

Department of the Premier and Cabinet Annual Report 2005-06



**Government
of South Australia**

Department of the
Premier and Cabinet

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29 September 2006

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, 2006.

The department's core mission throughout the year was to promote excellence in government and, through professional policy development and advice, achieve an improved quality of life for all South Australians.

The Annual Report of the Department of the Premier and Cabinet continues its strategic focus to describe 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'.

Warren McCann
Chief Executive

Chief Executive's Review



This past year has been one of constant change as the Department of the Premier and Cabinet has responded to the requirements of South Australia's Strategic Plan. From the outset it has been clear that achieving the objectives will require cooperation within this department, across government and between the Commonwealth and State governments. The Office of the Executive Committee of Cabinet and the SA Strategic Plan Community Connection have spearheaded our approach to Strategic Plan targets by ensuring government agencies are on track to meet the requirements of the plan. One of our key priorities has been to ensure that the South Australian community is fully involved and shares the vision in the process required to achieve our targets. The department has managed what is believed to be one of South Australia's most extensive community consultations on a revised version of the South Australia Strategic Plan and the first biennial public report on progress towards South Australia's Strategic Plans targets was released on 30 June 2006

The Sustainability and Climate Change division was established within this department on 1 April 2006 and is tasked with implementing the Government's commitments on climate change and sustainability within South Australia. Once again effective collaboration has meant great achievement; the department has coordinated arrangements to establish a major solar cities trial in Adelaide in conjunction with the Commonwealth Government and secured the International Solar Cities Congress for Adelaide in 2008.

Addressing the problem of indigenous disadvantage has always required a combined effort across government. The Aboriginal Affairs and Reconciliation Division has worked closely with the Commonwealth Government and other state government agencies including the Department of Health and the Department for Families and Communities

to achieve integrated service provision across the APY Lands and some of the outcomes of this approach will be elaborated upon later in this report.

Collaboration within the department has also provided results. For instance the work of the Social Inclusion Board and Unit has married together with the residency of Roseanne Haggarty to address some of the problems of the homeless in this State. There have been some tangible achievements in this area with 9,974 people (at end June 2005) assisted into housing or accommodation. Rosanne Haggarty's residency has also led to the establishment of the "Common Ground Adelaide" project to aggressively combat homelessness in this State. More detail on this initiative is contained within this report.

I think its fair to say that our focus this year has been on laying the foundations for future achievements. That has meant reducing red tape, opening channels of communication and continuing to be flexible in responding to the requirements of the South Australian community. It has, on occasions been difficult for staff who have had to cope with transition, new methods of working and the challenges that arise from doing things differently. However they have responded to the challenge and we look forward to another year of achievement.

A handwritten signature in black ink, appearing to read 'Warren McCann', written in a cursive style.

Warren McCann
Chief Executive

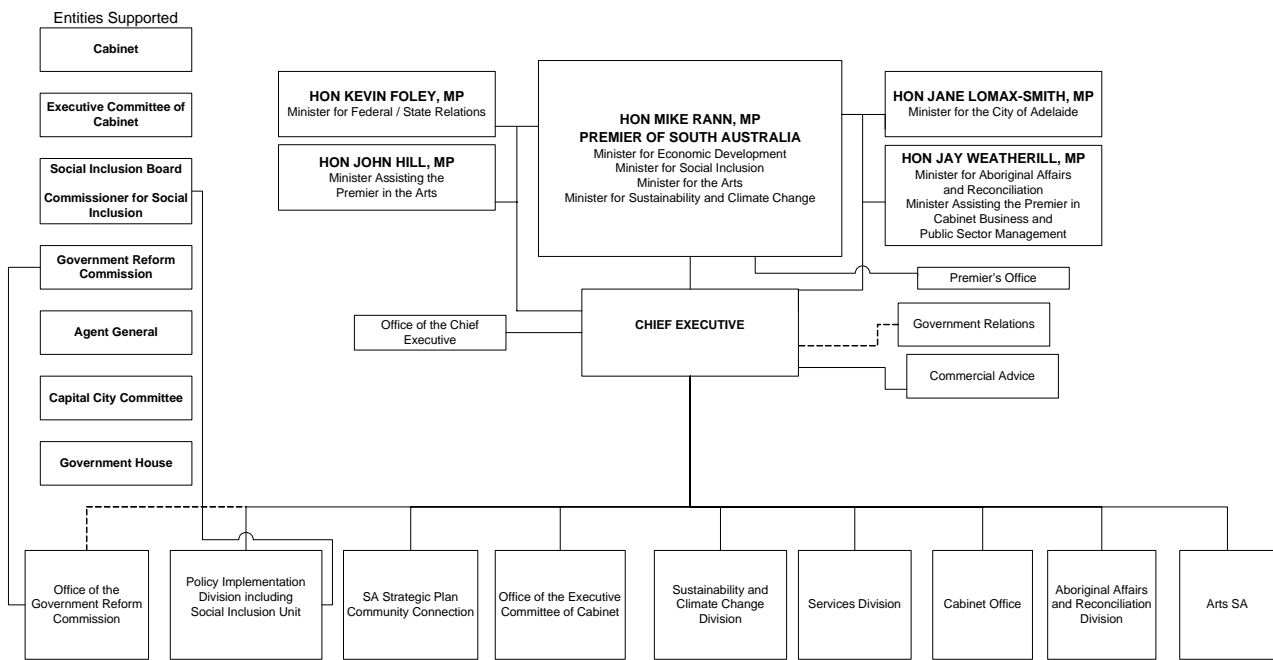
Departmental Objectives

The Department of the Premier and Cabinet supports the Premier and Cabinet by leading the implementation of the agenda of the government within the South Australian public sector and community.

It achieves this by leading whole of government policy development and implementation, driving reform in government services, creating and developing innovative approaches, aligning government accountability and responsiveness with community expectations and implementing specific programs.

The major objective is to drive the implementation of South Australia's Strategic Plan and achieve its targets, particularly in the areas of government reform, improving Aboriginal wellbeing, managing climate change, supporting Social Inclusion initiatives and building the arts.

Organisational Structure



Independent Agencies within the portfolio include the 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:

- State Disaster Relief Fund
- Commonwealth Essential Service Capital Works Fund (formerly the Aboriginal and Torres Strait Islander Commission Capital Works Fund)
- Anangu Pitjantjatjara Yankunytjatjara Lands - Additional Services
- Social Inclusion - Homelessness Initiatives
- Social Inclusion - School Retention Initiatives
- Payments made from Consolidated Account

Our Values

In achieving our outcomes the Department of the Premier and Cabinet is an organisation that values:

Leadership – We take the initiative within the Public Service to drive reforms and change and are accountable for our actions and advice.

Professionalism – We use our integrity, knowledge, intellectual capability and experience to provide professional advice and services to support the achievement of the Government’s objectives.

Achievement – We achieve effective and timely results and are responsive to the changing requirements of the Government.

People – We are committed to DPC being a great place to work for a diverse workforce and developing our people to meet the needs of the Government and the department.

Collaboration – We value teamwork and collaborate internally and externally to develop solutions that take a whole of government approach and recognise diversity.

Reporting Structure

Reporting for 2005-06 has been categorised under South Australia’s Strategic Plan targets

Departmental Highlights

Growing Prosperity

The department has tackled this objective on many fronts. The scope of our endeavours has stretched from negotiating access to new mining frontiers to managing large-scale security projects for the State. We have also turned the magnifying glass onto ourselves as public servants with several measures implemented that will limit bureaucracy and transform the public service. One of the department's most important responsibilities is our charge to provide whole of government leadership on the implementation of South Australia's Strategic Plan.

Implementing South Australia's Strategic Plan

In an effort to give extra force to the government's implementation of South Australia's Strategic Plan (which had been launched in March 2004), the Executive Committee of Cabinet (ExComm) was established in July 2005. The committee is chaired by the Premier and includes three senior ministers as members. Unique in Australia's system of government, this Cabinet committee also has two independent advisers serving on it to add a community perspective to deliberations about the targets in SA's Strategic Plan and how they're being pursued.

ExComm is supported by the Office of the Executive Committee of Cabinet within the department. The Committee met regularly during the latter half of 2005 to hear from agency chief executives about their approaches to implementing the plan. It also looked at broader reform efforts which support achievement of the targets – either in policy areas, or in the area of public service administration. The committee introduced, for example, a new system of performance management for chief executives which provides a more integrated approach to assessing contributions towards portfolio-specific and whole-of-government objectives. In the latter part of 2005-06, the Committee's focus switched to considerations by an independent Audit Committee on progress to date towards achieving the strategic plan targets and to the process for updating the plan with community input.

Managed a comprehensive community engagement program to update South Australia's Strategic Plan

The government recognised that community consultation in devising South Australia's Strategic Plan (SASP) necessarily had been limited. Therefore it agreed to a process to better engage with community stakeholders to ensure that the plan reflected their

priorities. Inspired by the Oregon Progress Board's plan "Oregon Shines", the department organised meetings around the state with community organisations large and small. Working with an "Update Team" of 25 community leaders drawn from major government advisory boards, the department convened over 30 workshops and meetings involving over 1600 community leaders in 17 locations around the state. Each of these meetings enabled community representatives to hear more about how their communities were faring across a range of the plan's target areas and to offer their views on the priorities that should be reflected in an updated plan.



A participant in the community engagement program in Mt Gambier

Feedback from these groups was released on 30 June in a *Preliminary Community Engagement Report* for consideration alongside the plan's *Progress Report 2006*. (See next item.) Both of these reports were intended to inform further consideration and development of specific proposals to government on what new or different targets might be included in an updated plan.

The community engagement program culminated in a SASP Community Congress on Saturday 8 July 2006. This congress involved over 400 South Australians who had participated in the update process. Through

deliberation and electronic voting, the congress advised the Update Team on its priorities for updating SASP. (This event, whilst occurring in Financial Year 2006-07 is reported here to provide a complete description of the phase of the SASP update.)

Other public outreach during the year included an extensive media campaign advertising the existence and purpose of the plan, a new bi-monthly e-newsletter that goes out to 2000 community leaders across the state. Two surveys were also conducted during the year to gauge community knowledge of and attitudes toward the SASP.

The community engagement process was the most extensive and intensive in the state's history. Led by DPC, it relied heavily on support from other government agencies as well as Update Team members and other community leaders.

Prepared the first biennial report on progress towards South Australia's Strategic Plan targets

When it launched SA's Strategic Plan, the government committed to releasing biennial reports on progress towards its 84 targets. The first of these reports was released in June 2006. It was compiled by the SA Strategic Plan Audit Committee, an independent group comprising representatives of five of the government's key advisory boards: the Premier's Advisory Council on Women; the Round Table on Sustainability; the Premier's Science and Research Council; the Social Inclusion Board; and the Economic Development Board. The committee is chaired by Bill Cossey, AM, of the Social Inclusion Board and supported by a small secretariat in the Office of the Executive Committee of Cabinet.

The Audit Committee's terms of reference had been to advise government on the interpretation and measurement of strategic plan targets. As such it had accumulated a good deal of expertise relevant to preparing a comprehensive assessment of how the state was faring against the targets two years into the plan's implementation. The Audit Committee identified a number of technical issues with the wording of some of the targets and recommended other changes to clarify baseline data, improve the plan's data sources, and ensure more robust and accurate measurement of performance in several target areas.

The report used five categories to rate the progress towards each of the plan's 84 targets as follows:

- 19 – achieved, currently at or better than the target level
- 24 – on track to meet the target in the timeframe
- 11 – progress has been made but the target is unlikely to be reached in the timeframe
- 11 – little/no/negative movement has been made on the target
- 19 – unclear, no data or no new data are available or measurement is problematic.

This report was a "first" in terms of sharing with the South Australian public a range of data about the state's performance across a broad spectrum.

Importantly, too, it became a useful resource for the community engagement process surrounding the update of SA's Strategic Plan.

Assisted with major state economic projects

In order to mine its Prominent Hill copper-gold deposit, Oxiana needed to negotiate an access agreement with the Commonwealth Department of Defence, which controls all access to the WPA. The department facilitated meetings and assisted Oxiana in its successful discussions with the Commonwealth Minister and Department of Defence.

The department will continue to discuss the concept of a proforma agreement, based on the Oxiana agreement, with the Department of Defence to assist future exploration and mining in the WPA.

The department facilitated the recent Ministerial Review of the AustralAsia Railway (Third Party Access) Code, which was undertaken by the South Australian Minister for Transport and the Northern Territory Minister for the AustralAsia Railway. The Ministerial Review was tabled in the SA and NT Parliaments on Tuesday 29 August 2006.

The department assisted the Deputy Premier in his recent negotiations with ExxonMobil. As a result of these negotiations, ExxonMobil has agreed to commence immediately an agreed program of investigations, research and remediation on the site.

Public Sector Reform

In July 2006 the Government Reform Commission was established, replacing the Public Sector Reform Unit (PSRU). Prior to this, PSRU undertook a number of reform initiatives during 2005-06, including the following:

Public Sector Management Framework: the department conducted a review of the public sector management framework. Consideration is being given as to the consequences for the legislative framework.

Connected government - Utility Debt project: The department led the development of a shared responsibility model for assisting people experiencing financial hardship as a result of utility debt.

Government Customer Service Focus and Standards - Draft whole-of-government standards for citizen-centric service delivery, proposals on citizen's surveys and organisational and cultural change were developed. These draft standards now form the basis of ongoing work by the Government Reform Commission.

Governance and accountability: Achievements in this area include the:

- development and passage of the Public Sector Management (Chief Executive Accountability) Amendment Act 2005. This amended the PSM Act to make Chief Executives of administrative units accountable to both the Premier and their portfolio ministers for the delivery of whole of government policy objectives.
- initiation of a uniform CE performance management process, which was subsequently completed elsewhere in DPC.
- development of a draft governance framework inclusive of templates and principles to improve public sector governance, which is now under active consideration by the Government Reform Commission.
- developed a draft Cross-Agency/Whole of Government opportunity and risk management framework to facilitate whole of government policy implementation.

Efficiency and transparency of Government (SASP T1.18 & T1.19): An implementation plan and draft indicators to facilitate the achievement productivity/timeliness targets was developed. Many of the projects identified are being implemented by other agencies.

Procurement reform: Significant policy input was provided to assist the Department for Administrative and Information Services (DAIS) to:

- implement the State Procurement Act 2004 and regulations; and
- reform procurement processes and procedures to increase delegations to Chief Executives facilitating better government procurement outcomes through strategic procurement and greater use of information.

Improving the climate for business: The department reviewed red tape and impediments to the export of goods from SA and service delivery mechanisms to business. It proposed ways to review regulation and alleviate these pressures

Review of National Competition Policy –The department represented South Australia on the COAG Review of National Competition Policy and contributed to the development of the new National Reform Agenda.

Strategic Internal Communication Initiative – The department designed and implemented an electronic newsletter entitled 'e-gov' to improve communications within and across Government. In addition PSRU conducted a series of lunchtime seminars focusing on public sector reforms as well as sponsoring the governance series conferences run by the Institute of Public Administration Australia.

Coordinated the framework for the regulation of ammonium nitrate in South Australia

The South Australian Government has, in concert with all other governments in Australia, agreed to introduce a licensing and permit system to ensure that ammonium nitrate can be used as a fertilizer and is not used as an explosive.

The department through its Security and Emergency Management Office in conjunction with Safe Work SA coordinated the work, which included the development of regulations under the Explosives Act 1936. The regulations and framework have improved security and safety of the storage, sale and handling of ammonium nitrate in South Australia. Extensive public consultation occurred before the regulations were made. South Australia has been working with other states and territories to achieve a consistent national approach.

Coordinated planning and South Australia's participation in Exercise Mercury 05, Australia's largest ever counter terrorism exercise

Twelve South Australian Government agencies, a number of private sector companies and local and national transport operators participated in *Mercury 05*, a strategic-level counter-terrorism exercise, conducted from 17 to 21 October 2005. *Mercury 05* was the largest and most ambitious counter-terrorism exercise to be conducted to date in Australia, and involved large-scale field deployments and simulation discussion exercises.

The department in conjunction with South Australia Police coordinated planning and South Australia's participation in the exercise. The exercise was extremely valuable in thoroughly testing the state and national counter-terrorism arrangements at all levels.

Implemented a local grants scheme to improve preparedness for emergency management and security

The department through its Security and Emergency Management Office has been working in partnership with Emergency Management Australia, the South Australia Local Government Association and volunteer organisations to enable the local rollout and delivery of a national grants program for emergency management capacity building in local communities. Forty-eight projects were successful in 2005-06, attracting \$1.6 million in commonwealth funding to improve emergency planning, engage with communities, attract and train volunteers and develop better recovery capability. Consultation occurred with stakeholders that allowed for a broad geographic spread of applications and for priority needs to be developed that match with the *Emergency Management Act 2004* and the South Australian Emergency Management Plan. The 2006-07 round has now closed with similar rates of success and negotiations have commenced for the final 2007-08 round.

Conducted the Focus on the Future project

A joint initiative between the Office of the Executive Committee of Cabinet (DPC) and the Department of Education and Children's Services, the *Focus on the Future: Have Your Say* competition provided a unique opportunity for South Australian school students to have a say in the future of their state as part of the SA Strategic Plan community engagement process. The competition invited students from Reception to Year 12 to design an original project, using electronic media, expressing their ambitions for the State with the SA Strategic Plan as the main reference point. It was a way of fostering creative thinking and capturing young people's hopes in our emerging vision for South Australia's future. Around one hundred high-quality digital presentations were received from across the state. Two of the winning entries were screened at the Community Congress on 8 July 2006 before the Premier and 400 delegates at the SASP Community Congress.



Some of the Focus on the Future entrants with the Premier and Nicola Downer.

Improving Wellbeing

A healthier, happier South Australia requires the efforts of many including this department, other government agencies, business and the community. As with many other initiatives we have worked closely with other government agencies to ensure that there are measurable results in this area.

Develop and implement initiatives to raise Adelaide's ranking in the Mercer quality of life index.

The department worked with other government agencies to address key elements of the Mercer Index to ensure that accurate and up to date information in these areas on Adelaide's current performance was available to the Mercer organisation. These elements include availability of international education in schools, crime, and theatre and music performances. There was regular contact with the Mercer organisation to supply information about developments in these areas. In March 2006 Adelaide was ranked 29th in the Mercer Index, which surveys more than 350 cities worldwide

Attaining Sustainability

The department is committed to ensuring South Australia is world renowned for being clean, green and sustainable. Several key initiatives have been pursued over the 2005-06 year including improved reporting on government eco-efficiency and the release of groundbreaking new legislation on climate change for public consultation.

Led COAG Climate Change Initiatives

South Australia is leading the Council of Australian Governments climate change work program. This includes a study on barriers to take-up of renewable and low emission technologies; preparation of an adaptation strategy; and investigation of the case for a new centre of applied science.

Released the draft Climate Change and Greenhouse Emissions Reduction Bill for public consultation

The draft *Climate Change and Greenhouse Emissions Reduction Bill 2006* was released in late June 2006 for three months public consultation.

The proposed legislation sets a long-term target to reduce South Australia's greenhouse gas emissions by 60% of 1990 levels by 2050, and a shorter-term target to increase the use of renewable electricity so that it comprises 20% of total electricity consumption by 2014.

The proposed legislation is the first of its kind in Australia and will be one of only a few pieces of legislation worldwide that sets an emissions reduction target. It is expected that the legislation will be introduced to Parliament in late 2006.

Released Tackling Climate Change: South Australia's Greenhouse Strategy for public consultation

A draft of *Tackling Climate Change: South Australia's Greenhouse Strategy* was released for public consultation in January 2006. State Government, local government, industry and the general community have all contributed towards the draft Strategy, which articulates agreed goals, objectives and strategies to reduce greenhouse emissions and adapt to the impacts of climate change. The final document is scheduled for release in late 2006 and will include an action plan outlining what Government will do to implement the strategy over the next five years.

Calculated South Australia's first Ecological Footprint

South Australia's first Ecological Footprint has been calculated in partnership with the University of South

Australia. The Ecological Footprint measures our consumption of renewable resources against how much are available to us. While the State's Ecological Footprint of 7.0 global hectares (gha) per person compares favourably with the Australian average of 7.7 gha per person it does not compare well to the global average Ecological Footprint of 2.2 gha per person.

South Australia's Strategic Plan includes a target to 'Reduce our footprint to reduce the impact of human settlements and activities within 10 years'. Work is currently underway to develop policy measures that will effect a reduction in the State's Footprint.

Implemented a program for Adelaide to be known internationally as a green city by 2010.

The North Terrace Solar Precinct was completed with solar panels installed on the roof of the State Library, Parliament House, the South Australian Museum and the Art Gallery. Solar mallee trees have been installed on the Festival Plaza to provide energy to the electricity grid during the day and a colourful lighting display at night.

Stages 2 and 3 of the Building Tune Ups Program, which aims to improve the energy and water use of 10 CBD office buildings, was completed.

A 'community roof garden' was established on a social housing development in Hocking Place.

A range of sustainable mobility initiatives were undertaken including *Active Adelaide*, which promoted bike riding to and from work, and the provision of a Hydrogen Fuel Cell bus for delegates to get to and from the *Emerging Transport Technology Conference*, which was held in October 2005.

Established a requirement through DPC Circular number 13 for all agencies to report on their Greening of Government actions as part of annual reporting.

The Greening of Government Operations Action Plan, which was endorsed by Cabinet in February 2006, establishes a requirement that all agencies must report annually on their eco-efficiency practices that

seek to minimise waste, greenhouse gas emissions, water use and other impacts on the environment. This requirement to report annually on achieving greening outcomes will contribute significantly towards the Government's commitment to improve the sustainability of Government operations.

Implemented strategies in collaboration with the Adelaide City Council to increase the vitality and attractiveness of the city as a destination for visitors, migrants and investment.

Successful Capital City Committee projects and achievements include:

- Convening two successful Capital City Forums.
- Publication of the *Adelaide City Centre Report Card* to highlight development of the City over the previous three years.
- Implementation of an Interagency Partnership Agreement, which establishes a 'Social Sustainability Partnership Action Group' (SSPAG).
- Ensuring that Adelaide City Council has the first option to respond as proposals for relocating State Government offices arise.

- Preparation of a master plan in conjunction with Great Southern Railways for redevelopment of the Keswick Interstate Rail Terminal.
- Installation of directional signage to interstate railway and airport facilities on major roads linking the city.
- Review of CCTV (closed circuit television) systems in public places within the CBD.

Coordinated arrangements to establish a major solar cities trial in Adelaide in conjunction with the Commonwealth Government and secured the International Solar Cities Congress for Adelaide in 2008.

The Capital City Committee instigated a public forum to raise awareness of the Federal Solar Cities Program. The *Adelaide Solar Citizens* consortium led by Origin Energy were announced as winners of funding at the end of August 2006 making Adelaide the first Solar City in Australia.

The 3rd International Solar Cities Congress has been secured for February 2008. Planning for the event has commenced.

Presentations on Adelaide as a Solar City were given at the International Solar Cities Congress in Oxford and at the UN Habitat's World Urban Forum in Vancouver.



Billboard advertisement on the Britannia Roundabout during the month of January

Fostering Creativity

South Australia is known as a creative state and the department has worked hard to ensure that our reputation in this area is well earned. From the creative endeavours of those involved in the arts to the ingenuity of the Thinkers in Residence program this has been a fruitful year.

Implement a cross government program to support the business development and export earnings of the creative industries.

The department analysed the Creative Industries Report - an audit of the creative industries in South Australia - and developed a growth strategy focussing on the fast growing digital creative sector. In particular content and application development for mobile devices; identified as a market segment with especially high growth potential. Partnering with private sector and university interests, as well as with other agencies, the department set up the Mobile Entertainment Growth Alliance (MEGA SA) and a Mobile Content Industry Development Program to train and assist start ups in the industry. A program of incubator workshops was put together, and pathways for enhancing skills in the creative industries were developed.

Thinkers in Residence program

The department through its Adelaide Thinkers in Residence program hosted three Thinkers during 2005 – 06. These appointments have extended the State's international and national networks and profiled South Australia's commitment to innovation, to cross-agency partnerships and to bringing tangible benefits to the community. The residencies this year have been designed to strengthen the State's leadership at the national level in areas of Science, Housing the Homeless and Climate Change.

Baroness Professor Susan Greenfield returned to the State to take up the second part of her residency and to publish her report and recommendations. This has resulted in the establishment of a group of champions – exceptional South Australians - to support and facilitate her suite of recommendations.



Baroness Professor Susan Greenfield

Baroness Greenfield suggested a number of ideas aimed at increasing the strengths and relevance of South Australian science and scientists. Strategies to develop a scientifically aware community and to prioritise science education and training at all levels of education are required to attract research and development activity and investment to South Australia. This is essential for the State to become a competitive knowledge based society.

To pursue this challenge, Baroness Greenfield has recommended ten initiatives that will enrich the lives of the wider community of South Australia and assist in changing our culture to one of knowledge and innovation. The ten initiatives proposed as the recommendations of her report are framed within the three key objectives of the South Australian Government's Science Technology three-year vision (STI10) with the Department of Further Education, Employment, Science and Technology for science development in the state, namely

- momentum through collaboration,
- developing people and communities and
- building capacity and infrastructure.

The Bragg Initiative is the coordination of the implementation of Baroness Greenfield's science initiatives. The Bragg Initiative is a multi-layered collaboration with the Royal Institution of Great Britain and Adelaide involving sharing and advancing scientific and historic research, public education and science events, projects, communication, health and well-being activities. The notion of Adelaide as the "Ri Down Under" means that resources and advances in knowledge can place South Australia on a world stage as well as reinforcing its contribution through exchanges and global interactions. This will provide opportunities for South Australian scientists to contribute their skills, knowledge and energies to these developing international activities. All South Australians will benefit by learning more about science and by being empowered to think about it and contribute to it.

With the aim of improving the interest and engagement of students in science, Baroness Greenfield invited 10 DECS students from low socio-economic communities, to attend the Christmas Lectures at the Royal Institution (London) from 21-31 December 2005. The program attracted sponsorship from Qantas and Target Australia. Due to its success, planning is underway to send a second group of students.



The student group visits the London Aquarium

Professor Greenfield also invited a South Australian link to the Institute for the Future of the Mind, at Oxford, England, where she is the Director. DECS has now established a position to lead a process of shared research and the development of a consultative report between our State and the Institute, focussing on the links between science and education.

The South Australian Neuroscience Institute (SANI) worked with 3 universities in the state, and with DECS, to develop a Graduate Certificate in Neuroscience (Learning) which has been offered for the first time in 2006. DECS is providing scholarship support for 15 teachers to participate each year 2006-08. The SANI is also actively building research collaborations with the “Oxford Centre for the Science of the Mind”.

In September 2005, after completing her first visit as a Thinker, Rosanne Haggerty presented an interim, “First Impressions” report. She returned in June 2006 to connect with the work undertaken as a result of her first visit. She met with a wide range of community groups and individuals focussing on improving system responses and service models for homeless people, including widening housing options, addressing the links between homelessness and mental health, as well as issues of youth

homelessness. Her report will be published later in 2006.



Thinker Rosanne Haggerty at a public lecture

Rosanne’s work with residency partners inspired the establishment of “Common Ground Adelaide”, an organisation steered by nine entrepreneurial business leaders who are now working collaboratively to solve homelessness in the State.

The third Thinker for the year, Professor Stephen Schneider, is a global leader on issues of climate change and his residency captured the attention of organisations and media within the state and across the nation. Professor Schneider’s residency was designed to support and develop South Australia’s leadership in climate change. He worked with government, non-government, community and industry to identify strategies and pathways to effectively respond to climate change and he supported the development of climate change legislation in the State. His report will be delivered at the end of 2006.

Another report published this year came from the residency of the 2004 Thinker, Canadian documentary filmmaker, Peter Wintonick. This has been published as a CD/DVD pack.

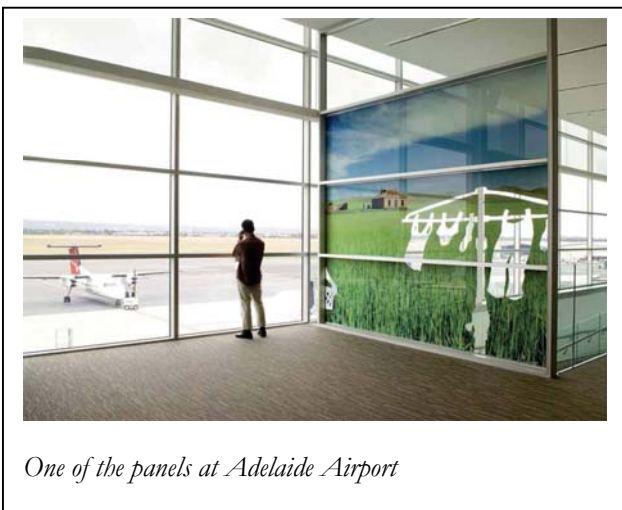
The program has sustained strong interest from partner organisations and the CSIRO continues as the major program partner.



The Cultural Panels commissioned for the departure lounges

Cultural panels

A series of cultural panels, commissioned by the department through Arts SA and the South Australian Tourism Commission for the departure lounges of the new Adelaide Airport were completed in October 2005. David Zhu was creative director and designer, Gerry Wedd was the artist. The panels feature the work of 14 South Australian photographers and promote aspects of South Australian life.



One of the panels at Adelaide Airport

Country Arts SA

Indigenous artists across regional and remote South Australia have been supported in the development of their arts practice and enterprise through the State Indigenous Community Arts Development (SICAD) project. SICAD is supported by Arts SA, Country Arts SA and the Australia Council and managed through Ananguku Arts & Culture Aboriginal Corporation.

The SICAD project involved a year of consultation and workshops conducted by Ananguku Arts staff and regional Indigenous communities and artists. Workshops included marketing, pricing, developing product lines, planning an arts project, governance and business development. Through consultation artists developed ideas for a statewide support network for Indigenous visual arts projects in regional South Australia.

Fringe Benefits

Fringe Benefits was introduced to grow young arts audiences and increase their awareness and participation in arts and culture. Launched in June 2006, Fringe Benefits is a ticketing scheme for people between 18 – 30 years. By bringing the program under the umbrella of the Adelaide Fringe, it has successfully captured younger arts audiences who typically attend Fringe events. The Fringe Benefits website gives members access to discounted tickets and special deals. An email and SMS system sends regular updates on offers. Membership is free. The response so far indicates that Fringe Benefits will reach a target of 4000 members by the end of 2006.

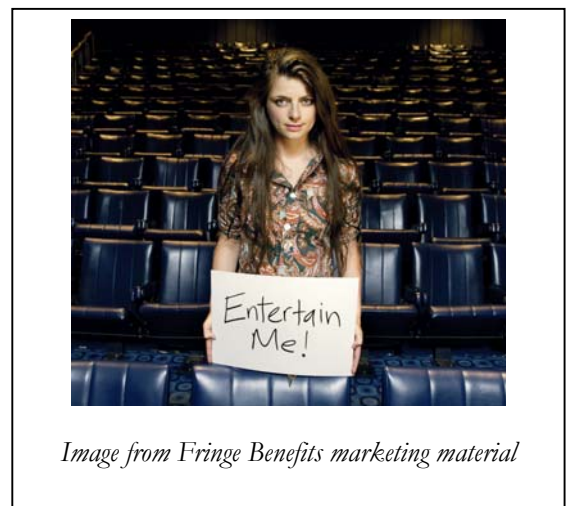


Image from Fringe Benefits marketing material

Out of the square

Out of the Square is a collaborative enterprise made up of six Adelaide suburban arts centres that package, promote and present SA artists and arts organisations to audiences in Adelaide's metropolitan areas at affordable prices.

Such is the appeal and success of the enterprise it was able to create *Lanza!* a show specifically for its venues. Every performance of *Lanza!* sold out. *Out of the square* also had its own Fringe program, bringing Fringe artists into their suburban venues in a program called *Adelaide Fringe 06 Goes out of the Square*.

Through its cabaret and matinee program audience numbers have continued to steadily increase.

16th ASSITEJ World Congress and Performing Arts Festival 2008

South Australia was successful in winning the bid to host the world's most prestigious world congress and performing arts festival for young people in 2008. At a State level, the Minister Assisting the Premier in the Arts, John Hill, led the successful bid delegation which included representatives from the South Australian Youth Arts Board, Carclew Youth Arts, Come Out, the Australian Festival for Young People and Adelaide Convention and Tourism Authority (ACTA)

The 16th ASSITEJ World Congress and Performing Arts Festival is the leading international youth arts event. It's only the second time ASSITEJ has been held in the Southern Hemisphere - the last time was also in Adelaide in 1987. The 10-day congress and festival is expected to attract more than 2000 international and interstate visitors to Adelaide, while 40,000 young South Australians will be treated to 30 national and international theatrical productions.

The title for the congress and festival is Old knowledge, New Word that reflects a vision to focus on contemporary and traditional Indigenous performing arts from Australia and the Asia Pacific, alongside non-Indigenous artists.

Little Big Book Club

The Little Big Book Club, which was launched by Premier Mike Rann in February 2006 following a funding commitment of \$1 million over four years by the Government of South Australia in April 2005. 20,000 free reading packs are available to parents of babies aged between six and twelve months. The reading packs are distributed through public libraries and Child and Youth Health Centres across the state. Each pack contains a newly commissioned picture book *Baby Baby* by Phil Cummings and Greg Holdfeld, *Let's Read* story-time DVD (developed by the Centre for Community Child Health in partnership with The Smith Family), a library bag and information for parents including reading lists and tips on reading aloud.

The program also included training of up to 200 public library staff in early childhood and language development.

Australian Performing Arts Market

A bid led by Arts SA to host the Australian Performing Arts Market in Adelaide in 2008, 2010 and 2012 was successful, against strong competition from four states including Melbourne, Sydney and Brisbane. This 'trade' event attracts buyers from all over the world and generates millions in touring revenue for artists and companies.

The Australia Council will partner with Arts SA to present APAM in 2008, 2010 and 2012, building on the success of the five previous markets in Adelaide between 1998 and 2006.



2006 Ruby arts and cultural award winners.
(from l to r) Garry Stewart, (Innovation award for *Devolution* by Australian Dance Theatre); Conny Wilson (Community Impact award for South Australian Living Artists Festival); Paul Greenaway (Community Impact award for South Australian Living Artists); Craige Andrae (Arts enterprise award for *Special Projects under Development*); Jane Yuile (Sustained contribution award for *JamFactory*)

Ruby arts and cultural awards

In June, Premier Mike Rann announced the introduction of the South Australian arts and cultural awards, to be known as the Ruby Awards.

The inaugural Ruby Awards have been named in honour of one of the State's most prominent arts patrons - the late Dame Ruby Litchfield.

The awards will honour the outstanding contribution and achievements of South Australia's artists and cultural industries.

Artists, creative arts companies, facilitators, cultural sector workers and community participants can nominate or be nominated in the following six categories:

- Best new work or event
- Community impact
- Sustained contribution
- Innovation
- Leadership in arts enterprise
- Premier's lifetime achievement award

The Ruby Awards will be presented annually.



Premier Mike Rann with Frank Ford, AM, Winner of the inaugural Premier's Award for Lifetime Achievement

University City and Carnegie Mellon projects

Carnegie Mellon, Australia's first foreign university, was officially opened by the Premier on Tuesday 30th May 2006. The Department of the Premier and Cabinet led the project, which involved several South Australian and Commonwealth Government agencies.

Carnegie Mellon has established two schools in Adelaide, and is presently offering three masters degrees. The H. John Heinz III School of Public Policy and Management (Heinz School) offers degrees in information technology and public policy and management and is situated in the Torrens Building, Victoria Square. The Entertainment Technology Centre offers the Master of Entertainment Technology and is based near Adelaide TAFE on Currie Street. The inaugural May 2006 intake comprised 71 students. In addition to local students, international students have come from locations including Cambodia, the United States, Sri Lanka and Africa.

The successful establishment of Carnegie Mellon positions Adelaide in its endeavour to become a world class University City. In recognition of this, the government established the University City Project Team in the Department of Premier and Cabinet to undertake a pre-feasibility study examining how the State could build on the strengths of South Australia's higher education sector and develop the State as a leading centre for education, research and innovation. The project will report during the 2006-07 financial year.

Building Communities

The department recognises that a strong community provides the foundation for the achievement of a number of the SA Strategic Plan targets. The department supports some key community projects.

Boards and Committees Program

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 remuneration, policy, practice and procedure. Work undertaken in 2005-06 included:

- drafting government board and committee remuneration and policy advice on behalf of the Commissioner for Public Employment;
- managing the Boards and Committees Information System database, including the monitoring of gender statistics for SASP targets T5.1 and 5.2 and the provision of upcoming vacancy reports across government;
- producing the annual Parliamentary report on board and committee membership and remuneration arrangements;
- reviewing and developing board and committee related policy;
- providing advice on the impact of the government's honesty and accountability reforms on government board members

Premier's Community Initiatives Fund

During 2005-06 the Premier's Community Initiatives Fund was available to provide grants of up to \$10,000 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 2005-06, 46 organisations were provided with grant funding.

During 2005, the Department conducted five funding application workshops with grant applicants to assist in the application process and also provided Acquittal Folders to all grant recipients. During 2006 the Department held quarterly meetings with successful applicants to assist with the acquittal of funds.

Since the provision of Acquittal folders and quarterly meetings with successful applicants there has been an increase of 76% of grants being acquitted by the due date.

Community Cabinet

Community Cabinet meetings give people living in the local community the opportunity to meet with Ministers and Chief Executives of government departments and enhance dialogue and interaction between the State Government and the people.

At Community Cabinet meetings, local councils, businesses and community organisations also have the chance to raise any issues affecting their areas.

The following Community Cabinets were held over the 2005-06 year.

25-26 July 2005	Southern Suburbs
15-16 August 2005	North Eastern Suburbs
05-06 September 2005	Adelaide and Inner South Western Suburbs
24-25 October 2005	Port Augusta and Melrose
14-15 November 2005	Gawler and Northern Suburbs
05-06 December 2005	Eastern Suburbs

Expanding Opportunity

The work of the department in this area has led to significant national interest. The innovations pursued have led to tangible improvements for the lives of vulnerable South Australians.

Implemented specialist support services for rough sleepers, which has resulted in the reduction of the number of homeless people in the inner city

The Social Inclusion Board has led the development of a specialist, integrated response that supports the Government policy commitment and the Strategic Plan target of halving the number of rough sleepers. There is significant national interest in the approach and directions being led through the Social Inclusion Initiative.

To the end of June 2005, overall activity under the Social Inclusion action plan to reduce homelessness has assisted 9,974 people, including 1296 people who have been assisted into housing or accommodation. The action plan details strategies to prevent homelessness, early intervention to minimise the time spent in homelessness and house the chronically homeless.

Highlights include the mainstreaming of demonstration projects initially funded by the Board that have improved the response to people with chronic problems, complex and exceptional needs. The Board continues to work on service improvements and integration with the Street to Home team established as a frontline agency with a specific mandate around rough sleepers. Last financial year, Street to Home identified 440 rough sleepers, supported 198 into transitional accommodation and 64 into long term accommodation. The Social Inclusion Unit is also a key player in the Inner City Homeless Services Integration Network established as a dynamic and responsive collaboration, to respond to the changing needs of the client group, service providers, and Government policy.

Implement the SIB policy position and detailed action plan to reduce youth offending. Commencement of the Young Offender program which targets reducing offending behaviour for repeat offenders

The Break the Cycle program is a key initiative to reduce youth crime in South Australia. This pilot program will focus on a small percentage of young repeat offenders aged between 16 and 20 years who are responsible for a significant proportion of crime.

It is designed to address offending behaviour to prevent the young person from becoming a life course persistent offender.

The program is unique in that it involves a joined up justice system approach. All case officers have a dual capacity to operate as both Department for Correctional Services and Department for Families and Communities officers.

Aboriginal young people are significantly over-represented in the criminal justice system. In response, specific culturally appropriate programs and interventions will be in place.

Implementation of the school retention program to improve educational outcomes and increased opportunities for engagement and re-engagement of young people in education and training

The Social Inclusion Board's School Retention Action Plan considers ways young people and their families, schools, government agencies and communities can work together on the issues causing many young people to leave education prematurely. There has been significant progress and a number of achievements to date.

Over 6,000 young people have already participated in the diversity of programs, including over 1,300 Aboriginal young people. Over 800 Year 12 students were involved with one-to-one mentoring and support programs with a 95% retention rate.

Four Innovative Community Action Networks (ICAN) teams are working in the Northern, North Western and Southern metropolitan and Spencer Gulf areas. Young people, their families, local business, industry and agencies work together to find solutions to the local issues young people are facing in continuing their education.

Programs that are part of the Social Inclusion School Retention Action Plan have contributed to the improvements in school retention rates across South Australia. For the 2005 school year, Year 10 to Year 12 apparent retention rates reached 71.6% for all South Australian schools. This is the best result in almost a decade.

Implement the SIB prevention of self harm and suicide action plan

The Social Inclusion Suicide Prevention Initiative, allocated \$650,000 over two years 2004-06, was specifically focussed on regional South Australia. Collaboration between local agencies and community members, particularly Aboriginal community members, has resulted in the development of local suicide prevention action plans in all of the seven original country health regions.

Each region has chosen priorities for action based on local needs. The strategies implemented have included youth development activities, skills training and community awareness activities for local service providers and community members and cooperative activities amongst service providers to increase their responsiveness to local needs.

Across the regions, almost 500 young people have been involved in the youth development activities and a similar number of local workers and community members have completed suicide awareness and prevention training. Country Health SA, Department of Health, will continue to support suicide prevention activities in regional South Australia.

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

This initiative commenced in January 2005. It is a cross agency and cross sector approach to address social and economic problems experienced by residents in the 'The Parks'. This region covers the inner western suburbs of Angle Park, Athol Park, Ferryden Park, Mansfield Park and Woodville Gardens and once included some of the most disadvantaged areas in metropolitan Adelaide.

The urban renewal program in this area is having a big impact on local people and services. In this rapidly changing environment, community needs and expectations are also changing. In response, a series of consultations with community members and services providers in this area identified some key areas for action and improvement.

The Social Inclusion Board, in partnership with the Department for Families and Communities has provided a leadership role to ensure maximum involvement of local people and representatives working together with local and State Government to improve the neighbourhood.

SA Indigenous and Sporting Training Academy operating, stage one of a detailed action plan for the SIB Aboriginal Health Reference

An Aboriginal Sports Academy was identified as a means of addressing health and wellbeing by using involvement and participation in sporting activity as a driver for change.

The aim of the Academy is to use a sports focussed education certificate program to increase the number of young Aboriginal people completing secondary school. The education program also aims to ensure improved pathways to further education and employment. A key feature of the program is to include the young person's family, culture and community.

Students are encouraged to reach their academic, community, social and sporting aspirations. The academy not only targets elite sports people but also those students with a passion and commitment in pursuing a career in sport administration, health and recreation.

Signing Of An Overarching Agreement On Indigenous Affairs Between The Commonwealth Of Australia And The State Of South Australia

The Agreement was signed by the Prime Minister on 16 December 2005 and the Premier on 27 January 2006 after extensive negotiations between the Commonwealth and South Australian Governments.

It provides an overarching framework for the governments to work together, and with the Indigenous community, to achieve improved outcomes for Indigenous people in South Australia. The document identifies 8 priority areas for action, which are already seeing significant joint effort:

- Safer, Stronger Communities
- Housing and Infrastructure
- Education and Early Intervention
- Health
- Homelessness
- Economic Development
- Land, Environment and Culture
- Service Delivery.

A mobile outreach service has been established on the APY Lands for people with substance problems,

particularly petrol sniffing. The service is being operated by Drug and Alcohol Services SA (DASSA).

A joint State and Commonwealth whole of government task force was established in December 2005 to develop a strategic plan to reduce the disadvantage of Aboriginal South Australians.

In October 2005 the Pitjantjatjara Land Rights Act was amended to establish a more effective, accountable and transparent system of governance on the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands.

South Australia assumed responsibility for chairing the Ministerial Council for Aboriginal and Torres Strait Islander Affairs (MCATSIA) for the next 2 years in February 2006. Considerable progress has been made on developing an Indigenous Housing Reform and Investment Strategy.

The department through its Aboriginal Affairs and Reconciliation Division is responsible for providing whole of government co-ordination implementation and monitoring.

Its structure includes the functional areas of Aboriginal culture and heritage, Community development and Policy.

The Special Infrastructure Branch provides essential services to Aboriginal Communities and in communities land holding Authorities throughout South Australia. The group's objective is to improve the delivery of infrastructure and essential services in Aboriginal communities across the State, ensuring existing resources are targeted as effectively as possible

Two key areas in 2005/06 year were:

- The construction of the Anangu Pitjantjatjara Yankunytjatjara Lands central power station and electrical distribution system.
- Completed the construction of the new Central Power Station on the APY Lands and appointed a licensed operator for electrical power distribution in remote Aboriginal communities.

The Aboriginal Heritage Branch has increased staffing from seven permanent positions to thirteen permanent and two temporary positions enabling it provide improved administration of the Aboriginal Heritage Act (1988).

Major initiatives have included initiating the establishment of a Central Database to hold digitised records of the Register of Aboriginal Sites and Objects.

The further initiative of increased involvement in the Indigenous Land Use Agreement (ILUA) process has included membership of the ILUA Main Table Committee; participation in four ILUA negotiations; and networking with the Native Title Units of the Crown Solicitor's Office and the Aboriginal Legal Rights Movement

Training courses have commenced in Site Recording and Conservation Practices for local Aboriginal groups, which will result in increased, shared knowledge about the existence of sites across the State.

Financial Overview

The tables provided in this section set out a summary of the actual results for the 2005-06 financial year compared to the original budget that was set in May 2005 as part of the State Budget. The detailed financial statements reflecting actual results for 2005-06 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 profit of \$3.2 million, which was \$2.358 million higher than the budgeted surplus of \$883,000.

Operating expenses were \$10.053 million higher than anticipated. This was due primarily to expenditure incurred for the Carnegie Mellon University Heinz – Entertainment Technology Centre (ETC) Project, one-off funding to the Adelaide Festival Centre Trust and the 2006 Cabaret Festival, expenditure for Targeted Voluntary Separation Packages paid in June 2006 and as a result of restructuring.

Operating revenues were \$9.522 million higher than anticipated. The variance was due primarily to funding transferred by Treasury and Finance for the Carnegie Mellon University Heinz - ETC Project and reimbursements from Treasury and Finance for Targeted Voluntary Separation Packages paid. In addition revenues were higher than anticipated due to funding received for enterprise bargaining salary supplementation and higher than anticipated interest earnings.

Net revenues from Government were \$1.386 million higher than anticipated. This was due primarily to the higher than expected payments from Government for approved expenditure items net of adjustments relating to portfolio restructures.

	Budget 2005-06 \$'000	Actual 2005-06 \$'000	Actual 2004-05 \$'000
Operating expenses	155,107	165,160	163,107
Operating revenues	8,679	18,201	12,665
Net cost of services	146,428	146,959	150,442
Net revenues from Government	147,311	148,697	114,573
Increase in net assets resulting from operations before restructuring	883	1,738	(35,869)
Net revenues from restructuring	-	1,503	10,291
Increase in Asset Revaluation Reserve	-	-	-
Net result after restructuring	883	3,241	(25,578)

	Budget 2005-06 \$'000	Actual 2005-06 \$'000	Actual 2004-05 \$'000
Current assets	15,996	17,104	15,539
Non-current assets	26,107	22,617	23,529
Total assets	42,103	39,721	39,068
Current liabilities	8,244	6,719	8,091
Non-current liabilities	6,206	4,793	6,002
Total liabilities	14,450	11,512	14,093
Net assets	27,653	28,209	24,975

Current assets were \$1.108 million higher than forecast, due to higher than expected cash balances as a result of restructuring and appropriation received. Non current assets were \$3.490 million lower than forecast, which was due primarily to a reclassification of the APY Central Power Station – Stage 3 distribution system project from capital to operating expenditure in 2005-06.

Current and non-current liabilities, which include payables and provisions for employee entitlements, were \$2.938 million lower 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 2005-06 \$'000	Actual 2005-06 \$'000	Actual 2004-05 \$'000
<i>Cash flows from operating activities</i>			
Payments	(153,174)	(174,280)	(168,008)
Receipts	8,847	27,619	22,411
Cash flows from Government	147,311	148,092	114,573
Net cash provided by operating activities	2,984	1 431	(31,024)
<i>Cash flows from investing activities</i>			
Payments	5,942	(16)	(308)
Receipts	-	-	-
Net cash used in investing activities	5,942	(16)	(308)
Net cash flow from financing activities	5,228	(272)	9,947
Net increase in cash held	2,270	1,143	(21,385)
Cash at the beginning of the financial year	10,632	13,318	34,703
Cash at the end of the financial year	12,902	14,461	13,318

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 lower than expected payments reflect the reclassification of the APY Central Power Station – Stage 3 distribution system initiative, from capital to operating expenditure during 2005-06.

Cash flows from financing activities relate primarily to cash inflows as a result of restructuring and the reclassification of the APY Central Power Station - Stage 3 distribution system initiative from capital contributions from Government to appropriation during 2005-06. Funding for the APY Central Power Station - Stage 3 distribution system initiative were approved as carryover into 2006-07.

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 October 2004, the Department of Aboriginal Affairs and Reconciliation was not part of the Department of the Premier and Cabinet.

Department of the Premier and Cabinet

The net cost of services has fluctuated over the last three years predominantly due to departmental restructuring. In particular, in 2005-06 the Office for Volunteers transferred out to the Department of Primary Industries and Resources, Immigration SA and Population Policy Unit transferred out to the Department of Trade and Economic Development, the Office for the Commissioner of Public Employment dissolved, and the Office of Sustainability transferred into the department. In 2004-05 the Department of Aboriginal Affairs and Reconciliation was transferred into the department, and in 2003-04 Public Sector Workforce Relations was transferred to the Department for Administrative and Information Services.

The net asset position increased during 2005-06 from 2004-05, due to a significant decrease in employee liabilities and an increase in the cash balance.

Net assets reduced during 2004-05 from 2003-04, due to a reduction in excess cash balances as part of the SA Government's Cash Alignment Policy.

	2005-06 \$'000	2004-05 \$'000	2003-04 \$'000
Summary of financial performance			
Net cost of services	146 959	150,442	129,227
Increase/(Decrease) in net assets	3 234	(21 815)	1,882
Net assets	28 209	24,975	46,790
Cash balance	14 461	13,318	34,703
Key performance indicators			
Average employee cost	92	81	83
Average net cost of services per employee	416	378	395
Current asset/current liabilities ratio	2.5	1.9	5.3
% of creditors paid within 30 days	85%	89%	88%
% consultants of operating expenses	0.2%	0.6%	0.2%

Restructuring

During 2005-06, the department restructured to create two new divisions titled Sustainability and Climate Change and Policy Implementation Divisions. Sustainability and Climate Change Division incorporates the group known as Office of Sustainability (from the Department of Environment and Heritage from 1 April 2006) and Capital City from within Services Division. The key objectives of the new division are to implement the government's commitments on climate change and sustainability for South Australia and support to the Capital city Committee. Policy Implementation Division incorporates the Public Sector Reform unit, the Social Inclusion unit, Economic and Strategic Advice and the Project Implementation Group. The key objectives of the new division are to provide policy advice to the Premier and the department on priority issues for government. During 2005-06 the Department of Aboriginal Affairs and Reconciliation and Indigenous Affairs and Special Projects were renamed Aboriginal Affairs and Reconciliation Division.

On 1 October 2005, Immigration SA and the Population Policy Unit transferred to the Department of Trade and Economic Development.

On 1 April 2006, the Office of Volunteers transferred to the Department of Primary Industries and Resources SA.

The division of the Department known as the Office of the Commissioner for Public employment was dissolved at 30 June 2005. Certain assets and liabilities relating to this division were transferred to the new Office for Public Employment as at 1 July 2006.

Change in accounting policy

Transition to AIFRS

The adoption of AIFRS has not resulted in any material adjustments to the Income Statement or Cash Flow Statement.

- a) In accordance with AASB 138 *Intangible Assets*, the Department recognised computer software purchased, including licenses as intangible assets.
- b) Employee benefits payable later than 12 months from year-end have been measured at present value rather than at nominal amounts as required by AASB 119 *Employee Benefits*.

In addition, AASB 101 requires that a liability must be classified as current where the entity does not have an unconditional right to defer settlement of the liability for at least 12 months beyond the reporting date. Consequently, all unconditional long service will not be classified as current.

Other

A number of Australian Accounting Standards have been issued or amended and are applicable to the Department but are not yet effective. The Department has assessed the impact of the new and amended standards and there will be no impact on the accounting policies of the Department.

Non-current tangible assets previously had a capitalisation threshold of \$5,000. This has been increased to \$10,000 during 2005-06.

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 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 2005-06.

DEPARTMENT OF THE PREMIER AND CABINET ACCOUNT PAYMENT PERFORMANCE 2005-06

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*	14,217	85%	\$97,478,063	84%
Paid late but paid within 30 days of due date	1,824	11%	\$16,607,376	14%
Paid more than 30 days from due date	691	4%	\$1,721,430	2%
Total accounts paid	16,732	100%	\$115,806,869	100%

* The due date is defined as per section 11.7 of Treasurer's Instruction 11. Generally, unless there is a discount or written agreement between the public authority and the creditor, payment should be within 30 days of the date of the invoice or claim

The above table highlights that the department was able to pay 85% of all invoices by the specified due date. The remaining 15% of invoices reflects 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 5% below this benchmark.

Contractual Arrangements

In 2005-06 the department entered into two contractual arrangements where the total value of the contract exceeded \$4.0 million. Firstly, the department entered into an agreement with Carnegie Mellon University to establish two schools, the H. John Heinz III School of Public Policy and Management and the Entertainment Technology Centre. The contract will not exceed a total cost \$19.5 million and the State Government's funding support will cease in 2009-10.

Secondly, the department has entered into an arrangement with the Department of Administrative and Information Services for the construction of distribution lines associated with the APY Lands Central Power Station. The project completion date is estimated in 2007-08 at an estimated cost of \$14.0 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.

Workplace Statistics

Details of employment in the Department of the Premier and Cabinet as at 30 June 2006 are provided in the tables below.

Employee Numbers, Gender and Status

Total Number of Employees	
Persons	716
FTEs	637.8

Gender	% Persons	% FTEs
Male	36.73	38.91
Female	63.27	61.09

Number of Persons During the 05/06 Financial Year	
Separated from the agency	186
Recruited to the agency	240

Number of Persons at 30 June 2006	
On Leave without Pay	14

Number Of Employees By Salary Bracket

Salary Bracket	Male	Female	Total
\$0 - \$40,399	72	123	195
\$40,400 - \$54,999	53	157	210
\$55,000 - \$67,999	52	88	140
\$68,000 - \$88,999	54	71	125
\$89,000+	32	14	46
TOTAL	263	453	716

Status Of Employees In Current Position

FTEs	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	178.33	30.6	35.1	4.15	248.18
Female	325.24	42.15	15.4	6.83	389.62
TOTAL	503.57	72.75	50.5	10.98	637.8

PERSONS	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	182	33	36	12	263
Female	355	49	16	33	453
TOTAL	537	82	52	45	716

Executives

Number of executives by gender, classification and status in current position

Classification	Ongoing		Contract Tenured		Contract Untenured		Total	
	Male	Female	Male	Female	Male	Female	Male	Female
Agent General					1		1	
Exec A			4		6	2	10	2
Exec B			2	2	4	3	6	5
Exec C			1	1	6	3	7	4
Exec D					1		1	
Exec F					1		1	
Total			7	3	19	8	26	11

Leave management

Average days leave taken per full time equivalent employee

Leave Type	2002-03	2003-04	2004-05	2005-06
Sick Leave	6.6	6.4	6.55	7.3
Family Carer's Leave	n/a	0.43	0.49	0.54
Special Leave with Pay	n/a	0.47	1.56	0.51

Workforce Diversity

Age Profile

Age Bracket	Male	Female	Total	% of Total	Workforce Benchmark*
15-19	2	1	3	0.4	7.9
20-24	15	27	42	5.9	10.7
25-29	13	48	61	8.5	9.8
30-34	27	63	90	12.6	10.5
35-39	31	53	84	11.7	11.4
40-44	38	48	86	12.0	12.4
45-49	30	78	108	15.1	12.4
50-54	58	69	127	17.7	10.9
55-59	36	49	85	11.9	8.3
60-64	11	14	25	3.5	4.4
65+	2	3	5	0.7	1.3
TOTAL	263	453	716	100.0	100.0

*Benchmark as at January 2006 from ABS Supertable LM8

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

Aboriginal And/Or Torres Strait Islander Employees

Male	Female	Total	% of Agency	Target*
9	9	18	2.51	2%

* Target from South Australia's Strategic Plan

Cultural And Linguistic Diversity

	Male	Female	Total	% Agency	SA Community*
Number of employees born overseas	51	63	114	15.92	20.3%
Number of employees who speak language(s) other than English at home	3	8	11	1.54	15.5%

* Benchmarks 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
6	10	16	2.23

Voluntary Flexible Working Arrangements

Number Of Employees Using Voluntary Flexible Working Arrangements By Gender

	Male	Female	Total
Purchased Leave		5	5
Flexitime	187	334	521
Compressed Weeks	5	7	12
Part-time Job Share	5	31	36
Working from Home	5	10	15

Performance Management

Documented Review Of Individual Performance

Employees with ...	% Total Workforce
a plan reviewed within the past 12 months	45
a plan older than 12 months	40

Documented Individual Performance Development Plan

Employees with ...	% Total Workforce
a plan set within the past 12 months	32
a plan older than 12 months	26

Training Expenditure

As a percentage of total remuneration expenditure

	Actual 2005-06	Target 2006-07
TOTAL	1.2%	3%

Equal Employment Opportunity Programs

As an EEO employer, the Department of the Premier and Cabinet is committed to employing on merit regardless of race, gender, sexuality, marital status, age, pregnancy or disability for all positions within the organisation. This is supported by our diverse workforce profile.

The Department maintains a good level of representation (49.7%) of women in senior management and executive levels. Our indigenous workforce has increased during the year, with a current representation level of 2.51%. During 2006-07 the Department will continue planning and implementation of specific indigenous, cultural and disability programs.

Occupational Health, Safety and Injury Management

DPC OHS&W Management System

DPC has successfully completed the implementation of a new DPC OHS&W management system framework, including revising all policies and procedures. This significant achievement for DPC has resulted in the new system documentation now accessible on the DPC Intranet.

DPC continues to revise its divisional Safety Management Action Plans (SMAPs). The plans are reported against on a quarterly basis and highlight DPC's areas of achievement in OHS&W against performance indicators. This has provided the information to enable DPC to provide regular reports to the Premier through the DPC Ministerial Checklist.

A Project Officer was employed for 12 months to implement the Workplace Safety Management for Public Sector 2004-2006 (WSMPS) Implementation Plan ensuring that DPC were able to meet the requirements of the WSMPS Implementation Plan and the DPC Ministerial Checklist.

Key Achievements

- Divisions annually review and update SMAPs. Divisions provide quarterly reports on SMAPs including achievements against performance indicators
- New OHS&W Statement of Commitment developed and endorsed
- Part-time AS06 position created for 12 months for the implementation of the WSMPS Implementation Plan
- Divisions continue to identify potential hazards and risks within the worksite
- DPC OHS&W Committee reviews the organisation's specific hazards and has implemented processes to meet its needs including:
 - Injury Management Policies and Procedures
 - Corrective Action Procedure
 - Remote and Isolated Work Procedure and Guidelines
 - Maintenance of Plant Register
- New Internal Audit and Workplace Inspections Procedure and Schedule developed and endorsed
- OHS&W Training Needs Analysis for Executive, Managers and Supervisors completed
- OHS&W Training Plan for Executive, Managers and Supervisors endorsed by Senior Management Group
- Risk Management Training for Executive, Managers and Supervisors conducted
- 250 employees received a flu vaccination shot as part of the Flu Vaccination Program

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 2005/2006 results for the Department of the Premier and Cabinet.

Target Area	Target	Result
<i>Injury Prevention</i>		
1. Workplace Fatalities	Zero	Zero
2. New Workplace Injury Claims	20% reduction	50% reduction
3. Lost Time Injury Frequency Rate	20 % reduction	74.2% reduction
<i>Injury Management</i>		
4. Rehabilitation		
4.1 % of rehabilitation assessments undertaken within 2 working days of the claim being received by the claims administrator.	80% of claims	20% of claims
4.2 % of cases where rehabilitation has commenced within 5 working days of the assessment being determined	80% of claims	100% of claims
5. Claims Determination		
5.1 % of new claims determined within 10 working days of the receipt by the agency's IM unit	75% of claims	22% of claims
5.2 % of new claims still to be determined after 3 months	< 5% of claims	0% of claims
6. Average Days Lost	20% reduction	86.4% reduction
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 LTI	70%	89%
7.2 % of injured workers still off work after 3 months	< 5%	0%

DPC: Occupational health, safety and injury management information

		2005-06	2004-05	2003-04
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	0	1
	Total number of employees rehabilitated and reassigned to alternative duties	0	0	0
	Total number of employees rehabilitated back to their original work	0	0	1
3	WorkCover Action Limits			
	Number of open claims as at 30 June	4	1	5
	Percentage of workers compensation expenditure over gross annual remuneration	0.02	0.16	0.24
4	Number of claims			
	Number of new workers compensation claims in the financial year	0	2	2
	Number of fatalities, lost time injuries, medical treatment only	(F) 0 (MTO) 0 (LTI) 0	0 2 0	0 2 0
	Total number of whole working days lost	0	260	255
5	Cost of workers compensation			
	Cost of new claims for financial year	0	194	648
	Cost of all claims excluding lump sum payments	5,608	40,300	46,421
	Amount paid for lump sum payments	s42 0 s43 0 s44 0	0 0 0	0 0 0
	Total amount recovered from external sources (s54)	25,000	0	0
	Budget allocation for workers compensation	10,000	5,000	n/a
6	Trends			
	Injury frequency rate for new lost-time injury/disease for each million hours worked	0	0	0
	Most frequent cause (mechanism) of injury	n/a	Falls; Heat	Falls; Muscular stress
	Most expensive cause (mechanism) of injury	n/a	Mental Stress	Mental Stress

ARTS SA OHS&W Management System

Arts SA continues to make significant and sustained achievements to ensuring compliance with the WorkCover Performance Standards for Self Insurers. This has been achieved through the continued review of policies and procedures in consultation with employees to ensure continued sustainability and effectiveness of the system.

The implementation of a Chemical Database and Management System (ChemWatch) across the organisation has been successful. Each agency now has a manifest and store for all its chemicals. The system is maintained by delegated employees within each agency who ensure the information on the system is updated and risk assessments are carried out on hazardous substances.

A Project Officer was employed part-time for 12 months to implement the Workplace Safety Management for Public Sector 2004-2006 Implementation Plan. This ensured Arts SA was able to provide regular reports to the Premier against the DPC Ministerial Checklist and that Arts SA has been able to meet the requirements of the Workplace Safety Management in the Public Sector 2004-2006 Implementation Plan.

The effectiveness of extraction systems of the fume hoods at the Natural Science Centre and their operational safety have been assessed and 2 of the 10 fume hoods are currently operated in accordance with Safe Operating Procedures developed as part of the assessment. Arts SA has undertaken a considerable amount of work in identifying the OHS&W, business and financial risks associated with the fume hoods and has developed a solution which is currently pending final approval.

Key Achievements

- \$251,919 spent to further upgrade the fume hoods in the SA Museum Science Centre and Artlab
- Part-time AS06 position created for 12 months for the implementation of the WSMPS Implementation Plan
- Action Plan Progress Report and the KPI Progress Report were reviewed by the Arts Central Consultative Committee (ACCC) to ensure the relevance of their scope and content. Updated documents included employee consultation prior to endorsement. Both documents are reported on in accordance with the Monitoring and Reporting Framework and presented to the ACCC for review
- The OHSW Statement of Commitment for all Arts SA agencies was reviewed and the content updated as a result of employee consultation
- The OHSW Responsibilities Policy was reviewed and the content updated as a result of employee consultation
- Policies and procedures continue to be reviewed in consultation with employees to ensure their continued sustainability and effectiveness
- An audit process has been incorporated into the Internal Audit and Workplace Inspection Procedure to ensure Arts SA injury management processes are conducted in accordance with legislative requirements and internal policies and procedures
- Risk Management Training for Executive, Managers and Supervisors conducted
- 140 employees received a flu vaccination shot as part of the Flu Vaccination Program

ARTS SA: Occupational health, safety and injury management information

		2005-06	2004-05	2003-04
1	OHS legislative requirements			
	Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	0	2	1
	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	2
2	Injury Management legislative requirements			
	Total number of employees who participated in the rehabilitation program	5	6	6
	Total number of employees rehabilitated and reassigned to alternative duties	0	0	1
	Total number of employees rehabilitated back to their original work	2	3	5
3	WorkCover Action Limits			
	Number of open claims as at 30 June	12	18	25
	Percentage of workers compensation expenditure over gross annual remuneration	0.47	0.45	1.4
4	Number of claims			
	Number of new workers compensation claims in the financial year	8	13	18
	Number of fatalities, lost time injuries, medical treatment only	(F) 0 (MTO) 4 (LTI) 4	0 8 7	0 7 11
	Total number of whole working days lost	47	191	516
5	Cost of workers compensation			
	Cost of new claims for financial year	21,165	30,834	79,497
	Cost of all claims excluding lump sum payments	40,530	69,811	186,661
	Amount paid for lump sum payments	s42 60,000 s43, s44 12,541	17,000 17,902	9,000 71,241
	Total amount recovered from external sources (s54)	0	73,000	2,713
	Budget allocation for workers compensation	218,000	184,000	191,500
6	Trends			
	Injury frequency rate for new lost-time injury/disease for each million hours worked	4.78	11.5	15.3
	Most frequent cause (mechanism) of injury	Muscular Stress	Muscular Stress/Repetition; Falls/Slips/Trips	Muscular Stress; Repetitive Movement
	Most expensive cause (mechanism) of injury	Muscular Stress	Falls/Slips/Trips	Mental Stress

Financial Statements

Department of the Premier and Cabinet

Certification of the Financial Report

We certify that:

- the attached General Purpose Financial Report for the Department of the Premier and Cabinet presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Australian Accounting Standards and other mandatory professional reporting requirements in South Australia, the financial position of the Department of the Premier and Cabinet as at 30 June 2006, its financial performance and its cash flows for the year then ended;
- the attached financial statements are in accordance with the accounts and records of the authority and give an accurate indication of the financial transactions of the authority for the year then ended; and
- internal controls over the financial reporting have been effective throughout the reporting period.



Warren McCann
Chief Executive

26/9/2006



Steven Woolhouse
Manager, Financial Services
Services Division

20/9/2006

INCOME STATEMENT

For the Year Ended 30 June 2006

	Note No.	2006 \$'000	2005 \$'000
Expenses			
Employee benefits	6	32 464	32 028
Supplies and services	7	23 843	23 978
Depreciation and amortisation	8	1 148	1 405
Grants and subsidies	9	101 520	101 672
Net loss from disposal of assets	10	54	129
Other expenses	11	6 131	3 895
Total Expenses		165 160	163 107
Income			
Fees and charges	13	3 170	3 824
Commonwealth revenues		2 201	2 167
Grants and subsidies		200	208
Interest		1 522	1 906
Resources received free of charge	18	284	-
Community Development Fund		900	900
Recoveries from administered items		832	1 672
Other revenue	14	9 092	1 988
Total Income		18 201	12 665
Net Cost of Providing Services		146 959	150 442
Revenues from / Payments to SA Government			
Revenues from SA Government	15	149 491	146 177
Payments to SA Government	15	(794)	(31 604)
Total Revenues from SA Government		148 697	114 573
Net Result before Restructure		1 738	(35 869)
Net revenue from administrative restructures	26	1 503	10 291
Net Result after Restructure		3 241	(25 578)
Net Result after Restructure is attributable to the SA Government as Owner			

The above Statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 30 June 2006

	Note No.	2006 \$'000	2005 \$'000
Current Assets			
Cash and cash equivalents	16	14 461	13 318
Receivables	17	2 643	2 221
Total Current Assets		17 104	15 539
Non-Current Assets			
Property, plant and equipment	18	22 430	23 514
Intangible assets	19	187	15
Total Non-Current Assets		22 617	23 529
Total Assets		39 721	39 068
Current Liabilities			
Payables	20	3 563	4 149
Short-term employee benefits	21	3 082	3 425
Short-term provisions	22	74	83
Other current liabilities	23	-	434
Total Current Liabilities		6 719	8 091
Non-Current Liabilities			
Payables	20	399	586
Long-term employee benefits	21	4 171	5 181
Long-term provisions	22	200	212
Other non-current liabilities	23	23	23
Total Non-Current Liabilities		4 793	6 002
Total Liabilities		11 512	14 093
Net Assets		28 209	24 975
Equity			
Asset revaluation reserve	24	9 955	9 955
Retained earnings	24	18 254	15 020
Total Equity		28 209	24 975
The total equity is attributable to the SA Government as owner			
Commitments for expenditure	25		
Contingent assets and liabilities	27		

The above Statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2006

	Asset Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2004	6 192	40 598	46 790
Gain on revaluation of property during 2004-05	3 763	-	3 763
Net result after restructure for 2004-05	-	(25 578)	(25 578)
Total recognised income and expense for 2004-05	-	(25 578)	(25 578)
Balance at 30 June 2005	9 955	15 020	24 975
Error correction	-	(7)	(7)
Restated balance at 30 June 2005	9 955	15 013	24 968
Net result after restructure for 2005-06	-	3 241	3 241
Total recognised income and expense for 2005-06	-	3 241	3 241
Balance at 30 June 2006	9 955	18 254	28 209
All changes in equity are attributable to the SA Government as owner			

The above Statement should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

For the Year Ended 30 June 2006

	Note No.	2006 \$'000	2005 \$'000
Cash flows from Operating Activities			
Cash Outflows			
Employee benefits		(31 810)	(30 510)
Supplies and services		(24 365)	(23 496)
Grants and subsidies		(102 073)	(100 858)
GST payments on purchases		(9 949)	(9 641)
Other payments		(6 083)	(3 503)
Cash used in operating activities		(174 280)	(168 008)
Cash Inflows			
Fees and charges		3 033	3 954
Receipts from Commonwealth		2 201	2 191
Receipts from Grants and Subsidies		275	136
Interest received		1 499	2 346
Community Development Fund		900	900
Recoveries from Administered Items		835	1 672
GST receipts on receivables		2 005	1 420
GST receipts from taxation authority		7 835	7 461
Other receipts		9 036	2 331
Cash generated from operating activities		27 619	22 411
Cash Flows from SA Government			
Receipts from SA Government		148 886	146 177
Payments to SA Government		(794)	(31 604)
Cash generated from SA Government		148 092	114 573
Net cash provided by/(used in) operating activities	28	1 431	(31 024)
Cash flows from Investing Activities			
Cash Outflows			
Purchase of property, plant and equipment		(16)	(308)
Cash used in investing activities		(16)	(308)
Net cash used in investing activities		(16)	(308)
Cash flows from Financing Activities			
Cash Outflows			
Loans to arts agencies		-	(170)
Cash used in financing activities		-	(170)
Cash Inflows			
Gain (loss) from restructuring activities		(272)	9 909
Proceeds from loan repayments		-	208
Cash generated from financing activities		(272)	10 117

Department of the Premier and Cabinet

Net cash provided by/(used in) financing activities		(272)	9 947
Net increase/(decrease) in cash and cash equivalents held		1 143	(21 385)
Cash and cash equivalents at the beginning of the financial year		13 318	34 703
Cash and cash equivalents at the end of the financial year	16	14 461	13 318

The above Statement should be read in conjunction with the accompanying notes.

Department of the Premier and Cabinet

PROGRAM SCHEDULE OF EXPENSES AND INCOME

For the Year Ended 30 June 2006

	Program 1	Program 2	Program 3	Program 4	Program 5	Program 6	Program 7	2006 \$'000	2005 \$'000
Expenses									
Employee benefits	19 889	474	5 135	351	994	3 588	2 033	32 464	32 028
Supplies and services	14 728	162	5 188	195	759	1 765	1 046	23 843	23 978
Depreciation and amortisation expense	711	-	52	-	-	5	380	1 148	1 405
Grants and subsidies	5 772	372	4 464	10	28 011	19 119	43 772	101 520	101 672
Net loss from disposal of assets	40	-	-	-	-	-	14	54	129
Other expenses	4 149	-	258	7	25	147	1 545	6 131	3 895
Total Expenses	45 289	1 008	15 097	563	29 789	24 624	48 790	165 160	163 107
Income									
Fees and charges	564	13	250	-	427	1 744	172	3 170	3 824
Commonwealth revenues	1 682	-	198	-	-	10	311	2 201	2 167
Grants and subsidies	200	-	-	-	-	-	-	200	208
Interest	402	-	72	-	173	311	564	1 522	1 906
Resources received free of charge	284	-	-	-	-	-	-	284	-
Community Development Fund	-	-	-	-	-	-	900	900	900
Recoveries from administered items	-	-	832	-	-	-	-	832	1 672
Other revenue	7 832	-	278	8	117	174	683	9 092	1 988
Total Income	10 964	13	1 630	8	717	2 239	2 630	18 201	12 665
Net Cost of Providing Services	(34 325)	(995)	(13 467)	(555)	(29 072)	(22 385)	(46 160)	(146 959)	(150 442)
Revenues from / Payments to SA Government									
Revenues from SA Government	39 621	-	12 415	605	28 011	19 119	49 720	149 491	146 177
Payments to SA Government	(591)	-	-	-	-	-	(203)	(794)	(31 604)
Total Revenues from / Payments to SA Government	39 030	-	12 415	605	28 011	19 119	49 517	148 697	114 573
Net Result Before Restructure	4 705	(995)	(1 052)	50	(1 061)	(3 266)	3 357	1 738	(35 869)

**NOTES TO
THE FINANCIAL
STATEMENTS**

Department of the
Premier and Cabinet



Government
of South Australia

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Department of the Premier and Cabinet

Note 1 Objectives of the Department of the Premier and Cabinet

The Department of the Premier and Cabinet supports the Premier and Cabinet by leading the implementation of the agenda of the Government within the South Australian public sector and community.

It achieves this by leading whole of government policy development and implementation, driving reform in government services, creating and developing innovative approaches, aligning government accountability and responsiveness with community expectations and implementing specific programs.

The major objective is to drive the implementation of South Australia's Strategic Plan and achieving its targets, particularly in the areas of government reform, improving Aboriginal wellbeing, managing climate change, supporting social inclusion initiatives and building the arts.

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; and
- Other mandatory professional reporting requirements in Australia.

These financial statements are the first statements to be prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS). AASB1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* has been applied in preparing these statements. Previous financial statements were prepared in accordance with Australian Generally Accepted Accounting Principles.

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

The financial report has been prepared based on a twelve month operating cycle and presented in Australian currency. 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 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 titled "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 Transferred Functions

The division known as Office for the Commissioner of Public Employment (OCPE) has been dissolved. A new agency was established on 1 July 2005 known as the Office of Public Employment (OPE). OPE have taken on certain assets and liabilities of the previous OCPE.

The division known as the Business and Skilled Migration Unit, including Immigration SA and the Population Policy Unit, has transferred from the Department of the Premier and Cabinet to the Department of Trade and Economic Development effective 1 October 2005.

The division known as Office for Volunteers transferred from the Department of the Premier and Cabinet to the Department of Primary Industries and Resources effective 1 April 2006.

Department of the Premier and Cabinet

The division known as Office of Sustainability transferred from the Department for Environment and Heritage to the Department for the Premier and Cabinet effective 1 April 2006. The division drives strategies for sustainability and climate change across Government, business and the community (Refer to Note 26).

2.4 Comparative Information

The presentation and classification of items in the financial report are consistent with prior periods except where a specific Accounting Policy Statement or Australian Accounting Standard have required a change. Where permitted by a specific Accounting Policy Statement or Australian Accounting Standard comparative information has been reclassified and disclosed where required.

2.5 Rounding

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

2.6 Taxation

The Department is not subject to income tax. The Department is liable for payroll tax, fringe benefits tax, goods and services tax, emergency services levy, land tax equivalents and local government rate equivalents.

In accordance with the requirements of UIG Interpretation 1031 'Accounting for the Goods and Services Tax (GST)', revenues, expenses and assets are recognised net of the amount of GST except that:

- The amount of GST incurred by the Department as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense
- Receivables and payables are stated with the amount of GST included.

2.7 Income and Expenses

Income and Expenses are recognised in the Department's Income Statement when and only when it is probable that the flow of economic benefits to or from the entity will occur and can be reliably measured.

Income and Expenses have been classified according to their nature in accordance with Accounting Policy Framework II *General Purpose Financial Reporting Framework* paragraph APS 3.5 and have not been offset unless required or permitted by another accounting standard.

Fees and charges controlled by the Department are recognised as income. 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.

Contributions are recognised as income when the Department obtains control of the contributions or when the agreement or contract has been approved and is executed or contribution received.

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

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

2.8 Revenues from/Payments to SA Government

Appropriations for program funding are recognised as revenues when the Department obtains control over the assets comprising the contributions. Control over appropriations is normally obtained upon their receipt and are accounted for in accordance with Treasurer's Instruction 3 *Appropriation*.

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy, paid directly to the Department of Treasury and Finance Consolidated Account.

2.9 Current and Non-Current Items

Assets and liabilities are characterised as either current or non-current in nature. The Department has a clearly identifiable operating cycle of 12 months. Therefore assets and liabilities that will be sold, consumed or 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.

Department of the Premier and Cabinet

Where asset and liability line items combine amounts expected to be realised within twelve months and more than twelve months, the Department has separately disclosed the amounts expected to be recovered or settled after more than twelve months.

2.10 Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand, at call and deposits with the Treasurer. Cash is measured at nominal value.

2.11 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 is able to charge interest at commercial rates until the whole amount of the debt is paid.

The Department 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.

2.12 Other Financial Assets

In accordance with the Accounting Policy Statements contained in the Accounting Policy Framework IV *Financial Assets and Liabilities*, the Department measures financial assets at historical cost.

Assets and liabilities that are in a foreign currency have been brought into the accounts at the exchange rate applying at 30 June 2006. 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 Income Statement.

2.13 Non-Current Asset Acquisition and Recognition

Assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Balance Sheet. If however, the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recorded at the value recorded by the transferor prior to transfer.

In accordance with Accounting Policy Framework III *Asset Accounting Framework* paragraph APS 2.15 and APS 7.2:

- All non-current tangible assets with a value of \$10,000 or greater are capitalised; and
- Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is greater than \$5 million for infrastructure assets and \$1 million for other assets.

Non-current tangible assets previously had a capitalisation threshold of \$5,000. This has been increased to \$10,000 in 2005-06.

2.14 Revaluation of 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.

2.15 Impairment of Assets

All non-current assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. There were no indications of impairment of assets as at 30 June 2006. Impairment is generally limited to where an asset's depreciation is materially understated or where the replacement cost is falling.

2.16 Intangible Assets

The acquisition or internal development of software is capitalised when the expenditure meets the definition and recognition criteria of an intangible asset outlined in AASB 138 *Intangible Assets* and when the amount of expenditure is greater than or equal to \$10,000, in accordance with Accounting Policy Framework III *Asset Accounting Framework* paragraph APS 2.15.

Department of the Premier and Cabinet

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

Subsequent expenditure on intangible assets has not been capitalised. This is because the Department has been unable to attribute this expenditure to the intangible asset rather than to the Department as a whole.

2.17 Depreciation and Amortisation 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
IT Equipment	3 to 5 years
Motor Vehicles	5 years
Intangibles – Computer Software	3 to 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.

2.18 Payables

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

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

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

All amounts are measured at their nominal amount and are normally settled within 30 days in accordance with Treasurer's Instruction 11 *Payment of Creditors Accounts* after the Department 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.

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

2.19 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 Framework. In the unusual event where annual leave is payable later than twelve months, the liability will be measured at present value.

(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 Framework IV *Financial Assets and Liabilities*.

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(iv) *Superannuation*

The Department makes contributions to several superannuation schemes operated by the State Government and external entities. 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.

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

2.20 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.

2.21 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 Income Statement in the periods in which they are incurred.

Note 3 Financial Risk Management

The Department has non-interest bearing assets (cash on hand and receivables) and liabilities (payables) and interest bearing assets (deposits at call and held with the Treasurer). The Department's exposure to market risk and cash flow interest risk is minimal. The Department has no significant concentration of credit risk. The Department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

In relation to liquidity/funding risk, 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 Parliament for the Department's administration and programs.

Note 4 Changes in Accounting Policies

Transition to AIFRS

The adoption of AIFRS has not resulted in any material adjustments to the Income Statement or Cash Flow Statement.

- a) In accordance with AASB 138 *Intangible Assets*, the Department recognised computer software purchased, including licenses as intangible assets.
- b) Employee benefits payable later than 12 months from year-end have been measured at present value rather than at nominal amounts as required by AASB 119 *Employee Benefits*.

Other

A number of Australian Accounting Standards have been issued or amended and are applicable to the Department but are not yet effective. The Department has assessed the impact of the new and amended standards and there will be no impact on the accounting policies of the Department.

Note 5 Programs of the Department

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 2006 are summarised below (refer to the Department's Program Schedule of Expenses and Income).

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; and enhance a partnership between the Government and the volunteer sector for the benefit of the South Australian community; 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; initiation of programs that support and promote volunteering.

The Office for Volunteers was transferred to the Department of Primary Industries and Resources effective 1 April 2006. Refer to Note 26.

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 - Sustainability and Climate Change

Provide international and national leadership in areas such as development of renewable energy policy and initiatives that move South Australia towards a sustainable future.

The Office of Sustainability was transferred to the Department from the Department of Environment and Heritage effective 1 April 2006. Refer to Note 26.

Program 5 - Library and Information Services

To provide information to the public, industry and government agencies and to fund services provided by Public Library 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.

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Note 6 Employee Benefits

	2006	2005
	\$'000	\$'000
Salaries and Wages	23 517	23 344
TVSP (refer below)	868	-
Long Service Leave	631	1 368
Annual Leave	1 429	1 787
Employment on-costs - Superannuation	3 139	3 022
Employment on-costs - Other	1 609	1 531
Committee Fees	165	137
Other employee related expenses	1 106	839
Total employee benefits	32 464	32 028
Targeted Voluntary Separation Packages (TVSP)	2006	2005
Amount paid to these employees:	\$'000	\$'000
TVSPs	868	-
Annual Leave and Long Service Leave accrued over the period	215	-
	1 083	-
Recovery from the Department of Treasury and Finance	(868)	-
Number of employees who were paid TVSPs during the reporting period	12	-
Remuneration of Employees	2006	2005
The number of employees whose remuneration received or receivable falls within the following bands:		
\$100 000 - \$109 999	9	8
\$110 000 - \$119 999	6	2
\$120 000 - \$129 999	5	4
\$130 000 - \$139 999	3	5
\$140 000 - \$149 999	6	3
\$150 000 - \$159 999	1	2
\$160 000 - \$169 999	3	2
\$170 000 - \$179 999	3	1
\$180 000 - \$189 999	-	5
\$190 000 - \$199 999	3	2
\$200 000 - \$209 999	3	1
\$210 000 - \$219 999	1	-
\$220 000 - \$229 999	1	1
\$260 000 - \$269 999	-	1
\$280 000 - \$289 999	1	-
\$290 000 - \$299 999	1	-
\$300 000 - \$309 999	2	-
\$310 000 - \$319 999	-	1
\$320 000 - \$329 999	1	-
Total Number of Department of the Premier and Cabinet Employees	49	38
Unattached Unit:		
\$100 000 - \$109 999	-	1
\$130 000 - \$139 999	-	2
Total Number of Unattached Unit Employees	-	3
Total Number of Employees	49	41

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 \$7.8 million (\$6.2 million).

The Unattached Unit consists of Public Sector Management Act 1995 employees who are unable to be placed in government agencies and authorities. The Unattached Unit was transferred to the Office of Public Employment on 1 July 2005.

Remuneration of employees reflects all costs of employment including salaries and wages, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits.

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Note 7 Supplies and Services

	2006	2005
	\$'000	\$'000
Supplies and services provided by entities within the SA Government		
Accommodation	3 858	3 309
Telecommunication	391	371
Staff Development and Recruitment	152	141
General Administration and Consumables	741	232
Promotion and Marketing	315	72
Repairs, Maintenance and Minor Equipment purchases	459	877
Service Level Agreements	1 715	1 521
IT and Computing Charges	1 184	1 201
Contractors	5	225
Temporary and Casual Staff	17	11
Community Infrastructure	1 321	1 622
Other	463	284
Total supplies and services – SA Government entities	10 621	9 866
Supplies and services provided by entities external to the SA Government		
Accommodation	840	506
Telecommunication	328	269
Staff Development and Recruitment	502	1 495
General Administration and Consumables	1 979	2 533
Promotion and Marketing	3 087	2 691
Repairs, Maintenance and Minor Equipment purchases	668	887
IT and Computing Charges	859	1 088
Contractors	1 063	2 424
Consultants	394	1 054
Temporary and Casual Staff	443	649
Community Infrastructure	1 832	373
Other	1 227	143
Total supplies and services – Non SA Government entities	13 222	14 112
Total supplies and services	23 843	23 978
	2006	2005
The number and dollar amount of consultancies paid/payable (included in supplies & services used) that fell within the following bands:	No	No
Below \$10,000	19	19
Between \$10,000 and \$50,000	7	18
Above \$50,000	3	4
Total number of consultants engaged	29	41

The amount paid/payable to consultants was \$394 000 (\$1.04 million).

Note 8 Depreciation and Amortisation

	2006	2005
	\$'000	\$'000
Depreciation		
Buildings and improvements	446	258
Furniture and fittings	350	732
Office equipment	114	336
Transportable accommodation	25	26
Motor Vehicle	13	14
IT equipment	88	17
Total Depreciation	1 036	1 383
Amortisation		
Intangible Assets	112	22
Total Amortisation	112	22
Total Depreciation and Amortisation	1 148	1 405

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Revision in Accounting Policy

The capitalisation threshold was increased from \$5,000 to \$10,000 during 2005-06.

Note 9 Grants and Subsidies

	2006	2005
	\$'000	\$'000
Grants and subsidies paid/payable to entities within the SA Government		
Recurrent grant	77 621	76 335
Capital grant	556	1 199
Total grants and subsidies – SA Government entities	78 177	77 534
Grants and subsidies paid/payable to entities external to the SA Government		
Recurrent grant	23 343	24 138
Total grants and subsidies – Non SA Government entities	23 343	24 138
Total grants and subsidies	101 520	101 672

The above total includes the following grants and subsidies paid by Arts SA:	2006	2005
	\$'000	\$'000
Museum Board	8 234	8 838
Libraries Board of South Australia	27 673	27 713
Adelaide Festival Centre Trust	10 722	8 334
Art Gallery Board	6 061	6 376
Country Arts SA	5 481	5 360
South Australian Film Corporation	4 556	5 650
History Trust of South Australia	4 159	3 910
Adelaide Festival Corporation	3 692	3 087
State Opera of South Australia	951	2 660
South Australian Youth Arts Board	2 099	1 828
State Theatre Company of South Australia	1 679	1 640
Adelaide Symphony Orchestra	1 736	4 390
Jam Factory of Contemporary Craft and Design	900	816
Australian Dance Theatre	896	900
Carrick Hill Trust	665	654
Tandanya	710	756
Windmill Performing Arts	1 000	1 000
Adelaide Fringe	917	292
Disability Information and Resource Centre (DIRC)	173	173
Community Information Strategies Australia (CISA)	165	161
Project assistance	2 320	2 244
General purpose assistance	3 130	3 134
Other arts grants	2 982	3 504
Total grants and subsidies paid by Arts SA	90 901	93 420

Note 10 Net Loss from Disposal of Assets

	2006	2005
	\$'000	\$'000
IT Equipment		
Proceeds from disposal	-	-
Net book value of assets disposed	2	-
Net loss from disposal of IT equipment	(2)	-
Furniture & fittings		
Proceeds from disposal	-	-
Net book value of assets disposed	20	32
Net loss from disposal of furniture and fittings	(20)	(32)

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	2006	2005
	\$'000	\$'000
Office equipment		
Proceeds from disposal	-	-
Net book value of assets disposed	32	71
Net loss from disposal of office equipment	(32)	(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	54	144
Total net loss from disposal of assets	(54)	(129)

Note 11 Other Expenses

	2006	2005
	\$'000	\$'000
Other expenses paid/payable to entities within the SA Government		
Projects	81	332
State Library Solar Panels	172	64
Western Gateway Project	-	437
Womadelaide Event	500	310
Donation to Art Gallery of South Australia Foundation	101	-
Other	24	435
Funding Transfer for Return to Work Scheme	-	960
National Depression Initiative	-	278
Total other expenses – SA Government entities	878	2 816
Other expenses paid/payable to entities external to the SA Government		
Projects	674	343
Carnegie Mellon Universities Project	3 172	-
Community Consultation Project for South Australia's Strategic Plan	325	-
International Youth Leadership Event	-	241
Western Gateway Project	-	40
Australian Performing Arts Market	400	-
Public Art for New Adelaide Airport	76	-
Other	601	356
Bad and Doubtful Debts	5	99
Total other expenses – Non SA Government entities	5 253	1 079
Total other expenses	6 131	3 895

Note 12 Auditor's Remuneration

	2006	2005
	\$'000	\$'000
Audit fees paid / payable to the Auditor-General's Department	128	118
Total audit fees	128	118

Other services

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

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Note 13 Fees and Charges

	2006	2005
	\$'000	\$'000
Fees and charges received/receivable from entities within the SA Government		
Arts Industry related fees	1 977	1 554
Salaries charged to other entities	581	691
Public employment charges	-	585
Other recoveries	187	503
Total fees and charges – SA Government entities	2 745	3 333
Fees and charges received/receivable from entities external to the SA Government		
Arts Industry related fees	319	275
Salaries charged to other entities	4	28
Public employment charges	-	30
Other recoveries	102	158
Total fees and charges – Non SA Government entities	425	491
Total fees and charges	3 170	3 824

Note 14 Other Revenue

	2006	2005
	\$'000	\$'000
Other revenue received/receivable from entities within the SA Government		
Rental income	18	-
TVSP recoveries	868	-
Carnegie Mellon Universities project funding	5 000	-
Contributions to the Aboriginal Economic Development Seminar 2005	-	80
Alcohol Education and Rehabilitation Foundation	714	-
Social Inclusion School Retention Action Plan Initiative 4 – Advocacy and Support	263	-
Contributions to Science Outside the Square	50	-
Contribution to Murputja Resource Centre	150	-
Conference Fees	-	115
Arts SA Industry related	348	28
Other	835	571
Total other revenue – SA Government entities	8 246	794
Other Revenue received/receivable from entities external to the SA Government		
Rental income	132	69
Contributions to the Aboriginal Economic Development Seminar 2005	-	20
Contribution to the Green City Project from Adelaide City Council	100	100
Contribution by CSIRO for Adelaide Thinkers In Residence	-	100
Refunds and recoveries:		
- Adelaide City Council for the Capital City Project Team	237	199
- Private Industry	-	141
- Arts SA Industry related	54	45
Other	323	520
Total other revenue – Non SA Government entities	846	1 194
Total other revenue	9 092	1 988

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Note 15 Revenues from / Payments to SA Government

	2006 \$'000	2005 \$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriation Act	149 491	146 177
Total revenues from SA Government	149 491	146 177
Payments to SA Government		
Return of surplus cash pursuant to cash alignment policy (refer note 2.8)	794	31 604
Total payments to SA Government	794	31 604
Total revenues from / payments to SA Government	148 697	114 573

Note 16 Cash and Cash Equivalents

	2006 \$'000	2005 \$'000
Deposits at call	4 384	5 119
Deposits with the Treasurer	10 043	8 166
Other	34	33
Total cash	14 461	13 318

Deposits with the Treasurer

Includes funds held in the Accrual Appropriation Excess Funds Account. The balances of these funds are not available for general use ie funds can only be used once the Treasurer's / Under Treasurer's approval is received. During 2005-06 the Department transferred \$794 000 of its cash balance to the Consolidated Account in accordance with the Cash Alignment Policy.

Interest rate risk

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer are bearing a floating interest rate between 5.35% and 5.71%. The carrying amount of cash approximates net fair value.

Note 17 Receivables

	2006 \$'000	2005 \$'000
Current		
Receivables	1 526	966
Loans	25	25
Accrued revenues	52	29
GST receivable	1 021	1 182
Expected to be recovered more than 12 months after reporting date		
Loans	40	40
Less provision for doubtful debts	(30)	(30)
Other	9	9
Total current receivables	2 643	2 221
Government / Non Government receivables		
Receivables from SA Government entities		
Receivables	1 145	722
Accrued revenues	28	29
Other	9	9
Total receivables from SA Government entities	1 182	760

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	2006	2005
	\$'000	\$'000
Receivables from Non SA Government entities		
Receivables	470	309
Less provision for doubtful debts	(30)	(30)
GST receivable	1 021	1 182
Total receivables from Non SA Government entities	1 461	1 461
Total receivables	2 643	2 221

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received.

Receivables are normally settled within 30 days. Trade receivables and accrued revenues are non-interest bearing. Other than recognised in the provision for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. In addition, there is no concentration of credit risk.

Bad and doubtful debts

The Department has recognised a bad and doubtful debt expense of \$5 000 in the Income Statement.

Note 18 Property, Plant and Equipment

Valuation of Land and Buildings

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.

Impairment

There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets at 30 June 2006.

Resources received free of charge

During 2005-06 the Department received Core Client Access Licenses (CALs) to the value of \$284 000 as part of a Whole of Government purchase through the Department of Administrative and Information Services. The licenses will license client computers to access relevant Microsoft server software licenses to the State.

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RECONCILIATION OF NON-CURRENT ASSETS

The following table shows the movement of Non-Current Assets during 2005-06

	Buildings and Improv \$'000	Furniture and Fittings \$'000	Office Equipment \$'000	Transportable Accommodation \$'000	IT Equipment \$'000	Motor Vehicles \$'000	Works of Art \$'000	Total Tangible Assets \$'000	Computer Software \$'000	Total Intangible Assets \$'000
Fair Value										
Balance at 30 June 2005	30 387	2 181	913	653	265	65	47	34 511	66	66
Additions	-	-	16	-	-	-	-	16	284	284
Assets transferred in from restructure	-	-	(33)	-	-	-	-	(33)	-	-
Other (includes reclassifications, disposals & retirements)	-	(288)	(180)	-	(7)	-	-	(475)	-	-
Revaluation Increment	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2006	30 387	1 893	716	653	258	65	47	34 019	350	350
Accumulated Depreciation / Amortisation										
Balance at 30 June 2005	(8 653)	(1 413)	(633)	(268)	(17)	(13)	-	(10 997)	(51)	(51)
Assets transferred in from restructure	-	-	23	-	-	-	-	23	-	-
Other (includes reclassifications, disposals & retirements)	-	268	148	-	5	-	-	421	-	-
Depreciation and amortisation expense	(446)	(350)	(114)	(25)	(88)	(13)	-	(1 036)	(112)	(112)
Revaluation Increment	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2006	(9 099)	(1 495)	(576)	(293)	(100)	(26)	-	(11 589)	(163)	(163)
Net Book Value										
Balance at 30 June 2006	21 288	398	140	360	158	39	47	22 430	187	187
Balance at 30 June 2005	21 734	768	280	385	248	52	47	23 514	15	15

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Note 19 Intangible Assets

	2006 \$'000	2005 \$'000
Computer software	350	66
Accumulated amortisation	(163)	(51)
Total Intangible Assets	187	15

Note 20 Payables

	2006 \$'000	2005 \$'000
Current		
Creditors	2 950	3 516
Accrued expenses	128	118
Employment on-costs	485	515
Total Current Payables	3 563	4 149
Non-Current		
Employment on-costs	399	586
Total Non-Current Payables	399	586
Total Payables	3 962	4 735

	2006 \$'000	2005 \$'000
Government / Non-Government Payables		
Payables to SA Government entities		
Creditors	1 241	1 561
Accrued expenses	128	118
Employment on-costs	884	1 101
Total Payables to Other SA Government entities	2 253	2 780
Payables to Non SA Government entities		
Creditors	1 709	1 955
Total Payables to Non SA Government entities	1 709	1 955
Total Payables	3 962	4 735

Interest Rate and Credit Risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

Note 21 Employee Benefits

	2006 \$'000	2005 \$'000
Current		
Annual Leave	1 895	2 089
Long Service Leave	765	950
Accrued Salaries and Wages	422	386
Total Current Employee Benefits	3 082	3 425
Non-Current		
Long Service Leave	4 171	5 181
Total Non-Current Employee Benefits	4 171	5 181
Total Employee Benefits	7 253	8 606

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The total current and non-current employee expense (ie aggregate employee benefit plus related on costs) for 2005-06 is \$3.6 million and \$4.6 million respectively.

In the 2005-06 financial year, the long service leave benchmark contained in the Accounting Policy Framework IV *Financial Assets and Liabilities Framework* remained the same, based on an actuarial assessment. The benchmark for the measurement of the long service leave liability is 7 years.

Note 22 Provisions

	2006 \$'000	2005 \$'000
Current		
Provision for workers compensation	74	83
Total Current Provisions	74	83
Non-Current		
Provision for workers compensation	200	212
Total Non-Current Provision	200	212
Total Provisions	274	295
Reconciliation of the Provision for Workers Compensation		
Provision for workers compensation at the beginning of the financial year	295	269
Additional provisions recognised	-	26
Unused amounts reversed	(21)	-
Provision for Workers Compensation at the End of the Financial Year	274	295

A liability has been reported to reflect unsettled workers compensation claims. The provision for workers compensation 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. These claims are expected to be settled within the next financial year.

Note 23 Other Liabilities

	2006 \$'000	2005 \$'000
Current		
Unearned Revenues	-	434
Total Current Other Liabilities	-	434
Non-Current		
Imprest Account	23	23
Total Non-Current Other Liabilities	23	23
Total Other Liabilities	23	457

Note 24 Equity

	2006 \$'000	2005 \$'000
Accumulated Surplus	18 254	15 020
Asset Revaluation Reserve	9 955	9 955
Total Equity	28 209	24 975

The property, plant and equipment asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

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Note 25 Commitments for Expenditure

Remuneration Commitments

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

	2006 \$'000	2005 \$'000
Within one year	5 187	4 094
Later than one year but not longer than five years	9 123	7 302
Total Remuneration Commitments	14 310	11 396

Amounts disclosed include commitments arising from executive and other service contracts. The Department does not offer remuneration contracts greater than 5 years.

	2006 \$'000	2005 \$'000
Within one year	10 016	-
Less than one year but not later than five years	9 931	-
Later than five years	-	-
Total Other Commitments	19 947	-

The Department's other commitments are for agreements for the provision of assistance to the Carnegie Mellon University for the establishment and operations of the University in Adelaide, and for the construction of distribution networks for a Central Power Station on the APY lands.

Operating Lease Commitments

Commitments in relation to operating leases contracted for at the reporting date are not recognised as liabilities are payable as follows

	2006 \$'000	2005 \$'000
Within one year	2 442	2 630
Less than one year but not later than five years	6 199	8 014
Later than five years	1 540	1 704
Total Operating Lease Commitments	10 181	12 348
Representing		
Non-cancellable operating leases	10 181	12 348
Total Operating Lease Commitments	10 181	12 348

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 advance.
- 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 \$3.19 million (\$3.06 million).

Commitments for minimum lease payments in relation to non-cancellable operating leases, are payable as follows

Within one year	2 442	2 630
Later than one year but not longer than five years	6 199	8 014
Later than five years	1 540	1 704
Total Non-Cancellable Operating Lease Commitments	10 181	12 348

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Note 26 Transferred Functions

As a result of a restructuring of administrative arrangements, the Department assumed the responsibility of the Office of Sustainability from the Department for Environment and Heritage as at 1 April 2006. The Department relinquished its responsibility for Immigration SA and the Population Policy Unit as at 1 October 2005, and Office for Volunteers as at 1 April 2006. In addition, the division of the Department known as the Office for the Commissioner of Public Employment was dissolved at 30 June 2005. Certain assets and liabilities relating to this division were transferred to the new Office of Public Employment as at 1 July 2005.

(a) Net Assets Transferred In

	Office of Sustainability \$'000	Total 2006 \$'000
<i>Current Assets</i>		
Cash	577	577
Total Assets	577	577
<i>Current Liabilities</i>		
Short-term employee benefits	459	459
Total Liabilities	459	459
Net Assets Transferred In	118	118

(b) Net Assets Transferred Out

	Office of Public Employment \$'000	Immigration SA and Population Policy Unit \$'000	Office for Volunteers \$'000	Total 2006 \$'000
<i>Current Assets</i>				
Cash	-	198	74	272
<i>Non-Current Assets</i>				
Property, plant and equipment	6	4	-	10
Total Assets	6	202	74	282
<i>Current Liabilities</i>				
Payables	51	12	8	71
Short-term employee benefits	357	77	52	486
Short-term provisions	6	2	2	10
<i>Non-Current Liabilities</i>				
Payables	70	18	21	109
Long-term employee benefits	623	160	182	965
Long-term provisions	16	6	4	26
Total Liabilities	1 123	275	269	1 667
Net Assets Transferred Out	(1 117)	(73)	(195)	(1 385)

Total Revenues from Restructuring

1 503

(c) Net Expenses for the Office of Sustainability for 2005-06

	1/7/05 – 31/3/06 \$'000	1/4/06 – 30/6/06 \$'000	Total 2006 \$'000
<i>Expenses</i>			
Employee benefits	2 010	335	2 345
Supplies and services	380	54	434
Grants and subsidies	22	-	22
Total expenses	2 412	389	2 801

Department of the Premier and Cabinet

	1/7/05 – 31/3/06 \$'000	1/4/06 – 30/6/06 \$'000	Total 2006 \$'000
Income			
Grants and subsidies	42	-	42
Recoveries	79	-	79
Other revenue	13	-	13
Total income	134	-	134
<i>Revenues from SA Government</i>			
Appropriation	2 676	605	3 281
Total revenues from SA Government	2 676	605	3 281
Net Result	398	216	614

Note 27 Contingent Assets and Liabilities

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 the SA and NT Governments 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 Governments caused the event, then each accepts responsibility to the extent to which it caused the event.

For other Corporation obligations, the SA and NT Governments 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.

Department of the Premier and Cabinet

Note 28 Cash Flow Reconciliation

	2006	2005
	\$'000	\$'000
Reconciliation of Cash and Cash Equivalents		
Cash and cash equivalents as recorded in the Cash Flow Statement	14 461	13 318
Cash and cash equivalents as recorded in the Balance Sheet	14 461	13 318
Reconciliation of Net Cash provided by (used in) Operating Activities to Net Cost of Providing Services		
Net cash provided by (used in) operating activities	1 431	(31 024)
Less Revenues from SA Government	(148 886)	(146 177)
Add Payments to SA Government	794	31 604
Add/Less non cash items		
Depreciation of Property Plant and Equipment	(1 036)	(1 383)
Amortisation	(112)	(22)
Net Loss on Disposal of Assets	(54)	(129)
Net Loss (Gain) on Restructuring	(1 810)	(382)
Resources Received Free of Charge	(284)	-
Bad and Doubtful Debts	(5)	-
Changes in Assets / Liabilities		
Increase (Decrease) in Receivables	422	(1 413)
Decrease (Increase) in Payables	773	(364)
Decrease (Increase) in Employee Benefits	1 353	(1 587)
Decrease (Increase) in Provisions	21	(26)
Decrease in Other Liabilities	434	461
Net Cost of Providing Services	(146 959)	(150 442)

Note 29 Events After Balance Date

There were no events after balance date.

ADMINISTERED ITEMS

Department for
Premier and Cabinet



Government
of South Australia

Department of the Premier and Cabinet

STATEMENT OF ADMINISTERED INCOME AND EXPENSES

For the Year Ended 30 June 2006

	Note No.	2006 \$'000	2005 \$'000
Income			
<i>Revenues from SA Government includes:</i>			
Salaries and allowances pursuant to:			
(i) <i>Parliamentary Remuneration Act 1990</i>		280	323
(ii) <i>Agent-General Act 1901</i>		229	293
Promotion of the State		2 750	1 437
State Emergency Relief Fund		209	1 266
Social Inclusion Initiative – Homelessness		6 121	3 812
Social Inclusion Initiative – School Retention Action Plan		3 693	7 734
Targeted Voluntary Separation Package Scheme Account		4	2 336
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program		7	6
Trust Fund – SA Okayama Account		3	2
APY Lands		12 599	943
Commonwealth Community Essential Services Program		1 943	-
Elizabeth City Centre		2 260	-
<i>Grants and Subsidies includes:</i>			
APY Lands		800	7 684
Commonwealth Community Essential Services Program		4 683	5 486
<i>Other includes:</i>			
Commonwealth Community Essential Services Program		-	255
Total Income		35 581	31 577
Expenses			
<i>Employee Expenses includes:</i>			
Salaries and allowances pursuant to:			
(i) <i>Parliamentary Remuneration Act 1990</i>		336	323
(ii) <i>Agent-General Act 1901</i>		278	293
Targeted Voluntary Separation Package Scheme Account		-	282
<i>Grants and Subsidies includes:</i>			
Social Inclusion Initiative – Homelessness		6 121	3 812
Social Inclusion Initiative – School Retention Action Plan		3 693	7 986
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program		15	30
<i>Other includes:</i>			
Social Inclusion Initiative – School Retention Action Plan		2	-
Promotion of the State		2 984	1 437
Targeted Voluntary Separation Package Scheme Account		1	71
APY Lands		6 796	4 126
Commonwealth Community Essential Services Program		4 098	4 266
State Emergency Relief Fund		904	562
Elizabeth City Centre		2 260	-
Total Expenses		27 488	23 188
Operating Surplus		8 093	8 389
Decrease in net assets due to administrative restructure		-	(1 475)
The operating surplus is attributable to SA Government as owner		8 093	6 914

Department of the Premier and Cabinet

STATEMENT OF ADMINISTERED ASSETS AND LIABILITIES

As at 30 June 2006

	Note No.	2006 \$'000	2005 \$'000
Current Assets			
<i>Cash includes:</i>			
Salaries and allowances pursuant to:			
(i) <i>Parliamentary Remuneration Act 1990</i>		(56)	(27)
(ii) <i>Agent-General Act 1901</i>		(49)	(23)
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program		118	112
Trust Fund – SA Okayama Account		47	45
Promotion of the State		(226)	(252)
State Emergency Relief Fund		110	803
Targeted Voluntary Separation Package Scheme Account		5	6
APY Lands	2	11 073	4 829
Social Inclusion Initiative – School Retention Action Plan		(2)	-
Commonwealth Community Essential Services Program	2	7 755	5 783
Elizabeth City Centre		2 260	-
<i>Receivables includes:</i>			
Salaries and allowances pursuant to:			
(i) <i>Parliamentary Remuneration Act 1990</i>		-	27
(ii) <i>Agent-General Act 1901</i>		-	23
Promotion of the State		-	412
APY Lands		33	215
State Emergency Relief Fund		-	2
Commonwealth Community Essential Services Program		18	-
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program		1	-
Total Current Assets		21 087	11 955
TOTAL ASSETS		21 087	11 955
Current Liabilities			
<i>Payables includes:</i>			
Targeted Voluntary Separation Package Scheme Account		1	5
State Emergency Relief Fund		-	1
APY Lands		-	542
Commonwealth Community Essential Services Program		-	542
Promotion of the State		8	161
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program		15	-
Elizabeth City Centre		2 260	-
<i>Unearned Revenue:</i>			
Commonwealth Community Essential Services Program		5 246	5 240
Total Current Liabilities		7 530	6 491
Non-Current Liabilities			
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		7 530	6 491
NET ASSETS		13 557	5 464
Total Equity		13 557	5 464

The above Statement should be read in conjunction with accompanying notes.

STATEMENT OF CHANGES IN ADMINISTERED EQUITY

For the Year Ended 30 June 2006

	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2004	(1 450)	(1 450)
Net result after restructure	6 914	6 914
Total recognised income and expense for 2004-05	6 914	6 914
Balance at 30 June 2005	5 464	5 464
Net result after restructure	8 093	8 093
Total recognised income and expense for 2005-06	8 093	8 093
Balance at 30 June 2006	13 557	13 557
All change in equity are attributable to the SA Government as owner	13 557	13 557

Department of the Premier and Cabinet

ADMINISTERED CASH FLOW STATEMENT

For the Year Ended 30 June 2006

Cash Flows From Operations	2006 \$'000	2005 \$'000
Cash Inflows		
<i>Receipts from Government includes:</i>		
Salaries and allowances pursuant to:		
(i) Parliamentary Remuneration Act 1990	307	296
(ii) Agent-General Act 1901	252	270
Promotion of the State	3 163	1 024
State Emergency Relief Fund	13	-
Social Inclusion Initiative – Homelessness	6 121	3 812
Social Inclusion Initiative – School Retention Action Plan	3 693	7 734
Targeted Voluntary Separation Package Scheme Account	-	2 336
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program	6	6
Trust Fund – SA Okayama Account	3	2
Elizabeth City Centre	2 260	-
APY Lands	12 782	-
Commonwealth Community Essential Services Program	1 924	-
State Emergency Relief Fund	198	1 264
<i>Other includes:</i>		
Cash received for APY Lands from the Commonwealth	800	3 712
Commonwealth Community Essential Services Program	4 683	9 506
Cash generated from operations	36 205	29 962
Cash Outflows		
<i>Employee Payments includes:</i>		
Salaries and allowances pursuant to:		
(i) Parliamentary Remuneration Act 1990	(336)	(323)
(ii) Agent-General Act 1901	(278)	(293)
Targeted Voluntary Separation Package Scheme Account	-	(13 330)
<i>Grants and Subsidies includes:</i>		
Social Inclusion Initiative – Homelessness	(6 121)	(3 812)
Social Inclusion Initiative – School Retention Action Plan	(3 695)	(7 986)
Trust Fund – Bank of Tokyo Cultural and Social Exchange Program	-	(30)
APY Lands	(7 338)	(3 582)
<i>Other includes:</i>		
Promotion of the State	(3 137)	(1 276)
Targeted Voluntary Separation Package Scheme Account	(1)	(993)
State Emergency Relief Fund	(904)	(561)
Commonwealth Community Essential Services Program	(4 636)	(3 724)
Cash used in operations	(26 446)	(35 910)
Net cash provided by (used in) administered activities	9 759	(5 948)
Net Increase / (Decrease) in cash held	9 759	(5 948)
Cash at the beginning of the financial year	11 276	17 224
Cash at the end of the financial year	21 035	11 276

Notes

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 of the Departments' financial statements apply to both the Departmental and Administered Financial Statements.

Note 2 Cash at the End of the Financial Year

The cash balance for APY Lands and Commonwealth Community Essential Services Program includes the receipt of funds from the Department of Treasury and Finance that will be returned in 2006-07 as part of the cash alignment policy. The remaining funds are committed to approved indigenous projects commencing in the 2006-07 financial year.



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TO THE CHIEF EXECUTIVE

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 2006. The financial report comprises:

- An Income Statement;
- A Balance Sheet;
- A Statement of Change in Equity;
- A Cash Flow Statement;
- A Program Schedule of Expenses and Income;
- Notes to the Financial Statements;
- A Statement of Administered Income and Expenses;
- A Statement of Administered Assets and Liabilities;
- A Statement of Change in Administered Equity;
- An Administered Cash Flow Statement;
- Notes to the Administered Financial Statements
- A Certificate by the Chief Executive and the Manager, Financial Services, Services Division.

The Chief Executive and the Manager, Financial Services, Services Division 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 2006, the results of its operations and its cash flows for the year then ended.

A handwritten signature in blue ink, appearing to read 'K I MacPherson'.

K I MacPherson
Auditor-General
28 September 2006

Corporate Reporting

Facilitating Executive Government

During 2005-06 the department, through the Cabinet Office delivered eight cross agency policy learning clusters covering topics such as Federal/State relations and a variety of policy issues. Twenty four knowledge development sessions were also presented.

The department also coordinated preparation of incoming government briefings for the Premier and portfolio briefings for the incoming Ministry following the 2006 election. The department also reviewed the system of Cabinet Committees and interministerial committees resulting in a rationalisation of the number of Cabinet Committees from 10 to 4 and new arrangements for Inter Ministerial Committees.

Major visits and events

The department through the Protocol Unit provided support for the following key activities:

- 60th Anniversary of Victory in the Pacific (VP) Day Celebrations for 2,500 veterans, family and guests on 14 August 2005 at the Adelaide Convention Centre.
- Visit by Their Majesties Carol XVI Gustaf Folke Hubertus, King of Sweden and Queen Silvia on 10 - 11 November 2005.
- Eyre Peninsula Bushfire Memorial Service at Wangary Oval on 11 January 2006
- Queen's Baton Relay through South Australia from 11 to 15 February 2006 in celebration of the Commonwealth Games
- 2006 Clipsal V8 Car Race South Australian Suite and Gala Dinner from 23 to 26 March 2006

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 2005 – 06 the department received 158 enquiries in accordance with the Act. The majority of (FOI) applications are received from the media and Members of Parliament.

Disability Action Plans

Progress on the DPC Disability Action Plan is reported to the Department for Families and Communities on an annual basis.

Overseas Travel

Number of Employees	Destination(s)	Reasons for Travel	Total Cost to Agency
1	Montreal/Quebec	Represented SA at the United Nations Climate Change Conference and Leaders Summit	\$13 118
1	Morschach/London	Represented SA at the Forum of Federations Conference in Switzerland and then meetings in London with Agent General on Climate Change	\$ 9 816
1	UK/ Europe	Bibendum Challenge, Climate Change	\$ 6 300
1	Vancouver	30+ Network	\$ 500
1	Oxford, UK	Solar Cities Congress	\$ 6 100
2	New Zealand	To participate in a joint Australian / New Zealand workshop aimed at developing closer working relations between heritage sector in each country	\$ 4 600
1	New Zealand	Present conference paper at the 4th AICCM Paper, Book & Photographic Symposium	\$ 2 238
1	UK and France	Attendance at the World Summit on Arts and Culture - Newcastle Gateshead UK, visit the Midlands UK and attend the opening of the Australian Indigenous Art Commission, Musee du Quai Branly, Paris - 10-27 June 2006	\$12 150
2	United States/Canada	Premier's Summit	\$21 284
1	China	Guest Speaker Education Forum	\$ 3 000
1	United Kingdom/Canada	Conference View UK emergency management and critical infrastructure arrangements. Presented at and attend the World Disaster Conference	\$11 027
1	India – Premier and Minister for Trade, trade mission	To support initial broad based Carnegie Mellon brand marketing. To commence key meetings with Indian government officials in support of scholarship potential.	\$ 4 600
1	USA and United Kingdom	(USA) Finalise negotiations of second Agreement between the State of South Australia and Carnegie Mellon (Entertainment Technology Centre) (UK) Director of Carnegie Mellon Project also met with Agent General in London, prior to commencing his new role as the State's Counsellor in April 2006.	\$ 5 300
1	USA and UK	Research of international policy, practice and programs in social inclusion particularly homelessness and juvenile justice	\$ 9 400
1	USA	Research of international policy, practice and programs in social inclusion particularly homelessness and mental health	\$6 400
			Total – 115 833

Urban Design charter

Significant capital works of the scale outlined as examples in the Urban Design Charter have not been undertaken by the department during the reporting period, however, new signage within the Lion Art Centre (LAC) courtyard, Morphett Street, Adelaide, was developed by a graphic designer in response to a project brief that incorporated the tenants needs.

The signage is directional and also informative, and provides an identity for the LAC that is clearly distinct from the neighbouring university. The LAC signage project and many projects supported by Arts SA's Public Art and Design program, which frequently involve partnership with local government, reflect the principles and philosophy underpinning the Urban Design Charter.

Regional Impact Assessment Statements

The Security and Emergency Management Office completed a Regional Impact Assessment Statement for the regulation of Security Sensitive Substances-Ammonium Nitrate.

Regional consultations directed at obtaining input into the update of SA's Strategic Plan were conducted in 14 locations (three of these were in metropolitan Adelaide) during April-June 2006. Full details of all the issues raised by participants are available at http://www.saplan.org.au/pubs_Community.php

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 Economic Development

Economic Development Act 1993

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 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

Premier

South Australian Aboriginal Advisory Council
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 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 Assisting the Premier in the Arts

Adelaide Festival Centre Trust
Adelaide Symphony Orchestra Board
Australian Children's Performing Arts Company
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 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

Minister for the City of Adelaide

Capital City Committee

Minister for Aboriginal Affairs and Reconciliation

Aboriginal Heritage Committee
Aboriginal Lands Trust

Minister Assisting the Premier in Cabinet Business and Public Sector Management

Government Reform Commission

Consultants

Consultant	Purpose of Consultancy
Less than \$10,000	
Total of 19	Various
Sub Total	\$ 84,254
\$10,000 - \$50,000	
Contracting & Tendering Services Pty Ltd	Procurement services regarding cleaning and security services contract for arts agencies
Experience Matters	Records management adequacy assessment for arts agencies
Hodgson	Report on the financial status of the Adelaide Festival Centre Trust
KPMG	Review of the activities of the Protocol Unit
MoveCorp	Collection storage feasibility study for arts agencies
Susan Greenfield	Adelaide Thinkers in Residence
Sustainable Focus	Solar Café project
Sub Total	\$ 145,081
Above \$50,000	
Collins Anderson Consulting	Development of business case for recreation and sport facility - Indigenous Para West Adult Campus
Palyani Community Development Support Services	APY Lands governance program
Stephen Schneider	Adelaide Thinkers in Residence
Sub Total	\$ 164,596
Total	\$ 393,931

Asbestos Management

Section 1: Annual Report – Priority And Removal Activities

Site Asbestos Presence Status	Priority for Risk Assessment	No of sites in Priority for Assessment category	Risk Reduction Program Activities conducted during 2005/06	Quantification of Activities (by Item/ by Area/by \$)
Insufficient data	Urgent			
Unstable, Accessible; Or Unstable, Damaged or Decayed	Urgent	1	National Railway Museum - Removal planned for 2006/07 financial year	
Unstable, Inaccessible; Or Unstable, Partly Accessible	High	1	Carclew Nil	
Stable, Accessible: or Stable, Accessible, Initial Signs of Decay	Medium			
Stable, Inaccessible; Or Stable, Partly Accessible	Low			
Asbestos Free	Not applicable	3		

Note: Immigration SA and the Office for Volunteers were transferred to other portfolios during financial year.

Section 2: Annual Report – Risk Reduction

Site category Scale	Site Performance Score	1	2	3	4	5	
	Site Risk level	Severe	Major	Moderate	Minor (threshold category)	No risk (target category)	Not assessed
	% Of sites in category at Year's Commencement		25	12		38	25
	Adjustment % After Annual Reduction Activity		33	17		50	

Energy Efficiency/Sustainability

Commentary

The year was characterised as one of consolidation with the major redevelopments within the Arts portfolio being operational for a full year, including the State Library, the SA Museum, Festival Centre and the commissioning of improvements in the air-conditioning in parts of the Art Gallery.

The accommodation in the DPC non-Arts locations was consolidated into 3 main locations, State Administration Centre, AON House and 50 Pirie St resulting in a minor reduction (3%) of electricity use.

Energy use in the DPC Arts SA sites increased by 6.7% during the year with a 2% increase in electricity use and a 14.6% increase in gas use against the 2004/05 financial year.

The reasons for the increase in gas use are the result of several factors. Most significantly, a large increase in gas consumption at the State Library of SA resulted from the replacement of the boilers located in The Science Centre following 11 months of non-operation in the 2004-05 financial year. In late June 2005 the boilers were replaced, causing the gas consumption to return to the levels of previous years. To improve management of gas consumption, an energy demand audit is being undertaken which is expected to make recommendations for improvements.

For the Art Gallery, additional gas was required to keep internal humidity and temperature levels at the required standards during periods of extreme fluctuations in the external temperature and humidity, particularly during October 2005 and January 2006. Increased patronage at the Adelaide Festival Theatre complex, including during the successful 2006 Adelaide Festival of Arts, also resulted in an increase in gas use.

The increase in electricity use was a result of the increased patronage at the cultural institutions and maintenance problems for the aged heating and cooling plant at one location, which caused a significant increase in off peak electricity use for six months during the year.

Despite the increase in 2005-06, overall the department has reduced energy consumption by 11.5% since 2000-01, below the interim target of 11%. Overall electricity consumption has reduced by 20% to 59 392 Gigajoules, partially offset by a 10% increase in gas use to 32 261 Gigajoules.

During the year, no changes were made to the baseline due to changes in responsibilities for the portfolio. An adjustment was made to the natural gas baseline for the SA Museum and the Art Gallery following a review of the data used in the previous year.

Sustainability

The Sustainability Reference Group (SRG) met during the year to consider issues associated with the implementation of the priority areas under the whole of government Greening of Government Operations (GoGO).

A highlight of the year was the presentation to staff by Dr Tim Flannery on the topic "The Climate Change Challenge"

Discussions were commenced with Department of Transport, Energy and Infrastructure to develop a Travel Smart Action plan as a way of encouraging staff to reduce transport related greenhouse gas emissions.

Waste audits were undertaken for a number of 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. A waste reduction strategy was adopted for the Arts SA head office in Hindley Street. Discussion continued with the Department of Administrative and Information Services to collect the waste details for leased accommodation, particularly the State Administration Centre.

SA Water and Arts SA worked cooperatively to develop systems to collate water baselines and discuss reporting issues.

	Energy Use (GJ)	Expenditure (\$)	GHG Emissions
Base Year 2000-01 *			
DPC - Non Arts (includes State Admin Centre, Pirie Street (5), Reserve Bank & Pulteney Street)	2 202	83 342	587
DPC Arts - Arts SA (includes Art Gallery, Artlab, Arts SA, Carrick Hill, Plain Central Services, SA Museum, State Library)	65 129	1 434 774	15 723
Arts SA Statutory Authorities (includes Adelaide Festival Centre Trust, Country Arts)	33 148	954 714	7 523
History Trust (includes Motor Museum, Maritime Museum, Migration Museum)	3428	116 700	1 056
Portfolio Total	103 894	2 590 368	24 889
2005-06			
DPC - non Arts (Leased accommodation including State Admin Centre, 50 Pirie Street, AON House)	1 777**	82 171	498
DPC Arts - Arts SA (includes Art Gallery, Artlab, Arts SA, Carrick Hill, Plain Central Services, SA Museum, State Library)	53 695	1 299 153	10 446
Arts SA Statutory Authorities (includes Adelaide Festival Centre Trust, Country Arts, SA Film Festival, State Opera)	33 593	905 131	6 629
History Trust (includes Motor Museum, Maritime Museum, Migration Museum)	2 608	110 221	726
Portfolio Total	91 673	2 396 676	18 299
Interim Portfolio Target For 2006 (11% reduction in energy use from baseline)	92 465		
Final Portfolio Target For 2014 (25% reduction in energy use from baseline)	77 921		

*Baseline modified in 2005-06 to reflect improved data for gas use for SA Museum and Art Gallery

** Includes energy use for Office for Public Employment as part of the Premier's Portfolio.

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.

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 choose 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 \$24.70 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 Office of the Agent General (London) has had a specific focus on defence, minerals, education, migration, sustainability, food and wine, creative industries and health and biotechnology – sectors consistent with *South Australia's Strategic Plan*.

Concentration on migration events has seen a significant increase in migration from the United Kingdom to South Australia. In 2005-06 some 4159 UK citizens moved to South Australia, an increase of 241% on the previous 12 months (1725 arrivals) and up more than 300% in three years. The rate of migration from Britain to South Australia is now at levels not seen since the 1960s. SA Police has continued to enjoy fertile recruiting ground in the UK, with continued support provided by the Office of the Agent General during 2005-06.

The UK continues to be a significant wine market with an estimated 72% of Australia's total wine exports to the UK coming from South Australia. While the State's total wine export value fell 3.7% in the 12 months to 31 March 2006, the State's wine producers have generally maintained sales volumes, a positive achievement in the face of a significant domestic oversupply and increased competition from other foreign and interstate wine producers. The Office of the Agent General worked cooperatively with colleagues in the Australian Wine and Brandy Corporation's London office at macro marketing events. The Premier attended the International Wine and Spirits Fair in May 2006 and a number of small regional wine events were supported by the office.

South Australia's growing defence industry is high on the radar of European companies, particularly following ASC's successful bid for the Air Warfare Destroyer program. The London office has been working closely with the State's Defence Unit (Department of Trade and Economic Development) in assisting European organisations link to tender processes and other investment opportunities. In May 2006, the Premier signed a Heads of Agreement with Cranfield University, which may lead to Cranfield courses being taught in Adelaide. Cranfield subsequently signed collaborative agreements with the University of South Australia and the two institutions are currently planning a series of defence related joint ventures in 2007.

The Office of the Agent General noted increased activity in the sustainability and climate change sector following renewed global interest in the effects of carbon and other green house gas emissions. Following the State Government's policy priority setting, the London office hosted a special South Australian promotional lunch at this year's International Solar Cities Congress at Oxford, to raise awareness of the 2008 congress, which is planned for Adelaide.

France has been a high priority market this year, particularly because the French have made Australia "the country of honour" in various events from Lorient to Lille to Lyon. This has helped the State raise its profile in arts and education, migration and wine and food. The Agent General's Office supported many events, including planning for the State's representation at the 90th anniversary of the Battle of the Somme, which was attended by the Hon. Jane Lomax Smith and Hon David Ridgway MLC.

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

The Office of the Agent General 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. In May, the Premier outlined the opportunities 'back home' at a reception for young expatriate South Australians in the Australian High Commission; it was attended by more than 400 people.

Maurice de Rohan OBE
Agent General for South Australia (London)

National Competition Commissioner

A secretariat to handle competitive neutrality complaints is located in the Cabinet Office of the department to advise the public and private sectors on the complaints mechanism. The framework for competitive neutrality complaints is 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 subject to 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.

No new competitive neutrality complaints were lodged in 2005-06.

An outstanding complaint against the Adelaide Festival Centre Trust was finalised when the Commissioner presenting his findings to the Premier in September 2005. The Commissioner's investigations found that the Adelaide Festival Centre Trust and Bass Ticketing are operating in accordance with competitive neutrality principles. The Commissioner found that the Adelaide Festival Centre Trust did not breach its competitive neutrality obligations as a category 1 significant government business activity when it specified the engagement of BASS for ticketing services in its contracts. The Commissioner also found that BASS Ticketing was applying cost reflective pricing to its activities. The South Australian Government accepted these findings.

The Act requires a summary of the Competition Commissioner's report of his investigation of a complaint be made available to the public. Summaries of complaints and additional information on competitive neutrality implementation in government business activities are available 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.

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. Required information, for example, on fraud and financial performance is already provided elsewhere in the Annual Report of the department. I am the only Commissioner currently appointed under the Act. I am required to carry out such investigations into infringements on the principles of competitive neutrality as the Premier may from time to time direct. I was reappointed in February 2006 for a 21-month term, from 20 February 2006 to 31 December 2007, under the terms and conditions approved by Cabinet. Those terms include that I am not an employee of the State or any governmental 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.

John Carey
Competition Commissioner