



**Government
of South Australia**

Annual Report 2004 - 2005



Department of the Premier and Cabinet



Department of the Premier and Cabinet

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Department of the Premier
and Cabinet

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September 2005

The Hon Mike Rann
Premier of South Australia

Dear Premier

It is my pleasure to present you the Annual Report of the Department of the Premier and Cabinet for the year ended 30 June 2005.

The department's core mission throughout the year was to promote excellence in government and support the implementation of South Australia's Strategic Plan, primarily through professional policy development and advice.

The Annual Report of the Department of the Premier and Cabinet maintains a strategic focus, as it describes what we set out to do, what resources were available to carry out tasks, key achievements and the future outlook and priorities for the government and the department.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Warren McCann', with a long, sweeping underline.

Warren McCann
CHIEF EXECUTIVE

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Introduction from the Chief Executive

The Department of the Premier and Cabinet (DPC) provides varied services that align with the objectives of South Australia's Strategic Plan (SASP). Additional strategic objectives specific to the department will lead to an increase in its capacity and that of the public sector to implement the objectives of SASP.

DPC strives to promote excellence across government by providing leadership in improving government services and responsiveness, facilitating better government accountability in line with community expectations, and investing in the development of a professional public sector.



In October 2004, Indigenous Affairs and Special Projects (IASP) was established as a new division within the department. The division incorporates the group known as the Department for Aboriginal Affairs and Reconciliation (DAARE, from the Department for Families and Communities) and the Anangu Pitjantjatjara Yankunytjatjara (APY) Task Force from within Cabinet Office. The key objective of the new division is to provide the government with a new capacity to drive indigenous issues with an integrated and powerful focus.

Additional changes were made to the departmental structure at the end of the financial year. As at 1 July 2005, an independent Office of Public Employment (formerly the Office for the Commissioner for Public Employment) was established. The new office is headed by the Commissioner for Public Employment and reports directly to the Premier. The Population Policy Unit and Immigration SA are to be transferred to the Department of Trade and Economic Development as from 1 October 2005.

The key highlights from 2004 - 05 and major initiatives of the department for the coming year are detailed within this annual report. In particular, the department will undertake a significant change of direction with the introduction of two new divisions in August 2005. SA Strategic Plan Community Connection will focus on improving the community's understanding of SASP and encouraging the community to participate in achieving the targets and taking ownership of the plan. The division will work closely with the Office of the Executive Committee of Cabinet, which will support the Executive Committee of Cabinet in the implementation of SASP targets across the state government. This change in direction, as well as other major initiatives, will provide many exciting challenges and opportunities for the department and its employees in 2005 - 06.

Portfolio Structure

The portfolio of the Premier and Cabinet consists of a range of agencies, which include core divisions, independent agencies, statutory authorities and administered items. Lines of accountability and reporting for the divisions and agencies are shown in the following chart.

The Premier and Cabinet portfolio consists eight divisions at the core level of the department. These are:

- Arts SA
- Cabinet Office
- Corporate and State Services
- Indigenous Affairs and Special Projects
- Office of the Commissioner for Public Employment
- Public Sector Reform Unit
- Social Inclusion Unit
- Strategic Projects

Independent agencies within the portfolio include:

- Office of the Agent General

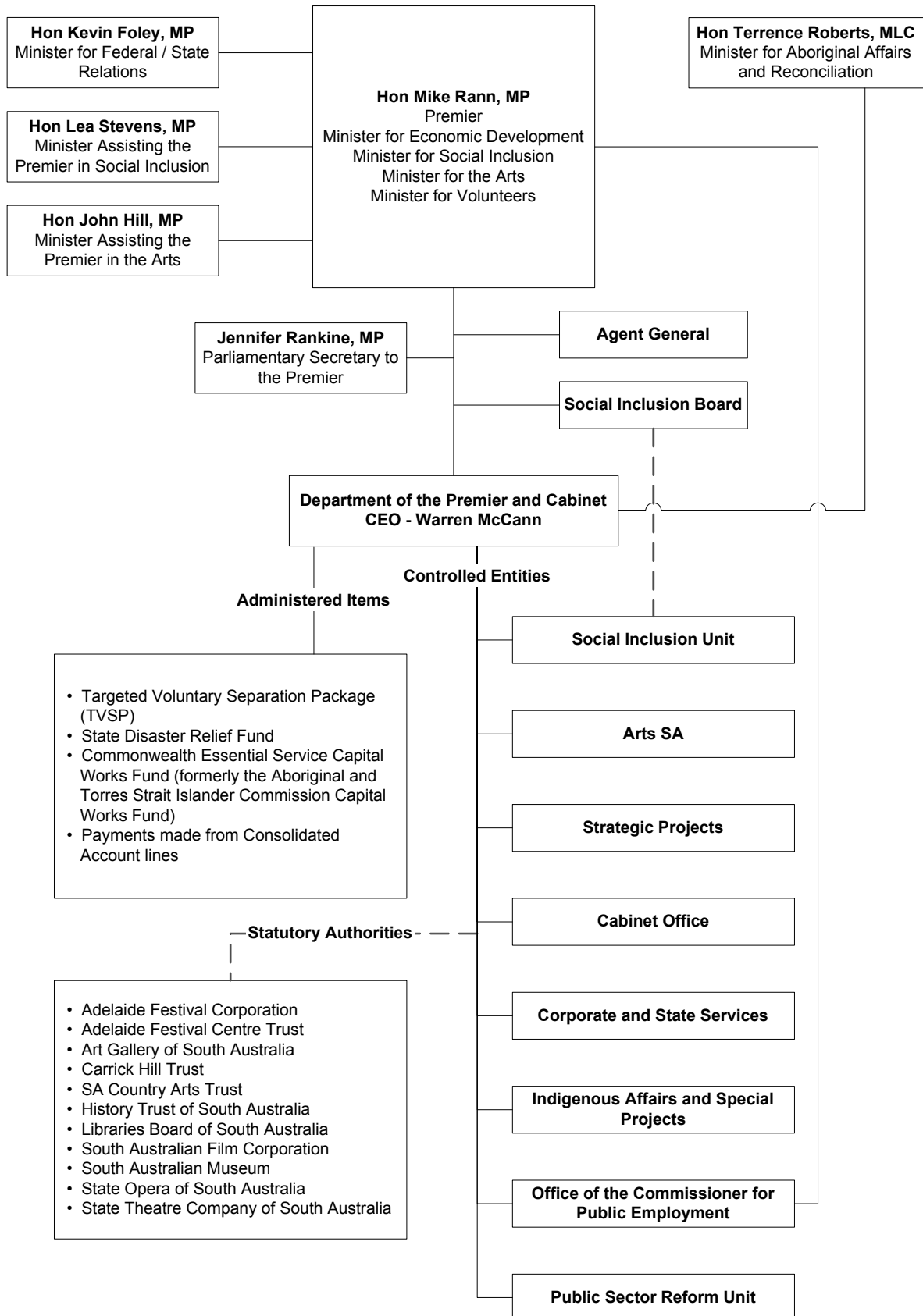
Statutory authorities administered through Arts SA include:

- Adelaide Festival Corporation
- Adelaide Festival Centre Trust
- Art Gallery of South Australia
- Carrick Hill Trust
- SA Country Arts Trust
- History Trust of South Australia
- Libraries Board of South Australia
- South Australian Film Corporation
- South Australian Museum
- State Opera of South Australia
- State Theatre Company of South Australia

Department of the Premier and Cabinet administered items include:

- Targeted Voluntary Separation Package Account
- State Disaster Relief Fund
- Commonwealth Essential Service Capital Works Fund (formerly the Aboriginal and Torres Strait Islander Commission Capital Works Fund)
- Payments made from Consolidated Account lines

**DEPARTMENT OF THE PREMIER AND CABINET
PORTFOLIO CHART**



Portfolio

Legislation administered by the agency

Premier

Agent-General Act 1901
Alice Springs to Darwin Railway Act 1997
Competition Policy Reform (South Australia) Act 1996
Emergency Management Act 2004
Fees Regulation Act 1927
Government Business Enterprises (Competition) Act 1996
Mutual Recognition (South Australia) Act 1993
Public Sector Management Act 1995
Remuneration Act 1990
Trans-Tasman Mutual Recognition (South Australia) Act 1999
Unauthorised Documents Act 1916
Year 2000 Information Disclosure Act 1999

Minister for the Arts

Adelaide Festival Centre Trust Act 1971
Adelaide Festival Corporation Act 1998
Adelaide Festival Theatre Act 1964
Art Gallery Act 1939
Carrick Hill Trust Act 1985
History Trust of South Australia Act 1981
Libraries Act 1982
South Australian Country Arts Trust Act 1992
South Australian Film Corporation Act 1972
South Australian Museum Act 1976
State Opera of South Australia Act 1976
State Theatre Company of South Australia Act 1972

Minister for Volunteers

Volunteers Protection Act 2001

Minister for Aboriginal Affairs and Reconciliation

Aboriginal Heritage Act 1988
Aboriginal Lands Parliamentary Standing Committee Act 2003
Aboriginal Lands Trust Act 1966
Maralinga Tjarutja Land Rights Act 1984
Pitjantjatjara Land Rights Act 1981

Major Boards and Committees (as at 30 June 2005)

Premier

Capital City Committee
Disciplinary Appeals Tribunal
Promotion and Grievance Appeals Tribunal
State Emergency Management Committee
State Emergency Relief Fund Committee
The Playford Memorial Trust

Minister for Social Inclusion

Social Inclusion Board

Minister for the Arts

Adelaide Festival Corporation Board
Adelaide Film Festival Board
Art for Public Places Committee
Art Gallery Board
Disability Information and Resource Centre Board
Emerging Artists Assessment Panel
Established Artists and International Peer Assessment Panel
Festivals, Events and New Commissions Committee
Health Promotion Sponsorships Assessment Panel
Jam Factory Contemporary Craft and Design Board
Organisations Assessment Panel
South Australian Film Corporation
South Australian Museum Board
Tandanya National Aboriginal Cultural Institute Board of Management

Minister for Volunteers

Volunteer Ministerial Advisory Group

Minister for Aboriginal Affairs and Reconciliation

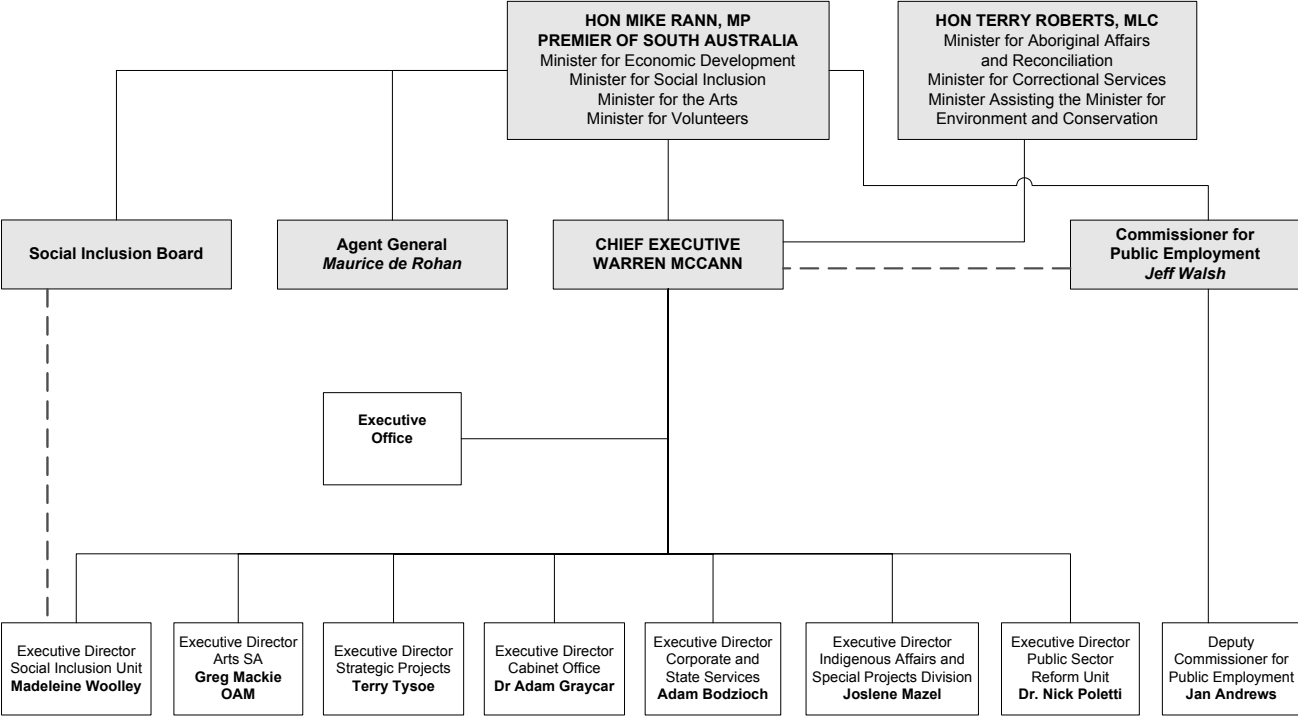
Aboriginal Heritage Committee
Aboriginal Lands Trust

Minister Assisting the Premier in the Arts

Adelaide Festival Centre Trust
Adelaide Symphony Orchestra Board
Australian Children's Performing Arts Company (Windmill Performing Arts)
Carrick Hill Trust
Central Country Arts Board
History Trust of South Australia
Libraries Board of South Australia
Live Music Peer Assessment Panel
Riverland / Mallee Country Arts Board
South Australian Country Arts Trust
South Australian Country Arts Board
South Australian Youth Arts Board
South East Country Arts Board
State Opera of South Australia Board of Management
State Theatre Company of South Australia – Board of Governors
Western Country Arts Board

Organisational Chart

DEPARTMENT OF THE PREMIER AND CABINET ORGANISATIONAL CHART



Strategic Objectives

The Government of South Australia released South Australia's Strategic Plan (SASP) in 2004, which outlines objectives to focus the efforts of all people and businesses of South Australia. The six objectives form the basis of the strategic direction of the Department of the Premier and Cabinet (DPC).

In addition, the department has additional strategic objectives, which will lead to an increase in its capacity and that of the public sector to implement the objectives of SASP and provide and promote excellence in government. Divisional business plans have been aligned with these strategic directions.

Growing Prosperity - Sustained economic growth resulting in rising living standards, with all South Australians sharing in the benefits through more and better job opportunities and accessible, high quality services.

Improving Wellbeing - Further improving our quality of life and the wellbeing of the community and individual citizens. The focus will be on being healthier and fitter, having less crime and feeling safer, and with a particular emphasis on preventative measures, including education programs.

Attaining Sustainability - The most critical environmental issue for South Australia is the River Murray and the state's water supply, which brings home the fact that sustainability is not an option - it is mandatory. South Australia must be world renowned for being clean, green and sustainable. This will boost community wellbeing, safeguard future generations and contribute to our state's prosperity. The focus will be on protecting our biodiversity, securing sustainable water and energy supplies, and minimising waste.

Fostering Creativity - Innovation and creativity provide South Australia's future capital for growth and expansion. The government recognises its role in providing the right environment for these attributes to flourish in sectors ranging from the arts to manufacturing, and its ability to provide a lead for the rest of the community. Our capacity to do things differently will be one of the keys to achieving all of our objectives.

Building Communities - The government has encouraged community participation and helped people of all ages to connect with other community members and contribute to civic life. Its priority is to develop South Australia as a place in which people care for each other and contribute to their communities. This will enhance our peace, pride and prosperity and build 'social capital'. It will also attract new migrants, visitors and investors, who will bring skills, resources and ideas.

Expanding Opportunity - The government's priority is to ensure all South Australians are able to create and use opportunities that build on their talents. Restoring the state's leadership in education is fundamental, with a focus on establishing the foundations in early childhood and building the basic skills in primary school. Strong, healthy democracies are built on inclusive societies where all citizens, irrespective of circumstances, have the means and opportunity to participate in the civic, cultural, social and economic life of their communities.

IMPROVING THE CAPACITY OF THE PUBLIC SECTOR TO IMPLEMENT SOUTH AUSTRALIA'S STRATEGIC PLAN

Leading Policy Implementation - As a lead agency in government, DPC is responsible for developing and coordinating the implementation of policies and policy interventions with other portfolios and third parties to ensure that key strategic objectives and targets are achieved. This is the core business of Cabinet Office.

Facilitating Executive Government - DPC will provide a range of services and advice to facilitate the decision making process of the government. It will provide whole of government leadership for integrated services that better meet the needs of the community, and will provide direct support for specific projects and initiatives on behalf of the Premier and Cabinet.

Leading Public Sector Reform - DPC will lead the reform of the public sector to achieve more collaborative working arrangements, a more professional workforce, a more facilitative culture, clearer roles and accountabilities and improved government management processes.

Improving Systems and Support Services - Within DPC we will also implement highly effective and safe systems and processes to enable staff to achieve their business and career objectives.

Leading Implementation of South Australia's Strategic Plan - DPC will provide increased leadership of the public sector and support the Executive Committee of Cabinet to ensure that whole of government initiatives, particularly those that contribute to achieving the plan's targets, are implemented in a timely and effective manner.

Link to Government Objectives

The following table sets out the major initiatives for the Department of the Premier and Cabinet, which will contribute directly to the achievement of corporate strategic objectives, including the objectives of South Australia's Strategic Plan.

Corporate Strategic Objectives	SASP Target No	Major Corporate Initiatives, Business Critical Activities and Actions
Growing Prosperity	T1.1 T1.8 T1.9 T 1.13	Implement strategies in collaboration with the Adelaide City Council to increase vitality and attractiveness of the city as a destination for visitors, migrants and investment.
	T1.7 T1.8 T1.9	Through implementation of the Population Policy, improve South Australia's migration performance, parents' abilities to balance work and family life, and the skill level within the state.
	T1.10	Develop and implement specific proposals to lift productivity in South Australia.
	T1.12	Work with the Export Council, DFEEST and DTED to develop strategies for exporting the creative and cultural industries and the performing arts.
	T1.12	Facilitate SA Government input to tsunami reconstruction work.
	T1.15 T6.1	Improve administration of the <i>Aboriginal Heritage Act 1988</i> to strengthen the protection and preservation of Aboriginal heritage.
	T1.15	Facilitate mining and processing of mineral resources.
	T1.16	Coordinate a framework for the protection of critical infrastructure in SA.
	T1.18 T1.19	Develop guidelines to improve the capacity to work across government.
	T1.18 T1.19	Develop proposals for further devolution of responsibility to managers across government in areas like financial management, procurement and human resources.
	T1.19	Work with OPE to launch a youth employment strategy and develop flexible retirement options.
	T1.19	Develop a framework to foster innovation and well-judged risk taking across the public sector.
	T1.19	Work with government agencies to realign the customer service behaviour of organisations to a citizen centric focus.

Corporate Strategic Objectives	SASP Target No	Major Corporate Initiatives, Business Critical Activities and Actions
	T1.19	Work closely with OPE to develop a series of programs for enhancing leadership and management capacity of key leaders and managers across government.
	T1.19	Work with the OPE to identify opportunities to streamline and modernise the public sector management framework.
	T1.19	Work with OPE to develop a standard performance management system across government.
Improving Wellbeing	T2.1	Develop and implement initiatives to raise Adelaide's ranking in the Mercer quality of life index.
Attaining Sustainability	T 3.2	Lead (with Energy SA) the implementation of the Government Energy Efficiency Action Plan to reduce energy consumption in government buildings by 25% within 10 years.
	T3.2	Lead (with Office of Sustainability) the greening of the government's own internal operations by implementing the Greening of Government Operations framework approved by Cabinet in June 2003.
	T3.3	Develop balanced, economically sensible policy proposals for greenhouse gas reduction, including through emissions trading, and adaptation to climate change.
	T3.10	Implement a program for Adelaide to be known internationally as a green city by 2010.
Fostering Creativity	T4.1 T4.9 T4.10	Develop and implement policies to lift the level of creative capital in South Australia.
	T4.1 T4.9 T4.10	Manage the Thinkers in Residence Program.
	T4.3	Apply new film investment funding.
	T4.9	Work with DECS to extend the ArtsSmart arts education strategy.
Building Communities	T5.6	Implement the Volunteering Partnership.
	T5.10	Develop a multilateral approach to neighbourhood renewal in the western suburbs.
Expanding Opportunity	T6.1 T1.18	Provide rigorous across government monitoring, evaluation and reporting on the effectiveness of Aboriginal related programs and services targeting measurable improvements in the wellbeing of Aboriginal people and families.

Corporate Strategic Objectives	SASP Target No	Major Corporate Initiatives, Business Critical Activities and Actions
	T6.1	Pursue initiatives to improve the delivery of infrastructure and essential services in Aboriginal communities across the state and ensure existing resources are targeted as effectively as possible.
	T6.1	Provide strategic, whole of government leadership in Indigenous policy development and advice and implementation of services.
	T6.1 T6.2	Pursue initiatives that lead to better integration of services and program responses to Aboriginal communities, and to build capability and capacity in Aboriginal communities.
	T6.1	Develop and implement a detailed action plan for the Social Inclusion Board Aboriginal Health program.
	T6.4	Implement the Social Inclusion Board Homelessness Action Plan.
	T6.12 T6.13	Implement the Social Inclusion Board School Retention Action Plan.
Leading Policy Development and Implementation		Develop contemporary arts and cultural policies for South Australia.
		Implement the findings of the Orchestra's Review 2005 (not including downsizing) as they affect the Adelaide Symphony Orchestra.
		Enhance departmental and whole of government policy development skills.
		Establish and promote a framework for emergency risk management, mitigation and recovery.
		Coordinate whole of government policy and plans in emergency management, critical infrastructure protection, protective security and counter terrorism.
		Coordinate state capabilities in emergency management, protective security and counter terrorism.
		Develop a Social Inclusion Board policy position and detailed action plan to reduce youth offending.
		Implement the Social Inclusion Board Prevention of Self Harm and Suicide Action Plan.
		Monitor and evaluate implementation outcomes from the Economic Development Framework.
		Develop a horizon scanning process to anticipate and prepare for new and long term risks and opportunities for the state.

Corporate Strategic Objectives	SASP Target No	Major Corporate Initiatives, Business Critical Activities and Actions
Facilitating Executive Government		Implement electronic lodgement of Cabinet comments.
Leading Public Sector Reform		<i>Refer to SASP Objective 1 'Growing Prosperity' above</i>
Improving Systems and Support Services		Develop and maintain business continuity plans for business critical DPC activities.
Leading Implementation of South Australia's Strategic Plan		Support Executive Committee of Cabinet and South Australia's Strategic Plan Audit Committees in monitoring movement of indicators in the plan, including developing and refining indicators and targets, and preparing the first biennial public report on progress.
		Expand multilateral approach and improve budget processes generally, to align bids with South Australia's Strategic Plan.
		Develop and implement proposals to get greater buy in and support for South Australia's Strategic Plan from business and the community.
		Review South Australia's Strategic Plan and consider any changes to be addressed in the next version of the plan.

Departmental Highlights

GROWING PROSPERITY

Conducted a feasibility study of Carnegie Mellon University

A Heads of Agreement was signed between Carnegie Mellon University and the South Australian Government following a confidential pre-feasibility study in establishing a new university in Adelaide. Further investigations led to negotiations in establishing a branch campus of Carnegie Mellon University in Adelaide to open in 2006. Through the department's facilitation role, Carnegie Mellon University has obtained approval to operate as a university in South Australia, developed critical relationships with industry and local education bodies, and identified the site for the planned campus.

Public Sector Reform

During the course of 2004 - 05, the department developed strategies to:

- introduce a system for chief executive performance management
- improve performance management across the public sector
- introduce competency based job and person specifications
- make the public sector an employer of choice.

Other reform projects undertaken in 2004 - 05 include:

- championing positive reform initiatives and activity in the public sector by:
 - establishing the Strategic Internal Communications Initiative, which aims to improve communication of government priorities and reform across the sector
 - running a series of presentations entitled 'Building on our Strengths' to demonstrate what is occurring within government and provide examples of how agencies are working collaboratively to deliver better outcomes to South Australians
- sponsoring and running a joint conference and a series of seminars with IPAA Governance on improving knowledge and understanding of how to work across government policy and on improving governance across the sector
- working closely with the Department for Administrative and Information Services (DAIS) on procurement reform and on implementing the *State Procurement Act 2004*
- developing a number of strategies designed to improve government services to citizens and make them more citizen centric
- conducting a review of the way government deals with small to medium enterprises (SMEs), which identified 'single portal' and 'one stop shop' customer service models, and more timely and responsive service as critical to improving government services with SMEs
- conducting a review based on government red tape and impediments to exports, which led to a number of recommendations designed to reduce stock levels and improve the quality of government regulations.

Office for the Commissioner for Public Employment

Through the Office for the Commissioner for Public Employment (OCPE), the department supported the role of the Commissioner for Public Employment, a statutory appointee under the *Public Sector Management Act 1995*.

In March 2004, an independent review of the functions and effectiveness of OCPE was commissioned by the government. The review found that without strategic intervention, the public sector would face a substantial reduction in its capacity and capability to respond to the needs of government.

It is intended that implementation of the recommendations will have a profound positive impact on the culture of the public service, creating a work environment that is innovative, responsive, exciting, challenging and united. The South Australian public service must again become an employer of choice for the best and brightest people.

In accepting the findings and recommendations of the review, the government has made clear the responsibilities and accountabilities for public sector management. The Chief Executive, Department of the Premier and Cabinet, has been charged with responsibility for implementing whole of government policies, while all chief executives are responsible to the Premier for achieving objectives outlined in performance agreements, and managing their employees.

An independent Office of Public Employment (OPE) was established as of 1 July 2005. The new OPE is headed by the Commissioner for Public Employment and reports directly to the Premier. The government believes it is essential that an independent Commissioner is able to promote and uphold important employment principles such as merit, equity and diversity, and champion a strong, robust, values-driven culture for the public sector.

The role of the new OPE will be to take a strategic 'enabling' role in human resource management across the public sector and to assist agencies in meeting the changing demands and challenges of government. Another key role of the OPE will be monitoring and reviewing human resource management, with a focus on continuous improvement and assessing management standards and practices within the public sector.

Increased responsibility of chief executives for human resource management

Following the 2004 review of OCPE, the Commissioner for Public Employment provided extensive human resource management delegations to chief executives. The Commissioner remains responsible for setting the broad strategic framework for public sector employment, but chief executives are now clearly responsible and accountable for managing all their employees.

Under the PSM Act, chief executives of administrative units are responsible to their minister for:

- effectively managing the unit and general conduct of its employees
- attaining performance standards set under their employment contract
- ensuring the observance of the general public sector aims, standards and duties of the PSM Act in their unit
- ensuring the unit contributes to the attainment of the government's overall objectives.

Core to the revitalisation of the public sector and the development and implementation of across government policies is a strong, accountable senior management team of chief executives.

Developed public sector wide workforce strategies

Despite increased responsibilities of chief executives, the OPE plays a vital role in developing and coordinating a range of public sector wide workforce strategies to assist in effective recruitment, deployment, development and separation of public sector employees.

Conducted workforce information collection

In recent years there has been an increased emphasis on the need for quality workforce planning, including supporting systems. As a consequence, the OCPE has implemented workforce information collection initiatives to provide a more comprehensive and accurate basis for workforce planning and development across the sector, including responding to issues such as the ageing workforce and changes in the labour market.

The critical nature of this work was recognised by the review of OCPE, which recommended that the new OPE facilitate whole of government recruitment and retention programs.

Developed Public Sector Workforce Development Plan

Over the next five years the public sector will continue to experience:

- the ageing of its workforce and loss of skills / capacity as older employees exit employment
- a greater influence of work / life issues on working patterns and career development
- more interest by current and prospective employees on working part time and other flexible working arrangements.
- increasing reliance on (external) lateral recruitment at lower, middle and senior levels
- increased competition for new entrants into the labour market and pressures on the retention of skilled employees.

In 2004, the Commissioner for Public Employment reported that more effective workforce planning was needed to ensure the public sector workforce is capable of providing high quality, responsive, value for money services to the community in the short and long term.

The Commissioner for Public Employment has initiated the development of a Public Sector Development Workforce Plan for the next five years to focus on specific initiatives for a stronger, more effective and more responsive public sector. The plan will contribute towards creating a vibrant, effective and diverse workforce, and is expected to:

- develop strategic policies and programs that address current workplace challenges and South Australia's long term needs
- target employment and skills formation opportunities across the South Australian public sector, particularly in regional areas
- expand the range of employment opportunities available for young people, Aboriginal people, people with a disability and older people within the public sector
- develop strategies to enhance training and skill formation opportunities for older employees.

Developed security guidelines for the protection of critical infrastructure

In 2004 - 05 there has been continued activity in assessing and confirming the identification of state critical infrastructure. Briefings have been conducted for all 156 owners and operators of that infrastructure. A range of protection measures have been implemented for state government owned critical infrastructure, including a number of 'security precincts' with cooperative protection arrangements agreed between the various organisations within the precinct.

Established North Terrace Security Coordination Committee

The Government of South Australia recognises the need to safeguard our priceless cultural heritage as well as doing all it can to ensure the safety of the staff and visitors to our major arts and cultural institutions.

The North Terrace Security Coordination Committee comprises members from SA Police, North Terrace arts and cultural institutions, DPC, the University of South Australia and Adelaide University.

The committee was established to improve security and surveillance along the North Terrace precinct. A new security control room is under construction, including the installation of up to date equipment to monitor activity within the precinct. This control room will be staffed 24 hours a day.

Implemented Population Policy initiatives

South Australia's population policy, Prosperity Through People, was released in early 2004. The policy contains 36 initiatives, three of which were completed in 2004 - 05.

Initiatives within the population policy cover activity that extends across the South Australian Government, with many agencies taking responsibility for leading initiatives. As at 30 June 2005, thirty of these initiatives were actively under development. The Population Policy Unit continues to monitor progress of initiatives and produces a quarterly update on progress achieved in implementing the new actions identified in the policy.

As from 1 October 2005, responsibility for Population Policy will be transferred to the Department of Trade and Economic Development.

Protected and preserved Aboriginal heritage

In 2004 - 05, 38 new sites were added to the register of Aboriginal sites and objects. New and improved administrative processes were developed under the *Aboriginal Heritage Act 1988* to support both the protection and preservation of Aboriginal heritage and to achieve economic prosperity for South Australia.

Coordinated hand back of Unnamed Conservation Park

The department coordinated the extensive negotiations between state government agencies and the traditional owners that culminated in the historic hand back of the Unnamed Conservation Park to Maralinga Tjarutja in August 2004. The department contributed to organising the hand over ceremony, which was attended by the Premier. The 21 000 km² park is the largest hand back of land to traditional owners since the Maralinga lands transfer in 1984.

IMPROVING WELLBEING

Implemented Capital City Committee initiatives

The Capital City Committee agreed to work collaboratively on five priority areas for Adelaide, being:

- Working city
- Green city
- Living city
- Inclusive city
- Learning city

The committee identified key issues relating to each priority area, which linked to both SASP and the Adelaide City Council Strategic Management Plan.

A Business Opinion Leaders survey reported that 75% of those surveyed believed the city was undergoing a revitalisation, with more than 90% confirming that the five priority areas should be the priorities for Adelaide. The Capital City Committee also received high recognition of its work.

Stage one of the North Terrace redevelopment has been completed (except for finalising the artwork in front of SA Museum) and a commitment made between the South Australian Government and the Adelaide City Council to undertake the next stage of work.

The Premier and Lord Mayor signed a social sustainability agreement for Adelaide. A new approach to the Capital City Forum was also agreed.

Drugs Summit

The Drugs Summit Initiatives Action Plan continued during 2004 - 05 with 10 initiatives completed during that time. The Social Inclusion Board undertook a first assessment of progress on the drugs summit initiatives in 2004 to fine-tune the ongoing implementation of the \$22 million action plan. The evaluation found that the funding had been a worthy investment, with some initiatives having 'blue chip' investment potential. The initiatives are already delivering substantial results, with some having national significance, including:

- drug strategies in 622 (of 640) Department of Education and Children's Services schools, and progress on strategies for 80 Catholic and 32 independent schools
- 71 clandestine drug laboratories dismantled by SA Police
- trials of treatment options for young amphetamine users, with 233 young people screened for eligibility and 82 enrolled in amphetamine use disorders trials, places SA at the forefront of national research.

The evaluation has highlighted ways in which these initial results can be used to make 'systems level' change that will support the government's longer term goals reflected in SASP.

Action taken to prevent suicide and deliberate self harm

In January 2005, the Social Inclusion Board endorsed the Social Inclusion Suicide Prevention Initiative, Country South Australia. The initiative was based on advice received from the Hon. Lea Stevens MP, Minister for Health and Minister Assisting the Premier in Social Inclusion, and the Ministerial Advisory Council on the Prevention of Suicide and Deliberate Self-Harm. Funding of \$680 000 over 2 years has been provided for the implementation of the initiative.

Collaborative partnerships between local service providers, community organisations and community members are key to developing, implementing and managing initiatives at a local level. Local initiatives include a mix of youth empowerment and participation activities, and up-skilling and training of workers and key community members depending on local priorities.

The Office of Country Health, located in the Department of Health, has been given responsibility for managing the implementation of the Initiative through the seven country health regions. The Social Inclusion Board will continue to monitor the progress of implementation throughout 2005 - 06.

ATTAINING SUSTAINABILITY

Implemented key initiatives to promote and develop Adelaide as a green city

Adelaide is well on the way to international recognition as a green city by 2010. The Adelaide Green City Program, established in partnership with the Adelaide City Council and managed through the department, has supported more than 25 projects in Adelaide. Almost all of these projects were developed in partnership with government, business and the community. Some are key infrastructure and transformational projects while others focus on community development and engagement.

Examples of projects undertaken during 2004 - 05 include:

- Active Adelaide, which aimed to encourage office workers to cycle to work
- the Building Tune-Ups program, which will reduce the energy and water use of 10 central business district office buildings
- Solar North Terrace, which aims to distinguish North Terrace as a centre for solar power in Adelaide, with the first solar powered Parliament House in Australia, as well as the Art Gallery, SA Museum and State Library
- a national competition for Affordable Eco Housing for Whitmore Square
- Adelaide presentation at the International Solar Cities Congress in Daegu, South Korea, joining the international 30+ Network as part of a commitment to long term sustainability.

In recognition of these achievements, Adelaide Green City was short listed for a United Nations (Australia) Green City Award as part of World Environment Day in June, and won the right to host the 2008 International Solar Cities Congress.

Further information is available from www.capcity.adelaide.sa.gov.au/html/projects.html#green.

Continued implementation of energy efficiency measures across government

During 2004 - 05, the department continued to co-chair (with Energy SA) the Energy Efficiency Reference Group, which oversees implementation of the SASP target to reduce energy consumption in government buildings by 25% within 10 years. The management structure, originally established by Cabinet in November 2001, has been acknowledged as a working example of best practice in relation to engaging cross agency cooperation on a whole of government program. By the end of 2003 - 04 most agencies had substantially reduced consumption compared to the 2000 - 01 baseline, suggesting that the target, though challenging, can be achieved.

FOSTERING CREATIVITY

Managed four Thinkers in Residence programs

Four Thinkers visited South Australia during 2004 - 05. These world class thinkers have helped to position South Australia nationally and internationally as an innovative and dynamic community in which to live, work, invest or do business.

The program has attracted 30 partner and sponsor organisations that provide funding to the program to match the government's contribution. The program also attracts capacity audiences at public events.

During 2004 - 05, 37 schools, including early years, primary and secondary schools across metropolitan and country areas, have worked directly with the Thinkers on key projects relating to science, screen media, homelessness, international migration and social inclusion. The program has included participation by district office personnel, specialist sites, governing councils, policy and programs officers and senior executive personnel in the Department of Education and Children's Services.

Dr Maire Smith focused on the commercialisation of bioscience and was instrumental in setting up Australia's first dedicated bioscience business incubator to be constructed by Bio Innovation SA at the Thebarton Bioscience Precinct. The state government has committed \$9 million to the development of the precinct.

Film-maker Peter Wintonick focused on the Adelaide Film Festival and the Australian International Documentary Conference, advising on program development, speakers and key issues. He undertook visits to regional and remote South Australia and worked intensively with disadvantaged groups in Adelaide to develop their skills in new media and documentary. He presented a lecture program to film and media students at two South Australian universities and mentored two young local film makers.

Baroness Professor Susan Greenfield, neuroscientist and science communicator, completed the first of two visits, which has resulted in:

- the Bragg Initiative, which highlights the work of South Australian Nobel Prize winners
- the national Australian Science Media Centre in Adelaide
- a Scientist-Teacher Twinning program partnering scientists and educators
- planning for a series of 'Science Outside the Square' events designed to reignite community enthusiasm for science.

Further information is available from www.science.sa.gov.au.

Rosanne Haggerty from the New York Common Ground organisation made her first visit to Adelaide to look at innovative ways of solving homelessness. Her visit included an extensive fact finding mission, on which she visited homeless people and facilities in both Adelaide and Ceduna. She will return in 2006.

Established the Australian Science Media Centre

Through the Strategic Projects Division, the department facilitated and project managed the formation of the Australian Science Media Centre (Aus SMC), which is a national, independent media centre in Adelaide based on the successful Science Media Centre in the United Kingdom.

The overall goal of the Aus SMC is to increase informed public debate and awareness on scientific issues based on the best information available. The knowledge centre will assist journalists and media commentators with major science news stories by providing accurate information, briefings or interviews with scientists, feature articles, and general science resources.

The department assisted with the incorporation and funding of the centre, found appropriate premises and set up the offices, assisted the inaugural Chair, Mr Peter Yates, and provided an interim CEO and administrative support for the inaugural Board.

Arts SA divisional restructure

The new structure of Arts SA recognises the differing needs of the art makers, the collectors and the presenters, and seeks to build on the considerable skills and dedication of the existing staff and management within the division. The changes were effective 1 July 2005, and achieved within existing operating resources.

A new Strategy, Policy and Initiatives branch, will strengthen Arts SA's capacity for research and analysis, as well as providing a policy link between the 'presenting' organisations, which include the Adelaide Festival Centre Trust, Country Arts SA, SA Film Corporation, SA Youth Arts Board, the Adelaide Festival Corporation and the Adelaide Fringe Inc. It will also oversee funding of initiatives, such as the live music strategy, creative industries strategy, the division's public art program and intergovernmental relations.

Arts Development and Planning branch provides budget planning for Arts SA, oversees funding programs for individual artists and organisations, and provides support to key art making organisations, which include the Adelaide Symphony Orchestra, State Theatre Company of SA, Australian Dance Theatre, State Opera of SA, JamFactory, Australian String Quartet and Leigh Warren and Dancers.

Cultural Heritage and Special Projects oversees 'collecting' organisations, which include the State Library of SA, South Australian Museum, History Trust of SA, Carrick Hill, Artlab and Art Gallery of SA.

The Executive Director's office will assume management oversight of Ministerial Liaison, and Marketing, Communications and Public Affairs.

Report commissioned to assess South Australia's Creative Industries

During 2004 - 05, the department, together with the Department of Trade and Economic Development (DTED) and the Department of Further Education, Employment, Science and Technology, commissioned a report to identify and determine specific strengths within South Australian creative industries.

On this basis, future business development strategies are to be developed in partnership with industry. These will complement two initiatives set in train by DTED in May 2005 to build South Australia's skill base. Sectors founded on screen-based digital technologies, such as special effects and computer games, were identified as offering the greatest growth potential.

The report is to be released at an industry forum in November 2005.

Supported the State Opera of South Australia

The commercial and artistic success of the 2004 production of The Ring generated significant economic benefits for the state as well as extensive worldwide publicity for the State Opera Company and the city of Adelaide. The direct net benefit from expenditure by interstate and overseas visitors, retained expenditure of SA residents and other income received through grants, sponsorships and donations from external sources amounted to \$14.2 million, with an estimated worldwide media exposure value of \$2.3 million.

Supported the South Australian Film Corporation

The film industry is an important contributor to the state's economic and creative wellbeing. In 2004 - 05, the Government of South Australia funded two initiatives to assist and support the industry:

- \$500 000 for film production incentives, such as a rebate to producers for wages paid to all local labour.
- \$250 000 for script development for experienced producer-director-writer teams that already have scripts to the second-draft stage.

The international success of films such as Wolf Creek vindicates the government's investment in the state's film industry.

Hosted the 2005 Adelaide Film Festival and Australian International Documentary Conference

In March 2005, South Australia hosted the Australian International Documentary Conference. The event has been secured for Adelaide in 2007 to run in conjunction with the Adelaide Film Festival. The conference will bring up to 1 000 interstate and overseas delegates and buyers, including commissioning editors and producers from the world's major broadband, pay and cable companies to Adelaide. The Government of South Australia will provide sponsorship of \$150 000 for the 2007 conference.

Supported the ARTSsmart program

ARTSsmart is a strategy for arts education in South Australian schools from early childhood until the completion of schooling. It aims to provide students with direct arts experiences within the school program and to create networks between educators and arts practitioners. ARTSsmart is Australia's first arts education strategy specifically targeted to primary and pre-schoolers. The department has continued to support the ARTSsmart program through 2004 - 05.

Provided support and funding for Indigenous arts development.

The department continues to support and provide funding to Ananguku Arts and Culture Aboriginal Corporation for APY artists in South Australia. APY artists deliver skills development training and workshops to other SA Indigenous artists and arts centres.

Provided extended support to The Big Book Club Inc and secured government funding for The Little Big Book Club Initiative

The department has continued to provide support and funding to this nationally recognised reading initiative, with two thirds of the total funding provided by the department.

A major achievement for the program in 2004 - 05 was the foundation of The Little Big Book Club. Commencing in early 2006, The Little Big Book Club will aim to provide every child born in South Australia with a free reading pack.

As a direct result of The Big Book Club, book clubs have been established across the state, while closer relationships have evolved between public libraries and local booksellers. The Big Book Club has also formed a highly successful partnership with the South Australian media, gaining unprecedented editorial support, which to date has totalled in excess of \$1 million.

BUILDING COMMUNITIES

Developed a multilateral approach to neighbourhood renewal in the north western suburbs

The initiative, which commenced in 2005, is a cross agency and cross sector approach to addressing social and economic problems experienced by residents in the north western suburbs. This region covers the inner western suburbs of Angle Park, Athol Park, Ferryden Park, Mansfield Park and Woodville Gardens and contains five of the six most disadvantaged suburbs in metropolitan Adelaide.

Concerns have been identified regarding drug use, violence, crime, family breakdown and victimisation of families and children. This initiative seeks to improve the quality of life and wellbeing of residents by addressing crime and safety, ensuring better service provisions for multiple need families and building community capacity to manage difficult circumstances.

The Social Inclusion Board has undertaken a leadership role in conjunction with the Department for Families and Communities and other government agencies to promote an integrated and intense focus on neighbourhoods in this region, to ensure information is shared and that every effort is made to coordinate and join up services.

Implemented priority commitments of the Volunteer Partnership between the volunteer sector and state government

The Volunteer Ministerial Advisory Group (VMAG) was established in August 2003 to implement priority commitments of the Volunteer Partnership between the government and the volunteer sector. VMAG provides a direct link and advice to the Minister for Volunteers on issues concerning the volunteer sector.

Key commitments implemented during 2004 - 05 in support of the partnership include:

- reforming small grant programs across government to simplify grant application processes
- introducing free police checks for volunteers working in non government organisations who work with vulnerable groups, such as children, the aged and people with disabilities
- developing the Public Transport Ticketing Program to reduce the cost of peak hour public transport for volunteers of state government hospitals who are current concession or pension holders
- establishing three new Volunteer Resource Centres in regional South Australia (Port Augusta, Naracoorte and Clare) as a joint initiative involving the South Australian Government, the Commonwealth Government Home and Community Care Program and Volunteering SA
- launching the promotional initiative, 'It's a two way thing', involving community service announcements focused on showing young volunteers the benefits they gain through volunteering
- hosting the Annual State Volunteer Congress on International Volunteer Day
- celebrating volunteer efforts in the state through the annual Volunteers Day event for 1 500 volunteers.

These initiatives were designed to help achieve the SASP target of increasing the level of volunteerism to 50% of the state's population.

Coordinated cross government action

Work with state government departments has progressed the government's social inclusion agenda in the areas of school retention, homelessness, drugs and youth offending. Other key policy areas include Indigenous economic development, child protection, justice, education, training and employment.

Policy objectives are being furthered at a national level through the Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA).

Developed and implemented action zones in Aboriginal communities and regions across the state

Action zones identify local Aboriginal needs and foster coordinated service delivery within targeted Aboriginal communities and regions. Current action zones include the west coast of Eyre Peninsula, the Riverland, northern metropolitan Adelaide, Port Augusta and Coober Pedy.

Obtained funding for family violence prevention programs in Indigenous communities

The department was successful in obtaining \$3.9 million in funding from the Commonwealth's Family Violence Partnership Program. This is being used to establish programs to reduce domestic and family violence in Indigenous communities. The programs, which are being co-funded by the state government, range from early intervention and prevention, through to social and health wellbeing for families affected by violence. They will be run over the next three years in Yalata, the Riverland and the northern metropolitan area.

Implemented young offenders program

In 2004 - 05, funding of \$3.5 million over four years was allocated for the continued implementation of the Young Offenders – Breaking the Cycle program. The focus of this work is young people between the ages of 16 and 20 who have offended repeatedly, and for whom the risk of further recidivist behaviour is high.

The department prepared the joined up action plan in consultation with relevant departments. Implementation will commence in August 2005 and will feature an intensive community-based case management program for young repeat offenders.

The department is implementing this work with its stakeholder partners to establish and deliver this model in the north western suburbs.

EXPANDING OPPORTUNITY

Improved school retention rates

The school retention program drives major policy change through programs under the School Retention Action Plan and has already improved school retention rates in South Australia. Implementation of the action plan over the past financial year has seen 5 057 students involved in school retention programs, including 741 Aboriginal young people. Some students are involved in multiple programs.

In particular, 17 Innovative Community Actions Networks (ICANS) programs, designed to keep students connected with learning pathways, were rolled out across four regions. A Year 12 retention program across 57 schools is also supporting 816 Year 12 students who are at risk of not completing the year.

Implemented homelessness programs

The 14 point Homelessness Action Plan was fully operational with all programs moving forward substantially during 2004 - 05. Output targets were established and monitored, including specific targets for outputs and outcomes for Aboriginal people. Results against the action plan are reported to the Inter-Ministerial Committee on Homelessness, which has representation across government.

The SASP target to halve rough sleepers by 2010 has been a strong focus, particularly in developing a Street to Home team in the inner city. Similarly, strong connections with the State Housing Plan have been established to ensure the supply of housing options, suitable for people being resettled from the streets, is a priority. Achievements include:

- 314 households provided with support to prevent eviction and to help them remain in public housing or private rental
- 369 offenders released from jail into accommodation through the ThroughCare program, run by Correctional Services
- 348 homeless people released from emergency departments into appropriate accommodation, where they receive follow up care, with the help of Transfer Liaison Officers located at the Royal Adelaide and Lyell McEwin Hospitals.

Progressed APY Lands Strategic Plan

Progress was made on all six strategic objectives of the APY Lands Strategic Plan:

- **Safety**
 - increased police presence on the Lands
 - commenced upgrade of police facilities
 - established community safety committees in the six major communities
 - established night patrols in four communities
- **Health and welfare services**
 - additional environmental health services
 - disability services in Ernabella and Amata
 - family support workers providing advice and support to young women and children
 - additional visiting mental health services
 - community based recreational programs
 - advanced planning for rehabilitation facility
- **Coordination of government services**
 - established peak Anangu / state and Commonwealth government body
 - senior public servants now based in Marla to manage government health and wellbeing programs
 - employment of joint Commonwealth / state service coordinator
- **Employment, education and training**
 - improvements to TAFE facilities and the mobile multi- trade skills centre
 - employment and training of local Anangu was identified as an important component in all new programs
 - land management program and native bush foods program
- **Infrastructure**
 - airstrip upgrades
 - improved water quality
 - rural transaction centre operations are being trialled in temporary accommodation at Mimili and Amata
 - swimming pools to be constructed
- **Governance**
 - elections for the Anangu Pitjantjatjara Council were held in October 2004
 - the community supported the proposed draft Bill to amend the *Pitjantjatjara Lands Rights Act 1981* to improve governance and land management at a special general meeting of Anangu Pitjantjatjara in June 2005.

The department, through the Indigenous Affairs and Special Projects Division, has been successful in obtaining \$7.2 million in Commonwealth funding to construct swimming pools, provide coordinators to improve service delivery on the APY Lands, and construct a substance misuse rehabilitation facility on the Lands.

Developed a strategy to improve Aboriginal health and wellbeing

An integrated strategy was completed to improve Aboriginal health outcomes through sports, further education and increased employment opportunities. A community engagement framework and a draft action plan were developed, and funding of \$3.2 million over four years was allocated to create a comprehensive approach to develop a Centre for Excellence in Indigenous sports and learning. The South Australian Indigenous Sports and Training Academy (SAISTA) will be located at the Para West Adult Campus.

The new model focuses strongly on the needs of young people and will keep their families and community connected to the program. It will continue to support their achievements in sport, the community, education and employment. Students will be encouraged to reach their academic, community, social and sporting aspirations. The academy will target not only elite sports people, but also students with a passion and commitment in pursuing a career in sport, health and recreation.

Young people will:

- be supported to stay at school or to be engaged in learning longer
- be supported to complete their secondary education
- be supported to access traineeships, further education and employment in the health, sport and recreation field
- learn more about health matters through the curriculum
- be supported by the involvement of the Aboriginal community in the academy
- be able to participate in football, athletics and netball
- be accredited in nationally recognised Study Certificates in sport and recreation and complete their South Australian Certificate of Education
- be supported to pursue a career pathway
- develop a knowledge of health related issues affecting Aboriginal people and improve health in their own lives and the lives of others
- expand their employment and community development skills.

Implemented Indigenous Employment Strategy

SASP outlines a commitment to raise the employment of Aboriginal people in the SA public sector to 2% within the next five years. To support this target, the OCPE continued to implement the SA Public Sector Indigenous Employment Strategy.

In addition, OCPE continued to develop the Cultural Inclusion Framework for the SA Public Sector, which will be issued later in 2005. This framework will assist the public sector to work towards improved service delivery outcomes for South Australia's Aboriginal and Torres Strait Islander population.

Through leadership provided by the new OPE and the Department for Aboriginal Affairs and Reconciliation, agencies across the public sector will continue to develop and implement focused Indigenous employment strategies.

The South Australian Public Sector Workforce Information report indicates that as at 30 June 2004, 930 persons, or 1.07%, of the South Australian public sector workforce were identified as being Aboriginal and / or Torres Strait Islander (ATSI).

Coordinated Aboriginal Economic Development seminar / expo

During Reconciliation Week, the department held a successful Aboriginal economic development seminar in Adelaide on 3 June 2005. The seminar showcased in excess of 20 Aboriginal businesses in South Australia with an audience of 300 people, including more than 100 Aboriginal people from rural and remote Aboriginal communities.

Keynote speakers included Aboriginal enterprise leaders, representatives from Commonwealth, state and local government, and business experts, particularly those working in partnership with Aboriginal people. The key findings and themes from the seminar focus on developing an Aboriginal economic development strategy, which is scheduled for launch in 2005 - 06.

Implemented reforms necessary to improve the delivery of infrastructure to Aboriginal Lands

The department carried out extensive work to establish new management arrangements to operate and maintain water infrastructure and electricity distribution in Aboriginal lands. When implemented, the new arrangements will result in improved service and safety for people living and working in these areas.

The water and effluent reform program improved the management and monitoring of water and effluent infrastructure in Aboriginal lands. Significant achievements of the program include establishing a water laboratory at Marla Bore and quarterly microbiological water sampling and analysis in Aboriginal lands. The three year program was implemented in conjunction with the SA Water Corporation with the support of the Commonwealth Government's Department for Family and Community Services.

Developed and implemented a framework to monitor improved outcomes for Aboriginal people in South Australia

A reporting framework was set in place to monitor progress against the SASP target, Aboriginal Wellbeing. The framework provides government with information to assess the impact of policy and service interventions on the lives of Aboriginal South Australians, and is closely aligned with the Council of Australian Government's Overcoming Indigenous Disadvantage reporting framework.

Led across government reconciliation initiatives

The Across Government Reconciliation Implementation Reference Committee (AGRIRC) has worked with government agencies to promote Indigenous economic development and provided support and financial assistance to South Australia's peak reconciliation organisation, Reconciliation SA.

LEADING POLICY DEVELOPMENT AND IMPLEMENTATION

Supported the introduction of the Emergency Management Act

The *Emergency Management Act 2004* was proclaimed on 23 November 2004. The Act established the State Emergency Management Committee, which has the primary function of providing leadership and maintaining oversight of emergency management activities in the state. Other state arrangements include establishing the role of 'Hazard Leader' organisations to lead planning and preparedness for identified hazards and locally based zone emergency management committees.

Introduced protective security arrangements across government

The department has liaised with the Commonwealth Government and other jurisdictions to develop an inter government agreement on protective security standards, which is presently in draft form. At the same time, work has progressed on the development of a State Protective Security Manual, which will be available for implementation in 2005 - 06.

During 2004 - 05, the department participated in a multi agency project to improve the physical security of South Australian electorate offices. Work included improvements to the design and layout of offices, and the introduction of procedures to minimise disruption to services to the community caused by events such as criminal trespass and damage.

The state's emergency management arrangements were tested during the January Lower Eyre Peninsula Bushfires. The lessons learned from this experience are being integrated with future arrangements including the State Emergency Management Plan.

Implemented Natural Disaster Mitigation Program

2004 - 05 is the second year for the Natural Disaster Mitigation Program, which is administered by the department. During 2004 - 05, South Australia successfully renegotiated its share of the funding pool from the original allocation of \$1.3 million to more than \$1.6 million in Commonwealth grants. The program funded 15 projects (10 of which were local government projects) with a total value of \$5.3 million. The projects are varied and include:

- capital works projects, including flood mitigation works
- a regional pilot to establish rural addresses (standard national system for determining the location of rural properties in South Australia, which benefits local and emergency government, and business service delivery)
- projects to increase local community risk management.

Boards and Committees

The department is responsible for administering the government boards and committees program and providing advice to the Premier, Commissioner for Public Employment, ministers and agencies in the areas of policy, practice and procedure. Work undertaken by the unit in 2004 - 05 included:

- drafting government board and committee remuneration advice on behalf of the Commissioner for Public Employment
- managing the Boards and Committees Information System database, including the provision of gender statistics and upcoming vacancy reports across government
- producing the annual Parliamentary report on board and committee membership and remuneration arrangements
- developing board and committee related policy
- coordinating the government's response to Economic Development Board recommendations relating to boards and committees
- promulgating information on the impact of the government's honesty and accountability reforms on government board members.

City of Adelaide dry area trial

The department continues to have a watching brief on the city of Adelaide dry area trial, which was extended until October 2006. Through the department's efforts, new and augmented service initiatives have been put in place to help address the issues that gave rise to the dry area declaration. These have included:

- additional Aboriginal community constables
- a visiting health service
- a service at the City Watch House for the treatment and referral of intoxicated persons
- a mobile legal service
- improved case management and supported accommodation for homeless people with high and complex needs.

Explored opportunities to improve youth employment

The Social Inclusion Board is currently exploring opportunities with the Department of Further Education, Employment, Science and Technology (DFEEST) to develop a stronger policy direction in the context of DFEEST's recently released Workforce Development Strategy 2010, Youth Engagement Strategy, and South Australia's Skills Action Plan 2005.

LEADING IMPLEMENTATION OF SOUTH AUSTRALIA'S STRATEGIC PLAN

Coordinated implementation of South Australia's Strategic Plan

It is now a requirement across government to align agency business plans with SASP, to cover SASP implementation in annual reports, and demonstrate how proposals in Cabinet submissions support SASP implementation. The department launched a series of forums to promote discussion between agencies on linking the strategic planning process to SASP, and monitored the compliance of Cabinet submissions.

Clarified indicators and reporting arrangements for South Australia's Strategic Plan

The department serviced the independent Implementation and Audit Committees established by Cabinet to monitor progress towards SASP targets. Quarterly reports on the SASP targets, emerging issues and achievements by agencies in implementing the plan were presented to both committees.

The division also assisted the committees in resolving issues around individual targets, including:

- clarifying base data
- interpreting and defining indicators
- availability and robustness of data
- timeliness of data.

Coordinated remaining actions from the Economic Development Framework and integrated with reporting on SASP

The department coordinated a review of the implementation of the Economic Development Framework (EDF). The Economic Development Board issued the review publicly in April 2005 on the second anniversary of the EDF launch. The review found the framework had been fully implemented in some areas, absorbed into SASP in others, and in some cases integrated with the ongoing business of agencies.

Following the review, the department designed a new monitoring and reporting system that provides more in depth and outcome oriented reports based on key recommendations. The new system is of particular importance where progress is not being monitored through the reporting process for SASP. Implementation is now underway following endorsement by the Economic Development Board.

FACILITATION OF EXECUTIVE GOVERNMENT

Established regular reporting and information exchange on federal / state developments for Cabinet and Senior Management Council

During 2004 - 05, the department, through the Cabinet Office, actively developed cross government networks aimed at sharing information on intergovernmental matters. Cabinet Office provided periodic briefings to Cabinet on key intergovernmental issues, and maintained a network of intergovernmental contact officers across all agencies.

Cabinet Office used this network to ensure government actions were coordinated on submissions to:

- Productivity Commission inquiries
- Commonwealth parliamentary inquiries
- Foreign Investment Review Board assessments
- Commonwealth Government treaty making
- United Nations reports.

Cabinet Office has also provided regular briefings to chief executives as required on intergovernmental activity affecting individual agencies.

Established process of enhancing policy skills development, both within the department and across government

Cabinet Office established an internal knowledge development program, holding fortnightly presentations / forums for all departmental staff on current and emerging issues for government.

A series of knowledge development clusters are also underway. The clusters bring together 12 policy officers from across government to consider issues such as federal / state relations, the ageing population and building communities.

Organised and supported eight Community Cabinet meetings

The government held eight Community Cabinet meetings in 2004 - 05, four in the metropolitan area and four in regional areas across the state. These wide spread meetings allow ministers to work with the local communities and receive first hand feedback about issues, problems and challenges that affect them. Organisations and businesses have the opportunity to speak directly to the minister and discuss concerns they may have.

Coordinated the International Youth Leadership Event

The South Australian Government, in partnership with United Nations Educational, Scientific and Cultural Organisation (UNESCO), staged the International Youth Leadership Event in Adelaide in March 2005. Under the theme, 'Young People taking the Lead in Social Change', the conference brought together a diverse mix of 284 young people from across the world (aged 18 - 25 years) in a dynamic and engaging environment to exchange ideas, share experiences, and talk about social, economic and environmental issues.

Speakers included 31 presenters from around the world, who shared their experiences and detail on how they have led social change in their communities. In addition to the individual plans for action developed by the delegates, the momentum and energy generated through the event became the catalyst for a number of other collaborative initiatives and projects involving both presenters and delegates.

Participated in the Palmer Inquiry

The department coordinated the government's participation in the Palmer inquiry into the detention of Ms Cornelia Rau. Mr Palmer interviewed five South Australian Government officers and the government provided a written submission that outlined ways to improve the provision of mental health services for detainees held at the Baxter Immigration Detention facility. These suggestions were taken up by the inquiry.

Negotiated projects to support asylum seekers

The department continues to be the lead agency for asylum seeker and detention centre issues involving the Commonwealth. It has regular meetings with the Commonwealth Department of Immigration and Multicultural and Indigenous Affairs, and the Port Augusta City Council in relation to the Baxter detention facility and chairs a cross government asylum seeker advisory group.

Negotiations led by the department were instrumental in the Commonwealth agreeing to establish the Residential Housing Project in Port Augusta for women and children from the Baxter facility and in gaining permission for asylum seeker children to attend government schools in Port Augusta.

Master Media Agency contract

The Government of South Australia gains considerable benefit from having a master media agency undertake media planning, buying, rate negotiation, and management services for all government advertising campaigns.

The contract includes:

- discounted media rates negotiated on the combined spend of all government advertisers
- media commissions rebated back to individual advertisers with each booking
- value adds such as bonus and community service time
- placement and preferential timing advantages.

Other benefits include expert media advice, ensuring improved advertising effectiveness, access to research data and the capacity to better manage and report on government advertising from a whole of government perspective.

The department is responsible for administering the State Supply Board contract for the provision of master media agency services, including the day to day management of the contract, involvement in annual media rate negotiations, contract performance management and assessment of third party access to master media services.

The existing Master Media Agency contract expired on 30 June 2005. Throughout 2004 - 05, the department has assisted the process of awarding a new contract through representation on the Master Media Steering Committee, and providing specialist advertising industry advice.

The new Master Media Agency contract commenced on 1 July 2005 for a period of three years and was awarded to Starcom Worldwide.

Strategic Communications Unit

The department, through the Strategic Communications Unit (SCU), is responsible for facilitating and improving the quality, value and effectiveness of the South Australian Government's external communications.

Key to this is the facilitation of the Cabinet Communications Committee process, including reviewing government marketing communications campaigns for strategic consistency with SASP. In 2004 - 05, the Cabinet Communications Committee received 138 submissions.

The unit also provides advice to government agencies to maximise advertising effectiveness and assists in developing communications strategies, cabinet submissions, creative briefs, the procurement of suppliers and evaluation of campaign materials.

In addition, the SCU develops and implements government policies in relation to advertising and communication. This includes the Common Branding policy currently being implemented by the unit on behalf of the Premier. This policy seeks to ensure a consistent and professional image of the government and to enable all levels of the community to recognise Government of South Australia activities, information and services.

Throughout the year, the SCU project manages whole of government and state promotional activities, including the 'Master Builders Association (MBA) Building Ideas' and 'Feeling Good' television programs, the MBA Home and Improvement Expo, sponsorship of SA Great and Skyshow 2005, and advertising campaigns under the direction of the Premier's Office such as the State Budget and Safe Beaches campaigns.

Requests made under the Freedom of Information Act

The Freedom of Information Act encourages the prompt and efficient handover of all relevant documentation to a Freedom of Information (FOI) request, provided the disclosed information does not infringe on the individual right to privacy, and is not restricted or exempt material. The department fully supports the objectives and spirit of the Act and is active in its endeavours to continually improve records management practices.

During 2004 - 05 the department received 51 enquiries in accordance with the Act. 31 enquiries resulted in applications being processed by the department within the prescribed 30 day period. Of these, one was transferred to the Department for Environment and Heritage and one to Minister Hill. Twelve were not completed during this time frame due to a number of factors, including extensive and lengthy consultation requirements, the volume of documents requiring processing, and / or the complexity of the requests. The remaining eight were due for completion in July 2005 and a further three were completed from the previous year. The majority of (FOI) applications are received from the media and Members of Parliament.

Premier's Correspondence Unit

The Premier's Correspondence Unit provides a secure and confidential records management service for the Premier and the Parliamentary Secretary to the Premier, while adhering to Freedom of Information, archival and records processing requirements.

During the last financial year, various other tasks were completed such as the archiving of correspondence received from 1996 to 1999 and the review of the Correspondence Unit Records Management Manual. In addition, the current records management processes and procedures were reassessed and revised where necessary.

All correspondence addressed to the Premier and Parliamentary Secretary to the Premier is processed on the day it is received. From 1 July 2004 to 30 June 2005 inclusive, a total of 12 165 correspondence items were processed.

Premier's Community Initiatives Fund

During 2004 - 05, the Premier's Community Initiatives Fund was available to provide grants of up to \$5 000 to non profit charitable South Australian organisations offering services and support to excluded, disabled or socially isolated members of the community, enabling these organisations to undertake a one-off project.

During 2004 - 05, 43 organisations were provided with grant funding.

During 2005, the department implemented a number of new initiatives, including conducting workshops with grant applicants to assist in the application process and holding quarterly meetings with successful applicants to assist with the acquittal of funds.

Protocol Unit

The Protocol Unit provides management and advice on visits, functions, events, dignity protection and honours and awards to the Premier, Cabinet, Chief Executive, government agencies, private sector and general public. Key activities undertaken during 2004 - 05 include:

- managing and coordinating the South Australia Suite Trackside and the State Dinner for the Clipsal 500
- assisting the Catholic Archdiocese of Adelaide with the planning and organisation of the memorial service of Pope John Paul II at the Adelaide Oval
- managing and coordinating the Tsunami Concert in Elder Park
- planning and coordinating the Anzac Day and 60th anniversary of Victory in Europe celebrations
- coordinating the Port Adelaide AFL Premiership parade and reception
- coordinating the Premier's overseas travel to Canada, USA, UK and Europe
- coordinating the South Australian activities for the 2005 Australia Week in Los Angeles
- assisting with the identification of routes throughout South Australia for the Queen's Baton Relay, which will run through the state prior to the Melbourne 2006 Commonwealth Games
- managing and coordinating the Premier's Eyre Peninsular Bushfire Appeal reception and auction
- managing and coordinating the Premier's NAIDOC reception
- assisting with various Chinese delegations as part of South Australia's sister state relationship with Shandong Province.

Supported redeployment of excess employees

Most non executive ongoing public sector employees are covered by an industrially negotiated no redundancy policy. Employees can still be terminated for unsatisfactory performance or disciplinary matters, but if their current positions are no longer required, they are found alternative work elsewhere in the public sector through redeployment processes.

In conjunction with an across government savings initiative under the auspices of the Senior Management Council (portfolio chief executives), the department, through the Office for the Commissioner for Public Employment, increased its support to agency based redeployment during 2004 - 05 by introducing the following key initiatives:

- Employees identified as being excess to OCPE were registered and provided with appropriate skills, while work assessments were regularly monitored by OCPE.
- OCPE monitored the filling and advertising of public sector vacancies with regard to the availability of excess employees.
- Agencies requiring the use of external labour hire resources beyond one month were required to consider their own excess employees, followed by those in other agencies before engaging such resources. Labour hire was monitored and reported to Senior Management Council.

At 30 June 2005, the Commissioner for Public Employment had been notified by chief executives that 363 public sector employees remained excess to requirements. This is a decrease of 23.6 % (112 employees) since June 2004, and a significant decrease of 56.6% (473 employees) since June 2002.

Of the 363 excess employees, 215 were undertaking short term roles, 86 were placed in a long term role, while a further 62 were on leave, undergoing retraining, awaiting placement or incapacitated.

47.1% of the excess employees had been excess for a period greater than two years. 22.3% of all excess employees had been excess for a period of less than one year. Excess employees made up approximately 0.4% of the total public sector workforce.

The new Office of Public Employment will be working closely with agencies during the coming year to develop and implement a new approach to management and deployment of excess employees, which reflects the increased responsibilities of chief executives following the review of OCPE.

Voluntary Separation Package Schemes

Since 1990, targeted voluntary separation package schemes (TVSPs) have been used by successive governments to facilitate the separation of public sector employees affected by budget reductions, outsourcing, asset sales, and public sector reskilling and restructuring initiatives.

No TVSP schemes operated during the 2004 - 05 financial year. The expenditure incurred reflects the closure of the 2003 – 04 scheme.

No provision has been made for TVSPs in the 2005 - 06 budget.

Managed the Unattached Unit

During 2004 - 05 the Commissioner for Public Employment continued to manage an Unattached Unit for a small number of executives and senior managers no longer required in their previous positions. These employees were provided with career transition assistance and undertook needed projects and placements that would also assist them in moving to a new role in the public sector.

Given decreasing numbers in recent years and the reinforced responsibility of chief executives to manage excess employees, the Unattached Unit was abolished and the nine remaining employees transferred to the new Office of Public Employment from 1 July 2005.

Managed external vacancies

The South Australian community expects that the public sector is innovative and responsive to changing needs. The government believes that a contemporary public sector workforce needs more direct access to key skills to meet these requirements.

External advertising of public sector positions increases opportunities for all South Australians to seek public employment. It also increases the confidence of existing employees to go out and seek wider experience in the knowledge that a return path exists.

In April 2004, a government policy was adopted to advertise all executive level positions in the external media, ensuring the best possible candidates are recruited for each role. Since April 2005, this advertising policy has been extended to all PSM Act vacancies longer than 12 months in duration, at ASO6 and equivalent levels and above.

Implementation of the policy will be monitored although reports have already shown a significant impact on the number of vacancies advertised externally. During 2004 - 05, 3 441 vacancies were advertised externally, compared with 2 469 in the previous financial year, representing a 39.4% increase.

Significant opportunities for employment in the public sector were also made available through public sector wide programs such as:

- Public Sector Graduate Recruitment Program
- Government Youth Traineeship Program
- Trainee Employment Register
- Aboriginal Employment Register
- Disability Employment Register
- Public Service Scholarships and Paid Work Placements for Tertiary Students
- Youth Cadetship Program
- National Indigenous Cadetship Program
- Government Apprenticeship Scheme

Completed workforce development Program

During the review of OCPE, the department continued to perform workforce development program activities, including:

- development for leaders and managers
- capability development in human resource management
- competency frameworks
- formal 360 degree feedback
- assessment and development centres
- accredited programs
- informal networking forums for senior leaders to address whole of government issues at three executive summits
- recruitment of 217 graduates, 209 of whom participated in the graduate development program
- Public Sector Human Resources Conference
- Commissioner's Awards for HR Achievement.

New projects included:

- the review of the Public Services Training Package
- the Aboriginal Consultancy Project, which is a Social Inclusion initiative
- a mobility program for executives
- the recruitment initiative for the Department for Families and Communities
- the revision of the Code of Conduct.

The Code of Conduct for Public Sector Employees was rewritten to account for changes in the Honesty and Accountability legislation. The new Code of Conduct has been reissued and a copy distributed to every employee.

The inaugural Public Sector Mobility Program was run for staff in the executive and MAS-3 range. Eight senior staff were placed in positions for six months in other portfolios. They also participated in parallel leadership development, including assessment against the SA Public Sector Executive Leadership Competencies, personal coaching, and professional development sessions with speakers on each of the key executive competencies. Feedback and evaluation was used to design a second mobility program to be run for senior managers in the next financial year.

The department also hosted the Aboriginal Consultancy Project, a Social Inclusion funded initiative to improve access to services for Aboriginal people, and improve integration in the delivery of these services. Major outcomes resulting from the project include a consultancy report with service recommendations, and a self assessment package for agencies to evaluate their cultural inclusiveness and to use this information to build improvement.

These programs were completed despite the significant amount of time devoted to responding to the review of the OCPE.

Financial Overview

The tables provided in this section set out a summary of the actual results for the 2004 - 05 financial year compared to the original budget that was released in May 2004 as part of the State Budget. The detailed financial statements reflecting actual results for 2004 - 05 are presented later in the report.

Details of underlying variations are included in the commentary provided.

As provided in the table below, the department's net result after restructuring was a deficit of \$21.8 million, which was \$2.5 million higher than the budgeted deficit of \$19.3 million.

Operating expenses were \$20.1 million higher than anticipated. This was due primarily to the transfer of the Department for Aboriginal Affairs and Reconciliation (DAARE) from the Department for Families and Communities to DPC, effective 14 October 2004, and an increase in grants and payments made to Arts agencies and security and emergency initiatives.

Operating revenues were \$6.2 million higher than anticipated. The variance was due primarily to the funding transferred from the Department for Families and Communities as a result of restructuring and from the receipt of some Commonwealth grants in advance in relation to 2004 - 05 expenditure.

Net revenues from Government were \$2.7 million lower than anticipated. This was due primarily to the higher than expected payments to Government for DAARE.

	Budget 2004 - 05 \$0 000	Actual 2004 - 05 \$0 000	Actual 2003 - 04 \$0 000
Operating expenses	142 994	163 107	142 462
Operating revenues	6 793	13 021	13 235
Net cost of services	163 201	150 086	129 227
Net revenues from Government	116 938	114 217	130 479
Increase in net assets resulting from operations before restructuring	(19 263)	(35 869)	1 252
Net revenues from restructuring	-	10 291	630
Increase in Asset Revaluation Reserve	-	3 763	-
Net result after restructuring	(19 263)	(21 815)	1 882

	Budget 2004 - 05 \$0 000	Actual 2004 - 05 \$0 000	Actual 2003 - 04 \$0 000
Current assets	13 050	15 520	37 418
Non-current assets	20 432	23 548	21 026
Total assets	33 482	39 068	58 444
Current liabilities	5 667	8 161	6 955
Non-current liabilities	6 061	5 932	4 699
Total liabilities	11 728	14 093	11 654
Net assets	21 754	24 975	46 790

Current assets were \$2.5 million higher than forecast, which was due to higher than expected cash balances as a net result after restructuring. Non current assets were \$3.1 million higher than forecast, which was due primarily to restructuring and a higher than expected increase in the value of land and buildings after revaluation.

Current liabilities, which include payables and provisions for employee entitlements, were \$2.5 million higher than budgeted due to restructuring and year-end accruals.

The higher than expected equity position reflects the combination of the variances listed above in relation to assets and liabilities.

	Budget 2004 - 05 \$0 000	Actual 2004 - 05 \$0 000	Actual 2003 - 04 \$0 000
<i>Cash flows from operating activities</i>			
Payments	(159 027)	(168 008)	(146 440)
Receipts	7 091	22 767	19 198
Cash flows from Government	134 236	114 217	130 479
Net Cash Provided by operating activities	(17 700)	(31 024)	3 237
<i>Cash flows from investing activities</i>			
Payments	(110)	(308)	(838)
Receipts	-	-	-
Net cash used in investing activities	(110)	(308)	(838)
Net cash flow from financing activities	-	9 947	552
Net increase in cash held	(17 810)	(21 385)	2 991
Cash at the beginning of the financial year	28 291	34 703	31 712
Cash at the end of the financial year	10 481	13 318	34 703

The variances in relation to cash flows from operating activities reflect the variances described above in relation to operating expenses and revenues.

Cash flows from investing activities relate primarily to asset purchases. The higher than expected payments reflect purchases in property, plant and equipment across the department.

Cash flows from financing activities relate primarily to cash inflows as a result of restructuring.

Trends

This section contains an analysis of financial trends over the last three years. Data is included for full years of operation. Please note that prior to 1 April 2002 Arts SA was not part of the Department of the Premier and Cabinet (DPC).

The net cost of services has fluctuated over the last three years due to departmental restructuring. In particular, in 2004-05 the Department of Aboriginal Affairs and Reconciliation was transferred into the department, but in 2003-04 Public Sector Workforce Relations was transferred to the Department for Administrative and Information Services, and in 2002-03 the Office for Multicultural and Ethnic Affairs was transferred to the Justice Portfolio.

Net assets reduced during 2004-05 due to the return of excess cash balances to consolidated accounts in accordance with the SA Government's Cash Alignment Policy.

	2004 - 05 \$ 0 000	2003 - 04 \$ 0 000	2002 - 03 \$ 0 000
Summary of financial performance			
Net cost of services	150 086	129 227	150 346
Decrease in net assets	(21 815)	1 882	(4 939)
Net assets	24 975	46 790	44 908
Cash balance	13 318	34 703	31 712
Key performance indicators			
Average employee cost	81	83	80
Average net cost of services per employee	378	395	432
Current asset / current liabilities ratio	1.9	5.3	6.2
% of creditors paid within 30 days	89%	88%	90%
% consultants of operating expenses	0.6%	0.2%	0.2%

Restructuring

Indigenous Affairs and Special Projects (IASP) was established as a new division within the department in October 2004. The division incorporates the group known as the Department for Aboriginal Affairs and Reconciliation (DAARE, from the Department for Families and Communities) and the Anangu Pitjantjatjara Yankunytjatjara (APY) Task Force from within Cabinet Office. The key objective of the new division is to provide the government with a new capacity to drive Indigenous issues with an integrated and powerful focus.

Change in Accounting Policy

During 2004 - 05, the department continued preparing for the adoption of Australian Equivalents to International Financial Reporting Standards. A summary of the changes is provided below.

Australia will be adopting the Australian Equivalents to International Financial Reporting Standards (AIFRS) for reporting periods commencing on or after 1 January 2005. The department will adopt these standards for the first time in the published financial report for the financial year ended 30 June 2006.

In accordance with requirements of AASB 1047 Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards, an assessment has been made of any known or reliably estimated information about the impacts on the financial report had it been prepared using AIFRS.

In accordance with AASB 119 Employee Benefits, the department will adjust employee benefits payable later than 12 months (currently measured at nominal amounts) to present value. This standard will have some impact on the financial statements, although it is expected that the impact will not be significant.

Accounts Payable

All agencies are required to report monthly on the number and value of creditor's accounts paid and the extent to which the accounts have been paid in accordance with the Treasurer's Instruction 11. This instruction requires all undisputed accounts to be paid within 30 days of the receipt of the invoice or claim unless a specific due date applies.

The following table reports the department's payment performance for 2004 - 05

DEPARTMENT OF THE PREMIER AND CABINET ACCOUNT PAYMENT PERFORMANCE 2004 - 05

Particulars	Number of Accounts Paid	Percentage of Accounts Paid (by number)	Value in \$A of Accounts Paid	Percentage of Accounts Paid (by value)
Paid by due date*	13 852	89%	\$107 013 540	89%
Paid late but paid within 30 days of due date	1 314	8%	\$10 406 950	9%
Paid more than 30 days from due date	453	3%	\$2 121 152	2%
Total accounts paid	15 619	100%	\$119 541 642	100%

* The Due Date is defined as per section 11.2 of Treasurer's Instruction 11. Unless there is a discount or written agreement between the public authority and the creditors, payment should be within 30 days of the date of the invoice of claim.

The above table highlights that the department was able to pay 89% of all invoices by the specified due date. The remaining 11% of invoices reflect both disputed accounts and late payment of undisputed accounts. The acceptable best practice benchmark is to pay 90% of accounts within 30 days. Current performance is slightly below this benchmark, but slightly above the 2003 - 04 result of 88%.

Contractual Arrangements

The department did not enter into any contractual arrangements with the private sector for the delivery of public services or the provision of public infrastructure where the total value of the contract exceeded \$4 million.

Fraud

The department is committed to maintaining a working environment free of fraud and corrupt behaviour. A formal policy has been developed to document the process to be followed in the event that fraud or corruption is suspected or detected. The department offers protection to genuine whistleblowers to enable disclosure of illegal activities or corruption to be made. During the 2004-05 financial year there were no reported instances of fraud or corrupt behaviour.

Workplace Statistics

Details of employment in the Department of the Premier and Cabinet as at 30 June 2005 are provided in the tables below:

Persons	731
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FTEs	665.8
-------------	-------

Gender	% Persons	%FTEs
Male	35.7	37.4
Female	64.3	62.6

Number of persons separated from the agency during the 04 / 05 financial year	147
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Number of persons recruited to the agency during the 04 / 05 financial year	122
--	-----

Number of persons on leave without pay at 30 June 2005	26
---	----

NUMBER OF EMPLOYEES BY SALARY BRACKET			
Salary Bracket	Male	Female	Total
\$0 - \$38 599	55	141	196
\$38 600 - \$49 999	57	147	204
\$50 000 - \$65 999	65	91	156
\$66 000 - \$85 999	51	69	120
\$86 000 +	33	22	55
TOTAL	261	470	731

STATUS OF EMPLOYEES IN CURRENT POSITION					
	FTEs				
	Ongoing	Short-term Contract	Long-term Contract	Other (casual)	Total
Male	179.9	33.1	35.0	0.7	248.7
Female	314.7	64.8	30.1	7.5	417.1
TOTAL	494.6	97.9	65.1	8.2	665.8
	Persons				
	Ongoing	Short-term Contract	Long-term Contract	Other (casual)	Total
Male	183	36	37	5	261
Female	341	69	31	29	470
TOTAL	524	105	68	34	731

NUMBER OF EXECUTIVES BY STATUS IN CURRENT POSITION, GENDER AND CLASSIFICATION									
Classification	Ongoing		Contract Tenured		Contract Untenured		Total		
	Male	Female	Male	Female	Male	Female	Male	Female	Total
Agent General	0	0	0	0	1	0	1	0	1
Commissioner	0	0	0	0	1	0	1	0	1
EL 1	2	0	0	0	0	0	2	0	2
EX A	0	0	5	7	7	3	12	10	22
EX B	0	0	2	4	3	1	5	5	10
EX C	0	0	2	3	4	1	6	4	10
EX F	0	0	0	0	1	0	1	0	1
Total	2	0	9	14	17	5	28	19	47

AVERAGE DAYS LEAVE TAKEN PER FULL TIME EQUIVALENT EMPLOYEE				
Leave Type	2004 - 2005	2003 - 2004	2002 - 2003	2001 - 2002
Sick Leave Taken	6.55	6.40	6.60	3.70
Family Carer's Leave Taken	0.49	0.43	n/a	0.20
Special Leave with Pay	1.56	0.47	n/a	n/a

Workplace Diversity

NUMBER OF EMPLOYEES BY AGE BRACKET BY GENDER					
Age Bracket	Male	Female	Total	% of Total	South Australian Workforce Benchmark Average*
15 - 19	0	5	5	0.7	7.4
20 - 24	9	25	34	4.7	11.3
25 - 29	16	60	76	10.4	10.0
30 - 34	25	52	77	10.5	10.7
35 - 39	31	49	80	10.9	11.1
40 - 44	40	51	91	12.4	12.2
45 - 49	36	85	121	16.6	12.3
50 - 54	52	77	129	17.6	11.3
55 - 59	36	55	91	12.5	8.1
60 - 64	11	8	19	2.6	4.0
65 +	5	3	8	1.1	1.6
TOTAL	261	470	731	100	100

*Benchmark as at February 2005 from ABS Supertable LM8

Note: Provision of the information reported in the following three tables is voluntary, therefore the figures provided may not completely reflect the diversity represented in our workforce.

NUMBER OF ABORIGINAL AND / OR TORRES STRAIT ISLANDER EMPLOYEES					
	Male	Female	Total	% of Agency	Target*
Aboriginal / Torres Strait Islander people	4	5	9	1.23	2.0%

* Target from South Australia's Strategic Plan

CULTURAL AND LINGUISTIC DIVERSITY					
	Male	Female	Total	% of Agency	SA Community*
Number of employees born overseas	34	59	93	12.7	20.3%
Number of employees who speak language(s) other than English at home	n/a	n/a	n/a	n/a	15.5%

* Benchmark from ABS Publication Basic Community Profile (SA) Cat No. 2001.0

NUMBER OF EMPLOYEES WITH ONGOING DISABILITIES REQUIRING WORKPLACE ADAPTATION				
	Male	Female	Total	% of Agency
TOTAL	6	13	19	2.6

Voluntary Flexible Working Arrangements

NUMBER OF EMPLOYEES USING VOLUNTARY FLEXIBLE WORKING ARRANGEMENTS BY GENDER			
	Male	Female	Total
Purchased Leave	0	5	5
Flexitime	198	368	566
Compressed Weeks	6	5	11
Part-time Job Share	10	33	43
Working from Home	5	10	15

Training and Development

DOCUMENTED INDIVIDUAL DEVELOPMENT PLAN			
	% with a plan negotiated within the past 12 months	% with a plan older than 12 months	% no plan
TOTAL	26%	n/a	n/a

DOCUMENTED INDIVIDUAL PERFORMANCE REVIEW			
	% with a review conducted within the past 12 months	% with a review older than 12 months	% no plan
TOTAL	40%	44%	n/a

TRAINING EXPENDITURE AS A PERCENTAGE OF TOTAL REMUNERATION EXPENDITURE BY SALARY BANDS			
	Target 2004 - 2005	Actual 2004 - 2005	Target 2005 - 2006
TOTAL	3%	1.5%	3%

Equal Opportunity Employment

As an equal employment opportunity employer, the Department of the Premier and Cabinet is committed to employing on merit regardless of race, gender, sexuality, marital status, age, pregnancy or physical or intellectual impairment for all positions within the organisation. This is supported by the department's workforce profile.

During 2004 - 05, the department actively participated in public sector programs to increase employment of trainees and Indigenous employees. In addition, the department established and trained a network of equal opportunity contact officers, who are available to provide support and advice to employees.

Occupational Health, Safety and Welfare

For the purpose of this Annual Report, occupational health, safety, and welfare has been reported in two sections – DPC and Arts SA. At present the two sections have differing areas of responsibility necessitating separate reporting for this financial year.

DPC OHS&W Management

The DPC Occupational Health Safety & Welfare (OHS&W) management system has continued to be revised this year, and the system framework approved by the OHS&W Committee and DPC Senior Management Group.

In addition, DPC has developed an action plan relating to the Workplace Safety in the Public Sector Implementation Plan, which was endorsed by Cabinet in March 2004. Progress against this plan has been reported to the Premier, via Ministerial Checklist, and to the Department for Administrative and Information Services (DAIS).

Key achievements

- Security system at State Administration Centre upgraded to achieve optimal level of security for all staff.
- Divisions prepared local Safety Management Action Plans, which included performance indicators.
- New Communication and Consultation policy developed and endorsed.
- New OHS&W Responsibilities policy developed and endorsed.
- New Hazard Management policy developed and endorsed.
- Divisions demonstrating the ability to identify potential hazards and risks within the worksite and for those employees who are required to undertake work in the community.
- New workplace inspection form developed, endorsed and now in use.
- Psychological health remained a high priority and focus of the OHS Committee.
- Training for employees, managers and the OHS&W committee conducted.
- Regular audits and inspections conducted in all work areas.

Safety Management Plan targets

As part of introducing the Workplace Safety in the Public Sector Implementation Plan, public sector agencies were required to set improvement targets for injury prevention and management performance. The table below presents the 2004 - 05 results for the Department of the Premier and Cabinet.

Target Area	Target	Result
Injury Prevention		
1. Workplace fatalities	0	0
2. New workplace injury claims	15% reduction	20% reduction
3. Lost time injury frequency rate	15% reduction	42.4% reduction
Injury Management		
4. Rehabilitation		
4.1 % of rehabilitation assessments undertaken within 2 working days of the claim being received by the claims administrator	80% of claims	10% of claims
4.2 % of cases where rehabilitation has commenced within 5 working days of the assessment being determined	80% claims	60% of claims
5. Claims determination		
5.1 % of new claims determined within 10 working days of the receipt by the agency's Injury Management Unit	75% of claims	55%
5.2 % of new claims still to be determined after 3 months	< 5% of claims	0%
6. Average days lost	6.4 days lost	9.2
7. Return to work		
7.1 % of injured workers returned to work within 5 working days of agency being advised that the worker has a lost time injury	70%	70%
7.2 % of injured workers still off work after 3 months	< 5%	0%

OCCUPATIONAL HEALTH, SAFETY AND INJURY MANAGEMENT INFORMATION (DPC)

		2004 - 2005	2003 - 2004	2002 - 2003
1	OHS Legislative Requirements			
	Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	0	0	0
	Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	0	0	0
	Number of notices served pursuant to OHS&W Act s35, s39 and s40	0	0	0
2	Injury Management Legislative Requirements			
	Total number of employees who participated in the rehabilitation program	0	1	2
	Total number of employees rehabilitated and reassigned to alternative duties	0	0	0
	Total number of employees rehabilitated back to their original work	0	1	2
3	WorkCover Action Limits			
	Number of open claims as at 30 June	1	5	5
	Percentage of workers compensation expenditure over gross annual remuneration	0.16	0.24	0.23
4	Number of Claims			
	Number of new workers compensation claims in the financial year	2	2	5
	Number of fatalities, lost time injuries, medical treatment only	(F) 0 (MTO) 2 (LTI) 0	0 0 2 0	0 2 3
	Total number of whole working days lost	260	255	319
5	Cost of Workers Compensation			
	Cost of new claims for financial year	\$194	\$648	\$8 987
	Cost of all claims excluding lump sum payments	\$40 300	\$46 421	\$55 005
	Amount paid for lump sum payments	s42 0 s43 0 s44 0	0 0 0 0	0 0 0 0
	Total amount recovered from external sources (s54)	0	0	0
	Budget allocation for workers compensation	\$5 000	n/a	n/a
6	Trends			
	Injury frequency rate for new lost time injury / disease for each million hours worked	0	0	5.5
	Most frequent cause (mechanism) of injury	Falls, heat	Falls, muscular stress	Open wounds, sprains and strains
	Most expensive cause (mechanism) of injury	Mental stress	Mental stress	Mental stress

Arts SA OHS&W Management

Arts SA has continued to make significant and sustained achievements in managing the OHS&W. The most significant achievements have been in relation to issues identified during the WorkCover audit in December 2003.

A project officer was employed for eight months to assist in implementing a new chemical database, ChemWatch. This system allows each arts agency to have a manifest and store of all the chemicals they use and undertake risk assessments to ensure that safe work practices are met.

The other significant achievement was the 'in principle' lifting of the Workplace Services Improvement Notice on the SA Museum spirit store following the installation of a new, state of the art safety containment system.

The OHS&W system continues to be audited and monitored to ensure continual improvement. This is done at agency level and monitored via the central OHS&W committee.

Key achievements

- \$372 920 expended to install a safety system for the spirit collection.
- \$213 4280 spent to upgrade the fume hoods in the SA Museum Science Centre and ArtLab.
- Review of work practices in ArtLab and implementation of safe work practices and exercises for employees to assist in reducing the number and severity of repetitive strain injuries.
- Review of work practices in the State Library of SA collection area and development of safe operating procedures.
- OHS&W committees operational in all arts agencies.
- Ongoing training for employees and managers in OHS&W responsibilities.
- Specific training for new Responsible Officers.
- Introduction of the ChemWatch chemical management system.
- Upgrade of security of the North Terrace precinct.
- Regular audits and inspections conducted in all work areas.

OCCUPATIONAL HEALTH, SAFETY AND INJURY MANAGEMENT INFORMATION (ARTS SA)

		2004 - 2005	2003 - 2004	2002 - 2003
1	OHS Legislative Requirements			
	Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	2	1	0
	Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	0	0	0
	Number of notices served pursuant to OHS&W Act s35, s39 and s40	0	2	0
2	Injury Management Legislative Requirements			
	Total number of employees who participated in the rehabilitation program	6	6	4
	Total number of employees rehabilitated and reassigned to alternative duties	0	1	3
	Total number of employees rehabilitated back to their original work	3	5	4
3	WorkCover Action Limits			
	Number of open claims as at 30 June	18	25	17
	Percentage of workers compensation expenditure over gross annual remuneration	0.45	1.4	0.73
4	Number of Claims			
	Number of new workers compensation claims in the financial year	13	18	8
	Number of fatalities, lost time injuries, medical treatment only	(F) 0 (MTO) 8 (LTI) 7	0 0 7 11	0 0 7 2
	Total number of whole working days lost	191	516	131
5	Cost of Workers Compensation			
	Cost of new claims for financial year	\$30 834	\$79 497	\$12 756
	Cost of all claims excluding lump sum payments	\$69 811	\$186 661	\$132 331
	Amount paid for lump sum payments	s42 \$17 000 s43, s44 \$17 902	\$9 000 \$71 241	\$5 700
	Total amount recovered from external sources (s54)	\$73 000	\$2 713	\$0
	Budget allocation for workers compensation	\$184 000	\$191 500	\$139 000
6	Trends			
	Injury frequency rate for new lost time injury / disease for each million hours worked	11.5	15.3	2.8
	Most frequent cause (mechanism) of injury	Muscular stress / repetition, falls / slips / trips	Muscular stress, repetitive movement	Falls
	Most expensive cause (mechanism) of injury	Falls / slips / trips	Mental stress	Mental stress

Financial Statements

Department of the Premier and Cabinet

Certification of the Financial Report

We certify that:

- That the financial statements are in accordance with the accounts and records of the Department of the Premier and Cabinet and give an accurate indication of the financial transactions of the Department for the year then ended;
- As presenting fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Department of the Premier and Cabinet as at the reporting date and the result of its operations and its cash flows for the year then ended; and
- That internal controls over the financial reporting have been effective throughout the reporting period.



Warren McCann
Chief Executive

14 September 2005



Jeff Bettcher
Director, Business Services Branch
12 September 2005



Adam Bodzioch
Executive Director
Corporate and State Services
12 September 2005

STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ended 30 June 2005

	Note Number	2005 \$'000	2004 \$'000
Expenses from Ordinary Activities			
Employee Expenses	4	32 028	27 054
Supplies and Services	5	24 042	17 486
Depreciation	6	1 405	1 058
Grants and Subsidies	7	101 672	92 727
Other	8	3 831	4 137
Net Loss from Disposal of Assets	10	129	-
Total Expenses from Ordinary Activities		163 107	142 462
Revenues from Ordinary Activities			
Fees and Charges	11	3 824	4 103
Commonwealth Revenue		2 167	972
Grants and Subsidies		564	575
Interest		1 906	2 483
Resources Received Free of Charge		-	221
Community Development Fund		900	900
Recoveries from Administered Items		1 672	335
Other	12	1 988	3 646
Total Revenues from Ordinary Activities		13 021	13 235
Net Cost of Services from Ordinary Activities		150 086	129 227
Revenues from/Payments to SA Government			
Appropriations		145 821	135 779
Payments to SA Government	28	(31 604)	(5 300)
Total Revenues from / Payments to SA Government	13	114 217	130 479
Net Result before Restructuring		(35 869)	1 252
Increase in Net Assets due to Administrative Restructure	29	10 291	630
Net Result after Restructuring		(25 578)	1 882
Increase in the Asset Revaluation Reserve	22	3 763	-
Total Revenue, Expense and Valuation Adjustments Recognised Directly in Equity		3 763	-
Total changes in Equity other than those resulting from transactions with the State Government as Owner		(21 815)	1 882

STATEMENT OF FINANCIAL POSITION
As at 30 June 2005

	Note Number	2005 \$'000	2004 \$'000
Current Assets			
Cash	14	13 318	34 703
Receivables	15	2 202	2 699
Inventories	16	-	16
Total Current Assets		15 520	37 418
Non-Current Assets			
Receivables	15	19	64
Property, Plant and Equipment	17	23 482	20 915
Works of Art	17	47	47
Total Non-Current Assets		23 548	21 026
Total Assets		39 068	58 444
Current Liabilities			
Payables	18	4 157	2 981
Employee Benefits	19	3 487	2 998
Provision for Workers Compensation	20	83	80
Other	21	434	896
Total Current Liabilities		8 161	6 955
Non-Current Liabilities			
Payables	18	578	461
Employee Benefits	19	5 119	4 021
Provision for Workers Compensation	20	212	189
Other	21	23	28
Total Non-Current Liabilities		5 932	4 699
Total Liabilities		14 093	11 654
Net Assets		24 975	46 790
Equity			
Retained Profits	22	15 020	40 598
Asset Revaluation Reserve	22	9 955	6 192
Total Equity		24 975	46 790
Commitments for Expenditure	24		
Contingent Liabilities	25		

STATEMENT OF CASH FLOWS For the Year Ended 30 June 2005

	Note Number	2005 \$'000	2004 \$'000
Cash flows from Operating Activities			
Cash Outflows			
Employee Payments		(30 510)	(26 124)
Supplies and Services		(23 496)	(17 122)
Grants and Subsidies		(100 858)	(92 773)
GST payments on Purchases		(9 641)	(6 515)
Other		(3 503)	(3 906)
Total Outflows from Operating Activities		(168 008)	(146 440)
Cash Inflows			
Fees and Charges		3 954	4 108
Receipts from Commonwealth		2 191	948
Receipts from Grants and Subsidies		492	572
Interest Received		2 346	2 437
GST receipts on receivables		1 420	968
GST receipts from taxation authority		7 461	5 432
Community Development Fund		900	900
Recoveries from Administered Items		1 672	335
Other		2 331	3 498
Total Inflows from Operating Activities		22 767	19 198
Cash Flows from SA Government			
Receipts from SA Government		145 821	135 779
Payments to SA Government		(31 604)	(5 300)
Total Cash Flows from SA Government		114 217	130 479
Net Cash (Outflows) Inflows from Operating Activities	26	(31 024)	3 237
Cash Flows From Investing Activities			
Cash Outflows			
Purchase of Property, Plant and Equipment		(308)	(838)
Total Outflows from Investing Activities		(308)	(838)
Net Cash Outflows from Investing Activities		(308)	(838)
Cash Flows From Financing Activities			
Cash Inflows			
Net Cash Inflow from Restructuring	29	9 909	342
Proceeds from Loan Repayments		208	250
Cash Outflows			
Loans to Arts Agencies		(170)	-
Net Cash Inflows from Financing Activities		9 947	592
Net (Decrease) Increase in Cash Held		(21 385)	2 991
Cash at the Beginning of the Financial Year		34 703	31 712
Cash at the End of the Financial Year	14	13 318	34 703

Program Schedule of Department's Expenses and Revenues For the Year Ended 30 June 2005

Refer Note 3	Program 1	Program 2	Program 3	Program 4	Program 5	Program 6	Program 7	Total 2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses from Ordinary Activities								
Employee Expenses	16 679	585	2 295	6 612	819	3 087	1 951	32 028
Supplies and Services	13 271	388	3 754	4 101	377	1 056	1 095	24 042
Depreciation	790	-	347	-	9	18	241	1 405
Grants and Subsidies	4 527	417	3 299	14	28 045	18 299	47 071	101 672
Other	2 457	2	65	66	92	240	909	3 831
Net Loss from Disposal of Assets	33	-	96	-	-	-	-	129
Total Expenses from Ordinary Activities	37 757	1 392	9 856	10 793	29 342	22 700	51 267	163 107
Revenues from Ordinary Activities								
Fees and Charges	648	-	109	1 179	375	1 239	274	3 824
Commonwealth Revenue	1 859	-	250	58	-	-	-	2 167
Grants and Subsidies	200	-	8	-	-	-	356	564
Interest	806	-	133	-	140	280	547	1 906
Community Development Fund	-	-	-	-	-	-	900	900
Recoveries from Administered Items	1 070	-	596	6	-	-	-	1 672
Other	1 237	-	289	134	5	123	200	1 988
Total Revenues from Ordinary Activities	5 820	-	1 385	1 377	520	1 642	2 277	13 021
Net Cost of Services from Ordinary Activities	(31 937)	(1 392)	(8 471)	(9 416)	(28 822)	(21 058)	(48 990)	(150 086)
Revenues from/ Payments to SA Government								
Appropriations								145 821
Payments to SA Government								(31 604)
Total Revenues from / Payments to SA Government								114 217
Net Result before Restructuring								(35 869)

The allocation to programs is indicative and is based on broad costing methodologies.

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Note 1**Objectives of the Department of the Premier and Cabinet**

The Department of the Premier and Cabinet has a number of key roles in assisting the Premier and his Cabinet, these include:

- provide the Premier and Cabinet with a whole of government perspective which promotes and facilitates an integrated approach to government policy development, communications and services;
- drive and monitor the delivery of initiatives targeted at improving well-being and creating opportunity for South Australians;
- identify and provide strategic advice and assistance to the Premier and Cabinet on emerging issues, projects and opportunities to promote the State's competitiveness and future prosperity;
- adopt a whole of government and whole of community approach to facilitate integrated services that will better meet the needs of the community;
- support and promote volunteering across the State and build capacity of volunteer organisations in communities; and
- provide protocol management and advice to the Premier, Cabinet, government, agencies, private sector and general public.

Note 2**Summary of Significant Accounting Policies**

2.1 Basis of Accounting

The financial report is a general purpose financial report. The accounts have been prepared in accordance with:

- Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*;
- Applicable Australian Accounting Standards;
- Other mandatory professional reporting requirements in Australia.

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

The continued existence of the Department in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by the Parliament for the Department's administration and outputs.

2.2 Reporting Entity

The financial report encompasses all activities transacted through an interest bearing Special Deposit Account entitled "Department of the Premier and Cabinet Operating Account" and any other Funds through which the Department controls resources to carry out its functions. The Department's principal source of funds consists of monies appropriated by Parliament.

Administered Resources

The Department administers, but does not control, certain resources on behalf of the South Australian Government. It is accountable for the transactions involving those administered resources, but does not have the discretion to deploy the resources for achievement of the Department's

objectives. For these resources, the Department acts only on behalf of the Commonwealth and South Australian Government.

Transactions and balances relating to these administered resources are not recognised as Departmental revenues and expenses but are disclosed in the applicable schedules.

2.3 Changes in Accounting Policies

- *Impact of Adopting Australian Equivalents to International Financial Reporting Standards*
Australia will be adopting the Australian equivalents to International Financial Reporting Standards (AIFRS) for reporting periods commencing on or after 1 January 2005. The Department will adopt these standards for the first time in the published financial report for the financial year ended 30 June 2006.

In accordance with requirements of AASB 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards*, an assessment has been made of any known or reliably estimated information about the impacts on the financial report had it been prepared using the AIFRS.

In accordance with AASB 119 *Employee Benefits*, the Department will adjust employee benefits payable later than 12 months (currently measured at nominal amounts) to present value. This standard will have some impact on the financial statements, although it is expected that the impact will not be significant.

- *Government / Non Government Disclosures*
In accordance with Accounting Policy Statement APS 13 *Form and Content of General Purpose Financial Reports*, the Department has included details of revenue, expenditure, assets and liabilities according to whether the transactions are with entities internal or external to the SA Government in the notes to the accounts.

2.4 Transferred Function

The division known as the Department for Aboriginal Affairs and Reconciliation transferred from the Department for Families and Communities to the Department of the Premier and Cabinet effective 14 October 2004. The Division provides strategic policy advice, across government coordination and monitoring, development and implementation of action zones, protection of Aboriginal heritage and culture, provision and maintenance of essential services and community infrastructure and support for the State's landholding authorities.

2.5 Fees and Charges

Fees and charges controlled by the Department are recognised as revenues. Fees and charges are controlled by the Department where they can be deployed for the achievement of Departmental objectives. Such amounts are not required to be paid to the Consolidated Account or other Funds not controlled by the Department.

2.6 Appropriations

Appropriations, whether operating, investing or other, are recognised as revenues when the Department obtains control over the assets comprising the contributions. Control over appropriations is normally obtained upon their receipt.

2.7 Foreign Currency

Assets and liabilities that are in a foreign currency have been brought into the accounts at the exchange rate applying at 30 June 2005. Income and expenses arising from transactions in a foreign currency are brought to account at the average exchange rate that applied during the period in which they occurred. Unrealised losses resulting from currency transactions have been brought to account in the Statement of Financial Performance.

2.8 Non-Current Assets

Valuations of Departmental Buildings and Improvements held for cultural purposes were determined as at 30 June 2005 by the Australian Valuation Office. Valuations of Departmental Buildings and Improvements held by the Office of the Agent General in London were determined as at 30 June 2005 by Savills (L & P) Ltd. Buildings and Improvements have been valued using a fair value methodology. All other non-current assets controlled by the Department have been deemed to be held at fair value.

2.9 Depreciation of Non-Current Assets

Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each depreciable non-current asset over its expected useful life. Estimates of remaining useful lives are reviewed on a regular basis for all assets. The estimated useful lives of each asset class are as follows:

Class of Asset	Useful Life (Years)
Buildings and Improvements	10 to 40 years
Transportable Accommodation	10 to 20 years
Furniture and Fittings	5 to 15 years
Office Equipment	3 years
Systems Development	3 to 5 years
Motor Vehicle	5 years

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.

2.10 Employee Benefits

(i) *Wages and Salaries*

Liabilities for wages and salaries are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(ii) *Annual Leave*

A liability for annual leave is calculated by determining the amount unpaid at the reporting date and estimating the nominal amount that is expected to be paid when the obligation is settled, as directed in the Accounting Policy Statements.

(iii) *Long Service Leave*

A liability for long service leave is calculated by using the product of the current liability in time for all employees who have completed seven or more years of service and the current rate of remuneration for each of these employees respectively. The seven years has been based on an actuarial calculation as stated in Accounting Policy Statement 9 *Employee Benefits*. The portion of current and non-current long service leave is based on past history of payments and any specific known factors. The liability is measured as the amount unpaid at the reporting date.

(iv) *Superannuation*

The Department makes contributions to several superannuation schemes operated by the State Government. These contributions are treated as an expense when they occur. There is no liability for payment to beneficiaries as they have been assumed by the Superannuation Funds. The only liability outstanding at balance date related to any contribution due but not yet paid to the superannuation schemes.

(v) *Employment On-costs*

The liability for employment on-costs includes superannuation contributions and payroll tax with respect to outstanding liabilities for Salaries and Wages, Long Service Leave and Annual Leave. These amounts are classified under Payables.

2.11 Workers Compensation Provision

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Public Sector Occupational Health and Injury Management Branch of the Department of Administrative and Information Services.

2.12 Leases

The Department has entered into a number of operating lease agreements for buildings and office equipment where the lessors effectively retain all of the risks and benefits incidental to ownership of the items held under the operating leases.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged to the Statement of Financial Performance in the periods in which they are incurred.

2.13 Cash

For the purposes of the Statement of Cash Flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis. Cash is measured at nominal value.

2.14 Current and Non-Current Items

Assets and liabilities are characterised as either current or non-current in nature. The Department of the Premier and Cabinet has a clearly identifiable operating cycle of 12 months. Therefore assets and liabilities that will be realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

2.15 Receivables

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

Other debtors arise outside the normal course of selling goods and services to other agencies and to the public. If payment has not been received within 90 days after the amount falls due, under the terms and conditions of the arrangement with the debtor, the Department for the Premier and Cabinet is able to charge interest at commercial rates until the whole amount of the debt is paid.

The Department for the Premier and Cabinet determines the provision for doubtful debts based on a review of balances within trade receivables that are unlikely to be collected. These are generally receivables that are 90 days or more overdue.

2.16 Inventories

Inventories are stated at the lower of cost or their net realisable value. Inventory is measured at cost, with cost being allocated in accordance with the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

2.17 Payables

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

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

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period.

All amounts are measured at their nominal amount and are normally settled within 30 days in accordance with Treasurer's Instruction 8 *Expenditure for Supply Operations and Other Goods and Services* after the Department of the Premier and Cabinet receives an invoice.

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

2.18 Accounting for the Goods and Services Tax (GST)

The accounting policies adopted for the treatment of Goods and Services Tax (GST) are in accordance with Urgent Issues Group Abstract 31 *Accounting for the Goods and Services Tax (GST)*. Input tax credits due from the Australian Taxation Office are included in receivables.

The Department prepares a Business Activity Statement on behalf of its administered entities under the grouping provisions of the GST legislation. Under these provisions, the Department is liable for the payment and entitled to the receipt of GST. As such, the GST applicable to these entities forms part of the Statement of Financial Position and Statement of Cash Flow of the Department.

2.19 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

2.20 Rounding

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

Programs are defined as goods or services produced, provided to or acquired for external customers. The Department has identified seven major classes of programs that it delivers to the community and the Premier. The identity and description of each major program class for the Department during the year ended 30 June 2005 are summarised below (refer to the Programs Schedule – Department's Expenses and Revenues):

Program 1 – Executive Government

Support the Premier as the Head of Government and Chair of Cabinet by providing high-level strategic advice and support, managing executive government processes, and coordinating, developing and monitoring strategic projects and whole of government initiatives.

Program 2 - Office for Volunteers

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

Program 3 - Aboriginal Affairs and Reconciliation

Provide strategic policy advice, across government coordination and monitoring, development and implementation of action zones, protection of Aboriginal heritage and culture, provision and maintenance of essential services and community infrastructure and support the State's landholding authorities.

Program 4 - Public Sector Human Resource Management

This program provides strategic human resource management planning, policy, advice, monitoring and reporting and improves the capability and professionalism of the public sector through workforce development.

Program 5 - Library and Information Services

To provide information to the public, industry and government agencies and to fund services provided by PLAIN Central Services to public libraries.

Program 6 - Access to Art, Museum and Heritage Services and Preservation of State Collections

Provision of services that enable the State's cultural, heritage and arts assets to be maintained and to be accessible to the community.

Program 7 - Arts Industry Development and Access to Artistic Product

Provision of services that enhance opportunities for emerging artists, cultural tourism, festivals and events and provide for productions, exhibitions, tours and events to the community.

Note 4**Employee Expenses**

	2005	2004
	\$'000	\$'000
Wages and Salaries	23 344	18 892
TVSP	-	390
Employment on-costs	4 553	4 168
Annual Leave	1 787	1 486
Long Service leave	1 368	1 219
Board Fees	137	119
Other employee related expenses	839	780
Total Employee Expenses	32 028	27 054

Remuneration of Employees

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

	Number of	Number of
	Employees	Employees
	2005	2004
Department of the Premier and Cabinet:		
\$100 000 - \$109 999	8	6
\$110 000 - \$119 999	2	7
\$120 000 - \$129 999	4	2
\$130 000 - \$139 999	5	7
\$140 000 - \$149 999	3	5
\$150 000 - \$159 999	2	1
\$160 000 - \$169 999	2	1
\$170 000 - \$179 999	1	2
\$180 000 - \$189 999	5	4
\$190 000 - \$199 999	2	1
\$200 000 - \$209 999	1	-
\$210 000 - \$219 999	-	-
\$220 000 - \$229 999	1	-
\$230 000 - \$259 999	-	-
\$260 000 - \$269 999	1	-
\$270 000 - \$299 999	-	-
\$300 000 - \$309 999	-	1
\$310 000 - \$319 999	1	-
Total Number of Department of the Premier and Cabinet Employees	38	37
Unattached Unit:		
\$100 000 - \$109 999	1	1
\$110 000 - \$119 999	-	-
\$120 000 - \$129 999	-	1
\$130 000 - \$139 999	2	1
Total Number of Unattached Unit Employees	3	3
Total Number of Employees	41	40

The table includes all employees who received remuneration of \$100 000 or more during the year paid by the Department of the Premier and Cabinet. The total remuneration received by these employees for the year was \$6.2 million (\$5.7 million).

Unattached unit consists of Public Sector Management Act 1995 employees who are unable to be placed in government agencies and authorities.

Remuneration of employees is calculated in accordance with APS 13, remuneration is defined to mean money, consideration or benefit but does not include amounts in payment or reimbursement of out-of-pocket expenses incurred for the benefit of the Department. The remuneration calculated includes salary, allowances, superannuation, vehicle, parking and fringe benefits tax paid.

Targeted Voluntary Separation Packages (TVSPs)	2005	2004
	\$'000	\$'000
TVSPs paid to employees during the reporting period	-	390
Recovery from the Targeted Voluntary Separation Package Special Deposit Account	-	390
Annual Leave and Long Service Leave accrued over the period	-	145
Number of employees that were paid TVSPs during the reporting period	-	4

Note 5 Supplies and Services

	2005	2004
	\$'000	\$'000
Supplies and Services provided by entities external to the SA Government		
Accommodation	506	565
Telecommunication	269	219
Staff Development and Recruitment	1 495	830
General Administration and Consumables	2 525	2 179
Promotion, Marketing	2 691	2 604
Repairs, Maintenance and Minor Equipment purchases	887	300
Service Level Agreements	-	26
IT and Computing Charges	1 088	890
Contractors	2 860	1 575
Consultants	1 044	322
Temporary and Casual Staff	649	410
Other	98	215
Total Supplies and Services - Non SA Government entities	14 112	10 135
Supplies and Services provided by entities within the SA Government		
Accommodation	3 309	3 322
Telecommunication	371	415
Staff Development and Recruitment	141	9
General Administration and Consumables	232	84
Promotion, Marketing	72	196
Repairs, Maintenance and Minor Equipment purchases	877	166
Service Level Agreements	1 521	1 500
IT and Computing Charges	1 201	1 344
Contractors	1 911	55
Temporary and Casual Staff	11	-
Other	284	260
Total Supplies and Services – SA Government entities	9 930	7 351
Total Supplies and Services	24 042	17 486

Payments to Consultants

The number and dollar amount of Consultancies paid/payable that fell within the following bands:

	Number of	Number of
	Consultants	Consultants
Less than \$10 000	19	29
\$10 000 - \$50 000	18	10
Above \$50,000	4	-
Total number of consultants engaged	41	39

The dollar amount paid/payable to consultants in 2004-2005 was \$1 044 000 (\$322 000).

Note 6 Depreciation

	2005	2004
	\$'000	\$'000
Buildings and improvements	258	254
Furniture and fittings	732	393
Office equipment	336	384
Transportable accommodation	26	-
Motor Vehicle	14	5
Systems development	39	22
Total Depreciation	1 405	1 058

Note 7

Grants and Subsidies

	2005	2004
	\$'000	\$'000
Grants and subsidies paid/payable to entities within the SA Government		
Recurrent grant	76 335	67 426
Capital grant	1 199	7 342
Total Grants and Subsidies – SA Government entities	77 534	74 768
Grants and subsidies paid/ payable to entities external to the SA Government		
Recurrent grant	24 138	17 932
Capital grant	-	27
Total Grants and Subsidies – Non SA Government entities	24 138	17 959
Total Grants and Subsidies	101 672	92 727
The above total includes the following grants and subsidies paid by Arts SA:		
	2005	2004
	\$'000	\$'000
Lead Agency Art Grants		
Museum Board	8 838	7 780
Libraries Board of South Australia	27 713	31 983
Adelaide Festival Centre Trust	8 334	8 183
Art Gallery Board	6 376	6 270
Country Arts SA	5 360	5 229
South Australian Film Corporation	5 650	5 095
History Trust of South Australia	3 910	3 624
Adelaide Festival Corporation	3 087	2 515
State Opera of South Australia	2 660	1 346
South Australian Youth Arts Board	1 828	1 849
State Theatre Company of South Australia	1 640	1 732
Adelaide Symphony Orchestra	4 390	2 114
Jam Factory of Contemporary Craft and Design	816	882
Australian Dance Theatre	900	850
Carrick Hill Trust	654	897
Tandanya	756	600
Windmill Performing Arts	1 000	1 000
Adelaide Fringe	292	853
Disability Information and Resource Centre (DIRC)	173	173
Community Information Strategies Australia (CISA)	161	161
Arts Industry Development Grants		
Project assistance	2 244	2 267
General purpose assistance	3 134	2 854
Other arts grants	3 504	2 775
Total Grant and Subsidies Paid by Arts SA	93 420	91 032

Note 8 Other Expenses from Ordinary Activities

	2005	2004
	\$'000	\$'000
Other Expenses from Ordinary Activities paid to entities external to the SA Government		
Projects	343	192
International Youth Leadership Event	241	-
Western Gateway Project	40	7
Other	356	551
Bad and Doubtful Debts	99	(71)
Total Other Expenses from Ordinary Activities – Non SA Government entities	1 079	679
Other Expenses from Ordinary Activities paid to entities within the SA Government		
Appropriation transfer to DAIS for management of the Across Government Building Security Upgrade Program	-	1 850
Projects	332	138
Western Gateway Project	437	22
Womadelaide Event	310	460
Other	435	119
Funding Transfer for Return to Work Scheme	960	-
Funding Transfer to Government Workers Rehabilitation and Compensation Scheme	-	295
Funding Transfer to Public Sector Workforce Relations Unit	-	296
National Depression Initiative	278	278
Total Other Expenses from Ordinary Activities – SA Government entities	2 752	3 458
Total Other Expenses from Ordinary Activities	3 831	4 137

Note 9 Auditor's Remuneration

	2005	2004
	\$'000	\$'000
Audit Fees paid/payable to the Auditor-General's Department	118	116
Total Audit fees	118	116

Other Services

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

Note 10 Net Loss from Disposal of Assets

	2005 \$'000	2004 \$'000
Furniture & Fittings		
Proceeds from disposal	-	-
Net book value of assets disposed	32	-
Net loss from disposal of furniture and fittings	(32)	-
Office Equipment		
Proceeds from disposal	-	-
Net book value of assets disposed	71	-
Net loss from disposal of office equipment	(71)	-
Motor Vehicles		
Proceeds from disposal	15	-
Net book value of assets disposed	41	-
Net loss from disposal of motor vehicles	(26)	-
Total Assets		
Total proceeds from disposal	15	-
Total value of assets disposed	144	-
Total net loss from disposal of assets	(129)	-

Note 11 Fees and Charges

	2005 \$'000	2004 \$'000
Fees and Charges received/receivable from entities external to the SA Government		
Arts Industry related fees	275	483
Salaries charged to other entities	28	1
Public employment charges	30	37
Other recoveries	158	78
Total Fees and Charges – Non SA Government entities	491	599
Fees and Charges received/receivable from entities within the SA Government		
Arts Industry related fees	1 554	2 261
Salaries charged to other entities	691	776
Public employment charges	585	325
Other Recoveries	503	142
Total Fees and Charges – SA Government entities	3 333	3 504
Total Fees and Charges	3 824	4 103

Note 12 Other Revenue

	2005 \$'000	2004 \$'000
Other Revenue received/receivable from entities external to the SA Government		
Rental income	69	-
Contributions to the Aboriginal Economic Development Seminar 2005	20	-
Contribution to the Green City Project from Adelaide City Council	100	90
Contribution by CSIRO for Adelaide Thinkers In Residence	100	-
Refunds and recoveries		
- Adelaide City Council for the Capital City Project Team	199	164
- Private Industry	141	251
- Arts SA Industry related	45	228
Other	520	790
Total Other Revenue – Non SA Government entities	1 194	1 523
Other Revenue received/receivable from entities within the SA Government		
TVSP recoveries	-	390
Business Manufacturing and Trade Funding	-	500
Contributions to the Aboriginal Economic Development Seminar 2005	80	-
Functions	-	223
Recoveries or reimbursements from or in relation to:		
- Economic Development Framework Implementation Unit	-	420
- Promotion of the new Freightlink and Ghan	-	244
- Conference Fees	115	124
- Arts SA Industry related	28	10
Other	571	212
Total Other Revenue – SA Government entities	794	2 123
Total Other Revenue	1 988	3 646

Note 13 Revenues from / Payments to SA Government

	2005 \$'000	2004 \$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriation Act	145 821	137 660
Less Appropriation Administered on Behalf of the Department of Administrative and Information Services	-	(1 881)
Total Revenues from SA Government	145 821	135 779
Payments to SA Government		
Return of surplus cash pursuant to cash alignment policy (refer to Note 28)	31 604	-
Transfer to SA Government	-	5 300
Total Payments to SA Government	31 604	5 300
Total Revenues from / Payments to SA Government	114 217	130 479

Note 14	Cash
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	2005	2004
	\$'000	\$'000
Deposits at Call – Westpac	5 119	28 223
Deposits with the Treasurer	8 166	6 447
Other	33	33
Total Cash	13 318	34 703

Note 15	Receivables
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	2005	2004
	\$'000	\$'000
Current		
Receivables	966	1 737
Less provision for doubtful debts	-	(2)
Loans	25	76
Accrued revenues	29	142
GST receivable	1 182	746
Total Current Receivables	2 202	2 699
Non-Current		
Loans	40	55
Less provision for doubtful debts	(30)	-
Other	9	9
Total Non-Current Receivables	19	64
Total Receivables	2 221	2 763
Government/Non Government Receivables		
Receivables from Non SA Government entities		
Receivables	309	454
Less provision for doubtful debts	(30)	(2)
GST receivable	1 182	746
Total Receivables – Non SA Government entities	1 461	1 198
Receivables from SA Government entities		
Receivables	722	1 414
Accrued revenues	29	142
Other	9	9
Total Receivables – SA Government entities	760	1 565
Total Receivables	2 221	2 763

Note 16	Inventories
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	2005	2004
	\$'000	\$'000
Work in progress	-	16
Total Inventories	-	16

Note 17

Property, Plan and Equipment

	Buildings & Improv.	Furn & Fittings	Office Equip	Transp Accom	Systems Develop	Motor Vehicles	Works of Art	2005 Total
At Fair Value	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2004	26 722	1 949	1 738	-	492	70	47	31 018
Additions	28	7	199	-	258	65	-	557
Assets transferred in from restructure	840	356	867	-	-	-	-	2 063
Other (includes reclassifications, disposals & retirements)	(1 498)	(131)	(1 891)	653	(419)	(70)	-	(3 356)
Revaluation Increment	4 295	-	-	-	-	-	-	4 295
Balance at 30 June 2005	30 387	2 181	913	653	331	65	47	34 577

	Buildings & Improv.	Furn & Fittings	Office Equip	Transp Accom	Systems Develop	Motor Vehicles	Works of Art	2005 Total
Accumulated Depreciation	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2004	(7 867)	(717)	(1 415)	-	(29)	(28)	-	(10 056)
Assets transferred in from restructure	(321)	(188)	(735)	-	-	-	-	(1 244)
Other (includes reclassifications, disposals & retirements)	325	224	1 853	(242)	-	29	-	2 189
Depreciation expense	(258)	(732)	(336)	(26)	(39)	(14)	-	(1 405)
Revaluation Increment	(532)	-	-	-	-	-	-	(532)
Balance at 30 June 2005	(8 653)	(1 413)	(633)	(268)	(68)	(13)	-	(11 048)

Net book value:								
Balance at 30 June 2005	21 734	768	280	385	263	52	47	23 529
Balance at 30 June 2004	18 855	1 232	323	-	463	42	47	20 962

Valuations of Departmental Buildings and Improvements held for cultural purposes were determined as at 30 June 2005 by the Australian Valuation Office. Valuations of Departmental Buildings and Improvements held by the office of the Agent General in London were determined as at 30 June 2005 by Savills (L & P) Ltd. Buildings and Improvements have been valued using a fair value methodology. All other non-current assets controlled by the Department have been deemed to be held at fair value.

Note 18 Payables

	2005	2004
	\$'000	\$'000
Current		
Creditors and Accrued expenses	3 634	2 533
Employment on-costs	523	448
Total Current Payables	4 157	2 981
Non-Current		
Employment on-costs	578	461
Total Non-Current Payables	578	461
Total Payables	4 735	3 442
Government/Non Government Payables	2005	2004
Payables to Non SA Government entities	\$'000	\$'000
Creditors and Accrued expenses	1 955	871
Total Payables – Non SA Government entities	1 955	871
Payables to SA Government entities		
Creditors and Accrued expenses	1 679	1 662
Employment on-costs	1 101	909
Total Payables – SA Government entities	2 780	2 571
Total Payables	4 735	3 442

Note 19A Employee Benefits

	2005	2004
	\$'000	\$'000
Current		
Annual Leave	2 089	1 792
Long Service Leave	1 012	987
Accrued Salaries and Wages	386	219
Total Current Employee Benefits	3 487	2 998
Non-Current		
Long Service Leave	5 119	4 021
Total Non-Current Employee Benefits	5 119	4 021
Total Employee Benefits	8 606	7 019

Note 19B Employee Benefits and related on-costs

	2005	2004
	\$'000	\$'000
Accrued Salaries and Wages		
On-costs included in payables – current (refer note 18)	74	45
Provision for employee benefits – current (refer note 19A)	386	219
Total Accrued Salaries and Wages	460	264
	2005	2004
	\$'000	\$'000
Annual Leave		
On-costs included in payables – current (refer note 18)	334	290
Provision for employee benefits – current (refer note 19A)	2 089	1 792
Total Annual Leave	2 423	2 082
Long Service Leave		
On-costs included in payables – current (refer note 18)	115	113
Provision for employee benefits – current (refer note 19A)	1 012	987
On-costs included in payables – non-current (refer note 18)	578	461
Provision for employee benefits – non-current (refer note 19A)	5 119	4 021
Total Long Service Leave	6 824	5 582
Total Employee Benefits and related on-costs	9 707	7 928

Note 20 Provisions

	2005	2004
	\$'000	\$'000
Current		
Provision for workers compensation	83	80
Total Current Provisions	83	80
Non-Current		
Provision for workers compensation	212	189
Total Non-Current Provisions	212	189
Total Provisions	295	269
	2005	2004
	\$'000	\$'000
Reconciliation of the Provision for Workers Compensation		
Provision at the beginning of the financial year	269	318
Increase (Decrease) in Provision during the year	26	(49)
Provision for Workers Compensation at the end of the financial year	295	269

Note 21 Other Liabilities

	2005 \$'000	2004 \$'000
Current		
Unearned Revenue	434	896
Total Current Other Liabilities	434	896
Non-Current		
Imprest Account	23	28
Total Non-Current Other Liabilities	23	28
Total Other Liabilities	457	924

Note 22 Equity

	2005 \$'000	2004 \$'000
Retained Profits	15 020	40 598
Asset Revaluation Reserve	9 955	6 192
Total Equity	24 975	46 790

Retained Profits

Balance at the beginning of the financial year	40 598	38 716
Increase in net assets due to administrative restructure	10 291	-
Net result before restructuring	(35 869)	1 882
Balance at the end of the financial year	15 020	40 598

Asset Revaluation Reserve

Balance at the beginning of the Financial Year	6 192	6 192
Increment on asset revaluation	3 763	-
Balance at the end of the financial year	9 955	6 192

Note 23 Financial Instruments**(a) Terms, Conditions and Accounting Policies***Financial Assets*

- Cash is available at call and is recorded at cost.
- Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days.

Financial Liabilities

- The imprest account is repayable to the Treasurer and is recorded at the value of the monies received.
- Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days.

(b) Interest Rate Risk

	2005				2004			
	Floating Interest Rate	Non-Interest Bearing	Total Carrying Amount	Weighted Average Effective Interest Rate	Floating Interest Rate	Non-Interest Bearing	Total Carrying Amount	Weighted Average Effective Interest Rate
	\$'000	\$'000	\$'000	Percent	\$'000	\$'000	\$'000	Percent
<i>Financial Assets</i>								
Cash on hand	13 285	33	13 318	5.48	34 670	33	34 703	5.10
Receivables	-	2 221	2 221	-	-	2 763	2 763	-
	13 285	2 254	15 539		34 670	2 796	37 466	
<i>Financial Liabilities</i>								
Imprest Account	-	23	23	-	-	28	28	-
Payables	-	3 634	3 634	-	-	2 533	2 533	-
	-	3 657	3 657		-	2 561	2 561	

(c) Net Fair Values

Financial instruments are valued at the carrying amount as per the Statement of Financial Position which approximates the net fair value. The carrying amount of financial assets approximates net fair value due to their short-term to maturity or being receivable on demand. The carrying amount of financial liabilities is considered to be a reasonable estimate of net fair value.

Note 24 Commitments for Expenditure

Operating Lease Commitments

At the reporting date, the Department's operating leases are for the lease of office accommodation and office equipment.

- Office accommodation is leased from the Real Estate Management business unit of the Department for Administrative and Information Services (DAIS). The leases are non-cancellable with terms ranging from 2 to 15 years with some leases having right of renewal. The rental amount is based on floor space and the time period of the lease, with the rental rate reviewed taking into account movements in market rental values or CPI. Rental is payable in arrears.
- Office equipment leases are non-cancellable with rental payable in arrears. No contingent rental provisions exist within the lease arrangement and no options exist to renew the leases at the end of their term.

For the current financial year, the total amount of rental expense for minimum lease payments for operating leases was \$3 061 000 (\$2 822 000).

	2005	2004
	\$'000	\$'000
Not later than one year	2 630	2 701
Later than one year and not later than five years	8 014	2 342
Later than five years	1 704	2 181
Total Operating Leases Commitments	12 348	7 224

Alice Springs to Darwin Railway

The AustralAsia Railway Corporation, the Northern Territory (NT) and South Australian (SA) Governments and Asia Pacific Transport Pty Ltd have entered into a concession arrangement for the design, construction, operation and maintenance of the Alice Springs to Darwin Railway on a build, own, operate, transfer-back basis.

Both the SA and NT Governments guarantee the obligations of the Corporation. The guarantee is a joint guarantee but SA and NT each accept responsibility for breach of an indemnity that is caused by its act or omission. Where the event giving rise to a Corporation obligation is solely caused by one jurisdiction, that jurisdiction accepts sole responsibility. If both the SA and NT caused the event, then each accepts responsibility to the extent to which it caused the event.

For other Corporation obligations, SA and NT accept liability for events occurring within the geographical area of its jurisdiction. Principally, the Corporation has granted indemnities to ensure that title to the railway corridor is secure for the construction and operation of the railway infrastructure. These indemnities cover risks related to native title claims, undisclosed interests in the corridor, environmental contamination, heritage and sacred sites and environmental assessment processes.

The project documents provide for the early termination of the concession arrangement by Asia Pacific Transport Pty Ltd. In certain circumstances that would give rise to the payment of an early termination amount. The amount includes all debt and debt break costs for the project, certain agreed break costs for the project, certain agreed break costs for third party contractors and payments to equity. For all these events the cure is within the control of either the Corporation or the Governments.

While the Department of the Premier and Cabinet is not a signatory to these agreements, the SA Government has assigned responsibility for these agreements to the Department. If a subsequent event were triggered such that the SA Government had to honor a commitment under the agreement that commitment would have to be funded by the SA Government and the payment would be made through the Department. The prospect of any of the contingent liabilities arising is considered to be extremely remote.

Glenthorne Farm

Glenthorne Farm, at O'Halloran Hill, was purchased by the University of Adelaide from the Commonwealth Scientific and Industrial Research Organisation (CSIRO), with the assistance of a grant from the South Australian Government. A contract signed by the South Australian Government and the University of Adelaide resulted in the former assuming liability for any possible third party claims resulting from any contamination which may be discovered on the property.

The South Australian and Commonwealth Governments agreed by exchange of letters that, in the event of such a claim, the State Government reserves its right to seek a contribution from the Commonwealth based on the Commonwealth's previous ownership of the land.

Note 26 Cash Flow Reconciliation

	2005	2004
	\$'000	\$'000
Reconciliation of Cash		
Cash as recorded in the Statement of Financial Position	13 318	34 703
Cash as recorded in the Statement of Cash Flows	13 318	34 703
Reconciliation of Net Cash Inflows (Outflows) from Operating Activities to Net Cost of Services from Ordinary Activities:		
Net Cash Inflows (Outflows) from Operating Activities	(31 024)	3 237
Less Revenues from Government	(145 821)	(135 779)
Add Payments to Government	31 604	5 300
Add/(Less) non cash items		
Depreciation of Property, Plant and Equipment	(1 405)	(1 058)
(Loss) Gain on restructuring	(382)	(870)
Assets transferred in	-	221
Net loss from disposal of assets	(129)	-
Bad and doubtful debts expense	-	10
Changes in Assets and Liabilities		
Increase (Decrease) in receivables	(1 413)	150
Increase (Decrease) in prepayments	-	(53)
(Increase) Decrease in payables	(364)	(476)
(Increase) Decrease in provisions	(26)	49
(Increase) Decrease in employee benefits	(1 587)	155
(Increase) Decrease in other liabilities	461	(113)
Net Cost of Services from Ordinary Activities	(150 086)	(129 227)

Note 27 Events after Balance Date

There were no events after balance date.

Note 28 Payments to SA Government

In October 2003 the Government introduced a policy with respect to aligning cash balances with appropriation and expenditure authority. The cash alignment policy as implemented by the Department of Treasury and Finance is designed to eliminate cash balances accumulated by agencies and surplus to their working capital requirements. Under this policy the Department transferred back \$31.6 million to the Department of Treasury and Finance.

As a result of a restructuring of administrative arrangements, the Department assumed the responsibility of the division of the Department for Families and Communities known as the Department for Aboriginal Affairs and Reconciliation, as at 14 October 2004. This included the administration of the Commonwealth Community Essential Services Program.

(a) **Net Assets Transferred in from the Department for Families and Communities**

	2005
<i>Current Assets</i>	\$'000
Cash	9 909
Receivables	565
<i>Non-Current Assets</i>	
Property, Plant and Equipment	819
Total Assets	11 293
<i>Current Liabilities</i>	
Payables	501
Employee Costs	225
<i>Non Current Liabilities</i>	
Employee Costs	276
Total Liabilities	1 002
Net Assets Transferred	10 291

(b) **Revenues and Expenses for the division known as the Department for Aboriginal Affairs and Reconciliation**

	1/7/04 – 31/10/04	1/11/04 – 30/6/05	Total for 2004-2005
	\$'000	\$'000	\$'000
<i>Expenses</i>			
Employee Expenses	1 057	2 295	3 352
Supplies and Services	925	3 915	4 840
Depreciation	48	347	395
Grants and Subsidies	742	3 299	4 041
Total Expenses from Ordinary Activities	2 772	9 856	12 628
<i>Revenue</i>			
Fees and Charges	64	109	173
APY Lands Funding Transfer	-	596	596
Commonwealth revenue	-	250	250
Recoveries	-	207	207
Interest	114	133	247
Other	38	90	128
Total Revenue from Ordinary Activities	216	1 385	1 601
<i>Revenue from SA Government</i>			
Appropriation	3 606	8 238	11 844
Payments to SA Government	-	(8 878)	(8 878)
Total Revenue from SA Government	3 606	(640)	2 966
Net Result	1 050	(9 111)	(8 061)

(c) **Administered Items Transferred In – Commonwealth Community Essential Services Program**

	2005
	\$'000
<i>Current Assets</i>	
Cash	8 940
Receivables	140
Total Assets	9 080
<i>Current Liabilities</i>	
Payables	974
Other	9 581
Total Liabilities	10 555
Net Assets Transferred	(1 475)

SCHEDULE OF ADMINISTERED EXPENSES AND REVENUES

For the Year Ended 30 June 2005

	2005	2004
	\$'000	\$'000
Administered Revenues		
Revenues from SA Government includes:		
Salaries and allowances pursuant to:		
(i) <i>Parliamentary Remuneration Act 1990</i>	323	314
(ii) <i>Agent-General Act 1901</i>	293	290
Premier - Other Payments	1 437	1 166
State Emergency Relief Fund	1 266	5
Social Inclusion Initiative – Drug Summit	-	1 787
Social Inclusion Initiative – Homelessness	3 812	3 000
Social Inclusion Initiative – School Retention Action Plan	7 734	3 500
Targeted Voluntary Separation Package Scheme Account	2 336	50 000
Government Workers Rehabilitation and Compensation Fund	-	295
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program	6	7
Trust Fund – SA Okayama Account	2	2
APY Lands	943	-
Grants and Subsidies includes:		
APY Lands	7 684	-
Commonwealth Community Essential Services Program	5 486	-
Other includes:		
Receipts received in Administering Public Sector Workforce Relations Unit	-	1 881
Funding transfer to Administer Public Sector Workforce Relations Unit	-	296
Commonwealth Community Essential Services Program	255	-
Total Administered Revenues	31 577	62 543
Administered Expenses		
Employee Expenses includes:		
Salaries and allowances pursuant to:		
(i) <i>Parliamentary Remuneration Act 1990</i>	323	314
(ii) <i>Agent-General Act 1901</i>	293	290
Targeted Voluntary Separation Package Scheme Account	282	50 748
Payments to Workers Compensation	-	1 292
Grants and Subsidies includes:		
Social Inclusion Initiative – Drug Summit	-	1 787
Social Inclusion Initiative – Homelessness	3 812	3 000
Social Inclusion Initiative – School Retention Action Plan	7 986	3 248
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program	30	12
Other includes:		
Expenses incurred in Administering Public Sector Workforce Relations Unit	-	2 177
Premier - Other Payments	1 437	1 166
Government Workers Rehabilitation and Compensation Fund	-	533
Targeted Voluntary Separation Package Scheme Account	71	197
APY Lands	4 125	-
Commonwealth Community Essential Services Program	4 266	-
State Emergency Relief Fund	562	-
Total Administered Expenses	23 187	64 764
Net Operating Surplus (Deficit)	8 390	(2 221)
(Decrease) Increase in net assets due to administrative restructure	(1 475)	23 313
Total Changes in Equity other than those Resulting from Transactions with the State Government as Owner	6 915	21 092

SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES
As at 30 June 2005

	2005	2004
	\$'000	\$'000
Administered Current Assets		
Cash includes:		
Salaries and allowances pursuant to:		
(i) <i>Parliamentary Remuneration Act 1990</i>	(27)	-
(ii) <i>Agent-General Act 1901</i>	(23)	-
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program	112	136
Trust Fund – SA Okayama Account	45	43
Premier - Other Payments	(252)	-
State Emergency Relief Fund	803	100
Targeted Voluntary Separation Package Scheme Account	6	11 993
Cash received for APY Lands from the Commonwealth	4 829	4 700
Social Inclusion Initiative – School Retention Action Plan	-	252
Commonwealth Community Essential Services Program	5 783	-
Receivables includes:		
Salaries and allowances pursuant to:		
(i) <i>Parliamentary Remuneration Act 1990</i>	27	-
(ii) <i>Agent-General Act 1901</i>	23	-
Premier - Other Payments	412	-
APY Lands	215	-
State Emergency Relief Fund	2	-
Total Administered Current Assets	11 955	17 224
Administered Non-Current Assets		
Non-Current Assets	-	-
Total Administered Non-Current Assets	-	-
Total Administered Assets	11 955	17 224
Administered Current Liabilities		
Payables includes:		
Targeted Voluntary Separation Package Scheme Account	5	13 974
State Emergency Relief Fund	1	-
APY Lands	542	-
Commonwealth Community Essential Services Program	542	-
Premier - Other Payments	161	-
Unearned Revenue:		
APY Lands from the Commonwealth	-	4 700
Commonwealth Community Essential Services Program	5 240	-
Total Administered Current Liabilities	6 491	18 674
Administered Non-Current Liabilities		
Non – Current Liabilities	-	-
Total Administered Non-Current Liabilities	-	-
Total Administered Liabilities	6 491	18 674
Net Administered Liabilities	5 464	(1 450)
Total Administered Equity	5 464	(1 450)

SCHEDULE OF ADMINISTERED CASH FLOWS

For the Year Ended 30 June 2005

Administered Cash Inflows	2005	2004
Receipts from Government includes:	\$'000	\$'000
Salaries and allowances pursuant to:		
(i) <i>Parliamentary Remuneration Act 1990</i>	296	314
(ii) <i>Agent-General Act 1901</i>	270	290
Premier - Other Payments	1 024	1 166
State Emergency Relief Fund	-	5
Social Inclusion Initiative – Drug Summit	-	1 787
Social Inclusion Initiative – Homelessness	3 812	3 000
Social Inclusion Initiative – School Retention Action Plan	7 734	3 500
Targeted Voluntary Separation Package Scheme Account	2 336	50 000
Government Workers Rehabilitation and Compensation Fund	-	295
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program	6	7
Trust Fund – SA Okayama Account	2	2
Other includes:		
Receipts received in Administering Public Sector Workforce Relations Unit	-	1 881
Funding transfer in Administering Public Sector Workforce Relations Unit	-	296
Cash received for APY Lands from the Commonwealth	3 712	4 700
Government Workers Rehabilitation and Compensation Fund	-	150
State Emergency Relief Fund	1 264	-
Commonwealth Community Essential Services Program	9 506	-
Total Administered Cash Inflows	29 962	67 393
Administered Cash Outflows		
Employee Payments includes:		
Salaries and allowances pursuant to:		
(i) <i>Parliamentary Remuneration Act 1990</i>	(323)	(314)
(ii) <i>Agent-General Act 1901</i>	(293)	(290)
Targeted Voluntary Separation Package Scheme Account	(13 330)	(38 617)
Government Workers Rehabilitation and Compensation Fund	-	(1 623)
Grants and Subsidies includes:		
Social Inclusion Initiative – Drug Summit	-	(1 787)
Social Inclusion Initiative – Homelessness	(3 812)	(3 000)
Social Inclusion Initiative – School Retention Action Plan	(7 986)	(3 248)
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program	(30)	(12)
APY Lands	(3 582)	-
Other includes:		
Expenses incurred in Administering Public Sector Workforce Relations Unit	-	(2 177)
Premier - Other Payments	(1 276)	(1 166)
Government Workers Rehabilitation and Compensation Fund	-	(85)
Targeted Voluntary Separation Package Scheme Account	(993)	(368)
State Emergency Relief Fund	(561)	-
Commonwealth Community Essential Services Program	(3 724)	-
Total Administered Cash Outflows	(35 910)	(52 687)
Net Administered Cash (Outflows) Inflows	(5 948)	14 706
Net Cash Transferred due to Restructure of Government Workers Rehabilitation and Compensation Scheme	-	(571)
Net (Decrease) Increase in Cash Held	(5 948)	14 135
Cash at the Beginning of the Financial Year	17 224	3 089
Cash at the End of the Financial Year	11 276	17 224

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

All Department accounting policies are contained in Note 2 'Summary of Significant Accounting Policies'. The policies outlined in Note 2 apply to both the Departmental and Administered Financial Statements.

Note 2. Transferred Administered Items

All note detail in relation to the restructure of the Commonwealth Community Essential Services Program is contained in Note 29 to the Department's financial statements.



Auditor-General's
Department

INDEPENDENT AUDIT REPORT

TO THE CHIEF EXECUTIVE DEPARTMENT OF THE PREMIER AND CABINET

SCOPE

As required by section 31 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 2005. The financial report comprises:

- A Statement of Financial Performance;
- A Statement of Financial Position;
- A Statement of Cash Flows;
- A Program Schedule of Expenses and Revenues;
- Notes to and forming part of the Financial Statements;
- A Schedule of Administered Expenses and Revenues;
- A Schedule of Administered Assets and Liabilities;
- A Schedule of Administered Cash Flows;
- Notes to and forming part of the Administered Financial Statements;
- Certificate by the Chief Executive, the Executive Director, Corporate and State Services and the Director, Business Services Branch.

The Chief Executive, the Executive Director, Corporate and State Services and the Director, Business Services Branch are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the Chief Executive.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing and Assurance Standards to provide reasonable assurance whether the financial report is free of material misstatement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the Department of the Premier and Cabinet's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion, the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Department of the Premier and Cabinet as at 30 June 2005, the results of its operations and its cash flows for the year then ended.

26 September 2005

K I MacPHERSON
AUDITOR-GENERAL

Corporate Reporting

Aboriginal Reconciliation

In October 2004, Indigenous Affairs and Special Projects (IASP) was established as a separate division within DPC and incorporates the group known as the Department for Aboriginal Affairs and Reconciliation (DAARE, from the Department for Families and Communities).

The key objective of the new division is to provide the government with a new capacity to drive Indigenous issues with an integrated and powerful focus. The department also works to an overarching reconciliation statement established in 2002.

IASP and other divisions are required to record progress against specific targets on a quarterly basis.

Disability Action Plans

In previous years, the department's work has predominantly centred on a coordination, policy formulation and advice function, internal to government, with limited contact with the general public. However, structural and functional changes within the department have resulted in additional externally focused functionality.

DPC maintains a Disability Action Plan, which details the specific requirements needed to achieve equity and access for people with disabilities. The key objectives of the plan are aligned with the five outcome areas of Promoting Independence – Disability Action Plan for South Australia, released by the Department for Families and Communities, and draws from the following documents:

- *Disability Discrimination Act 1992*
- *Equal Opportunity Act 1994*
- Strategy for the Employment of People with Disabilities in the SA Public Sector

The plan is reviewed at the beginning of each financial year and lodged with the Human Rights and Equal Opportunity Commission to facilitate full accountability.

The department follows whole of government guidelines in dealing with the rights of customers and has policies and procedures addressing grievances and complaints processes for the range of issues, which may include people with disabilities.

Actions and initiatives detailed in the plan are considered an integral part of normal business processes, including consultation, service delivery, policy development, corporate planning and employment. In particular, the daily work of the Social Inclusion Unit and the Indigenous Affairs and Special Projects Division depends largely on extensive consultation, including consultation with people with disabilities.

In late 2004 the department released a set of guidelines that outlined basic principles to be observed by the department to ensure planning, development and ongoing management of external communications is inclusive, equitable and accessible. These guidelines were developed in consultation with peak disability organisations.

Staff with disabilities and staff working with people with disabilities across DPC were also encouraged to identify specific training needs to assist them in meeting the needs of people with disabilities.

Divisions are required to report on progress against the action plan on a quarterly and yearly basis. Arts SA will continue to monitor their Disability Action Plan, which was established in 2002, with a longer term of administration than one year.

Progress is reported to the Department for Families and Communities (DFC) on a yearly basis.

Overseas Travel

Number of Employees	Destination(s)	Reasons for Travel	Total Cost to Agency
1	Myanmar	AusHeritage held a symposium in Myanmar on the conservation of their tangible and intangible cultural heritage. Artlab Australia presented a paper entitled 'The Application of the Burra Charter principle to the conservation of intangible cultural heritage'.	\$6 400
4	Taiwan	Artlab Australia was engaged by Bao-an Temple to undertake the conservation of two large mural paintings in the temple. The project involved training staff in treatment and maintenance of mural paintings. Cost to agency recovered by fees charged for services.	\$12 818
1	Indonesia	Artlab Australia – presented a draft strategic plan for improving the conservation of cultural heritage in ASEAN countries to the ASEAN Committee on Culture and Information.	\$2 100
1	Kuala Lumpur, Malaysia	Attended the INTA28 congress.	\$1 682
1	Auckland, New Zealand	Attended and presented a paper at the Climate Change & Business Conference and Trade Expo.	\$2 208
1	Deagu City, Republic of Korea	Attended and presented a paper at the 1 st International Solar Cities Congress.	\$2 898
1	Stuttgart, Germany	Principal Adviser Built Environment, Office of Sustainability, DEH represented the government through the Green City Program at a major conference and exhibition.	\$1 008
1	United Kingdom	For the Project Catalyst to visit the Royal Institution, London and Oxford University on the invitation of Adelaide Thinker in Residence Baroness Professor Susan Greenfield.	\$6 181
5	United States	Carnegie Mellon University negotiations.	\$47 532
1	United States / China	Negotiations over Carnegie Mellon University / China Trade Mission.	\$13 568
1	Canada / United States	Developed government / industry relations with key groups including the Oregon Progress Board and Carnegie Mellon University and put forward a proposal for the Australia-Canadian Premier's Conference.	\$22 893
1	United States	Attended the Australia-Canadian Premier's Conference and the 2005 Bio-Innovation Conference. Met with representatives from Carnegie Mellon University and Adelaide Thinker Rosanne Haggarty.	\$14 214
Total -			\$133 502

Consultants

The following table lists payments to consultants engaged by DPC. Consultants engaged by statutory authorities within the DPC portfolio will be detailed in their respective Annual Reports.

Consultant	Purpose of Consultancy
Below \$10 000	
Total of 19	Various
Sub Total - \$56 884	
\$10 000 - \$50 000	
Customedia	Advice and audit on master media agency evaluation.
Deloitte	Special review - Arts SA.
Dr Lowitji O'Donoghue	Advice on issues relating to the Anangu Pitjantjatjara Yunkunytjatjara (APY) Lands.
Energy Conservation Systems	Provision of professional services for stages one and two of the Adelaide Building Tune-Ups project.
Herbert Girardet	Services to prepare an international positioning strategy for the Green City Program.
Kathie Massey	Preparation of a report for possible future development opportunities for the Noarlunga College Theatre.
Marie Smith	Payment for services for Adelaide Thinkers in Residence.
McPhee Andrewartha	Counselling sessions, transitional staff services, vocational assessment and career transition discussions.
Oz Train	Strategic plan workshops for the Office for the Commissioner for Public Employment.
Peter Wintonick	Payment for services for Adelaide Thinkers in Residence.
Phillips KPA	Advice regarding 'New U' initiative including analysis and comment on feasibility study report.
Quay	Project fee and travel for 'New U' initiative.
Rosanne Haggerty	Payment for Common Ground Community HDFC.
Susan Greenfield	Payment for services for Adelaide Thinkers in Residence.
The Australia and New Zealand School of Government	Payment for information regarding the British Government, particularly the Strategy Unit within their Cabinet Office.
Tim Costello	Advice on issues relating to APY lands.
Winton Consultancy Services Pty Ltd	Services rendered for the Office for the Commissioner for Public Employment restructure.
Wyatt R Hume	Educational consulting services to the department.
Sub Total - \$382 586	
Above \$50 000	
BDO Chartered Accountants and Advisers	Scoping whole of government activity related to the creative industries. In depth mapping exercise detailing the creative industries in South Australia and making recommendations for its growth and sustainability.
Icarnegie Inc	Study into the Icarnegie-Carnegie Mellon South Australia proposal.

Lizard Drinking	Work done within the Public Sector Reform Unit.
Vipac Engineers and Scientists	Project 'Greenhouse Neutral – Adelaide'.
Sub Total - \$604 050	
Total - \$1 043 520	

Urban Design

The redevelopment of the North Terrace precinct is a joint project between the Adelaide City Council (ACC) and state government. While the project is managed through the ACC, a number of agencies, including the Department of the Premier and Cabinet, were involved in the design process.

Asbestos Management

Site asbestos presence status	Priority for risk assessment	Number of sites in priority for assessment category	Risk Reduction Program: Activities conducted during 2004 - 05	Qualification of activities (by item / by area / by \$)
Insufficient data	Urgent	1	Immigration SA Specific details on this building are not available as it is not managed by the department.	n/a
Unstable, accessible OR Unstable, damaged or decayed	Urgent	1	National Railway Museum The Asbestos Report provided for 2004 - 05 reported that the asbestos roof of the Goods Shed at the National Railway Museum had deteriorated considerably and was recommended for replacement. The item has been placed on the DPC Risk Register and the tenant has been advised to restrict public access to the area as a temporary control.	nil
Unstable, inaccessible OR Unstable, partly accessible	High	2	Carclew Youth Arts Centre Most of the asbestos materials are gradually decaying. The maintenance program will be rescheduled to address the high priority risk areas. Government House During 2004 - 05, the asbestos eaves lining and asbestos ceiling to the store room and laundry of the Pine Cottage were removed and replaced with non-asbestos material during an upgrade of the building. The removal of remaining asbestos material will be assessed in line with future upgrades.	nil

Site asbestos presence status	Priority for risk assessment	Number of sites in priority for assessment category	Risk Reduction Program: Activities conducted during 2004 - 05	Qualification of activities (by item / by area / by \$)
Stable, accessible OR Stable, accessible, initial signs of decay	Medium	0		n/a
Stable, inaccessible OR Stable, partly accessible	Low	0		n/a
Asbestos free	Not applicable	2	Queens Theatre No activities required. Lion Arts Theatre No activities required.	n/a

The department will continue to monitor and manage asbestos levels during 2005 - 06, and work in collaboration with the Department for Administrative and Information Services to further develop current reporting standards.

Energy Efficiency / Sustainability

Performance against annual energy use targets

The following table outlines the performance of the department against annual energy use targets.

	Energy Use (GJ)	Expenditure (\$)	GHG Emissions
BASE YEAR 2000 - 2001			
DPC - Non Arts (includes State Admin Centre, Pirie Street (5), Reserve Bank & Pultney Street)	2 203	83 342	587
DPC Arts - Arts SA (includes Art Gallery, Artlab, Arts SA, Carrick Hill, Plain Central Services, SA Museum, State Library)	58 339	1 379 125	14 900
Arts SA Statutory Authorities (includes Adelaide Festival Centre Trust, Country Arts, SA Film Festival, State Opera)	33 148	954 714	7 522
History Trust (includes Motor Museum, Maritime Museum, Migration Museum)	3 428	116 700	1 056
Portfolio Total	97 118	2 533 881	24 065
YEAR BEING REPORTED			
DPC - non Arts (includes State Admin Centre, Pirie Street (5), Reserve Bank & Pultney Street)	1 827	84 584	487
DPC Arts - Arts SA (includes Art Gallery, Artlab, Arts SA, Carrick Hill, Plain Central Services, SA Museum, State Library)	45 229	1 232 447	9 322
Arts SA Statutory Authorities (includes Adelaide Festival Centre Trust, Country Arts, SA Film Festival, State Opera)	32 014	926 039	6 180
History Trust (includes Motor Museum, Maritime Museum, Migration Museum)	2 614	108 034	697
Portfolio Total	81 684	2 351 104	16 686
Interim Portfolio Target For 2010 (15% reduction from baseline)	82 550	2 153 799	20 455
Final Portfolio Target For 2014 (25% reduction from baseline)	72 838	1 900 411	18 049

Commentary

The department's baseline figure (and subsequent years) was formally adjusted (through Energy SA) to reflect the transfer of the Department for Aboriginal Affairs and Reconciliation group into the Portfolio and the inclusion of natural gas information for the first time.

Incorporating these adjustments, the Portfolio has experienced a total energy reduction of 15.9% from the baseline year (2000 - 01). This reduction already exceeded the interim 15% target for 2010.

The breakdown of energy consumption includes a 22.22% reduction in electricity, 4.84% increase in gas and a 7.21% reduction in cost from 2000 - 01.

The DPC non-Arts sites reduced their energy consumption by 17.03% from the baseline. This represents a 2.8% increase compared to the previous year. The primary reason for the increase is the securing of a short term lease of 580 m².

The DPC Art sites reduced energy consumption by 15.87% from the baseline and reduced 5.85% compared to the previous year. The breakdown of energy consumption from the baseline includes a 22.37% reduction in electricity and a 4.84% increase in gas.

In early 2004 – 05, the 'Shaw Method' of air conditioning control, developed at the University of Adelaide, was introduced in the exhibition wing of the Art Gallery of SA, with early indications showing a 11% reduction in the use of electricity. This computer-controlled system reduces the quantum of heating and cooling required and generates a stable temperature. The maintenance of a constant temperature is an important element in the preservation of collection items.

In late 2004 – 05, Arts SA commissioned the installation of variable speed fans in the air conditioning ducts of the Elder Wing and Melrose Wing (older section) of the Art Gallery of SA. A reduction in electricity consumption for this area is expected in 2005 - 06. Solar panels were also installed on the roof of the recently redeveloped State Library of SA.

Sustainability

DPC established a Sustainability Reference Group (SRG) with representatives from various locations within the department and is sponsored at an Executive Director level. The SRG has developed a terms of reference and an action plan for 2005 - 06, which models the priority areas under the whole of government Greening of Government Operations (GoGO).

DPC is represented on the whole of government GoGO cross agency reference group and the Energy Efficiency Reference Group and members of the SRG have also attended various workshops regarding GoGO priority areas.

Waste audits have commenced for Arts agencies, including the State Library of SA, the Art Gallery of SA, the SA Museum, Plain Central Services and the History Trust of SA, to determine the appropriate baseline for future reporting. Discussions have commenced with the Department for Administrative and Information Services in order to collect the waste details for leased accommodation.

SA Water and Arts SA have been working cooperatively to develop systems to collate water baseline data and discuss reporting issues. In addition, a water pilot study has been undertaken for the North Terrace precinct, which has identified potential water savings with a two year pay back period.

Information Statement

Introduction

This statement is published in accordance with subsection 9(2) of the *Freedom of Information Act 1991 (FOI Act)*. Subject to certain restrictions, the *FOI Act* gives members of the public a legally enforceable right to access information held by the South Australian Government. A comprehensive introduction to freedom of information can be found on the State Records website at <http://www.archives.sa.gov.au/foi/index.html>.

Structure and functions of the Department of the Premier and Cabinet (DPC)

The Department of the Premier and Cabinet's mission is to support the Premier as the head of government and contribute to the economic, cultural and environmental development of the state in a socially inclusive manner, consistent with South Australia's Strategic Plan. The department will promote excellence in government by providing leadership in improving government services and responsiveness, facilitating better government accountability in line with community expectations and investing in the development of a professional public sector.

Arts SA

Arts SA is charged with administering the government's funding for the arts and cultural heritage. Core functions include:

- developing and administering policies and programs to build the arts and cultural heritage sector in South Australia
- supporting the state's arts organisations and helping them to achieve their creative and cultural potential
- administering programs and project funds for established and emerging artists
- managing the state's public art program
- providing financial and human resource services to all areas of Arts SA and all other divisions of DPC and facilities management services to all areas of Arts SA.

Cabinet Office

Cabinet Office ensures the government operates efficiently and effectively in achieving its priorities by:

- providing expert support to executive government, including Executive Council, Cabinet and Cabinet Committees
- providing leadership in whole of government policy development, coordination and integration
- managing and providing advice on major initiatives across government
- advising the government on intergovernment relations issues and coordinating intergovernment relations matters across state portfolios and agencies.

Corporate and State Services

The Corporate and State Services Division has prime responsibility for providing strategic business, risk management and budget planning advice and support to the Chief Executive and all other divisions of the department.

In addition, it has a number of other broader roles across government and the community. These include:

- managing protocol matters and planning and implementing special events and projects
- coordinating measures in respect to emergency management, security, protection of critical infrastructure, counter terrorism, disaster mitigation and recovery and support to the Emergency Management Council
- coordinating responses of communications from the community to the Premier and ministers, supporting the Premier's grants programs, the liaison of parliamentary matters across government, management of Freedom of Information legislation and work associated with government boards and committees

- coordinating whole of government strategic communications, managing the Master Media Contract and providing advice and support to the Cabinet Communications Committee
- providing support and advice to the Governor's establishment, Agent-General and South Australia's Sister-State relationships.

Indigenous Affairs and Special Projects Division

Responsibilities and key functions of Indigenous Affairs and Special Projects (encompassing the former Department for Aboriginal Affairs and Reconciliation) include:

- providing strategic leadership in Indigenous policy development
- coordinating and implementing policies, such as the 'Doing it Right' framework for Aboriginal Affairs
- implementing services to advance the wellbeing of Aboriginal families and communities in South Australia
- across-government coordinating and monitoring, developing and implementing action zones
- protecting of Aboriginal heritage and culture
- providing and maintaining essential services and infrastructure
- supporting the state's landholding authorities
- leading and contributing to government special projects such as:
 - the Adelaide Dry Zone
 - detainees, native title and the Commonwealth lands at Maralinga.

Public Sector Reform Unit

The Public Sector Reform Unit has been formed to improve the agility and responsiveness of the public sector through building a culture of leadership, innovation, excellence and collaboration.

The unit's core function is to develop and implement a reform program which:

- improves the flexibility, responsiveness and capacity of the public sector
- creates a citizen centric focus and improves access to services
- enables managers to manage for results
- improves implementation of government priorities
- increases public sector productivity
- invigorates the public sector.

Social Inclusion Unit

The Social Inclusion Unit supports the work of the Social Inclusion Board, which advises the Premier on new ways to achieve better outcomes for the most disadvantaged people in the community.

The unit achieves this by developing advice which is informed by:

- effective interventions at the earliest opportunity
- strengthening pathways out of crisis
- increasing community involvement
- mobilising cross agency action and innovation
- creating future wealth and prosperity
- maximising potential across the community
- enhancing the ability of all South Australians to participate in the workforce and in the community
- building resilience.

Strategic Projects Division

The role of the Strategic Projects Division is to support the Premier, Cabinet and the Chief Executive of the department in coordinating, developing and delivering strategic whole of government policy, projects and programs.

The division's specific functions include:

- coordinating South Australia's Strategic Plan process
- managing important whole of government initiatives
- providing economic and strategic advice
- coordinating the implementation of recommendations from the Economic Development Board

- supporting and promoting volunteering
- supporting the Capital City Committee
- providing commercial advice and undertaking negotiations and mediations
- coordinating and developing major policy work
- managing the Thinkers in Residence Program
- coordinating the Green City Program.

A comprehensive description of the Department's structure and functions can be found on the DPC website at <http://www.premcab.sa.gov.au> or in this Annual Report.

Effect of the agency's functions on members of the public

The functions of the department affect the public both directly, in the form of service delivery to the community, and indirectly, through the department's policy and strategic management improvement activities. Such activities result in the department having an input into the wide range of government programs and initiatives.

How the public may participate in agency policy development

The public has the opportunity to participate in the department's policy development in a number of ways, including community consultation forums, panels, surveys and membership of government boards and committees.

Description of the kinds of documents held by DPC

Documents held by the Department of the Premier and Cabinet fall broadly into the categories described below. While most are available in hard copy, it should be noted that some are only available electronically. The listing of these categories does not necessarily mean all documents are accessible in full or in part under the Act. The categories include:

- corporate files containing correspondence, memoranda and minutes on all aspects of the department's operations
- policies, procedures and guidelines prescribing the way various activities and programs are to be performed
- personnel files relating to the department's employees
- accounting and financial reports relating to the running of the department
- departmental annual reports, strategic plans and policy reports
- Premier and Cabinet circulars, codes of conduct, Commissioner's Circulars and Commissioner's PSM Act determinations
- minutes of meetings and terms of reference
- documents relating to the Arts SA website, support and funding for arts organisations, the state of works of art, the arts industry and publications produced by Arts SA
- information relating to graduate recruitment, indigenous employment strategies and the notice of vacancies.

Making an application

In accordance with the Act, applications for access to documents held by an agency must:

- be made in writing (you may chose to write a letter or use the application form - http://www.archives.sa.gov.au/files/forms_foi_request_for_access.pdf)
- specify that the application is made under the *Freedom of Information Act 1991*
- be accompanied by a \$23.80 application fee (exemptions apply for Members of Parliament and pensioners or health card holders)
- specify an address in Australia to which information can be sent
- clearly identify the documents being sought or the matter to which they pertain
- specify whether the documents contain information of a personal nature
- specify the desired type of access to the document, such as inspection of the document at an arranged location or having a copy made.

Applications under the Act should be forwarded to:
The Accredited FOI Officer
Department of the Premier and Cabinet
GPO Box 2343
SOUTH AUSTRALIA SA 5001

The Accredited Officer can be contacted on (08) 8226 2768.

Agent-General Report

The London office assisted existing and potential exporters to the UK and Europe in a wide range of industries from seafood and gourmet food products to jewellery, furniture, ICT, manufactured products and biotechnology firms. The assistance provided included programs for meetings, identification of potential distributors, market intelligence on the UK and associated markets, attending seminars and trade shows on the company's behalf and product launches.

The office attended trade shows / conferences establishing contacts for South Australian firms in a range of sectors including food, wind energy, healthcare, pharmaceutical/ biotechnology, creative and music industries, ICT, and security.

Market intelligence was provided to many South Australian companies and government agencies including the Department of Trade and Economic Development (DTED) and the Department of Primary Industry Industries and Resources South Australia (PIRSA).

Investment enquiries came from companies in defence and automotive as well as dairy and food related products.

The UK continues to be a primary market for migrants from Europe to South Australia. The office received in excess of 400 enquiries regarding skilled and business migration. Migration fairs and information seminars were attended around the UK and Europe. Approximately 4 000 information packs were disseminated at fairs, mailed from the office and sent to migration agencies.

The office arranged programs for the Premier, the Governor and senior government ministers as well as Members of Parliament, senior government executives and visiting delegations. The office was also involved in organising major promotional events, many of which included South Australians in London.

National Competition Commissioner

Referrals to the Competition Commissioner

A secretariat to handle competitive neutrality complaints is located in the Cabinet Office of the department. The secretariat advises the public and private sectors on the complaints mechanism. The framework for competitive neutrality complaints is the principles that have been established under the *Government Business Enterprises (Competition) Act 1986* (the Act) and the State Government Competitive Neutrality Policy Statement.

When a written complaint is received, the secretariat first assesses whether it is prima facie within the scope of the Act. The complaint is next referred to the agency that is the subject of the complaint for internal investigation and response. If the complaint cannot be resolved by agreement, the Premier may refer it to the Competition Commissioner appointed under the Act for investigation and report. The following information is provided in accordance with the requirement in section 21 of the Act for the Chief Executive of the Department of the Premier and Cabinet to report annually on investigations carried out by the Competition Commissioner under the Act.

There were no new competitive neutrality complaints lodged in 2004-05.

A complaint against the Adelaide Festival Centre Trust was referred to the Competition Commissioner for investigation in July 2004. The Commissioner's investigations were ongoing at the end of 2004-05.

The Act requires that a summary of the Competition Commissioner's report of his investigation of a complaint be made available to the public. Summaries of complaints are available at <http://www.premcab.sa.gov.au>.

Additional information on competitive neutrality implementation in government business activities and competitive neutrality complaints can be found in South Australia's annual reports to the National Competition Council and related reforms, at <http://www.premcab.sa.gov.au>.

Annual Report by the Competition Commissioner

The Competition Commissioner is considered to be an agent or instrumentality of the Crown, and is required to comply with the obligations imposed by the *Public Sector Management Act 1995* (the Act) on public sector agencies. These obligations are to meet the general public sector aims and standards of Part 2 of the Act and to submit an annual report as required by section 66 of the Act. For convenience, the Annual Report for 2004-05 is presented as part of the Annual Report of the Department of the Premier and Cabinet.

Competition commissioners are appointed by the Governor pursuant to section 5 of the *Government Business Enterprises (Competition) Act 1996*. A commissioner may be appointed to investigate the prices charged by declared government business enterprises (under section 9) or to investigate competitive neutrality complaints referred to him or her by the Premier and to report on the investigations (sections 18 and 19). The Act specifies the powers and duties of a commissioner in both cases.

Regulation 18 of the *Public Sector Management Regulations 1995* lists the information that the annual report must contain. Some of the information required is not relevant to an individual person appointed to undertake specific investigations as required. Some of the required information, for example, on fraud and financial performance is already provided elsewhere in the Annual Report of the Department of the Premier and Cabinet.

I am the only Commissioner currently appointed under the Act. I am appointed to carry out such investigations into infringements on the principles of competitive neutrality as the Premier may direct from time to time. I was reappointed in December 2003 for a two year term, from 1 January 2004 to 31 December 2005 under the terms and conditions approved by Cabinet. The terms include that I am not an employee of the state or any government department or agency.

Section 19 of the *Government Business Enterprises (Competition) Act 1996* gives me the power to delegate any aspect of the investigation of a competitive neutrality complaint to another person. I have not used this power.



John Carey
Competition Commissioner

Glossary of Terms

Aboriginal	An inclusive term of Aboriginal and Torres Strait Islander people, culture and languages
APY	Anangu Pitjantjatjara Yankunytjatjara
Aus SMC	Australian Science Media Centre
DAARE	Department for Aboriginal Affairs and Reconciliation
DAIS	Department for Administrative and Information Services
DECS	Department of Education and Children's Services
DFEEST	Department of Further Education, Employment, Science and Technology
DPC	Department of the Premier and Cabinet
DTED	Department of Trade and Economic Development
EDF	Economic Development Framework
FOI	Freedom of Information
GoGO	Greening of Government Operations
IASP	Indigenous Affairs and Special Projects
OCPE	Office for the Commissioner for Public Employment
OPE	Office of Public Employment
PSRU	Public Sector Reform Unit
SA	South Australia
SASP	South Australia's Strategic Plan
SCU	Strategic Communications Unit
SMEs	Small to Medium Enterprises
TVSP	Targeted Voluntary Separation Package Scheme
VMAG	Volunteer Ministerial Advisory Group