6 203
Multicultural grants	5 752	6 692
South Australian Film Corporation operating funding	5 046	-
Country Arts SA operating and capital funding	4 873	4 867
Adelaide Fringe operating funding	4 449	4 393
Arts grants for Individuals, Groups & Organisations	3 433	3 390
Adelaide Symphony Orchestra operating funding	2 764	2 646
Carrick Hill Trust operating and capital funding	2 696	1 670
State Theatre Company of South Australia operating funding	2 547	2 547
Billion Dollar Benefit	2 111	1 674
Adelaide City Deal - Smart City	2 100	1 400
State Opera of South Australia operating funding	1 532	1 631
Australian Dance Theatre operating funding	1 306	1 261
Tandanya operating funding	878	845
Adelaide Film Festival operating funding	833	-
See It LIVE grants	829	-
JamFactory operating funding	729	-
Local Economic Recovery	-	1 355
Other arts and cultural grants	5 250	3 765
Other grants and subsidies	5 065	3 167
Total grants and subsidies	146 344	135 218

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4.3 Net loss from the disposal of property, plant and equipment

	2024	2023
	\$'000	\$'000
Assets held for sale		
Proceeds from disposal	181 243	635
Less net book value of assets disposed	(195 386)	(635)
Net gain from disposal of assets held for sale	(14 143)	-
Buildings and improvements		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(760)	(240)
Net loss from disposal of buildings and improvements	(760)	(240)
Plant and equipment		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(1 791)	(314)
Net loss from disposal of plant and equipment	(1 791)	(314)
Total property, plant and equipment		
Proceeds from disposal	181 243	635
Less carrying amount of assets disposed	(197 937)	(1 189)
Total net loss from disposal of non-current assets	(16 694)	(554)

4.4 Resources provided free of charge

	2024	2023
	\$'000	\$'000
Artlab conservation services	2 646	2 797
Donated assets	-	3 011
Total resources provided free of charge	2 646	5 808

Artlab provides expert conservation services for the state's cultural collections.

A portion of Adelaide Festival Centre land was transferred to Renewal SA for nil consideration during 2022-23.

4.5 Other expenses

	2024	2023
	\$'000	\$'000
Derecognition of assets	4 078	8 339
Donations	673	196
Audit fees	358	372
Impairment losses on non-financial assets	-	2 938
Impairment loss on contractual receivables (note 6.2)	15	848
Other	3	6
Total other expenses	5 127	12 699

Audit fees paid/payable to the Audit Office of South Australia relate to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

Derecognition of assets include elements of the Adelaide Festival Centre redevelopment that cannot be capitalised. In 2022-23 the derecognition of assets include ceased ICT infrastructure projects and incorrectly capitalised expenditure.

Department of the Premier and Cabinet
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5. Non-Financial assets

5.1 Property, plant and equipment

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

Reconciliation 2023-24	Land, buildings and improvements	Plant and equipment	Work in progress	Works of art	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	88 003	11 009	39 382	32	316	22	138 764
Acquisitions	-	-	9 100	-	-	25	9 125
Transfers between asset classes	1 141	3 393	(4 534)	-	-	-	-
Disposals	(760)	(1 791)	-	-	-	-	(2 551)
Revaluation increment	25 138	-	-	-	-	-	25 138
Other movements	-	-	(161)	-	62	-	(99)
Subtotal	113 522	12 611	43 787	32	378	47	170 377
Losses for the period recognised in net result:							
Depreciation	(3 929)	(3 401)	-	-	(161)	(19)	(7 510)
Subtotal	(3 929)	(3 401)	-	-	(161)	(19)	(7 510)
Carrying amount at the end of the period	109 593	9 210	43 787	32	217	28	162 867
Gross carrying amount							
Gross carrying amount	109 593	31 730	43 787	32	674	43	185 859
Accumulated depreciation	-	(22 520)	-	-	(457)	(15)	(22 992)
Carrying amount at the end of the period	109 593	9 210	43 787	32	217	28	162 867

All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$56.4 million (classified as level 2), works of art valued at \$32 000 (classified as level 2) and capital works in progress (not classified). Refer to note 5.5 for details about assets held for sale or transfer. Refer to note 7.2 for details about the lease liability for right-of-use assets.

During 2023-24 the department derecognised \$0.161 million in network infrastructure assets as they no longer met the definition of an asset of the department and are disclosed in the reconciliation as other movements.

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5.1 Property, plant and equipment (continued)

Reconciliation 2022-23	Land, buildings and improvements	Plant and equipment	Work in progress	Works of art	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	92 401	13 145	20 816	32	233	31	126 658
Acquisitions	364	46	20 615	-	217	22	21 264
Assets reclassified to assets held for sale	-	-	(725)	-	-	-	(725)
Transfers between asset classes	311	1 189	(1 500)	-	-	-	-
Disposals	(240)	(313)	-	-	-	(1)	(554)
Transfer from intangibles	-	-	263	-	-	-	263
Impairment loss	(360)	-	-	-	-	-	(360)
Transfer out from restructure	(490)	-	-	-	-	(14)	(504)
Other movements	-	-	(87)	-	-	-	(87)
Subtotal	91 986	14 067	39 382	32	450	38	145 955
Losses for the period recognised in net result:							
Depreciation	(3 983)	(3 058)	-	-	(134)	(16)	(7 191)
Subtotal	(3 983)	(3 058)	-	-	(134)	(16)	(7 191)
Carrying amount at the end of the period	88 003	11 009	39 382	32	316	22	138 764
Gross carrying amount							
Gross carrying amount	182 661	41 516	39 382	32	592	82	264 265
Accumulated depreciation	(94 658)	(30 507)	-	-	(276)	(60)	(125 501)
Carrying amount at the end of the period	88 003	11 009	39 382	32	316	22	138 764

All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$38.185 million (classified as level 2), works of art valued at \$32 000 (classified as level 2) and capital works in progress (not classified). Refer to note 5.5 for details about assets held for sale or transfer. Refer to note 7.2 for details about the lease liability for right-of-use assets.

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5.1 Property, plant and equipment (continued)

Depreciation and amortisation

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

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

Useful life

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

Class of asset	Useful life (years)
Buildings and Improvements	1-80
Plant and equipment	1-40
Computer software	3-6
Other intangibles	3-25
Right-of-use buildings	4
Right-of-use motor vehicles	1-3

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

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

Review of accounting estimates

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

During the year, the department reassessed the useful lives of its buildings and leasehold improvements and determined that no change was necessary. The useful lives of the buildings and leasehold improvements were reassessed as part of the asset revaluation at 30 June 2024, the estimated impact on depreciation expense for 2024-25 is \$59 000.

The department revalued its buildings and leasehold improvements at 30 June 2024, the estimated impact on depreciation expense for 2024-25 is \$0.9 million.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

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. Detail about the department's approach to fair value is set out in note 10.1.

Lessor arrangements

The department is a lessor of various buildings, including Lion Arts Centre, Adelaide Studios and Queen's Theatre. The leases have been classified as operating leases as they do not transfer substantially all the risks and rewards incidental to the ownership of the buildings. The lease terms range from 3 years to 20 years.

Rental income is disclosed in note 2.6. A maturity analysis of rental payments is disclosed in note 9.3.

Impairment

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

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

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.

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

The department has a limited number of leases:

- 3 motor vehicle leases with SAFA. Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. No variable lease payments are provided for the lease agreements and no options exist to renew the leases at the end of their term.
- Accommodation leases with Renewal SA. Accommodation leases are non-cancellable, with rental payments monthly in advance. No contingent rental provisions exist within these lease agreements and no options exist to renew the leases at the end of their terms.

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

Impairment

Property, plant and equipment leased by the department has been assessed for impairment. No impairment loss or reversal of impairment loss was recognised.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.4. Intangible assets

	Computer software	Other intangibles	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000
Reconciliation 2023-24				
Carrying amount at the beginning of the period	419	1 461	5 580	7 460
Acquisitions	-	-	3 774	3 774
Transfers between asset classes	7 221	-	(7 221)	-
Derecognition	-	-	(141)	(141)
Prior period adjustment	(103)	-	-	(103)
Other movements	517	-	(517)	-
Subtotal	8 054	1 461	1 475	10 990
Losses for the period recognised in net result:				
Amortisation	(1 535)	(432)	-	(1 967)
Subtotal	(1 535)	(432)	-	(1 967)
Carrying amount at the end of the period	6 519	1 029	1 475	9 023
Gross carrying amount				
Gross carrying amount	12 015	8 730	1 475	22 220
Accumulated amortisation	(5 496)	(7 701)	-	(13 197)
Carrying amount at the end of the period	6 519	1 029	1 475	9 023

	Computer software	Other intangibles	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000
Reconciliation 2022-23				
Carrying amount at the beginning of the period	968	6 059	9 588	16 615
Acquisitions	-	-	5 218	5 218
Transfers between asset classes	68	312	(380)	-
Transfer to property, plant and equipment	-	-	(263)	(263)
Impairment loss	-	(2 578)	-	(2 578)
Other movements	-	-	(8 583)	(8 583)
Subtotal	1 036	3 793	5 580	10 409
Losses for the period recognised in net result:				
Amortisation	(617)	(2 332)	-	(2 949)
Subtotal	(617)	(2 332)	-	(2 949)
Carrying amount at the end of the period	419	1 461	5 580	7 460
Gross carrying amount				
Gross carrying amount	4 416	10 416	5 580	20 412
Accumulated amortisation	(3 997)	(8 955)	-	(12 952)
Carrying amount at the end of the period	419	1 461	5 580	7 460

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 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.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.5 Non-current assets classified as held for sale or transfer

	2024	2023
	\$'000	\$'000
Land, buildings and improvements	-	188 111
Plant and equipment	-	4 537
Work in progress	-	2 401
Works of art	-	4 113
Total non-current assets classified as held for sale or transfer	-	199 162

Reconciliation of non-current assets classified as held for sale movement	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	199 162	202 083
Disposals	(195 386)	(3 646)
Derecognition of assets	(3 776)	-
Transfers from property, plant and equipment	-	725
Total non-current assets classified as held for sale	-	199 162

Cabinet approved the transfer of land, buildings and improvements, plant and equipment, works in progress and works of art relating to the Adelaide Festival Centre precinct. The transfer was finalised in June 2024.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

6 Financial assets

6.1 Cash

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)		
Department of the Premier and Cabinet Operating Account	92 236	81 986
Accrual Appropriation Excess Funds	4 982	5 288
Total cash and cash equivalents in the Statement of Financial Position	97 218	87 274
Total cash and cash equivalents in the Statement of Cash Flows	97 218	87 274

Cash is measured at nominal amounts.

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

Some of the department's appropriation is deposited into the Accrual Appropriation Excess Funds account. Although the department controls the money reported above in the Accrual Appropriation Excess Funds account, its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

6.2 Receivables

	2024	2023
	\$'000	\$'000
Current:		
Contractual receivables	14 435	4 854
Less impairment loss on contractual receivables	(20)	(865)
Finance lease receivable	-	40 000
Prepayments	4 327	3 353
GST input tax recoverable	714	2 834
Other receivables	5	14
Total current receivables	19 461	50 190
Non-current:		
Prepayments	1 846	2 960
Other receivables	23	68
Total non-current receivables	1 869	3 028
Total receivables	21 330	53 218

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

6.2 Receivables (continued)

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Contractual receivables and prepayments are non-interest bearing. Contractual receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST payable to the ATO is included as part of receivables.

The finance lease receivable associated with the Adelaide Festival Centre precinct redevelopment was transferred to Renewal SA with the transfer of land and other assets.

Other than as recognised in the allowance for impairment loss on contractual receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to note 10.2 for further information on risk management.

Allowance for impairment loss on contractual receivables

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	865	17
Increase in allowance recognised in profit or loss	15	848
Recover prior year doubtful debt	(860)	-
Carrying amount at the end of the period	20	865

Impairment losses relate to contracts with customers external to SA Government. Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7 Liabilities

7.1 Payables

	2024	2023
	\$'000	\$'000
Current		
Contractual payables	19 068	16 095
Accrued expenses	369	384
Paid Parental Leave Scheme payable	2	20
Total current payables	19 439	16 499
Total payables	19 439	16 499

Payables are measured at nominal amounts.

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

7.2 Financial liabilities

Financial liabilities are \$233 000 (2023: \$328 000) for building leases at Lot Fourteen and Sturt Street Mt Gambier and \$27 000 (2023: \$21 000) for motor vehicle leases.

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. Borrowing costs associated with leasing activities was \$10 000 (2023: \$6 000). There were no defaults or breaches on any of the financial liabilities throughout the year. All material cash outflows are reflected in the lease liabilities disclosed above.

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

	2024	2023
	\$'000	\$'000
Lease liabilities		
Within 1 year	190	175
Repayable in 1 to 5 years	76	188
Total lease liabilities (undiscounted)	266	363

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7.3 Contract liabilities

	2024	2023
	\$'000	\$'000
Early intervention for autism pilot	2 500	-
The Circle - First Nations Entrepreneur Hub	958	950
Information, communication and technology services	425	-
Emergency management data strategy	-	45
Artlab restoration services	-	14
Total contract liabilities	3 883	1 009

Contract liabilities relate to revenues received in advance and are recognised as agreed milestones / service obligations are achieved.

The department is contracted with the Commonwealth government to deliver a pilot program, in partnership with the Telethon Kids Institute, for pre-emptive early intervention for infants showing early differences in their social interaction and communication development.

The department is contracted to design a service model, establish and deliver a First Nations Entrepreneur Hub as part of the broader innovation, incubation, start-up and growth hub being established through the Lot Fourteen Development under the Adelaide City Deal.

The department is contracted to maintain a file sharing platform for government departments until June 2025.

Revenue totalling \$1.009 million was recognised during the year that was included in contract liabilities at 1 July 2023.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7.4 Provisions

All provisions relate to workers compensation.

	2024	2023
	\$'000	\$'000
Reconciliation of workers compensation (statutory and non-statutory)		
Carrying amount at the beginning of the period	3 152	759
Additional provisions recognised	-	2 455
Reduction in provisions recognised	(1 217)	-
Net transfer from administrative restructures	13	(62)
Carrying amount at the end of the period	1 948	3 152

Provision for workers compensation

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

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

The workers compensation provision 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 non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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

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

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

8 Other disclosures

8.1 Equity

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

8.2 Cash flow reconciliation

	2024	2023
	\$'000	\$'000
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash used in operating activities	(158 789)	(16 032)
Add / (less) non-cash items		
Depreciation and amortisation expense of non-current assets	(9 477)	(10 140)
Impairment of non-financial assets	-	(2 938)
Donated assets	-	(3 011)
Bad and doubtful debts expense	(15)	(848)
Loss on disposal of non-current assets	(16 694)	(554)
Derecognition of assets	(4 078)	(8 339)
Movement in assets and liabilities		
(Decrease) / increase in receivables	(31 950)	700
Decrease in inventories	(37)	(65)
(Increase) / decrease in payables	(2 713)	565
(Increase) / decrease in employee related liabilities	(1 933)	382
(Increase) / decrease in contract balances	(2 874)	785
Decrease / (increase) in provisions	1 217	(2 455)
Net result	(227 343)	(41 950)

Total cash outflows for leases were \$208 000 (2023: \$155 000).

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

9 Outlook

9.1 Unrecognised commitments

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

Contractual commitments to acquire property, plant and equipment

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

	2024	2023
	\$'000	\$'000
Within one year	109 315	106 860
Later than one year but not longer than five years	182 947	119 865
Total capital commitments	292 262	226 725

2023-24 capital commitments include Tarrkarri - Centre for First Nations Cultures at Lot Fourteen (\$140.9 million), the cultural institutions storage facility (\$81.9 million), Adelaide Festival Centre Trust – fire safety system (\$34.2 million), Lyndoch Recreation Park redevelopment (\$15.5 million) and Arts accommodation for State Theatre, State Opera and Country Arts SA (\$19.0 million).

2022-23 capital commitments include Tarrkarri - Centre for First Nations Cultures at Lot Fourteen (\$140.4 million) and the cultural institutions storage facility (\$82.4 million).

Other contractual commitments

Expenditure contracted for at the reporting date but not recognised as liabilities in the financial report are payable as follows:

	2024	2023
	\$'000	\$'000
Within one year	83 661	51 056
Later than one year but not longer than five years	90 596	47 622
Later than five years	667	-
Total expenditure commitments	174 924	98 678

Commitments as at 30 June 2024 include contracted funding for Arts and Cultural Policy grants (\$25.149 million), M365 Operating Model (\$20.727 million), contracted services for Information and Technology services (\$13.405 million), provision for security services (\$12.158 million), building rental commitments (\$8.179 million), construction of the Heysen Gallery (\$6.0 million), Creative Industries grants (\$5.203 million), email archiving solution (\$3.564 million), grants from the Business Events Bid Fund (\$2.697 million) and provision of cleaning services to the North Terrace Cultural Precinct (\$0.896 million).

Commitments as at 30 June 2023 include arts cultural institutions operational funding (\$23.565 million), Arts and Cultural Policy grants (\$20.158 million), contracted services for Information and Technology services (\$15.279 million), grants from the Convention Bid Fund (\$8.455 million), Multicultural Affairs grants (\$8.445 million), building rental commitments (\$8.375 million), construction of the Heysen Gallery (\$6.0 million), Adelaide City Deal grants to the City of Adelaide (\$2.9 million) media monitoring services to the SA Government (\$2.618 million) and construction of the Carrick Hill Pavilion (\$1.5 million).

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

9.2 Expected realisation of contract liabilities as revenue

	2024-25	Total
	\$'000	\$'000
Early intervention for autism pilot	2 500	2 500
The Circle - First Nations Entrepreneur Hub at Lot Fourteen	958	958
Information, communication and technology services	425	425
Revenue expected to be realised	3 883	3 883

9.3 Expected rental income

Operating lease maturity analysis

The below table sets out a maturity analysis of operating lease payments receivable, showing the undiscounted lease payments to be received after the reporting date. The amounts are not recognised as assets.

See note 2.6 for information about buildings the department leases out under operating lease.

	2024	2023
	\$'000	\$'000
Within 1 year	110	135
1 to 5 years	278	310
Total operating lease income	388	445

9.4 Contingent assets and liabilities

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

9.5 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.

9.6 Events after the reporting period

Transfers Out

As a result of administrative arrangements changes described in the Government Gazette on 27 June 2024, the department relinquished responsibility for the Office of the Chief Information Officer, Digital Programs and the Office for Data Analytics, business units of the department. Assets and liabilities relating to these business units were transferred to DTF effective 1 July 2024.

As a result of administrative arrangements changes described in the Government Gazette on 27 June 2024, the department relinquished responsibility for Population Strategy, a business unit of the department. Assets and liabilities relating to this business unit were transferred to the Department of State Development effective 1 July 2024.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

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 significantly less than fair value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at significantly less than fair 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 prior to the restructure).

Revaluation

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

An independent valuation of artwork was conducted as at 30 June 2020 by Liquid Pacific Pty Ltd. The valuation at 30 June 2020 was prepared on a fair value basis in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

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

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

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

10.1 Fair value (continued)

Fair Value Hierarchy

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

During 2024 and 2023; the department had no valuations categorised into level 1, there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Land and buildings

Every six years, the department revalues its land, buildings and leasehold improvements via an independent Certified Practising Valuer.

A desktop valuation of land and buildings was performed by independent valuer, Martin Burns of Liquid Pacific as at 30 June 2024 due to an expected material increase in asset values.

The valuation of land utilised the direct comparison of sales approach which considered sales of similar or substitute properties and related market data. Several of the department's land assets are restricted by heritage-listed improvements for which there are few transactions, where appropriate, non-heritage-constrained sales evidence as well as properties offered for sale has been relied on.

The valuation of buildings was derived by analysing their added value to the property being valued. If assets were deemed so unique in nature such that no or limited markets existed to establish a market value, the assets were valued using the cost approach (depreciated replacement cost). The depreciated replacement cost of the improvements was then added to the land value of the site to derive a total asset value for the property. Where markets did provide reliable evidence of value; the property was valued as a whole asset from which the land value was deducted to provide a residual value. Where appropriate componentisation has been applied where the separate components of an asset have different useful lives than those of the asset to which they relate.

Leasehold improvements have been valued based on their lease tenure. The cost approach (depreciated replacement cost) to valuation was adopted and no residual value, or cost to make good was applied.

In order to determine the depreciated replacement cost, the valuation utilised information available from subscriber databases, local and regulatory sources and the department.

Assets were defined as being valued using either Level 2 or Level 3 inputs in accordance with AASB 13 *Fair Value Measurement*. No assets were valued using Level 1 inputs.

Assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

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

Plant and equipment

All items of plant and equipment owned by the department that 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.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

10.2 Financial instruments

Financial risk management

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

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

Liquidity risk

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

Refer to notes 7.1 and 7.2 for further information.

Credit risk

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

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

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

10.2 Financial instruments (continued)

Impairment of financial assets

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

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

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

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

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

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

	Debtor gross carrying amount	Loss %	Lifetime expected losses
	\$'000		\$'000
Current (not past due)	476	0.00%	-
1 - 30 days past due	2	0.00%	-
31 – 60 days past due	9	0.00%	-
61 – 90 days past due	22	0.00%	-
More than 90 days past due	65	0.00%	-
Loss allowance	574		-

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

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

Contractual receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter a payment plan with the department.

Cash

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.

Department of the Premier and Cabinet
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 as per the government's risk management strategy articulated in *TI 23 Management of Foreign Currency Exposures*.

Exposure to interest rate risk and any movement in interest rates are monitored daily. There is no exposure to foreign currency or other price risks.

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

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

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Department of the Premier and Cabinet

Administered Financial Statements

For the year ended 30 June 2024

Department of the Premier and Cabinet
Certification of the Administered Financial Statements
for the year ended 30 June 2024

We certify that the:

- administered financial statements of the Department of the Premier and Cabinet:
 - are in accordance with the accounts and records of the Department of the Premier and Cabinet;
 - comply with relevant Treasurer’s Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Department of the Premier and Cabinet 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 the Premier and Cabinet for the financial year over its financial reporting and its preparation of financial statements have been effective.



Damien Walker
Chief Executive
16 September 2024



Wayne Hunter
Chief Operating Officer
18 September 2024

Department of the Premier and Cabinet
Statement of Administered Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Administered income			
Appropriation	A2.1	25 687	37 734
SA Government grants, subsidies and transfers	A2.2	17	135
Interest		4	2
Total administered income		25 708	37 871
Administered expenses			
Employee related expenses	A3.1	847	996
Supplies and services	A4.1	23 086	33 558
Grants and subsidies	A4.2	1 550	620
Total administered expenses		25 483	35 174
Net result		225	2 697
Total comprehensive result		225	2 697

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 the Premier and Cabinet
Statement of Administered Financial Position
as at 30 June 2024

		2024	2023
	Note	\$'000	\$'000
Administered current assets			
Cash	A6.1	2 108	1 559
Total current assets		<u>2 108</u>	<u>1 559</u>
Total assets		<u>2 108</u>	<u>1 559</u>
Administered current liabilities			
Payables	A7.1	460	136
Total current liabilities		<u>460</u>	<u>136</u>
Total liabilities		<u>460</u>	<u>136</u>
Net assets		<u>1 648</u>	<u>1 423</u>
Administered equity			
Retained earnings		1 648	1 423
Total equity		<u>1 648</u>	<u>1 423</u>

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

Department of the Premier and Cabinet
Statement of Administered Cash Flows
for the year ended 30 June 2024

		2024	2023
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		25 687	37 734
SA Government grants, subsidies and transfers		17	135
Interest		4	2
Fees and charges		-	979
Other receipts		-	817
Cash generated from operations		<u>25 708</u>	<u>39 667</u>
Cash outflows			
Employee related payments		(847)	(997)
Payments for supplies and services		(22 812)	(32 482)
Payments of grants and subsidies		(1 500)	(2 100)
Cash used in operations		<u>(25 159)</u>	<u>(35 579)</u>
Net cash provided by operating activities	A8.1	<u>549</u>	<u>4 088</u>
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		-	(1 530)
Cash used in investing activities		<u>-</u>	<u>(1 530)</u>
Net cash used in investing activities		<u>-</u>	<u>(1 530)</u>
Cash flows from financing activities			
Cash outflows			
Cash transferred as a result of restructuring activities		-	(42 876)
Cash used in financing activities		<u>-</u>	<u>(42 876)</u>
Net cash used in financing activities		<u>-</u>	<u>(42 876)</u>
Net increase / (decrease) in cash		<u>549</u>	<u>(40 318)</u>
Cash at the beginning of the period		1 559	41 877
Cash at the end of the reporting period	A6.1	<u>2 108</u>	<u>1 559</u>

The accompanying notes form part of these financial statements.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

A1. Basis of preparation and accounting policies

A1.1 Basis of preparation

The basis of preparation for the Administered financial statements 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.

A1.2 Objectives/activities of the department's Administered Items

The following funds were administered by the department as at 30 June 2024. They do not represent controlled transactions of the department. As such, they are not recognised in the financial statements of the department.

Special Act Salaries and Allowances

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

Bank of Tokyo Cultural and Social Exchange

The department holds funds for the purpose of supporting cultural and social exchange between South Australia and Japan.

SA Okayama

The department holds funds for the purpose of furthering South Australia's relationship with Okayama. The fund was established from the trading surplus from South Australia's presence at the Seto Ohashi Expo 88 at Kojima Okayama.

Promotion of the State

The department provides funding for activities that advance the interests of South Australia by promoting the economic, social and cultural aspects of the state on behalf of the State Government.

SA Motor Sport

The department provides funding to the South Australian Motor Sport Board for the Adelaide 500, Adelaide Motorsport Festival, and other motor sport activities.

Department of the Premier and Cabinet
Schedule of Income and Expenses Attributable to Administered Activities
for the year ended 30 June 2024

	Special Act Salaries and Allowances		Bank of Tokyo Cultural and Social Exchange		SA Okayama	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered income						
Appropriation	1 267	971	-	-	-	-
SA Government grants, subsidies and transfers	13	-	-	-	-	-
Interest	-	-	4	2	-	-
Total administered income	1 280	971	4	2	-	-
Administered expenses						
Employee related expenses	847	817	-	-	-	-
Supplies and services	493	276	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
Total administered expenses	1 340	1 093	-	-	-	-
Net result	(60)	(122)	4	2	-	-

Department of the Premier and Cabinet
Schedule of Income and Expenses Attributable to Administered Activities
for the year ended 30 June 2024

	Promotion of the State		SA Motor Sport		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered income						
Appropriation	1 865	1 825	22 555	34 938	25 687	37 734
SA Government grants, subsidies and transfers	-	-	4	135	17	135
Interest	-	-	-	-	4	2
Total administered income	1 865	1 825	22 559	35 073	25 708	37 871
Administered expenses						
Employee related expenses	-	-	-	179	847	996
Supplies and services	34	418	22 559	32 864	23 086	33 558
Grants and subsidies	1 550	120	-	500	1 550	620
Total administered expenses	1 584	538	22 559	33 543	25 483	35 174
Net result	281	1 287	-	1 530	225	2 697

Department of the Premier and Cabinet
Schedule of Assets and Liabilities Attributable to Administered Activities
for the year ended 30 June 2024

	Special Act Salaries and Allowances		Bank of Tokyo Cultural and Social Exchange		SA Okayama	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered assets						
Cash	59	(104)	101	97	48	48
Total assets	59	(104)	101	97	48	48
Administered liabilities						
Payables	360	136	-	-	-	-
Total liabilities	360	136	-	-	-	-
Net assets	(301)	(240)	101	97	48	48

	Promotion of the State		SA Motor Sport		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Administered assets						
Cash	2 613	2 231	(713)	(713)	2 108	1 559
Total assets	2 613	2 231	(713)	(713)	2 108	1 559
Administered liabilities						
Payables	100	-	-	-	460	136
Total liabilities	100	-	-	-	460	136
Net assets	2 513	2 231	(713)	(713)	1 648	1 423

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

A1.3 Budget performance

		Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Statement of Administered Comprehensive Income	Note			
Administered Income				
Appropriation	a	21 645	25 687	4 042
SA Government grants, subsidies and transfers		-	17	17
Interest		2	4	2
Total administered income		21 647	25 708	4 061
Administered Expenses				
Employee related expenses		829	847	18
Supplies and services	b	18 951	23 086	4 135
Grants and subsidies	c	-	1 550	1 550
Other expenses	d	1 865	-	(1 865)
Total administered expenses		21 645	25 483	3 838
Net result		2	225	223
Total comprehensive result		2	225	223

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

- a The variance is primarily due additional funding to support motor sport (\$4.2 million).
- b The variance is primarily due additional funding being provided to support motor sport (\$4.2 million).
- c The variance is primarily due to a reclassification issue, where budgeted expenditure is classified as other expenses, but actual expenditure incurred is reported as grants and subsidies (\$1.6 million).
- d The variance is primarily due to a reclassification issue, where budgeted expenditure is classified as other expenses, but actual expenditure incurred is reported as grants and subsidies (\$1.6 million).

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

A2. Income

A2.1 Appropriation

	2024	2023
	\$'000	\$'000
Revenues from appropriation		
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	24 420	36 763
Special Acts	1 267	971
Total revenues from appropriation	25 687	37 734

Appropriations are recognised on receipt.

Appropriation pursuant to the *Appropriation Act* (the Act) 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.

There were no material variations between the amount appropriated and the expenditure associated with this appropriation.

A2.2 SA Government grants, subsidies and transfers

SA Government grants, subsidies and transfers are recognised on receipt and comprise contingency funding from the Department of Treasury and Finance (DTF).

Prior year SA Government grants, subsidies and transfers relates to the transfer of funding for the Bridgestone World Solar Challenge from the South Australian Tourism Commission.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

A3. Employees

A3.1 Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	847	964
Long service leave	-	5
Annual leave	-	3
Employment on-costs - superannuation	-	16
Employment on-costs - other	-	8
Total employee related expenses	847	996

The employment on-costs of the Premier and the Minister for Tourism and Multicultural Affairs are included in the department's controlled financial statements.

Employee remuneration

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

	2024	2023
	Number	Number
\$426 001 to \$446 000	-	1
\$446 001 to \$466 000	1	-
\$526 001 to \$546 000	-	1
\$546 001 to \$566 000	1	-
Total	2	2

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, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

The total remuneration received by the employees for the year, listed above, was \$1.011 million (2023: \$974 000).

A4. Expenses

A4.1 Supplies and services

	2024	2023
	\$'000	\$'000
Intra-government transfers	23 045	31 114
Corporate support services	-	106
Contractors	-	6
Other	41	2 332
Total supplies and services	23 086	33 558

Intra-government transfers includes the transfer of funding from SA Government to the South Australian Motor Sport Board.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

A4.2 Grants and subsidies

Grants and subsidies include funding for activities that promote the economic, social and cultural aspects of the state \$1.550 million (2023: \$120 000) and funding for motor sport activities nil in 2024 (2023: \$500 000).

A5. Non-Financial assets

A5.1 Property, plant and equipment

Reconciliation 2022-23	Work in progress	Total
	\$'000	\$'000
Additions	1 530	1 530
Transfers from work in progress	(1 530)	(1 530)
Carrying amount at the end of the period	-	-

Prior year work in progress acquired during the year related to motor sport infrastructure for the Adelaide 500.

A6. Financial assets

A6.1 Cash

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)		
Department of the Premier and Cabinet Operating Account	2 108	1 559
Total cash and cash equivalents in the Statement of Financial Position	2 108	1 559
Total cash and cash equivalents in the Statement of Cash Flows	2 108	1 559

Cash is measured at nominal amounts.

A7. Liabilities

A7.1 Payables

	2024	2023
	\$'000	\$'000
Current		
Accrued expenses	460	136
Total current payables	460	136
Total payables	460	136

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Department of the Premier and Cabinet
Notes to and forming part of the financial statements
for the year ended 30 June 2024

A8. Other Disclosures

A8.1 Cash flow reconciliation

	2024	2023
	\$'000	\$'000
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by operating activities	549	4 088
Movement in assets and liabilities		
Increase in receivables	-	16
(Increase) / decrease in payables	(324)	413
Increase in contract liabilities	-	(1 817)
Increase in employee related liabilities	-	(3)
Net result	225	2 697

A9. Outlook

A9.1 Unrecognised contractual commitments

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

Other contractual commitments

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

	2024	2023
	\$'000	\$'000
Within one year	50	-
Later than one year but not longer than five years	79	-
Total other contractual commitments	129	-

Other contractual commitments as at 30 June 2024 relate to the Promotion of the State Fund.

A9.2 Contingent assets and liabilities

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

A9.3 Events after the reporting period

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