

Department of the Premier and Cabinet Annual Report

2006 - 2007



Government of South Australia

Department of the Premier
and Cabinet

Department of the Premier and Cabinet

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28 September 2007

The Hon Mike Rann
Premier of South Australia

Dear Premier

It is my pleasure to present to you the Annual Report of the Department of the Premier and Cabinet for the year ended 30 June 2007.

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', written over a light blue horizontal line.

Warren McCann
CHIEF EXECUTIVE

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Chief Executive's Review



In 2006-07 the Department of the Premier and Cabinet (DPC) built on the foundation it established in previous years. A substantial amount of work, characterised by the DPC values of leadership, collaboration and professionalism, came to fruition. The department also celebrated a number of significant achievements and continued to develop responsive and innovative programs.

A driving force behind our work is South Australia's Strategic Plan and in January this year it was updated to introduce some new targets and sharpen the focus of others. Planning days and public forums conducted by DPC were a vital part of the comprehensive community engagement process required to obtain community views on improvements to the plan.

With 17 targets against our name, our department is responsible for more than any other government agency. We have since made great gains in finalising our implementation plans and working towards achieving our diverse mix of targets.

The last financial year was a year of firsts which included the introduction of the groundbreaking *Climate Change and Greenhouse Emissions Reduction Bill 2006* to Parliament late in the year, which became law on 3 July 2007.

As the only climate change legislation in Australia and one of only a few jurisdictions in the world, it is testament to the major inroads that the Sustainability and Climate Change Division has made in the 12 months since its creation.

This was followed by the release of South Australia's planned response to climate change, *Tackling Climate Change, South Australia's Greenhouse Strategy 2007-2020*.

These significant achievements will ensure that we can maintain South Australia's reputation as an international exemplar in the field of climate change.

The firsts continued in other areas of the agency including the University City Project team, which attracted Cranfield University to Adelaide - the first time the university has established a presence outside of Great Britain.

Among the international higher education initiatives looking to establish a presence here are the University College London and the Hellenic Language and Cultural Centre thus progressing Adelaide's reputation as a university city.

The decision to establish the first international branch of the world-renown Royal Institution of Great Britain in Adelaide will see the creation of the Royal Institution Australia (RiAus) in 2007-08.

Initiated jointly by the Premier and former Thinker In Residence Baroness Susan Greenfield, RiAus will create a focus for science awareness activities.

The SA Premier's Arts Partnership Fund was also established in 2006-07 to encourage businesses to partner the arts - the first fund of its kind in Australia.

With another year of low rainfall drying out our state and putting the viability of the River Murray at risk, the issue of water management loomed large. DPC supported the Premier in negotiations with the Commonwealth and other jurisdictions on the National Water Plan. The department was also actively engaged at senior levels in all water policy considerations to ensure that the short, medium and longer terms interests of South Australians – whether they be irrigators, businesspeople or householders - were properly addressed.

South Australia continued to participate persuasively in national affairs during the last financial year. At the Council of Australian Governments (COAG), DPC assisted the Premier in arguing South Australia's interests and contributed to COAG initiatives, including the National Reform Agenda. South Australia was instrumental in establishing the Council for the Australian Federation (CAF), a new forum for state and territory action on matters of national significance such as national emissions trading. The Premier took a lead role as the inaugural Chair of CAF, and DPC supported him in setting up CAF and determining its work program.

In the last financial year we led the way in implementing the Government's public sector reform agenda by strengthening the Cabinet Office to help position South Australia as a leader in policy debates on the national stage.

The revamped Office presents our department with an opportunity to better shape and drive the Government's agenda by initiating and developing policy initiatives for consideration by Cabinet. There will also be a new focus on monitoring the implementation of Cabinet decisions to ensure they are carried through properly.

Public Sector Workforce Division also began implementation of a number of the Government Reform Commission's initiatives including establishing the Premier's Awards and the South Australian Executive Service.

We also made great strides in working towards achieving a number of objectives in South Australia's Strategic Plan such as expanding opportunity and improving wellbeing.

This included producing the *Stepping Up: A Social Inclusion Action Plan for Mental Health Reform 2007-2012* report and significant work in commissioning the new Central Power Station on the APY Lands and upgrading roads, water and electrical services in other communities.

The Office for Recreation and Sport continued to promote life-long involvement in physical activity and support athletes from the South Australian Sports Institute who represented Australia on the world stage.

The last financial year also saw DPC grow significantly in size when a number of business units transitioned from the disbanded Department for Administrative and Information Services. The new DPC is now more diverse than ever with functions including records management, recreation, sport and racing, industrial relations and publishing.

In the coming year, we will continue to lead the implementation of the government's agenda, South Australia's Strategic Plan and key public sector reform initiatives. Our ongoing commitment to recruiting, developing and retaining high quality professional staff will ensure that we attract people who are dedicated to delivering outcomes for government.

Together we will continue to ensure that the Department of the Premier and Cabinet is a sought after place of employment for those who want to share in the excitement of progressive reform.

I would like to thank the staff across the department for their outstanding contribution towards this year's achievements.

Warren McCann
Chief Executive

Departmental Objectives

The Department of the Premier and Cabinet fosters a thriving and positive South Australian community by driving key Government initiatives across a range of community focussed services, delivering high quality policy advice and support to the Premier and Ministers and providing direction and strong leadership to the SA public sector.

We do this by working closely with the community in developing policies and delivering programs in the areas of social inclusion, Aboriginal wellbeing, the arts, industrial relations, occupational health and safety, and sport and recreation.

We provide the Premier and Ministers with quick responses to emerging issues, take a whole of government approach to policy development and implementation, drive reform in government services, manage and improve the government's workforce, create and develop innovative approaches and implement specific programs.

We support the Premier, including in his role as Minister for Social Inclusion, Minister for Arts and Minister for Sustainability and Climate Change, through providing advice on policy initiatives and developments that benefit the community and contribute to the Government's agenda. Similarly, we also support the Minister for Federal/State Relations; the Minister Assisting the Premier in the Arts; the Minister for Finance, the Minister for Industrial Relations, and the Minister for Recreation, Sport and Racing; the Minister for the City of Adelaide; the Minister assisting the Premier in Cabinet Business and Public Sector Management and the Minister for Aboriginal Affairs and Reconciliation.

The department provides support to Cabinet, the Executive Committee of Cabinet, other Cabinet Committees, and other key structures such as the Commissioner for Social Inclusion and the Social Inclusion Board, the Government Reform Commission, the Commissioner for Public Employment, the Premier's Climate Change Council, the Capital City Committee, Government House, and the Agent General for South Australia in London.

Our Values

Our culture values ideas, people and results, which are captured in the following values statements:

Leadership – We take the initiative within the public service to drive reforms and change, to provide ideas and practical innovation, and to be accountable for our actions and advice.

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

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

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

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 2006-07 has been categorised under South Australia's Strategic Plan (SASP) objectives and targets. DPC is directly responsible for leading and delivering programs to achieve 17 SASP targets and has developed implementation plans for each target, which include actions for 2007-08.

SASP Objective	DPC SASP targets
Growing Prosperity	1.4 Industrial relations: Achieve the lowest number of working days lost per thousand employees of any state in Australia by 2014.
	1.7 Performance in the Public Sector – customer and client satisfaction with government services: Increase the satisfaction of South Australians with government services by 10% by 2010, maintaining or exceeding that level of satisfaction thereafter.
Improving Wellbeing	2.3 Sport and recreation: Exceed the Australian average for participation in sport and physical activity by 2014.
	2.11 Greater safety at work: Achieve the nationally agreed target of 40% reduction in injury by 2012.
	2.12 Work-life balance: Improve the quality of life of all South Australians through maintenance of a healthy work/life balance.
Attaining Sustainability	3.5 Greenhouse gas emissions reduction: Achieve the Kyoto target by limiting the state's greenhouse gas emissions to 108% of 1990 levels during 2008-2012, as a first step towards reducing emissions by 60% (to 40% of 1990 levels) by 2050.
	3.7 Ecological footprint: Reduce South Australia's ecological footprint by 30% by 2050.
Fostering Creativity	4.1 Creative industries: Increase the number of South Australians undertaking work in the creative industries by 20% by 2014.
	4.2 Film industry: Double the number of feature films produced in South Australia by 2014.
	4.3 Cultural engagement institutions: Increase the number of attendances at South Australia's cultural institutions by 20% by 2014.
	4.4 Cultural engagement – arts activities: Increase the number of attendances at selected arts activities by 40% by 2014.
Building Communities	5.7 Aboriginal leadership: Increase the number of Aboriginal South Australians participating in community leadership and in community leadership development programs.
Expanding Opportunity	6.1 Aboriginal wellbeing: Improve the overall wellbeing of Aboriginal South Australians.
	6.5 Economic disadvantage: Reduce the percentage of South Australians receiving government benefits (excluding age pensions) as their major income source to below the Australian average by 2014.
	6.6 Homelessness: Halve the number of 'rough sleepers' in South Australia by 2010 and maintain thereafter.
	6.23 Women: Have women comprising half of the public sector employees in the executive levels (including chief executives) by 2014.
	6.24 Aboriginal employees: Increase the participation of Aboriginal people in the South Australian Public Sector, spread across all classifications and agencies, to 2% by 2010 and maintain or better those levels through to 2014.

In addition, there are ten targets that all agencies, including DPC, are expected to achieve as contributions to the greater Government effort.

SASP Objective	Whole of Government SASP targets
Growing Prosperity	1.7 Performance in the public sector – customer and client satisfaction with government services: Increase the satisfaction of South Australians with government services by 10% by 2010, maintaining or exceeding that level of satisfaction thereafter.
	1.8 Performance in the public sector – government decision-making: Become, by 2010, the best performing jurisdiction in Australia in timeliness and transparency of decisions which impact the business community (and maintain that rating).
	1.9 Performance in the public sector – administrative efficiency: Increase the ratio of operational to administrative expenditure in State Government by 2010 and maintain or better that ratio thereafter.
Attaining Sustainability	3.13 Energy Efficiency – government buildings: Improve the energy efficiency of government buildings by 25% from 2000-01 levels by 2014.
Fostering Creativity	5.1 Boards and committees: Increase the number of women on all State Government boards and committees to 50% on average by 2008 and maintain thereafter by ensuring that 50% of women are appointed, on average, each quarter.
	5.2 Chairs of Boards and Committees: Increase the number of women chairing State government boards and committees to 50% by 2010.
Expanding Opportunity	6.1 Aboriginal wellbeing: Improve the overall wellbeing of Aboriginal South Australians.
	6.22 People with Disabilities: Double the number of people with disabilities employed in the Public Sector.
	6.23 Women: Have women comprising half of the public sector employees in the executive levels (including chief executives) by 2014.
	6.24 Aboriginal employees: Increase the participation of Aboriginal people in the South Australian public sector, spread across all classifications and agencies, to 2% by 2010 and maintain or better those levels through to 2014.

Statutory Authorities administered through the Arts SA division of DPC include:

- Adelaide Festival Centre Trust
- Adelaide Festival Corporation
- 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.

Freedom of Information: State Records of South Australia supports the Minister for Finance in the administration of the *Freedom of Information Act*. More detailed Freedom of Information activities can be found in the 2006-07 Freedom of Information Annual Report.

Privacy: State Records also supports the Minister in the administration of the information privacy principles including supporting the Privacy Committee of South Australia. More detailed privacy committee activities can be found in 2006-07 Privacy Committee of South Australia Annual Report.

DPC also provides support to the following independent entities:

- Industrial Relations Court and Commission
- Worker's Compensation Tribunal
- Employee Ombudsman.

These entities are required by legislation to produce annual reports, copies of which are available directly from the respective authorities.



Departmental Highlights

South Australia's Strategic Plan

The Premier launched South Australia's Strategic Plan (SASP or "the Plan") in March 2004 with specific longer term targets for the State in areas such as biodiversity, population growth, literacy and Aboriginal wellbeing. In June 2006, a report by the independent Audit Committee found that, two years into the ten-year Plan, the State had already achieved, or was on track to achieve, more than 50 per cent of those targets.

In an effort to refresh the targets and achieve wider community involvement in achieving them, the Department began a comprehensive community engagement process. This continued through the first half of 2006-07 and involved consultation and planning forums in over a dozen locations around the State. DPC also worked with other agencies to convene community consultation sessions on different areas of the Plan in Adelaide. Over 1,600 South Australians participated in the consultations to update the Plan.

The community engagement process was overseen by the Update Team – a group of 26 people from outside government who volunteered their time to help ensure that a good cross-section of views was obtained and considered. The Update Team presented a report to Government in November 2006 which was considered and endorsed by Cabinet in January 2007. Virtually all of the Update Team's recommendations for new and changed targets were accepted, along with some general recommendations about how the Plan should be taken forward.

The updated SASP was released on 24 January 2007. The targets in the revised SASP are clearer, easier to measure and have more consistent timeframes for achievement. In some cases, where the original target had already been achieved, new or modified targets were introduced to address new challenges.

Since its release, DPC has led implementation of the revised SASP across Government and into the community. The Executive Committee of Cabinet continues to provide broad oversight and to sponsor specific cross-agency initiatives to achieve Plan targets.

At the release of the updated Plan, the Premier also announced the establishment of a Community Engagement Board to provide continuity for community involvement with the Plan. This was one of the recommendations of the Update Team.

The Community Engagement Board is made up of representatives from eleven government advisory boards and councils. Its role includes advising the Executive Committee of Cabinet on community perceptions of the Plan and the initiatives being proposed to meet the targets, promoting the Plan, providing advice on developmental list targets, supporting efforts to regionalise the Plan, and overseeing a process for organisations to affiliate with the Plan or be endorsed as Plan partners.

Growing Prosperity

A number of significant achievements have seen the Department of the Premier and Cabinet continue to contribute to the State's growing prosperity. Key initiatives include further development of the State's defence industry and international higher education sector. In addition SafeWork SA and the Public Sector Workforce Division have delivered a range of industrial relations and public sector reform programs.

Defence Industry

SASP Target 1.13: Employment in the Defence Industry and Target 1.20: Defence Industry

The DPC University City project negotiated with Cranfield University (Defence College of Management and Technology Defence Academy of the United Kingdom) to run executive short courses in March and April 2007. The courses in Electronic Warfare and Integrated Logistics and Support were conducted at the historic Keswick Barracks. Student evaluations were very positive regarding the quality and relevance of the courses. The Premier addressed Cranfield academics, course participants, industry representatives and Defence personnel at a function held to commemorate the courses.

An agreement was reached for the establishment of a Cranfield University Business Development Office in Adelaide for a period of three years, commencing in July 2007. A substantial market research report on defence education needs across Australia was completed.

Negotiations between the State, the Australian Government and the Software Engineering Institute (part of Carnegie Mellon University), commenced and are ongoing. The Federal Government agreed to in-principle support of \$20 million over four years and the State Government \$4.5 million over the same period.

Defence education across all South Australian universities and Cranfield University was promoted at the Avalon Air Show in Victoria in March as part of the South Australian Government stand.

Carnegie Mellon Australia

The Carnegie Mellon Australia Joint Advisory Board convened in Adelaide for its first two meetings. The Rt. Hon. Mike Moore, former Prime Minister of New Zealand chairs this high level board of eminent persons.

A memorandum of understanding was signed with the South Australian Sister State of Shandong Province, China, for up to four officials of the People's Government of Shandong to undertake Master's programs at Carnegie Mellon

University, South Australia. Following the earlier signing of a similar agreement, three officials of the Government of India commenced Master's programs at Carnegie Mellon. These educational relationships, which the department facilitated, offer strategic benefits to the State and contribute to SASP target 1.16 by increasing the number of international students studying in South Australia.

Capital City Committee

Priorities for the Capital City Committee (CCC) during the year centred around creating Adelaide as a University City, enhancing the city's reputation as a Green City through work in trialling renewable technologies, and building on the fact that Adelaide is Australia's first solar city. Major projects continued to be supported as well as a push to bring more workers into the city.

Much of the work undertaken in the city is the responsibility of other agencies and therefore the strategic plan for the CCC determines the level of intervention as either:

- maintaining a watching brief
- having a role in influencing the outcome of an activity
- directly managing an activity.

Work continued on major projects in the City, including North Terrace Stage 2, the Riverbank Precinct, the Tram Extension and City Entry Points.

Keswick Railway Station Upgrade: The CCC discussed the Keswick Railway Terminal's poor image for arrivals from interstate by train. This resulted in the formation of a working group comprising Great Southern Railways (GSR), Tourism SA, Planning SA and the CCC Project Team. A master plan was developed and budget committed to a major upgrade of the facility.

As at June 2007 the work on the arrival and departure halls is almost complete. The second stage is due for completion in August 2007 and will see the hospitality and wet areas refurbished. Landscaping and new signage will be underway by the end of 2007. Transport SA also fixed new directional signage on the main connector roads into the city, to the rail terminal and the airport.

Competitive business climate

SASP Target 1.2: Competitive business climate

SafeWork SA works in partnership with employers, workers, unions and industry representatives to promote and encourage safe, fair and productive working lives in South Australia. SafeWork SA is also responsible for administering industrial relations legislation and managing the State's occupational health, safety and welfare functions.

In 2006-07 SafeWork SA contributed to the Government's commitment to reduce unnecessary red tape for business. Specific activities included:

- Working within a range of national OHS related forums to facilitate greater consistency in standards and legislation. This includes matters such as:
 - Reducing the regulatory burden
 - Harmonising legislation, standards, codes, guidance, administration and enforcement policy
 - Implementing all of the National OHS Strategy action plans
 - Achieving national injury/fatality reduction targets and
 - National targeted compliance programs.
- The review of the *Occupational Health Safety and Welfare Regulations 1995* was significantly progressed during 2006 - 07. The review will be substantially completed during 2007 - 08. The reduction of red tape is one of the objectives of that review.
- SafeWork SA has also co-ordinated the review of a number of major Industrial Awards as made under the *Fair Work Act 1994*. This Award modernisation project has been undertaken in conjunction with employers groups, unions and the Industrial Relations Commission and to date 26 Awards have been finalised. The purpose of the project has been to ensure that the Awards are updated, do not contain obsolete provisions and are more easily understood and applied by employers and employees.
- SafeWork SA has developed an enterprise bargaining framework agreement to recognise and satisfy the needs of small business. The framework agreement was formulated in consultation with employer and employee stakeholders and the Industrial Commission, and is recommended for use by small, non-

incorporated businesses that wish to manage their employee relations through enterprise agreements in the South Australian system.

- The aim is to assist small business operators and their employees to better utilise enterprise agreements to improve flexibility in the workplace, without disadvantaging employees. The agreement also contains provisions to encourage businesses to consider using family friendly practices (or work-life balance measures) in the workplace. Such measures can build on the improvements enacted in 2005 in the *Fair Work Act 1994*. The use of this framework will reinforce the steps taken by the SA Industrial Relations Commission to streamline lodgement, hearings and approval processes for enterprise agreements.

Industrial Relations

SASP Target 1.4: Achieve the lowest number of working days lost per thousand employees of any state in Australia by 2014

During 2006-07, SafeWork SA also undertook a number of targeted industrial relations programs.

The **Hair and Beauty Project** raised awareness of industrial relations and occupational health, safety and welfare within the industry.

Minimum Wage Project: Inspectors conducted audits of approximately 350 sites in the aquaculture and fruit picking sectors, which are among the largest award free industries in South Australia. Follow up audits resulted in first step enforcement action.

Clothing Outworker Code: The draft South Australian Clothing Outworker Code (the SA Code) was released for a three-month public consultation period on 24 October 2006. Recommendations following the public consultation have been made to the Minister for Industrial Relations. If declared the Code will apply to retailers, wholesalers and suppliers of clothing products made in Australia.

The **Hospitality Project** is based on industrial relations and limited occupational health, safety and welfare audits in the hospitality sector. The project aims to assist employers and employees to achieve compliance.

457 Visas: This project is investigating the level of compliance with the relevant Acts by host employers, employment agents and employees. Initial audits of meat industry employers found a significant level of non-compliance.

The **IR in Schools Program** supports schools, teachers and students in the school to work transition by providing relevant resource material and information about industrial relations.

Trolley Collecting Industry: Audits of the trolley collecting industry were conducted, including examination of industry compliance with the *Long Service Leave Act 1987*. This is an Award-free industry and compliance with the Minimum Standard of Remuneration was also assessed. Where employers were subject to the Federal Work Choices system any non-compliance with the relevant Federal minimum wage was referred to the Federal Workplace Ombudsman.

Work Choices Inquiry: In its initial written submission, SafeWork SA presented academic, legal and practical perspectives on the Federal legislation and made various recommendations.

Shop Trading Hours: SafeWork SA assisted Mr Alan Moss, (former) Senior Judge of the Youth Court conduct a review of shop trading hours. The review attracted 53 written submissions and included discussions with key stakeholders as well as a study of shopping hours in other states. It found that the existing Act struck a satisfactory balance between the needs of retailers and consumers and recommended that current shopping hours be retained.

Fair Pay Calculator: SafeWork SA developed the *Compare What's Fair* online calculator – www.safework.sa.gov.au. The calculator helps users compare current entitlements derived from a state award with a proposed Australian Workplace Agreement for a typical working week.

Notional Agreement Preserving a State Award (NAPSA) SafeWork SA is in the final stages of developing a NAPSA database to assist employers and employees with transitional arrangements to Work Choices.

Submissions: SafeWork SA made the following submissions on behalf of the Minister for Industrial Relations:

- Australian Fair Pay Commission - 2006 and 2007 reviews
- Industrial Relations Commission of SA State Wage Cases 2006 and 2007, Minimum Standard of Remuneration 2006 and 2007 reviews, Section 98A Child Labour Award application as made by SA Unions, and the Inquiry into the impact of WorkChoices and Independent Contractors Legislation upon SA Workplaces, employees and employers.

Public Sector Reform

The Government Reform Commission (GRC) was formed in July 2006 to improve the way government operates, recognise excellence in public service and promote public sector leadership.

The members of the Commission are:

- Commission Chair, Wayne Goss, former Queensland Premier and current Chairman of Deloitte Australia
- Commissioner, Nick Rowley, former Senior Policy Adviser to Prime Minister Blair and Premier Carr and current Director of Kinesis
- Commissioner, Warren McCann, Chief Executive of the South Australian Department of the Premier and Cabinet
- Commissioner, Sue Vardon, Chief Executive of the South Australian Department for Families and Communities

The Commission is time limited, with its work to be completed by the end of 2007. It has acted as an action-oriented advisory body, recommending new directions in public sector management and service delivery, and providing guidance for implementation of reform initiatives.

A small office headed by Chief Executive, Dr Tom Stubbs, was set up to support the Commission, with administrative support provided by DPC. Staff have been seconded from various agencies for short term assignments with a focus on specific projects.

The GRC work program has focussed on three main areas:

- Decision making processes
- People and the workplace
- Customer service and culture.

In December 2006 the Government responded to the first in a series of GRC recommendations, by announcing:

- a new, strengthened Cabinet Office to better support the Premier and Cabinet
- a new South Australian Executive Service to provide the Government with a high-performing, accountable public sector leadership group; and
- the Premier's Annual Public Sector Awards to reward and recognise outstanding public sector work contributing to the achievement of South Australia's Strategic Plan.

These initial GRC reforms – Cabinet Office, South Australian Executive Service and Premier's Awards are dealt with elsewhere in this report.

Other important GRC achievements include:

Information Sharing: Cabinet agreed to the sharing of agency intranets to more broadly promote best practice, avoid duplication and increase the sense of belonging to a wider sector.

Common Regional Boundaries: Cabinet approved a set of 12 regions to be used as the uniform basis across Government for planning, monitoring and eventually service delivery. Undertaken in response to community demand for better state government co-ordination, it also forms a basis for better engagement with other layers of government and the community.

Reporting Burden: The development of principles to better justify requests, reduce frequency, change timing, reuse data and improve reporting systems.

Procurement: GRC published a *Good Practice Guide* to clarify rules, promote good practice and dispel myths that create unnecessary delays and frustration. This work identified and supported key procurement reforms to be taken forward by the State Procurement Board and the Shared Services Reform Office for Stage 2 procurement reforms.

Flexible Work Practices: The GRC promoted a range of practices and a culture that make it more attractive for groups such as older workers and women to join or remain in the public sector. To this end Cabinet approved use of shorter long service leave periods.

Customer Service: The GRC advocated successfully for the new SASP target (1.7), requiring the measurement and improvement of customer satisfaction as the fundamental driver for improved service. The Canadian Common Measurement Tool has been purchased as the proposed standard measurement methodology. Other key initiatives were a major customer service conference featuring national and international experts; a Customer Service Good Practice Guide; and a customer service network to support the sharing of good practice across government.

The GRC will continue its work program until December 2007 and the future of public sector reform will be addressed with a series of strategic recommendations to the Government following the conclusion of the Commission.

South Australian Executive Service

The establishment of the South Australian Executive Service (SAES) was proposed by the Government Reform Commission, approved by the Government in late 2006 and came into effect on 2 July 2007.

The SAES provides visible leadership, greater support for skills development, increased flexibility and mobility for executives and the opportunity to provide career pathways in order to attract and retain the best leaders for the South Australian Government.

The key elements of the SAES are:

- membership
- executive competency framework
- performance management and evaluation
- training and development opportunities
- structure, remuneration and conditions.

Membership will be against the South Australian Executive Competency Framework and will also be dependent on signing a new untenured contract; undergoing regular performance reviews; undertaking ongoing personal development and training; and participating in appropriate mobility opportunities.

There will be a phased implementation of the SAES with the initial phase applying to executive level positions under the *Public Sector Management Act 1995* (i.e. the public service). Further work will occur throughout 2007-08 to enable executives from other Acts to join the SAES.

Premier's Awards

The Premier's Awards scheme was recommended by the Government Reform Commission and implemented by the Public Sector Workforce Division.

The Premier's Awards aim to lift public sector performance, encourage innovation and customer service, and recognise and reward excellence. The Awards focus on achievement of South Australia's Strategic Plan objectives and targets and recognise and reward outstanding contributions rather than longevity of service.

The Premier's Awards were launched on 4 June 2007 and nominations for awards will be received until 31 August 2007. The Premier's Awards will be announced during Public Sector week, scheduled for late November 2007.

Public Sector Enterprise Bargaining

During 2006-07, major legislative reform was enacted to provide certainty and industrial fairness for over 60,000 employees in the public health and education sectors, as well as in a number of other public sector entities, who were potentially affected by the federal 'Work Choices' laws. The reforms also enable public and private sector corporate entities, employees and unions to access alternative dispute resolution processes.

To 30 June 2007, seven Enterprise Agreements had been negotiated, including major agreements for some 34,000 salaried employees and over 7 000 weekly paid employees.

Workforce Planning Conference

The former Office of Public Employment, in conjunction with the Australian Research Council, hosted a workforce planning conference on 20 November 2006 for the South Australian public sector to showcase workforce planning case studies. The conference entitled "The Workforce Planning for the SA Public Sector: National, State and Local Case Studies: From concept to implementation and the many steps in between" provided an opportunity for speakers from various SA departments and interstate guests to discuss issues regarding workforce planning.

Graduate Recruitment

On 14 March 2007, a new, whole of government graduate website and web based registration became operational. The website includes information about the graduate program, the desired qualification types and instructions on how to register.



Public Sector Customer Satisfaction Conference: Panel Speakers (from L to R) - Ben Page, Ben Keneally, Dr Geoff Mulgan and Leena Sudano

The graduate register and administration site have been developed to provide a better quality service for both graduates and government agencies, and will significantly reduce the average length of the graduate recruitment process.

A web and print media campaign was developed to increase awareness of the website and attract graduates with high demand qualification types to the register. In addition, government employment opportunities and the register have been promoted to final year students at university career events.

As at 30 June 2007, 2,171 graduates had signed up and 1,049 of those had completed their application and were available for employment within the South Australian public sector.

Graduate Development: The Public Sector Workforce Division co-ordinated the whole of government, South Australian Public Sector Graduate Development Program. This program incorporates much of the core knowledge and skills, required to work effectively in a government environment. The program is based on participants gaining competence in seven nationally accredited units from the Public Sector Training Package.

In 2006-07 a total of 72 graduates were enrolled in the Graduate Development Program and on 30 May, 89 graduates from the 2005-06 and 2006-07 intakes, graduated from the program.

Graduate Employer of Choice Survey: In a follow up to the 2006 Graduate Employer of Choice Survey of graduate applicants, a 2007 survey was conducted on a discrete group of graduates employed in the public sector for up to 5 years.



Young Office for Youth Policy Action Team participants at the presentation of their recommendations around recruitment and retention of Generations X and Y in the public sector.

For the sample of graduates, it was found that the SA public sector was seen as best able to provide desired workplace conditions such as work life balance and job security. Satisfaction with the SA public sector as an employer was high. More creative strategies will however need to be explored for the retention of graduates, as there were a number of characteristics on which the private sector rated more positively in the perceptions of graduates.

Under 35 year olds: During 2006-07 the Public Sector Workforce Division chaired a group of young public sector professionals known as the Young People's Group. This group addresses many of the key issues of attracting and retaining young professionals in the SA public sector.

On 12 December 2006, the Oxygen website was launched. This online professional networking and development resource was initiated by the Young People's Group and aims to engage and retain young professionals (35's and under) in the SA public sector. Oxygen is accessible 24 hours a day, seven days per week and as at 30 June 2007, had 1,173 self registered users.

Youth Policy Action Teams: These teams were established with 49 young people, representing 15 agencies. Collaboratively developed between the Office for Youth, Adelaide Thinkers In Residence and, the Government Reform Commission, the teams provided young professionals with a development opportunity and brought a youth perspective to policy issues across government.

State of the Service Report

The State of the Service Report was prepared on behalf of the Commissioner for Public Employment as per the *Public Sector Management Act 1995*. The State of the Service Report for 2006-07 will comment on employee management practices and policies at whole of government and agency levels, drawing upon information from a number of sources including the Workforce Information Collection, the Organisational Review Tool (a self-assessment tool completed and submitted by agencies in May 2007); the Workplace Perspectives Survey 2006 and the Delegations Monitoring Tool (completed by agencies on a six-monthly basis).

The **Workplace Perspectives Survey** is a biannual survey conducted across the whole of the public service. It forms part of the monitoring and reporting framework of the Commissioner for Public Employment. The 2006 survey was conducted across the public service between 20

November and 8 December 2006. A total of 6,270 *Public Sector Management Act 1995* employees responded to the survey – a response rate of approximately 32%.

The Workplace Perspectives Report 2006 can be found at www.cpe.sa.gov.au. Reference to the survey can also be found in the Commissioner for Public Employment's State of the Service 2006-07 Report.

Leadership and Management Capability

Public Sector Management (PSM) Program:

During 2006-07 the PSM Program had intakes in October, February and June, with 55 new participants registering. Since the program's inception in 1992, over 980 public sector employees have participated in this nationally accredited course.

New initiatives for 2006-07 included the successful negotiation with Carnegie Mellon Heinz School Australia for credit towards their Masters Program, the implementation of a strategic alliance with the peak professional body IPAA SA, and the introduction of the PSM Program Briefcase, a CD based resource for participants.

On 29 June 2007, Graduate Certificate Awards were presented to 43 participants at the annual Graduation Ceremony. The Hon. Jay Weatherill, MP, addressed over 130 guests, who attended the function to help celebrate the significant achievement of the graduates.

Notice of Vacancies

The Public Sector Workforce Division provides the Notice of Vacancies (NOV) service to the South Australian public sector as per Commissioner's Standard 2. This standard requires all PSM Act positions of greater than twelve months' duration to be advertised in the NOV, consistent with merit-based selection processes.

The service is currently available online via www.vacancies.sa.gov.au, a weekly hard copy publication and externally via print advertising in *The Advertiser's* Saturday careers section. The NOV advertises positions available across most parts of the public sector and is directly accessible to nearly 60,000 employees and the general public.

During 2006-07, the NOV advertised 7,762 vacancies, an overall decrease of 756 positions (9.7%) compared with 2005-06. Of these vacancies, there were 4,088 positions (52.7%) also advertised in the external press, which is consistent with the 52.3% positions externally advertised in 2005-06.

Placement Services

The current Government policy is that no public sector employee will be subject to forced redundancy. Placement Services within the Public Sector Workforce Division retrains and places excess employees into positions across the SA public sector.

From 1 July 2006 to 30 June 2007, 77 excess employees were managed and 34 were placed in ongoing funded positions.

Building HR Capability Kit

The Building HR Capability Kit was distributed to agencies in November 2006. The kit was developed to enable agencies to identify training and development activities that are linked to nationally accredited competencies and target the specific needs of different levels of HR practitioners. The kit also provides useful models and tools to build HR capability within an organisation. This resource is relevant for HR professionals from AS02 to Executive Level (and their equivalents).

Agencies can also use this resource for:

- designing role descriptions
- recruitment
- performance management
- training and development programs
- career planning and career development for HR practitioners.

RecruitBetter Website

Throughout 2006-07 the RecruitBetter website was developed to provide and promote best practice recruitment. The website features information and tools to assist in implementing better recruitment processes and ultimately achieve better outcomes.

RecruitBetter contains informative, practical materials that will assist selectors, including:

- facts that challenge long standing government recruitment myths
- downloadable tables, checklists, examples and templates.

RecruitBetter will be trialed through 2007-08 and is available for viewing at:

www.recruitbetter.sa.gov.au

State Records

Throughout 2006-07 State Records SA delivered accredited training courses to 350 people.

The State Records training and education program relates to the Across Government Records Management Strategy and addresses a skills shortage area in the public sector. The courses enable state and local government staff to learn how to effectively and efficiently manage their agency's records in accordance with the *State Records Act 1997*. This reduces costs to agencies by increasing both in-house capability and the likelihood that agencies get their documentation correct the first time.

The Accredited Freedom of Information (FOI) Officer course provides attendees with the necessary skills to determine FOI applications, while the Privacy Awareness course improves understanding of the privacy regime for the SA public sector.

State Records also led the upgrade of the across government Freedom of Information Management System (FOIMS) which addressed issues raised by agencies about the management system and improved the system's efficiency and effectiveness.

Office for Racing

Betting exchanges: Work continued in the first half of the financial year, on a draft Bill to amend the *Lottery and Gaming Act 1936* to:

- create a new offence prohibiting the publication of South Australian race fields, in South Australia or elsewhere by wagering service providers unless authorised by the Minister
- make it an offence to establish or conduct a betting exchange and for persons in South Australia to use a betting exchange.

Western Australia passed and proclaimed similar legislation to that being considered by SA.

Betfair Australia, which was granted a licence by the Tasmanian Government on 10 January 2006, commenced bet matching operations from premises located in Hobart on 16 June 2006 by means of a telephone call centre and on 28 August 2006 by means of computers connected to the internet.

On 29 January 2007 Betfair Australia launched an appeal to the High Court against the WA legislation, alleging a breach of section 92 of the Constitution.

The SA Solicitor-General has agreed to intervene in this appeal. Submissions in relation to South Australia's intervention in this matter are currently being prepared in consultation with the Office for Racing. The Office has provided advice, relating to the operations of betting exchanges and integrity issues associated with this form of wagering, to the Crown Solicitor's Office. As the matter progresses this Office will also be providing advice to the Solicitor-General. It is expected that matter will be heard in the High Court in early November 2007.

Report into the South Australian racing industry: In November 2006 the Government commissioned an independent blueprint for the future of South Australia's racing industry. Terms of reference included:

- examine and report on each of the three Code's strategic business planning processes, and how they are equipped to deal with current and future operating environments
- identify opportunities to strengthen the industry's capacity to respond effectively to new and existing challenges
- assess the three existing code constitutions against comparable industry governance structures
- if appropriate, recommend options for alternative governance structures, and how they may be implemented
- undertake a concise financial analysis of the performance of each of the three codes and member clubs, having particular regard to movements in assets and liabilities.

The report, completed in May 2007, has been provided to the Minister for Recreation, Sport and Racing. All parties have provided a formal response to the Minister and expressed support for sweeping changes to the way in which South Australia's racing industry is governed.

In addition, all parties have indicated their willingness to get the industry back on track and work towards achieving the challenges set out in the report. It is expected that consideration of the report's recommendations, and where necessary implementation, will be completed in 2007-08.

Employee Advocacy

Employee Ombudsman services: DPC provides advice and assistance to the Office of the Employee Ombudsman established to support the work of the Employee Ombudsman (EO). Information on services to the EO can be found in the Employee Ombudsman Annual Report 2006-07. The Employee Ombudsman homepage is www.oeo.sa.gov.au.

Conciliation and arbitration: DPC also provides the Registry functions that support the work of the Industrial Relations Court and Commission of South Australia and the Workers Compensation Tribunal.

Information on conciliation and arbitration activities is contained in the Industrial Relations Court and Commission, and in the Workers Compensation Tribunal Annual Reports 2006-07. The South Australian Industrial Relations Tribunal home page is www.industrialcourt.sa.gov.au.

The Industrial Relations Court and Commission, Workers' Compensation Tribunal and the Employee Ombudsman are independent of DPC and formally report to Parliament through the Minister for Industrial Relations.

Improving Wellbeing

A healthier, happier South Australia requires the efforts of many, including this department, other government agencies, business and the community. The transfer of the Office for Recreation and Sport, SafeWork SA and the Public Sector Workforce Division to DPC sees the department now playing a greater role in this area. In addition the department continues to work closely with other government agencies to ensure that measurable results are achieved.

Recreation and Sport

SASP Target 2.3: Exceed the Australian average for participation in sport and physical activity by 2014

The Office for Recreation and Sport (ORS) works to build better communities by promoting life-long involvement in active recreation and sport. The office funds sport and recreation organisations and providers; supports state, regional and local associations; implements policy and programs; leads recreation and sport planning; manages facilities; provides services for elite sport; and promotes the benefits and opportunities for involvement in physical activity for all age groups.

In 2006-07 the first **State Physical Activity Strategy Annual Report** was produced. The State Physical Activity Strategy underpins the State Government's **be active** initiative and forms the basis for achieving the SASP target 2.3.

The **be active** campaign continued to raise awareness of the benefits of physical activity, through activities including support for the 2006 **be active** Corporate Cup and provision of **be active** education and information materials, and merchandise items.

ORS managed and distributed five grants programs valued at \$11.5 million – Active Club Program, Move It! Making Communities Active Program, Statewide Enhancement Program, Community Recreation and Sport Facilities Program and new funding program Inclusive Recreation, Inclusive Sport.

The **Inclusive Recreation, Inclusive Sport** (IRIS) program was established in 2006-07 to provide additional support to people with a disability in the South Australian community. IRIS is specifically aimed at assisting organisations that create and maintain opportunities for people with a disability to participate in active recreation, sport and physical activity programs. Thirty-one projects were approved to support a co-ordinated approach to achieving strategic outcomes for the disability sector.

ORS successfully implemented **Child Protection** strategies to develop positive, safe, supportive environments for children and young people participating in recreation and sport activities. ORS has developed and conducted six Child Safe Officer courses and produced and distributed more than 10,000 'Keeping Children Safe in Recreation and Sport' resource books.

A range of ORS venues successfully hosted events including the Adelaide United A-League games and finals for the 2006-07 season, the 2006 Asian Football Confederation Women's Asian Cup and Under 23 Olympic qualifying matches at Hindmarsh Stadium; and major events like the 2007 World Police and Fire Games and the 2006 Australian University Games across all stadiums.

Eagle Mountain Bike Park was opened in December 2006 providing an area where people of all ages, fitness and skill levels can experience recreational and competition mountain biking on purpose built trails in a natural environment. A bid to host a round of the National Mountain Bike Series was also successful.

The **South Australian Sports Institute** managed over 450 athletes in 18 sports programs and high performance scholarships. More than 60 SASI athletes represented Australia in international events on the world stage, and another 60 junior athletes were selected into senior and junior national teams and squads. Outstanding achievements included Junior World Championship victories to Becchara Palmer in the Under 19 Beach Volleyball and Jack Bobridge in the Under 19 Cycling World Championships, and World Cup trampoline gold medals to Ben Wilden and Scott Brown.

The **Talented Athlete Award** and the **Country Athlete Award** programs distributed \$125,000 as individual grants to over 200 young athletes from about 30 different sports to assist their progress.

The SASI **Talent Search** program tested over 7,000 high school students and invited over 400 of these athletes to join various sport development programs. In the past 12 months, 41 graduates of this program were inducted into SASI scholarship programs. In addition, 17 new high schools have participated in the **Sporting Dreams** program, aimed at schools not recently involved in Talent Search.

The **Female Coach Scholarship** program was introduced to assist female coaches to achieve success in their chosen sport. The program seeks to identify, foster and support the next generation of elite female coaches to follow in the footsteps of the likes of world champion basketball coach Jan Stirling and netball legend Marg Angove.

Healthy Societies

Professor Ilona Kickbusch completed the first visit in her Healthy Societies residency for Adelaide Thinkers in Residence. As a result of Professor Kickbusch's Interim report residency partners are developing a platform called "HEALTH! SA", focussing on healthy weight, physical activity and supportive environment, with broad societal participation (modelled on the EU and Californian experiences) and commitment of key agencies and businesses. (*SASP Target 2.2: Healthy weight*)

DPC and the Department of Health are also applying a health 'lens' to SASP as demonstrated by the 'health in all policies' approach advocated by Professor Kickbusch. This analysis highlights the extent to which targets in each of the Plan's objective areas have a health dimension to them.

A "Health in all Policies" Conference will be held in November 2007, to provide the basis for new approaches to accountability and monitoring across SASP.



The Inclusive Recreation, Inclusive Sport program (IRIS) provides opportunities for people with a disability to participate in recreation, sport and physical activity programs.

Residency partners are developing a South Australian Alliance for Health Literacy, to conduct a health literacy survey that will lead to action in various organisations such as schools, prisons and libraries as well as in GP+ Centres. The work will also address motor accident prevention and trauma recovery. The Alliance will have a special focus on health inequalities. (*SASP Target 2.4: Healthy South Australians*)

Partners in the residency have planned a mobility conference to explore the interface between motor accidents, public health perspectives and community involvement. (*SASP Target 2.9 Road safety – fatalities*)

Workplace Safety

SASP Target 2.11: Greater safety at work: Achieve the nationally agreed target of 40% reduction in injury by 2012

SafeWork SA works in partnership with employers, workers, unions and industry representatives to reduce the incidence of work-related death, injury, illness and disease and to ensure fair and productive working lives for all South Australians. SafeWork SA also investigates workplace breaches of safety and industrial relations legislation and prosecutes where required.

The **Industry Improvement Program** is a major initiative within a suite of programs designed to assist workplaces reduce the incidence and cost of work related injury and illness in South Australia.

The Industry Improvement Program focuses on those workplaces that contribute disproportionately to the number of workers compensation claims in South Australia. The program consists of five strategic actions, which collectively will help the state achieve the targeted 40% reduction in workplace injury by 2012 in accordance with SASP.



The Eagle Mountain Bike Park – purpose built trails for recreational and competition mountain biking.

The strategic actions involve:

- Engagement with key industry sectors to work collaboratively to address identified Occupational Health and Safety (OHS) problems within those industries.
- A large employer project including self-insured employers. This project requires the largest employers in the state to achieve improved outcomes in identified areas.
- A tailored medium sized employer project, providing guided assistance to workplaces that have contributed to more than 50% of this cohort's workers compensation (income maintenance) claims.
- A small business project, providing information and assistance to small businesses to help them to improve their OHS capabilities and compliance.
- A risk mitigation project, which targets high-risk activities. This project incorporates national and state based intervention campaigns to improve compliance with legal requirements. In 2006-07 these campaigns included: Manual Handling in Manufacturing; Labour Hire in Food Manufacturing; Workplace Noise; and Mobile Plant in Civil Construction.

The Industry Improvement Program began in October 2006. To date 140 employers have been contacted with more than 130 audits of OHS management systems and workplace hazards being completed. This program is a long-term initiative with an expected timeframe of more than 3 years. Early indications are that it has been well received with encouraging results in safety performance across a number of workplaces.

Major Events: During 2006-07 SafeWork SA Inspectors, in addition to normal advisory and compliance related activities, attended five major public events: Clipsal 500, Adelaide Fringe, WOMAdelaide, the Royal Adelaide Show and the Garden of Unearthly Delights. The inspectorate also undertook smaller scale pre-event compliance activities for events such as the Big Day Out, Glendi, Mount Gambier Show and Oakbank.

International conference: Adelaide will host the first International Association of Labour Inspections conference in the Pacific region in March 2008, with the theme "Towards Healthy, Safe & Decent Work through Alliances, Ethics & Influence".

Workplace Fatalities Resource: After consultation with various key stakeholders, SafeWork SA has prepared publications to better inform families, employers and workmates of the processes involved, and the help available to them in dealing with a workplace fatality.

Passport to Safety: The two-year pilot of this young workers' education initiative ended on 30 June, 2007. The on-line learning program allows young people (mainly Year 10 students) to build basic OHS knowledge before starting work. Fifty-five schools and more than 7,000 students participated in the pilot. Results show an average increase of 22% in OHS&W knowledge for students.

Front Line Services: These services are a first point of contact for those seeking information, advice and assistance on OHS and industrial matters. A new charter for improved customer service underpins the services.

A one-stop IR and OHS shop was implemented through the Help and Early Intervention Centre and the website. For the period 1 July 2006 to 30 June 2007, the Help and Early Intervention Centre answered 67,648 calls (56,094 IR and 11,554 OHS) of which 87.97% were answered within 3 minutes of being queued; and the SafeWork SA website received 2,204,951 hits, which includes 643,111 hits on the home page.

In addition to the initiatives undertaken by SafeWork SA's Inspectorate to assist workplaces in being fully aware and responsive to their OHS&W and employment related obligations, SafeWork SA is committed to a diverse communication strategy that reinforces and enhances the advice Inspectors deliver.

Numerous SafeWork SA publications continue to be developed, updated and distributed, giving South Australians practical information on occupational health and safety and industrial relations.

SafeWork SA has distributed more than 20,000 CD-ROMs designed to help small business manage health and safety in the workplace and has sent more than 6,000 Workplace Health and Safety Handbooks to South Australian Health and Safety Representatives.

SafeWork SA Library and Bookshop: The Library and Bookshop are well patronised with clients ranging from high school, TAFE and university students, to industrial relations, workers compensation and OHS practitioners and professionals. The library continues to record high numbers of customer contacts and regularly receives requests for loans.

Mines and Major Hazards Facilities Team: This new operational arrangement was formed to strategically deal with safety issues in the mining industry and to monitor and review the safety management systems of major hazardous facilities such as those in the oil, gas and chemical industries.

Safe Work 2006

SafeWork SA, WorkCover Corporation, Business SA and SA Unions worked together to present South Australia's major, annual occupational health and safety event, Safe Work 2006.

Since 2005, the first week of the event has been held as part of national Safe Work Australia Week. During the week beginning 23 October 2006, all Australian states and territories ran workplace safety events. In South Australia, the Safe Work 2006 program continued for another week, culminating with the Safe Work Awards dinner on 3 November 2006.

More than 100 workshops and events, targeting priority industries and risks, were held, attracting more than 4,000 attendees across the state.

Highlights included an OHS Hypothetical, an asbestos safety forum, and a wellness and work-life balance presentation.

Two new national award categories were introduced to the Awards in 2006. The inclusion of the Best Individual Contribution to Workplace Health and Safety award and the Public Sector Leadership Award for Injury Prevention and Management increased the number of national award categories to five.

The Small Business Student Assistance Scheme was introduced to encourage small businesses to nominate for a Safe Work Award. Students undertaking OHS studies at TAFE SA Panorama Campus worked with small business operators to assist them in preparing their application.



Safe Work Awards 2006

(* National category)

Best Workplace Health and Safety Management System*

Futuris Automotive Interiors Pty Ltd

Best Solution to an Identified Workplace Health and Safety Issue*

South Australian Country Fire Service

Best Workplace Health and Safety Practices in Small Business*

Facility Construction Management

Public Sector Leadership Award for Injury Prevention and Management*

Primary Industries and Resources SA

Employer of the Year

Medium to large business - ETSA Utilities

Medium business - Kennett Pty Ltd

Employee of the Year

Ingrid Lundberg, Office of Public Employment, Department of the Premier and Cabinet.

Health and Safety Representative of the Year

Marilyn Carter – Life Care

Augusta Zadow Scholarships

Sharon Henderson and Craig Brown from Trevu; House Residential Aged Care;

Alex Neill of Phantom Power Products; and

John Packer of J Packer Design - \$10,000

National Safe Work Australia Awards

South Australia won two out of five awards at the national Safe Work Australia Awards 2006:

Best Solution to an Identified Workplace Health and Safety Issue

South Australian Country Fire Service

Public Sector Leadership Award for Injury Prevention and Management

Primary Industries and Resources SA



SafeWork SA inspectors assist workplaces in meeting their Occupational Health and Safety obligations.

Safety in the Public Sector

The Government is committed to a Zero Harm Vision for the South Australian public sector through a comprehensive strategy to improve safety in the public sector. The *Safety in the Public Sector 2007-2010* strategy has four interlocking and mutually supporting elements that are principles based and outcomes focused. These are: *Sustainable Commitment, Financial Accountability, Integrated Risk Management, and Rigorous Evaluation.*

The strategy provides ongoing support for, and will build on, improvements achieved through the "Workplace Safety Management Strategy 2004-2006". Improvements flowing from the implementation of that strategy include a downward trend in injury claims, and a reduced rate of growth in the economic and social cost of workplace injury in the public sector.

Injury Management

The Public Sector Workforce Division's Injury Management Services provides workers compensation claims management and rehabilitation service for DPC and 25 Government client agencies on a fee for service basis.

Injury Management Services has contributed to achieving good injury management results against the workplace safety management strategy targets. During 2006-07:

- 100% injured workers commenced rehabilitation within 5 days of assessment (80% target)
- 77% returned to work within 5 days (70% target).

Injury Management Services receives approximately 450 claims per year and manages up to 600 claims at any one time. Up to 100 of these injured workers also require rehabilitation assistance.

The whole of Government workers compensation claims management database IDEAS, has been in operation since 2000. This system must be replaced as a result of the decision by WorkCover not to extend the IDEAS facilities management contract beyond June 2008.

During 2006-07, in conjunction with key portfolio/agency staff, a system requirements specification was developed. Following a Request for Proposal, assessment of submissions commenced in June 2007.

Public sector workers compensation performance is monitored by the Public Sector Workforce Division and reported to Government on a quarterly basis. A summary of public sector workers compensation performance is outlined in Appendix G.

Capability Development Program: To support achievement of the SASP Target 2.11: Greater Safety at Work, the Government has implemented a program to build the capacity of the SA public sector through the delivery of nationally accredited and specialised qualifications for over 160 practitioners in Injury Prevention and Injury Management.

Crown Exempt Employers: The Public Sector Workforce Division also continues to monitor WorkCover Evaluations of Crown Exempt Employers. The Crown Evaluation program provides advice to Portfolio Chief Executives on high level needs in meeting the WorkCover Performance Standards.

Work Life Balance

SASP Target 2.12: Work-life balance: Improve the quality of life of all South Australians through maintenance of a healthy work-life balance

SafeWork SA is developing a strategy to improve work-life balance in South Australian workplaces. The strategy also supports a research project being undertaken by the University of South Australia's Centre for Work and Life, which is developing a measurement tool, the Australian Work and Life Index, for adoption as a measurement tool in relation to SASP.

Development of the strategy will involve working closely with the private sector, other Government agencies and the Parliamentary Select Committee on balancing work and life responsibilities.

Daylight Saving Consultation: As instructed by the Minister for Industrial Relations, SafeWork SA co-ordinated a major public consultation process regarding the proposal to extend Daylight Saving to keep South Australia in line with eastern states. The agency received almost 7,000 responses, with one-third from country areas. Following the process, the government decided that it was on balance in the best interests of SA to extend daylight saving for a trial period.

Legislation and Regulation

In 2006-07 SafeWork SA supported the Government in the introduction to Parliament of the:

- Dangerous Substances and Major Hazard Facilities Bill 2006, and
- Occupational Health, Safety and Welfare (Penalties) Amendment Bill 2006.

SafeWork SA also made Parliamentary committee submissions to and appearances before the:

- Standing Committee on Occupational Safety, Rehabilitation and Compensation (2 submissions, an appearance by the Executive and supplementary questions)
- Select Committee on Balancing Work and Life Responsibilities (Submission and an appearance by Deputy CE of DPC, Director and Project Manager).

The following OHS Standards were adopted during the year:

- Code of Practice for the Safe Removal of Asbestos 2nd Edition [NOHSC:2002 (2005)];
- Code of Practice for the Management and Control of Asbestos in the Workplace [NOHSC:2018 (2005)]; and
- Guidance Note on the Membrane Filter Method for Estimating Airborne Asbestos Fibres 2nd Edition [NOHSC:3003 (2005)].

The following existing National Standards and Codes are under review:

- National Standard and Code of Practice for Manual Tasks;
- National Standard and Code of Practice for the Control of Workplace Hazardous Chemicals;
- Code of Practice for the Management and Protection of Hearing at Work;
- National Standard for Plant;
- National Standard for Licensing Persons Performing High Risk Work.

New National Standards are being prepared or have been declared:

- National Code of Practice for Prevention of Falls in General Construction;
- National Code of Practice for Induction Training for Construction Work;
- National Standard for Construction Work.

Existing State Standards under review by SafeWork SA are:

- Tuna Farm Diving Regulation;
- First Aid Regulation and Code of Practice.

Major Investigations

Throughout 2006-07 SafeWork SA has undertaken a major investigation of the explosion of the Quin's Investment Explosives factory at Gladstone. Three workers were killed when the factory was completely destroyed by a major explosion. This event is classified as a significant incident and has involved a substantial number of the agency's resources. More than 200,000 items of evidence were collected from the site and have been painstakingly reassembled in a warehouse in Adelaide. In addition to the collection of physical evidence, the investigation team has co-ordinated detailed metallurgical and chemical analysis of the machinery and the compounds involved in the explosion. The agency is continuing to work with the Crown Solicitor as the investigation moves to the next phase.

In addition to the Gladstone incident, SafeWork SA's Inspectors have been involved in the investigation of an incident at the Royal Adelaide Show involving the Twin Flip amusement device. This investigation has required complex electrical and mechanical examination of the equipment involving SafeWork SA senior inspectors. SafeWork SA has consulted the Crown Solicitor in relation to future action.

Attaining Sustainability

The department has continued to play a lead role in developing solutions to the challenges of sustainability and climate change, and furthering South Australia's reputation for being clean, green and sustainable. The work of the Sustainability and Climate Change Division and the Capital City Committee has seen South Australia lead the way internationally with climate change legislation, and has supported a range of innovative sustainability projects.

Climate Change

SASP Target 3.5: Greenhouse gas emissions reduction: Achieve the Kyoto target by limiting the state's greenhouse gas emissions to 108% of 1990 levels during 2008-12 as a first step towards reducing emissions by 60% (to 40% of 1990 levels) by 2050.

Climate Change Legislation

The *Climate Change and Greenhouse Emissions Reduction Act 2007* (the Act) will come into effect on 3 July 2007. South Australia was the first Australian jurisdiction, the first in the Southern Hemisphere and one of the leading jurisdictions internationally to enact specific climate change legislation to enshrine a long-term aspirational greenhouse gas emissions reduction target.

The Act legislates a reduction of greenhouse gas emissions of 60% by 2050. Two related targets under the Act are to increase the proportion of renewable electricity generated to 20% by 2014 and increase the proportion of renewable electricity consumed to 20% by 2014.

The Act sets out comprehensive reporting requirements in relation to the state's emissions inventory and the government's own greenhouse performance. The 2008-09 DPC Annual Report will provide a comprehensive update on progress. Specifically, the legislation requires the department to report on work undertaken in relation to the development of climate change policy and related initiatives. The report will also include information on progress towards legislated targets.

The legislation also requires that the Chief Executive of the Minister's department must consult with the Premier's Climate Change Council in connection with the preparation of the report on climate change activities. The Premier's Climate Change Council has not yet been established. Consultation will occur with the Council on climate change policy and initiatives for subsequent annual reports.

Greenhouse Strategy and Action Plan

South Australia's Greenhouse Strategy was released by the Premier on 31 May 2007. The strategy provides an overarching policy framework for action by government, industry and the community. Accompanying the strategy is a government plan consisting of 98 priority actions and 81 supporting actions.

A priority action already taken by the Government is its commitment to purchasing 20% of its electricity requirements from accredited Green Power suppliers from 1 January 2008.

National Emissions Trading

DPC and the Department of Transport, Energy and Infrastructure have been actively involved in the work of the National Emissions Trading Taskforce (NETT) - a state and territory initiative that has been instrumental in the Commonwealth Government committing to a National Emissions Trading Scheme. The NETT has developed a model emissions trading scheme, the details of which are being finalised, for reducing greenhouse gas emissions nationally. All states and territories in the Council for Australian Federation have agreed to enter into an agreement and pass legislation for an emissions trading scheme.

Emissions trading now has multilateral support at national, state and territory levels and trading is expected to commence between 2010 and 2012. It will be a key mechanism enabling South Australia's achievement of its legislated greenhouse emissions reduction target.

Ecological Footprint

SASP Target 3.7: Reduce South Australia's ecological footprint by 30% by 2050

Reducing the State's greenhouse emissions by 60% will likely achieve the ecological footprint target, however, this assumes that there is not unchecked growth in other areas of South Australia's footprint. As such, it is important that strategies are implemented to address the 'non-greenhouse' component of the footprint. Policies across

government will have an influence on the ecological footprint, and to this end, the Sustainability and Climate Change Division is working in collaboration with several other agencies.

The ecological footprint is to be employed as a planning tool for urban development, in co-operation with the Land Management Corporation. An ecological footprint calculation for Lochiel Park is being developed, to enable a benchmark to be set.

Reducing waste to landfill will also assist with reducing the ecological footprint, through waste avoidance programs. DPC is collaborating with Zero Waste SA to develop programs focussed on reducing material consumption and greenhouse emissions.

Furthermore, education programs focussed on the reduction of the ecological footprint within schools are being pursued with the Department of Education and Children's Services.

Department of Health strategies to increase the number of South Australians with a healthy weight will also assist in achieving a reduced footprint. Better diets containing more fruit and vegetables and increased physical exercise are contributing activities.

Premier's Climate Change Council

The *Climate Change and Greenhouse Emissions Reduction Act 2007* provides for the establishment of the Premier's Climate Change Council.

The Climate Change Council will provide the Government with an independent stream of advice on the impacts of climate change on business and the wider community and on the effectiveness of policy responses.

The Council will provide independent advice to the Premier on matters associated with reducing greenhouse gas emissions and adapting to climate change. The Council will also take a leadership role in consulting with business, the environment and conservation movement, and the wider community about issues associated with climate change.

The process to establish membership for this important body is well advanced. The Act requires that the Council consist of at least 7 and not more than 10 members drawn from across state government, local government, business community, the environment and conservation sector, scientific community and other sectors of the State's community more generally.

Climate Change Action Plan

At its meeting of 13 April 2007, the Council of Australian Governments (COAG) endorsed a National Adaptation Framework as the basis for jurisdictional actions on adaptation over the next five to seven years covering; adaptation, generation of scientific information, support for renewable energy technology and mandatory greenhouse gas reporting. This outcome was the direct consequence of the Premier's initiative in having climate change placed on COAG's agenda.

Premier's Round Table on Sustainability

The Premier's Round Table on Sustainability contributed to the climate change and sustainability agenda in a variety of ways in the past year.

As well as providing regular advice to the Premier and other Ministers on various issues, the focus of the past 12 months has been on stakeholder collaboration and community participation. To this end the third Round Table report was produced under the title Sustainable Living Choices aimed at raising awareness for the need to reduce our ecological footprint. Research based on sustainable production and consumption, including a community forum informed the development of the report.

Another significant project was the Round Table contribution to the redevelopment of the Biodiversity Gallery at the South Australian Museum. The Round Table developed a schools project to inform the design process. A package has been sent to all primary schools across the state and feedback will form a Biodiversity Canopy display in the Museum towards the end of 2007.

The Round Table also championed development of a school Climate Change Resource which was announced by the Premier with the launch of Tackling Climate Change: South Australia's Greenhouse Strategy on 31 May 2007.

The Premier's Round Table on Sustainability term finished on 30 June 2007.

Feed-in Legislation

In conjunction with the Energy Division of the Department for Transport, Energy and Infrastructure, the Sustainability and Climate Change Division consulted on and designed a 'feed-in scheme' that will reward households that have installed solar electric power systems, with a premium price for the electricity they return to the grid. Legislative changes enabling the scheme to commence are expected to be introduced into Parliament in September 2007.

Mini Wind Turbines

The trial of five mini wind turbines on major government buildings has generated significant interest with hundreds of people making enquiries and wanting to see them first hand. Discussions are well advanced for a local supplier of this technology, which will create new jobs and build much needed capacity in this growing area of renewable energy.

Building Tune Ups Program

The three-year Building Tune Ups Program concluded this year. The ten participating commercial office buildings are realising a total savings of \$341,955 from energy bills and \$27,790 from water bills each year. In greenhouse terms, the project achieved annual reductions of 2,883 tonnes of CO₂ and 27,160kL of water consumption. The project demonstrated a number of low cost options to building owners that will significantly improve energy and water efficiency in a building. Investment in these options both reduces the environmental impact of the building and saves money for the building owner.

Solar City

Adelaide's reputation as a Solar City is being further enhanced through the marketing of the 3rd International Solar Congress, the complementary International Schools Competition and the Free Green City Festival. These events are being managed by the Capital City Project Team.

Thebarton Parklands

Following the Government's decision to support the construction of a 6 star building for SA Water, the Capital City Committee prepared a proposal for the return of the existing 6 hectare depot at Thebarton to Parklands. The area will be rehabilitated and planted to create an informal, contemporary woodland park using indigenous species and sustainable landscape principles. Where possible

amenities will be powered by renewable energy and all water will be collected and reused on site. The link will connect the existing linear park cycling and walking trail with the Glenelg trail.

Thinkers in Residence - Climate Change

Adelaide Thinker in Residence, Professor Stephen Schneider, provided advice to the Government regarding the Climate Change legislation and the Greenhouse Strategy. During his residency Professor Schneider also worked with SA Water to produce systemic change through the revision of SA Water's analytical tools. (*SASP Target 3.9: Sustainable water supply*)

In his report, *Climate Change: Risks and Opportunities*, Professor Schneider makes ten recommendations to assist South Australia to develop successful responses to climate change. These include measures to both reduce emissions and to increase our capacity to deal with the inevitable changes that will occur. Professor Schneider's recommendations are addressed by a range of objectives, strategies and actions in *Tackling Climate Change: South Australia's Greenhouse Strategy*.

Capital City Committee sponsorship of Professor Schneider's residency provided an opportunity to engage with the broader community on climate change. The forum "Feeling Hot, Hot, Hot!" focussed on climate change and personal actions.

University City

Throughout the year, the University City Project continued to build relationships across the higher education sector, with Federal, State and local government and industry, to facilitate the capacity to establish high-profile international higher education providers in Adelaide.

A visit by Professor Laura Lee, Head of Architecture, Carnegie Mellon University was hosted in May in conjunction with the Premier's Office. The visit investigated the potential for executive education in the areas of sustainable design and construction.



One of five mini wind turbines on government buildings



Professor Stephen Schneider



Solar mallee trees – a solar sculpture at the Riverbank precinct.

Fostering Creativity and Innovation

South Australia has a strong reputation as a creative and innovative state. Throughout the year the department has continued to provide leadership and support to the state's creative industries and entrepreneurial enterprises - particularly through Arts SA, the Adelaide Thinkers in Residence program and the Capital City Committee.

Creativity

SASP Target 4.1: Creative industries – increase the number of South Australians undertaking work in the creative industries by 20% by 2014

SASP Target 4.2: Film Industry: Double the number of feature films produced in South Australia by 2014

Creative Industries Program

The creative industries program conducted by the DPC Policy and Strategy Group, focuses on generating start-ups in the digital content sector. In 2006-07 an incubator workshop series led directly to four company start-ups and investment offers. Other initiatives of the program included: a trade show for Korean companies leading to one company closing \$600,000 of business; a show reel to promote SA companies on trade missions and in national and international trade fairs; and an industry placement program for teachers and other school-related activities, to encourage more students into the creative industries.

Film South Australia

The Government of South Australia has committed \$3.8 million over four years to promote South Australia and its film industries to interstate and overseas filmmakers. Film South Australia – to be established at the South Australian Film Corporation (SAFC), will promote our State as a world-class destination for film, television, commercial and post-production digital effects. It will also promote South Australia's stunning shooting locations, our cost-competitive infrastructure and the exceptional skills of our local film industry.

The Government's support for, and investment in, South Australia's film industry has seen South Australia defy a national decline in film production in recent times. Film South Australia will build on that effort – with new overseas and interstate productions promising to employ South Australians in key creative, production and post-production roles.

Film Friendly Strategy: As competition between States to host feature film production continues to intensify the Capital City Committee worked closely with the SA Film Corporation in the establishment of a policy framework which would set Adelaide apart in the race for attention.

Utilising the system established by the Adelaide City Council, a standardised process for film makers to access locations, obtain permits for traffic movements, street closures etc. has been put in place. Negotiations with local government authorities are underway to trial this simplified process, which will be used by the SAFC to market SA as the easiest and most cost effective place in which to make films.

Theatre Development Strategy

Managed through Arts SA, this new strategy supports emerging South Australian theatre companies and groups of independent artists and producers. Funding is directed towards long-term planning and artistic programs and will create greater career pathways for artists, and in turn, increase audiences for live theatre.

In May 2007, the Premier announced the first funding recipients. *Ladykillers*, *The Border Project* and *SLINGSBY presents* were selected by an expert panel of theatre peers and together will receive total funding of \$657,000 over three years.

Independent Makers and Presenters

Following consultation between Arts SA and South Australia's independent art makers, significant improvements to the delivery of funding programs for independent South Australian artists were implemented by Arts SA.

The new Independent Makers and Presenters program helps independent artists build sustainable careers by providing more professional development opportunities such as mentorships, master classes and workshops.

The focus on professional development and the introduction of more funding rounds through the year, is a more responsive approach to the needs of independent artists.

Some of the features in Independent Makers and Presenters fund include:

- a new grant dedicated to Indigenous emerging artists
- four funding rounds per year which will result in a quicker turn around for applications
- specialist peer assessment for the visual arts, design, performing arts and literature.

The program has also introduced a major commission valued at \$100,000.

The first recipient for a Major Commission was Oddbodies Theatre Group who will develop and produce *The Angel and the red priest*, by award-winning South Australian playwright Sean Riley. The play will premiere at the 2008 Adelaide Festival of Arts.

Public Libraries Funding.

SASP Target 4.3: Cultural engagement – institutions: Increase the number of attendances at South Australia’s cultural institutions by 20% by 2014

A Memorandum of Agreement (MOA) between the Government of South Australia and the Local Government Association regarding State Government funding for public libraries has been renewed with funding of over \$15 million to public libraries.

To support the agreement the Government of South Australia provided \$15.977 million to Public Libraries Services in the first year of the agreement, with adjustments for inflation and salary increases in each year over a five-year term.

The MOA is the most successful State and Local Government funding partnership in South Australia and ensures a continuation and commitment to the provision of resources and services that support and promote the needs of the South Australian community.

This five-year agreement (2006-11) continues the ongoing commitment of State and local governments towards addressing the library and information needs of South Australians through an effective and responsive state-wide public library network.

Science and Society

As a result of Susan Greenfield’s term with Adelaide Thinker in Residence – Science and Society, the heritage-listed Old Adelaide Stock Exchange building was purchased as a venue for the Ri Australia (RiAus). RiAus will be the first international branch of the Royal Institution in Great Britain and will be a home for science in the Adelaide Central Business District, providing a new cultural institution and a forum for the SA community to discuss the challenges and innovations of science and technology in shaping our current and future society.

Adelaide Festival Centre Programming

SASP Target 4.4: Cultural engagement – arts activities: Increase the number of attendances at selected arts activities by 40% by 2014

Under the inspired leadership of Adelaide Festival Centre’s new Chief Executive Douglas Gautier, the Centre is on track to double audiences over the next five years – from 715,000 visitors in 2006-07 to over 1.4 million visitors in 2010-11.

The State Government has invested an extra \$9.25 million over the next four years to implement the Adelaide Festival Centre’s New Directions program.

In 2006 Adelaide Festival Centre launched its most ambitious and exciting annual program in its 33-year history. The 2007 program of theatre, dance and music is set to enthral, challenge and entertain – reinvigorating this fine, iconic institution and returning it to the position as the “heart of the arts” in South Australia.

In 2007 the Centre will also host the first OzAsia Festival, which will showcase the rich artistic dialogue developing between Australia and Asia and the International Guitar Festival will make its debut in November 2007.

Pacific Cultures Gallery

Throughout 2006 the South Australian Museum underwent a major refurbishment of its Pacific Cultures Gallery. Located on the first floor of the north wing and occupying 900 square metres the Pacific Cultures Gallery is the oldest surviving gallery in the museum. It first opened to the public in 1895 and has undergone several changes as the museum precinct and buildings have expanded over the ensuing years.

The 1.6 million dollar refurbishment enabled a substantial part of the building to be returned to its former glory. The displays in their former configuration showcase the exhibition as it would have looked throughout the early 20th Century. Some objects were in need of considerable conservation and new display treatments. A substantial part of the project was also improving some of the existing displays and adding multimedia components to help interpret the objects.

The project was completed and the Gallery reopened in December 2006 by the Premier with ceremonies from Pacific Island Indigenous peoples representing PNG and New Zealand.

Since reopening the Pacific Cultures Gallery the South Australian Museum has recorded its highest attendances for all months in 2007 up to the end of June (except May which was second highest to 2001).

Festivals

WOMADelaide: In 2007, WOMADelaide celebrated a record year with attendances of 78,000 over the weekend event. Adelaide has secured the WOMADelaide for another five years from 2010 – with the option of a further five years to 2019.

Adelaide Fringe: The first annual Adelaide Fringe Festival boasted sell out shows and ticket sales which exceeded projected expectations. Adelaide Fringe's target of 100,000 tickets sold was smashed at the halfway mark and final FringeTIX ticket sales reached 130,648 – (excluding door sales).



Leading cast of the local production "Dr Plonk" – Paul Blackwell, Nigel Lunghi and Reg the dog, with director Rolf de Heer.

2007 Adelaide Film Festival: The 2007 Adelaide Film Festival, which ran from 22 February to 4 March, featured 12 films made with the support of the Adelaide Film Festival Investment Fund, including Lucky Miles, What The Future Sounded Like and Dr Plonk. Many of these 12 films also received assistance from the South Australian Film Corporation. The strongest endorsement came at the box office: more than 35 sold-out sessions and a total attendance of 46,073 over the 11-day period.

The 2007 box office grew by almost 25% from the 2005 festival.

Adelaide Cabaret Festival: This year's festival featured some 450 artists from New York, Paris, London, Germany, Canada and all over Australia giving 180 sensational performances over 16 memorable nights.

By the end of the festival, total attendances were over 48,000 (on par with the 2006 festival) and there were 67 sold out performances. Total tickets sold exceeded 32,500, with an average ticket price of \$33.

Local Stages

The Australia Council for the Arts has joined with Arts SA and Country Arts SA to support an initiative called Local Stages that will bring the regional experience to the stage by developing professional theatre practice in two areas of regional South Australia. The Upper Spencer Gulf and the Lower South East regions will be the first to host the two-year partnership.



Performers at the 2007 Adelaide Cabaret Festival.

Premier's Arts Partnership Fund

South Australia's small to medium businesses have a million-dollar incentive to form new partnerships with arts organisations, thanks to a partnership between the State Government, Australia Business Arts Foundation (AbaF) and Harris Scarfe Australia. Launched in August 2006, the Premier's Arts Partnership Fund encourages businesses to partner the arts, by matching any investment of up to \$10,000. The fund is the first of its kind in Australia.

One organisation that benefited from the fund in 2006 was the SHORTS Film Festival. Established in 2003, SHORTS has quickly become a much-anticipated film event. As well as showing outstanding short films it also has one of the richest short-film prize pools in the country. Through the fund, SHORTS partnered with the Prairie Hotel in Parachilna to present SHORTS Outback - an outback version of their city-based film festival. SHORTS Outback premiered in March 2007.

Adelaide Thinkers in Residence

The Adelaide Thinkers in Residence program saw three residencies completed in 2006-07 and two new residencies commenced. The program utilises the expertise of world class thinkers to assist in the strategic development of the State through the delivery of tangible outcomes and benefits in areas including the arts, science, social policy, sustainability and economic development in South Australia.

Rosanne Haggerty completed her residency focusing on Housing the Homeless which resulted in the reconfiguration of agencies to a model based on Common Ground New York. (See Departmental Highlights – Expanding Opportunity).

Professor Stephen Schneider's residency provided an opportunity for South Australia to influence national developments in climate change, focusing on pathways to achieve the Government's long-term emissions targets. Professor Schneider helped shape strategies, inform policy development and raise awareness

of the impact of climate change on South Australia within government, industry, education and the community. (See Departmental Highlights – Achieving Sustainability.)

Dr Fraser Mustard focused his attention on the importance of investing in early childhood development to encourage a healthier, fitter population, and promote opportunities for South Australian children to achieve their potential. Dr Mustard has provided strategic advice on the future of this field and has helped the State design, develop and deliver programs for the benefit of children and parents. (See Departmental Highlights – Expanding Opportunity.)

Dr Geoff Mulgan commenced his residency addressing social innovation as a means to 'meet unmet needs'.

Contributing to the SASP target of public expenditure on investment in science, research and innovation (Target 4.9), Dr Mulgan's interim report identifies that his residency will work with partner organisations on identifying the "change margin" to resource social innovation.

Professor Ilona Kickbusch completed the first visit in her residency, addressing Healthy Societies. (See Departmental Highlights – Improving Wellbeing for details.)

Other notable outcomes of the Adelaide Thinkers In Residence program include:

- Project Catalyst positions that have provided mentoring and professional development for eleven local personnel.
- Youth Policy Action Teams, collaboratively developed with the Office for Youth, have provided 49 young professionals (representing involvement from 15 agencies) with development opportunities and brought a youth perspective to policy issues within residencies.
- An invitation to travel to Canada to support the establishment of a Thinkers in Residence program in Manitoba, extending the ATIR model internationally.

Building Communities

South Australia's Strategic Plan recognises that a well functioning democratic society is enriched and invigorated by strong and diverse communities. DPC supports a range of community programs that contribute to building South Australian communities.

Aboriginal Leadership

SASP Target 5.7: Aboriginal leadership: Increase the number of Aboriginal South Australians participating in community leadership and in community leadership development programs

Aboriginal Affairs and Reconciliation Division, has established the Aboriginal Young Professional Future Leadership Group. This initiative gives Indigenous public sector staff, in the early stages of their careers, an opportunity to undertake professional development with global leaders and also brings Aboriginal perspectives to the residency work. The group is currently working as part of Dr Geoff Mulgan's residency.

The following DPC initiatives also contribute to the overall objective of Building Communities.

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 2006-07 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 5.1 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 2006-07 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 2006-07, 40 organisations were provided with grant funding. Quarterly meetings with successful applicants were held to assist with the acquittal of funds.

The department also conducted six funding application workshops in metropolitan and regional South Australia with grant applicants to assist in the application process.

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 are able to raise any issues affecting their areas.

Community Cabinet meetings were held at:

- Peterborough - 3 and 4 July 2006
- Clare - 21 and 22 August 2006
- Riverland - 27 and 28 November 2006
- Port Lincoln - 12 and 13 February 2007

Smart State PC Donations

The Smart State PC Donation Program offers support to South Australian community organisations and state government community programs through the donation of surplus computing equipment. In January 2007 the program was transferred from the Department for Administrative and Information Services to the DPC Services Division. In 2006-07, a total of 193 PCs were donated to 95 organisations.



Multiculturalism

The establishment of a relationship between the University College London and Adelaide was significantly advanced during the year. A visit by Professor Michael Worton, Vice-Provost and Ray Purdy, Deputy Director of the Centre for Law and the Environment was arranged and hosted. A business case has been developed and a market research report into the feasibility of the establishment of the University College London in Adelaide is being conducted. This initiative also relates to SASP Objective 3: Attaining Sustainability and

Objective 1: Growing Prosperity (Target 1.16 – to double South Australia’s share of overseas students by 2014).

A Memorandum of Understanding was signed, agreeing to a scoping study on the potential for the establishment of an Hellenic Language and Cultural Centre at Flinders University. This formed part of the visit of Professor Andreas Karamanos, Secretary General of Education, Government of Greece, which was arranged and hosted in June.

Expanding Opportunity

The department has made significant progress in expanding opportunities for vulnerable South Australians, particularly in the areas of homelessness and Aboriginal wellbeing. Initiatives of the Aboriginal Affairs and Reconciliation Division and the Social Inclusion Unit have tackled difficult areas of social disadvantage and aim to create an inclusive, healthy South Australian society.

Aboriginal Wellbeing

*SASP Target 6.1: Aboriginal wellbeing:
Improve the overall wellbeing of Aboriginal
South Australians*

DPC's Aboriginal Affairs and Reconciliation Division (AARD) works across government to monitor and report on initiatives to improve the wellbeing of Aboriginal people in South Australia.

AARD also provides high level strategic policy advice across a range of Aboriginal issues, including community infrastructure and housing, municipal services and alternative strategies for improving economic development outcomes for Aboriginal South Australians. Assistance has also been provided to Aboriginal communities in improving governance arrangements and in progressing community development initiatives.

Aboriginal Strategic Plan

A joint South Australian and Australian Government Task Force guided the development of an Aboriginal Strategic Plan for South Australia. The Aboriginal Strategic Plan is modelled on and builds on South Australia's Strategic Plan in relation to strengthening outcomes for Aboriginal South Australians. The number of Aboriginal specific SASP targets has increased from two to nine with the focus on: creating employment opportunities for Aboriginal people; improving health outcomes and experiences; resolving native title claims; developing strong community leadership; improving overall wellbeing; improving reading standards; understanding culture and history; and generating additional public sector job opportunities.

Aboriginal Culture and Heritage

The Aboriginal heritage protection and preservation program continues to make progress in partnership with Aboriginal communities, the South Australian Aboriginal Heritage Committee and the network of local Aboriginal heritage committees.

Over the past year, an additional 350 sites were recorded in the Central Archives at a rate of around 30 sites per month, bringing the total number of recorded sites to 7,183.

To ensure the protection and preservation of irreplaceable site information in the Central Archives, a project to digitise the Aboriginal records and reports has been completed. This project involved approximately 200,000 separate scans of site record details, slides and photographs and cultural heritage survey reports.

Community Infrastructure

The new Central Power Station on the Anangu Pitjantjatjara Yankunytjatjara Lands was completed and commissioned in September 2006. Pukatja, Yunyarinyi, Umuwa, Mimili and Fregon communities have been connected to the Power Station with Indulkana and Amata to be connected in 2007-08. A number of capital works projects in Aboriginal communities were completed including upgrading of water and electrical services and bituminising of roads at Kalka, new generator and control equipment at Pipalyatjara, alternative energy system at Watarru and road upgrades on the APY and Maralinga Tjarutja lands.

Anangu Pitjantjatjara Yankunytjatjara Lands

AARD also continued to oversee targeted programs and services to improve the health and wellbeing of Aboriginal people and families on the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands. As clear examples of the benefits, the quality of drinking water has improved, the prevalence of petrol sniffing has reduced considerably, and school retention rates have improved significantly in recent years. Oversight has also been provided on the delivery of programs and services in other Aboriginal communities across the State.

Housing and Community Infrastructure

In 2006-07 AARD continued to implement the Aboriginal Housing and Community Infrastructure bilateral agreement which included the preparation of Strategic and Operational Plans for the delivery of housing and community infrastructure services in Aboriginal communities.

Aboriginal Advisory Council and Statutory Landholding Authorities

Support has continued to be provided to the Aboriginal Advisory Council. The Council provides an important Aboriginal advisory role to Government on a range of policy and program matters that impact on Aboriginal people and families. Continued support was also provided to the State's three Aboriginal land holding authorities; Anangu Pitjantjatjara Yankunytjatjara; Maralinga Tjarutja; and the Aboriginal Lands Trust.

Reconciliation Agenda

AARD continued to drive the across-government reconciliation agenda and was instrumental in organising Reconciliation Week and NAIDOC events, as well as overseeing the development of reconciliation action plans by other State agencies. Assistance was also provided to Reconciliation SA with organising and implementing a program of events to commemorate the 40th year anniversary of the 1967 Referendum.



Monsignor David Cappelletti, Commissioner for Social Inclusion tackles homelessness in South Australia.

Social Inclusion

In December 2006, Monsignor David Cappelletti, Commissioner for Social Inclusion, launched the Cultural Inclusion Framework, on behalf of the Premier. The Cultural Inclusion Framework is designed to assist agencies to deliver culturally inclusive programs to Aboriginal people in South Australia.

Aboriginal Information Management System

State Records has increased the number of records relating to Aboriginal people indexed into the Aboriginal Information Management System to 105,000 entries.

This database assists Aboriginal people in tracing their family history - particularly important for the Stolen Generation and Native Title claims. It has been achieved at a time when State Records has also provided major archival support to the Commission of Inquiry - Children in State Care and flow-on investigations.

Economic Disadvantage

SASP Target 6.5: Economic disadvantage: Reduce the percentage of South Australians receiving government benefits (excluding age pensions) as their major income source to below the Australian average by 2014

Micro-enterprise loans scheme: a scheme to provide small loans to disadvantaged potential entrepreneurs was negotiated, with funding from the National Australia Bank (NAB) (\$18 million over three states) and business support services from the SA Government. The pilot in Southern Adelaide was so successful that within two months of its establishment the NAB moved to expand it to other areas of Adelaide.



Local children enjoying the new swimming pool at Nimili in the APY Lands (October 2006).

Homelessness

SASP Target 6.6: Halve the number of 'rough sleepers' in South Australia by 2010 and maintain thereafter

The Social Inclusion Board continues its work in reducing homelessness in South Australia, consolidating systems change and service responsiveness to chronic homelessness. People who have experienced long-term homelessness have been housed and are successfully maintaining their tenancies.

Australian Bureau of Statistics figures show that from 2001 to 2006, South Australia has reduced the level of primary homelessness by 5%, going against a national trend of a 19% increase.

Adelaide Thinker in Residence, Rosanne Haggerty is a leading creator of solutions to homelessness in the United States, primarily involving housing development. She applies her expertise in real estate, finance, management and strategic planning to address the unique challenges of housing low-income or otherwise disadvantaged residents.

Her Adelaide residency focused on Housing the Homeless and resulted in a reconfiguring of agencies to a model based on Common Ground New York.

In its first year, *Street to Home* housed 68 people in long-term housing with a 100% success rate for maintaining the tenants. A further 220 homeless people were placed in transitional accommodation.

Common Ground Adelaide was formed from the residency and is managed by a Business Leaders Steering Group. The Steering Group recently announced plans for a 60-unit supportive housing residence in Light Square. The response differs from traditional responses to homelessness, as it builds a community that provides stable housing for a range of people and includes onsite support services.

People with Disabilities

SASP Target 6.22: Double the number of people with disabilities employed by 2014.

In March 2006 the Richard Llewellyn Disability Arts Trust Fund was established - a \$1 million arts and disability trust fund to support arts projects and initiatives by people with disabilities. The trust fund, which is offered on an annual basis, is named in honour of the late Richard Llewellyn, a prominent disability advocate and campaigner.

Total funding in 2007 was \$190,851 and financial support to individuals and organisations ranged from a few hundred dollars to \$20,000.

Projects supported in this first year of funding reflected the diversity, creativity and vitality of the recipients and the visible and valued contribution they make to the arts sector.

The Richard Llewellyn Arts and Disability Trust Fund is a partnership between the Department for Families and Communities and Arts SA. The fund is financially controlled by the Public Trustee and administered by Arts SA.

Women

SASP Target 6.23: Have women comprising half of the public sector employees in the executive levels (including chief executives) by 2014

In December 2006, the Public Sector Workforce Division released the *Women in Public Sector Leadership Report* – a report into women's under representation at the executive level. The report consolidated findings from two projects: a survey of senior and executive staff on their experience of leadership in the South Australian public sector and an audit of executive applications to determine if women apply for positions at the same rate as men.

The findings from the report indicate that both men and women believe that it is hard for women to balance work and family life. Women believe they have less opportunity for career progression in the public sector than men and this may be why fewer women apply for executive positions.

Following the revision of South Australia's Strategic Plan this new target was included to increase the number of women in the executive levels.

Aboriginal Employees

SASP Target 6.24: Increase the participation of Aboriginal people in the South Australian Public Sector, spread across all classifications and agencies, to 2% by 2010 and maintain or better those levels through to 2014

As part of the Cultural Inclusion Framework launch, the former Office of Public Employment hosted an Aboriginal and Torres Strait Islander State Public Sector Aboriginal Careers Expo, to provide an opportunity for agencies to promote their agencies for recruitment purposes.

In March 2007, the Public Sector Workforce Division, held a successful forum for 54 Aboriginal men employed in the public sector. Participants were able to gain a better understanding and increase their knowledge of employment and training issues relating to Aboriginal public sector employees. The forum also enabled Aboriginal men in the public sector to celebrate and acknowledge their important role in their families, communities and the public sector.

Early Childhood Development

SASP Target 6.2: Early childhood – Year 1 literacy

In 2006-07 Adelaide Thinkers in Residence brought Dr Fraser Mustard to Adelaide for a two staged residency – from 19 October to 24 November 2006 and 5 February to 23 March 2007. Dr Mustard is an internationally recognised expert in the field of early childhood development and has led the growth of interest in this critical area. The residency provided advice to the development of the 20 interagency Children's Centres.

Science and Maths

SASP Target 6.17: By 2010 increase by 15% the proportion of students receiving a Tertiary Entrance Rank or equivalent with at least one of the following subjects – mathematics, physics or chemistry.

In 2006-07 the Bragg Initiative aimed to build sustainability for Baroness Susan Greenfield's residency with the Adelaide Thinkers in Residence, with approval for funding of \$1.23 million over three years.

A cross-Government working group has been established (Department of Trade and Economic Development, Department of Education and Children's Services, Department of Further Education, Employment, Science and Technology and DPC (Bragg Initiative)) to develop a strategy to increase study of science and mathematics in schools.

On 17 May 2007 the Premier announced the *RiAus*, which will be the first international 'satellite' of the world-renowned Royal Institution of Great Britain (RiGB), a unique organisation that for over 200 years has existed at the centre of scientific research and the popularisation of science in England. The *RiAus* will be a place for collaboration, learning and growth, where everyone – irrespective of age, gender or background – can meet with scientists, learn about their work and discuss the many science-related challenges facing our societies and our planet.

Science Outside the Square (SoS) is a program of events providing opportunities for public engagement on a range of topical issues and thought-provoking subjects.

The first event of the 2007 series was held on 14 February at the National Wine Centre. "Happiness in a Wired World" took a scientific look at happiness and just what effect technology might have on our lives and relationships. The event was at capacity, with an audience of 120 people.

The second SoS event for 2007 provided a panel of scientists and educators with first-hand experiences of living with Attention Deficit Hyperactivity Disorder (ADHD). The event explored what science can tell us about neural development, the role of genes and the environment and looked at benefits of ADHD. UK scientist Dr Martin Westwell, Deputy Director, Institute for the Future of the Mind, Oxford University joined the panel.

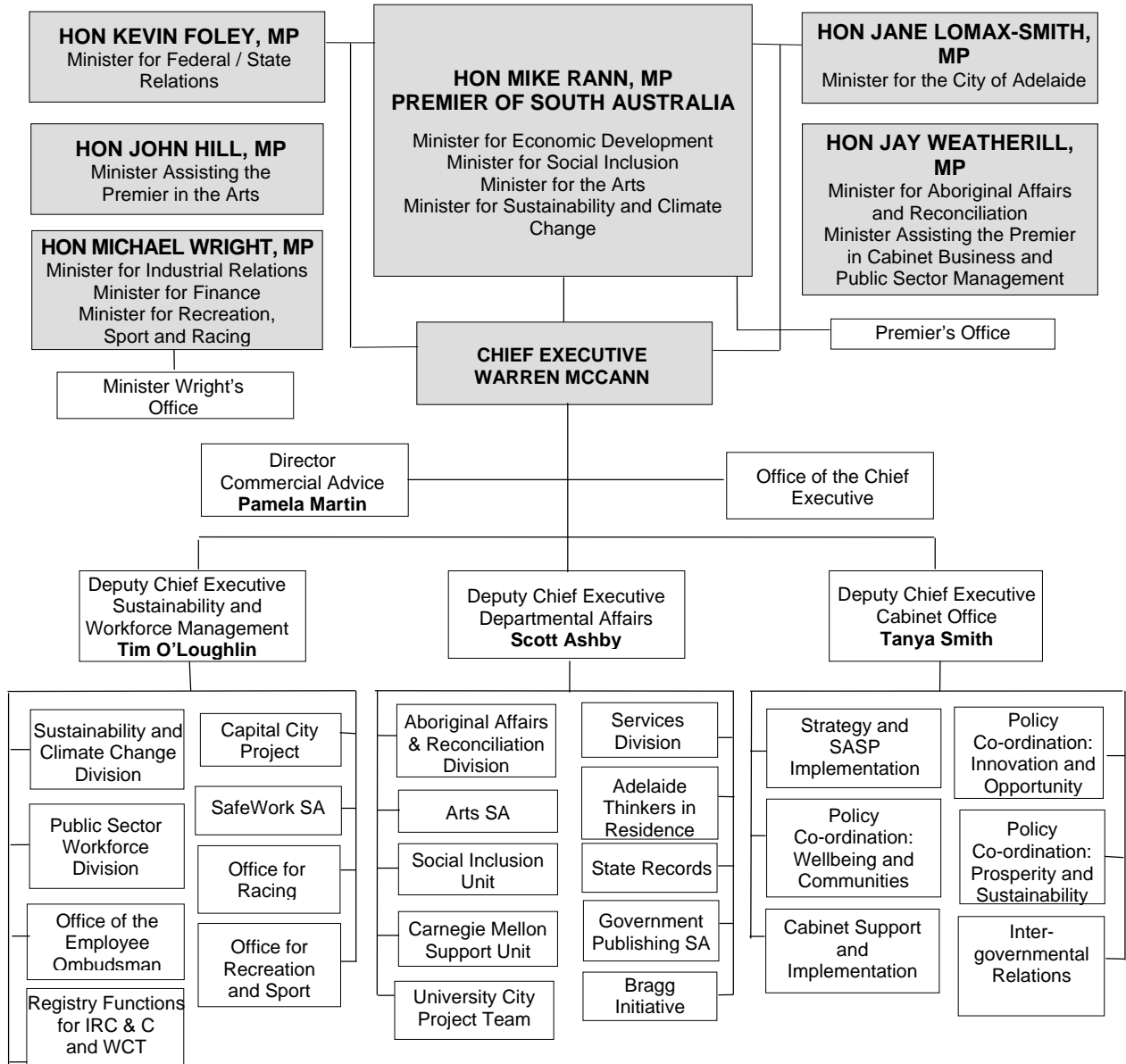
This event formed part of International Brain Awareness Week and was presented in association with the Department of Education and Children's Services (DECS) and was supported by the UK's Institute for the Future of the Mind and the South Australian Neuroscience Institute (SANI). It was attended by 250 people at the Education Development Centre, Hindmarsh.

Student Housing Forum (Capital City Project)

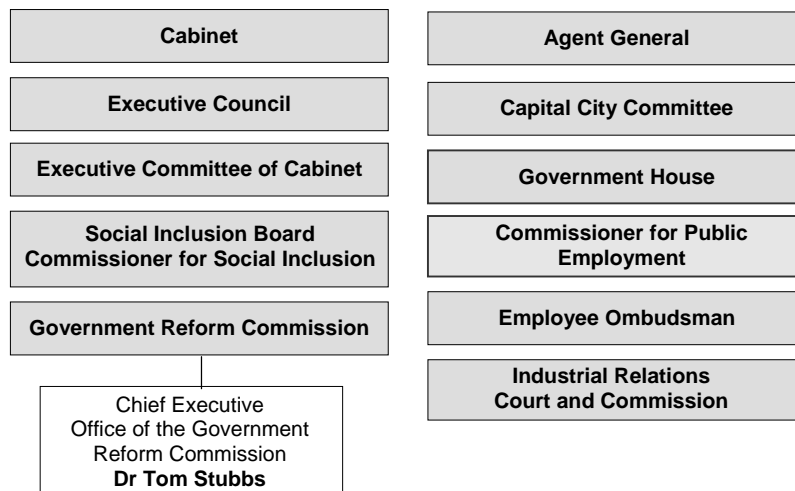
SASP Target 6.20: Higher Education

The Capital City Project convened the Student Housing Forum - as a result of the identified shortfall in student accommodation in the CBD countering the State's targets for international student targets. The increase in the number of students choosing to reside in the CBD is a key driver of the City's population growth. Growth in student numbers, especially overseas student numbers, is outpacing investment in suitable housing. The audience was targeted to developers and the tertiary education sector and attracted 73 participants, including property developers, builders, architects, realty leasing agencies, financial services, student facility managers and representatives of the City's universities. Immediate results are being shown through the increase in applications for development approvals with Council. The Capital City Committee has convened a "Partnership Group" to enable a quick response if required.

ORGANISATIONAL CHART as at 30 June 2007



Entities Supported



Organisational Structure

Restructuring of the South Australian public sector was announced by the State Government as part of the 2007 Budget. As a result, functions of the Department for Administrative and Information Services (DAIS) were disaggregated and transferred with employees to other departments, including DPC. The business units transferred to DPC, from 1 October 2006 were:

- Government Publishing SA
- Office of the Employee Ombudsman
- Office for Racing
- Office for Recreation and Sport
- SafeWork SA
- State Records
- Registry functions for the Industrial Relations Court and Commission and the Workers Compensation Tribunal

The employees and functions of the Office of Public Employment (OPE) were also transferred to DPC and incorporated into the department's Public Sector Workforce Division. In addition, the functions of the Security and Emergency Management Office relocated from DPC to the South Australian Police and the South Australian Fire and Emergency Services Commission as of 21 September 2006.

The divisions and functions of the department are now grouped under three Deputy Chief Executive positions – for the Cabinet Office, Departmental Affairs and Sustainability and Workforce Management. This structure provides more effective reporting for such a broad portfolio of services and responsibilities and ensures the Premier and the department's Ministers receive the appropriate senior level support.

Cabinet Office

In December 2006, Cabinet agreed to the Government Reform Commission's recommendations to reform and enlarge Cabinet Office to make it a more effective source of well-co-ordinated policy advice for the Premier. An objective of the reform is also to ensure that the Premier and Chief Executive are well-supported in pursuing South Australia's interests in national forums, notably the Council of Australian Governments (COAG) and the Council for the Australian Federation (CAF).

In 2007, a new structure for the Office was agreed which integrates the former Office for the Executive Committee of Cabinet, responsible for South Australia's Strategic Plan, and reflects new responsibilities for Cabinet Office in monitoring the implementation of Cabinet decisions. A new deputy chief executive was appointed and selection processes got underway to attract the best and brightest to staff the revamped operation.

With its strengthened role, Cabinet Office aims to stimulate and challenge thinking on how best to achieve the Government's goals, by:

- providing high level policy advice and strategic advice to the Premier and to Cabinet
- formulating policies that drive the Government's strategic agenda
- leading cross-government initiatives and projects

- managing significant relationships across all levels of government
- supporting the Premier on COAG, CAF and other Commonwealth-State matters
- monitoring and ensuring implementation of Cabinet decisions
- improving the systems that support the work of Cabinet.

The following functions will feature in the reformed office:

Whole-of-government strategy development and SASP implementation will involve driving efforts across government to develop and deploy cost-effective strategies to achieve SASP targets, and holding agencies accountable for the quality of their contributions. Collection and analysis of data is a crucial element in carrying out this function effectively, as is maintaining an open and productive relationship with the wide range of community stakeholders who share an interest in achieving the SASP targets.

Whole-of-government policy development and co-ordination involves working with other areas of DPC and with other agencies to develop proposals for Cabinet consideration. It is the responsibility of the Office to ensure that Cabinet submissions are of a high quality, and that they are brought forward in a timely, efficient, and well co-ordinated manner.

Management of federal-state relations, with the principal role being to support the Premier and the Deputy Premier in pursuing South Australia's interests within the Council of Australian Governments (COAG) and Council of the Australian Federation (CAF) frameworks.

Support to Cabinet and its committees is provided through high-quality secretariat services to Cabinet and Executive Council, most notably by ensuring all Cabinet members, the Premier (as Chair) and the Governor have all the necessary information, in an accessible format, to manage the Cabinet's or Council's deliberations.

Implementation and monitoring of Cabinet decisions will be a strengthened function in the reformed Cabinet Office, building on the existing mechanisms for SA Strategic Plan and other related monitoring. The aim is to ensure better evaluation of policy interventions over time to inform future decision-making.

Departmental Affairs

Aboriginal Affairs and Reconciliation Division provides leadership in strategic Aboriginal policy development including across government co-ordination and monitoring, facilitates community development initiatives and manages essential services and community infrastructure to advance the well being of Aboriginal families and communities in South Australia. It also supports the State's Aboriginal landholding authorities and the protection of Aboriginal heritage and culture.

Adelaide Thinkers in Residence utilises the expertise of world class thinkers to assist in the strategic development of the State through the delivery of tangible outcomes and benefits in areas including the arts, science, social policy, sustainability and economic development in South Australia.

Arts SA is responsible for developing and administering policies and programs to build the arts and cultural heritage sector in South Australia, supporting the State's arts organisations and administering programs and project funds for established and emerging artists.

Government Publishing SA publishes the *Government Gazette*, *Hansard*, legislation and Parliamentary Papers, offers a subscription and standing order update service, and provides printing services to government agencies.

Project Implementation Group includes teams or units that undertake specific projects of strategic

importance for the State. The current project teams are: The Carnegie Mellon Support Unit which promotes and supports the Carnegie Mellon University campus in Adelaide; the University City Project Team which negotiates to bring world class university programs to Adelaide; and the Bragg Initiative which promotes innovation in science.

Services Division provides corporate services to the Department and a range of support services to the Premier's Office. It also manages protocol matters and whole of government strategic communications, and provides support and advice to the Governor's establishment, the Agent General and South Australia's Sister-State relationships.

Social Inclusion Unit develops initiatives and solutions to create an inclusive, healthy society by countering the social issues that exclude some people from living healthy and fulfilled lives. It provides high level support and policy advice to the Commissioner for Social Inclusion and the Social Inclusion Board.

State Records preserves, and provides access to, the permanent official records of the State and provides direction to agencies for best practice records management. It also administers the *Freedom of Information Act* across State and Local Government, the Information Privacy Principles and the State's Copyright agreements, develops standards and guidelines associated with records management, freedom of information and privacy.

Sustainability and Workforce Management

Office for Racing provides strategic policy advice to the Minister for Recreation, Sport and Racing on matters relating to the South Australian racing industry.

Office for Recreation and Sport works with the community and industry to provide programs, services, grants, infrastructure and strategic policy to enable participation in active recreation and sport. It also supports the development of elite athletes through the South Australian Sports Institute.

Public Sector Workforce Division is responsible for taking a whole of government approach to the public sector workforce and undertakes a key role in relation to workforce relations, wellbeing, performance and evaluation. The division also provides injury management and placement services to client agencies. It is responsible for leading and implementing a number of reforms in the Public Sector, including recommendations from

the Government Reform Commission that are approved by the Government.

SafeWork SA works in partnership with employers, workers, unions and industry representatives to reduce the incidence of work-related death, injury, illness and disease and to ensure fair and productive working lives for all South Australians. SafeWork SA also investigates workplace breaches of safety and industrial relations legislation and prosecutes where required.

Sustainability and Climate Change Office implements the Government's commitment to sustainability and climate change and provides leadership in the development of renewable energy policy and initiatives. The Office also supports the Capital City Committee and manages the Green City program.

Departmental Governance

Following the restructure of the public sector during the year, involving the transfer of a significant number of additional staff into the department, three new positions of Deputy Chief Executive were created, and the business units of the department each placed under the direction of a Deputy Chief Executive.

Together with the Chief Executive, the three deputies form the Senior Executive Group, which meets weekly to oversee the strategic direction of the department, and provide high-level advice to the Chief Executive and Ministers.

The **Senior Management Group**, comprising the department's Executive Directors and the Senior Executive Group, meets weekly as required to ensure strong communication and consultation across the department.

The primary sub-committee of the Senior Management Group is the **Organisational Development Committee**. The Deputy Chief Executive, Departmental Affairs, chairs this committee. Other members include the Executive Director, Arts SA; Executive Director, Services Division; Executive Director, Office of Recreation and Sport; Manager Human Resources; Manager, Planning and Sustainability; Director, Executive Office; and representatives of the Executive Directors of Aboriginal Affairs and Reconciliation and SafeWork SA.

The Organisational Development Committee coordinates ICT, budget and human resource management issues in the department. It actions or provides advice to the Chief Executive and the

Senior Management Group on operational policies, processes, reports and risks for the whole of DPC. The **Internal Audit Committee** has responsibility to provide advice and recommendations on all high level risk management activities and to enhance the effectiveness of corporate governance by providing independent appraisal of the various operations and systems relating to control within the department. The role includes to:

- ensure the reporting of significant risk exposures
- ensure that effective risk management and internal audit strategies and policies are in place
- ensure effective governance practices are in place
- ensure compliance with laws, regulations, policies, procedures and plans
- ensure structures and frameworks are sufficiently rigorous to enable Executive Directors to comply, perform efficiently and manage
- either determine or recommend appropriate action and monitor the implementation of corrective action
- review the annual financial statements.

The Deputy Chief Executive, Departmental Affairs, chairs Internal Audit Committee with other members including the Executive Director, Arts SA; Executive Director, Services Division; Director, Corporate Affairs; Director, Executive Office; Manager, Internal Audit; Principal Adviser Risk Management; and two representatives from the Auditor General's Department.

Throughout 2006-07, the Internal Audit Committee oversaw the development of Business Continuity Plans for key risk areas of the department. In addition, audits were conducted of the Protocol Unit, specific infrastructure projects within the Aboriginal Affairs and Reconciliation Division and Fringe Benefits Tax compliance throughout the department.

The work of the Occupational Health, Safety and Welfare Committees of the Department is reported under the section titled *Occupational Health, Safety and Injury Management*.

The **Accredited Purchasing Unit** is an advisory body to the Chief Executive providing advice on procurement strategy and policy and consideration of all proposals for procurements valued at more than \$55,000. It is also responsible for the reform of procurement policies and practices for the department. It facilitates improved accountability, increases value for money in the procurement process and promotes integrity, probity and improved client service.

The Director, Corporate Affairs chairs the unit, with other members including Director, State Services; Director, Executive Office; Executive Director, Whole of Government Strategy and SASP Implementation; Manager, Capital and Assets; and representatives from the Department of Treasury and Finance Procurement Unit.

In 2006-07, the unit considered and endorsed 17 acquisition plans with a value of over \$60 million. In respect of improving procurement practices, a procurement awareness training program for staff was developed and implemented. Training to staff will continue to be provided on a six monthly basis.

The Department established a **Reconciliation and Cultural Inclusion Committee** during 2006-07. The Committee, chaired by the Deputy Chief Executive Cabinet Office, will champion the Government's commitment to Reconciliation across DPC and provide leadership by:

- leading development of policies, guidelines and initiatives supporting the Reconciliation agenda
- facilitating greater understanding of Aboriginal matters and improved service responses to Aboriginal peoples through supporting the implementation of the Cultural Inclusion Framework
- preparing and oversight of implementation of DPC's Reconciliation Action Plan
- developing and implementing a calendar of Reconciliation events
- providing an advisory role to DPC's leadership and SAGRRC on Reconciliation matters.

A Reconciliation Action Plan has been developed by the Committee which has identified 44 action items for 2007-08. The Committee will monitor achievement of the Plan.

In March 2007, a **Sustainability and Greenhouse Gas Reduction Task Group** was established. Its role is to drive the implementation of operational sustainability initiatives across the Department. It will facilitate the department meeting whole of government targets for energy and water savings, and waste and greenhouse reductions.

The Task Group is made up of representatives from the major divisions across the department and will operate for 18 months, from March 2007. The future of the group will be reviewed in June 2008.

Through the group a Sustainability and Greenhouse Gas Reduction Action Plan for 2007-09 was developed and approved by the Chief Executive. The task group will support the achievement of the various targets in the plan.

Statutory Authorities

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:

- 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 lines
- Salary and allowances pursuant to:
 - *Parliamentary Remuneration Act 1990*
 - *Agent-General Act 1901*
 - *Fair Work Act 1994*
- Government Workers Rehabilitation Fund
- Recreation and Sport Fund
- Sport and Recreation Fund.

Legislation

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 Finance:

Freedom of Information Act 1991
State Records Act 1997

Minister for Industrial Relations:

Construction Industry Long Service Leave Act 1987
Dangerous Substances Act 1979
Daylight Saving Act 1971
Employment Agents Registration Act 1993
Explosives Act 1936
Fair Work Act 1994
Holidays Act 1910
Long Service Leave Act 1987
Occupational Health, Safety and Welfare Act 1986
Shop Trading Hours Act 1977
The Standard Time Act 1898
WorkCover Corporation Act 1994
Workers Rehabilitation and Compensation Act 1986

Minister for Recreation, Sport and Racing:

Boxing and Martial Arts Act 2000
Racing Act 1976
Recreational Greenways Act 2000
Recreation Grounds (Joint Schemes) Act 1947
Recreation Grounds Rates and Taxes Exemption Act 1981
Sports Drug Testing Act 2000
Racing (Proprietary Business Licensing) Act 2000

Minister for the City of Adelaide:

City of Adelaide Act 1998

Minister for Aboriginal Affairs and Reconciliation:

Aboriginal Heritage Act 1979
Aboriginal Heritage Act 1988
Aboriginal Lands Parliamentary Standing Committee Act 2003
Aboriginal Lands Trust Act 1966
Anangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981
Maralinga Tjarutja Land Rights Act 1984

Boards and Committees

Premier:

Anzac Day Commemoration Council
Disciplinary Appeals Tribunal
Promotion and Grievance Appeals Tribunal
Renumeration Tribunal
South Australian Aboriginal Advisory Council
South Australia's Strategic Plan Audit Committee
South Australia's Strategic Plan Community Engagement Board
Playford Memorial Trust
State Emergency Management Committee

Minister for Social Inclusion:

Social Inclusion Board

Minister for Sustainability and Climate Change:

Premier's Round Table on Sustainability

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
Health Promotion Sponsorships Assessment Panel
Jam Factory Contemporary Craft and Design Board
Literature Peer Assessment Panel
Organisations Assessment Panel
Performing Arts Peer Assessment Panel
South Australian Film Corporation
South Australian Museum Board
Tandanya National Aboriginal Cultural Institute Board of Management
Visual Arts, Craft and Design Peer Assessment Panel

Minister Assisting the Premier in the Arts:

Adelaide Festival Centre Trust
Australian Children's Performing Arts Company
Carrick Hill Trust
Central Country Arts Board
Contemporary Music Peer Assessment Panel
History Trust of South Australia
Libraries Board of South Australia
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 Industrial Relations:

Asbestos Advisory Committee
Industrial Relations Advisory Committee
Petroleum Products Retail Outlets Board
Retail Trade Advisory Committee
SafeWork SA Advisory Committee
Mining and Quarrying OHS Committee

Minister for Finance:

Privacy Committee of South Australia
State Records Council

Minister for Recreation, Sport and Racing:

Boxing and Martial Arts Advisory Committee
Physical Activity Council

Minister for the City of Adelaide:

Capital City Committee

Minister for Aboriginal Affairs and Reconciliation:

Aboriginal Heritage Committee
South Australian Aboriginal Advisory Council

Minister Assisting the Premier in Cabinet

Business and Public Sector Management:
Government Reform Commission

Workplace Statistics

Details of employment in the Department of the Premier and Cabinet (DPC) as at 30 June 2007 are provided in the tables below. It should be noted that these tables include data for staff transferred to DPC from the former DAIS and OPE on 1 October 2006.

Employee Numbers, Gender and Status

Total Number of Employees	
Persons	1,409
FTEs	1,289

Gender	% Persons	% FTEs
Male	41.31	43.04
Female	58.69	56.96

Number of Persons During the 06-07 Financial Year	
Separated from the agency	298
Recruited to the agency	284

Number of Persons at 30 June 2006	
On Leave without Pay	32

Number Of Employees By Salary Bracket

Salary Bracket	Male	Female	Total
\$0 - \$43,999	100	196	296
\$44,000 - \$56,999	121	287	408
\$57,000 - \$72,999	186	203	389
\$73,000 - \$91,999	115	116	231
\$92,000+	60	25	85
TOTAL	582	827	1409

Status Of Employees In Current Position

FTEs	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	416.27	35.9	96.4	6.48	555.05
Female	609.2	58.81	50.9	15.62	734.53
TOTAL	1025.47	94.71	147.3	22.1	1289.58

PERSONS	Ongoing	Short-Term Contract	Long-Term Contract	Other (Casual)	Total
Male	423	40	98	21	582
Female	661	65	55	46	827
TOTAL	1084	105	153	67	1409

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

Classification	Ongoing		Contract Tenured		Contract Untenured		Other (Casual)		Total		
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Total
COMPE	0	0	0	0	1	0	0	0	1	0	1
COMSOC	0	0	0	0	1	0	0	0	1	0	1
ELO101	1	0	0	0	0	0	0	0	1	0	1
ELO201	1	0	0	0	0	0	0	0	1	0	1
EXEEOA	0	1	4	3	16	4	0	0	20	8	28
EXEEOB	0	1	1	1	7	6	0	0	8	8	16
EXEEOC	0	0	1	1	6	3	0	0	7	4	11
EXEEOD	0	0	0	0	3	1	0	0	3	1	4
EXEEOF	0	0	0	0	2	0	0	0	2	0	2
Total	2	2	6	5	36	14	0	0	44	21	65

Leave management: Average days leave taken per full-time equivalent employee

Leave Type	2003-04	2004-05	2005-06	2006-07
Sick Leave	6.4	6.55	7.3	6.5
Family Carer's Leave	0.43	0.49	0.54	0.58
Special Leave with Pay	0.47	1.56	0.51	0.58

Workforce Diversity: Age profile

Age Bracket	Male	Female	Total	% of Total	Workforce Benchmark*
15-19	0	6	6	0.4	6.7
20-24	28	42	70	4.97	10.5
25-29	43	109	152	10.79	10.2
30-34	45	116	161	11.43	9.9
35-39	62	100	162	11.5	11.2
40-44	63	90	153	10.86	11.9
45-49	86	121	207	14.69	12.3
50-54	121	125	246	17.46	11.3
55-59	84	84	168	11.92	8.6
60-64	42	30	72	5.11	5.0
65+	8	4	12	0.85	2.4
TOTAL	582	827	1409	100.0	100.0

*Source: Australian Bureau of Statistics Australian Demographic Statistics, Labour Force Status (ST LM8) by sex, age, state, marital status – employed – total from Feb78 Supertable, South Australia at March 2007

Aboriginal And/Or Torres Strait Islander Employees

Male	Female	Total	% of Agency	Target*
19	20	39	2.77	2%

* Target from South Australia's Strategic Plan

Cultural And Linguistic Diversity

	Male	Female	Total	% Agency	SA Community*
Number of employees born overseas	84	102	186	13.2%	20.3%
Number of employees who speak language(s) other than English at home	11	14	25	1.77%	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
11	22	33	2.34%

Voluntary Flexible Working Arrangements

Number of employees using voluntary flexible working arrangements by gender

	Male	Female	Total
Purchased Leave	2	11	13
Flexitime	443	647	1090
Compressed Weeks	5	7	12
Part-time Job Share	5	38	43
Working from Home	6	18	24

Performance Management

Documented review of individual performance

Performance Review Status	% of Total Workforce
With a plan reviewed within the past 12 months	90.47%
With a plan older than 12 months	0%
Not reviewed in past 12 months	9.5%

Leadership and Management Training Expenditure

Training and Development	Expenditure	% of Total Salary Expenditure
Total training and development expenditure	\$1,498,652.55	1.76%
Total Leadership and Management Development	\$294,998.13	0.35%

Accredited Training Packages by Classification

Classification	Number of Accredited Training Packages
ASO1	1
ASO2	5
ASO3	4
ASO4	3
ASO5	4
ASO6	4
ASO7	2
ASO8	6
MAS2	1
OPS2	2
OPS3	2

Equal Employment Opportunity

As an EEO employer, the DPC 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 (50.95%) of women in senior management and executive levels. Our indigenous workforce has continued to increase, with a current representation level of 2.77%. During 2007-08 the Department will continue planning and implementation of specific indigenous, cultural and disability programs.

Occupational Health, Safety and Injury Management

DPC continues to make significant and sustained improvements to ensuring compliance with the WorkCover Performance Standards for Self Insurers. An Internal Audit of DPC's OHS&W Management System in September 2006 highlighted areas for improvement and a DPC OHS&W Sub-Committee was formed to implement corrective actions to ensure divisions are able to manage OHS&W.

DPC continued to implement the Workplace Safety Management for Public Sector 2004-2006 Implementation Plan and met many of the performance targets and requirements within the strategy. Regular reports were provided to the Premier against the DPC Ministerial Checklist ensuring that DPC has been able to meet the requirements of the Workplace Safety Management in the Public Sector 2004-2006 Implementation Plan.

The expansion of DPC to include a number of business units from the former Department of Administrative and Information Services (DAIS) resulted in DPC adopting three OHS&W Management Systems. DPC, Arts SA and the former DAIS business units continued to operate their separate OHS&W Management Systems and OHS&W Committees. A proposal has been developed for one DPC OHS&W Management System and Committee structure to reflect the new DPC structure. In proposing a new DPC OHS&W Committee structure, effective communication and consultation mechanisms have been used to ensure all business units' needs are considered.

In January 2007, WorkCover conducted a Gap Analysis of Arts SA to measure and test the OHS&W and Injury Management (IM) system against the Performance Standards for Self Insurers (PSSI). The gap analysis of Arts SA's OHS&W and IM system confirmed the development and implementation of a comprehensive OHS&W and IM management system. This includes significant improvement in all areas of claims performance since the 2003-04.

Arts SA continue to outperform the industry in regard to the average cost of claims for compensation. A positive safety culture was clearly evident during the gap analysis with all levels of the organisation working towards system improvement.

Key Achievements

- Safety Management Action Plans (SMAPs) were reviewed by the DPC OHS&W Committee to ensure the relevance of their scope and content. SMAPs are reported on a quarterly basis and presented to the DPC OHS&W Committee for review.
- The Terms of Reference for DPC OHS&W Committees were reviewed and updated to provide a framework for the new DPC structure. The review included employee consultation.
- The Communication and Consultation Policy was reviewed and updated to provide a framework for the new DPC structure. The review included employee consultation.
- Policies and procedures continue to be reviewed in consultation with employees to ensure their continued sustainability and effectiveness.
- Internal Audits and Workplace Inspections continue to be conducted in line with the Internal Audit and Workplace Inspection Schedule 2007. Corrective actions are incorporated into Corrective Active Registers and regularly reviewed. A DPC OHS&W Sub-Committee was formed to progress corrective actions arising from the internal audit conducted in September 2006.
- \$650,000 funding allocation secured to ensure upgrade the fume hoods in the SA Museum Science Centre and Artlab.
- 440 employees received a flu vaccination shot as part of the Flu Vaccination Program.

Occupational Health, Safety and Injury Management Information

		2006-07 (including ex-DAIS business units)	2005-06 (excluding ex-DAIS business units)	2004-05 (excluding ex-DAIS business units)
1	OHS legislative requirements			
	Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6	0	0	2
	Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6	0	0	0
	Number of notices served pursuant to <i>OHS&W Act</i> s35, s39 and s40	0	0	0
2	Injury Management legislative requirements			
	Total number of employees who participated in the rehabilitation program	10	5	6
	Total number of employees rehabilitated and reassigned to alternative duties	2	0	0
	Total number of employees rehabilitated back to their original work	3	2	3
3	WorkCover Action Limits			
	Number of open claims as at 30 June	42	16	19
	Percentage of workers compensation expenditure over gross annual remuneration	1.52	0.47	0.45
4	Number of claims			
	Number of new workers compensation claims in the financial year	24	8	15
	Number of fatalities, lost time injuries, medical treatment only	(F) 0 (LTI) 10 (MTO) 14	0 4 4	0 7 10
	Total number of whole working days lost	909	198	496
5	Cost of workers compensation			
	Cost of new claims for financial year	107,471	69,345	79,165
	Cost of all claims excluding lump sum payments	279,130	109,347	155,890
	Amount paid for lump sum payments on the settlement of a claim (under <i>WRC Act</i>)	27,968.67	84,423.22	151,235.66
	Future Liabilities for Weekly Payments/medical/loss of earnings (s42)	3,326,909	368,438	352,734
	Permanent disability (s43)	8,887	29,423	39,144
	Lump Sum Payment on Death to Spouse/Child (s44)	0	0	20,606
	Amount paid for lump sum payments on the settlement of a claim (under the <i>WRC Act</i>)	(s42) 0 (s43) 8,887 (s44) 0	60,000 12,541 0	17,000 17,902 0
	Total amount recovered from external sources (s54) including from a negligent third party	0	0	73,000
	Budget allocation for workers compensation	1,375,000	228,000	189,000
6	Trends			
	Injury frequency rate for new lost-time injury/disease for each million hours worked	4.08	4.78	11.5
	Most frequent cause (mechanism) of injury	Muscular Stress; Fall on Same Level	Muscular Stress	Muscular Stress; Repetition; Falls; Slips; Trips
	Most expensive cause (mechanism) of injury	Vehicle Accident	Mental Stress	Mental Stress
7	Workplace Safety Management Strategy Targets			
	Workplace Fatalities – Recommended Target 0	0	0	0
	New Workplace Injury Claims – Target 15% reduction from 2003-04 – DPC achieved an overall 45% reduction	11	10	20
	Lost Time Injury Frequency Rate – Target 15% reduction from 2003-04 – DPC achieved an overall 57% reduction	3	3	7
	Rehabilitation – Target 80% early intervention within 5 days	100%	100%	60%
	Return to Work – Target 70% TRW with 5 days	91%	89%	70%

Financial Overview

The tables provided in this section set out a summary of the actual results for the 2006-07 financial year compared to the final revised budget. This is a change from previous years where the original budget was compared to actual results. The final revised budget has been used to enable analysis against actual results after the significant restructures during 2006-07. The final revised budget reflects business units that transferred into the department from the Department of Administrative and Information Services on 1 January 2007 and the Office of Public Employment, which transferred into the department on 1 October 2006. The detailed financial statements reflecting actual results for 2006-07 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 surplus of \$118.7 million, which was \$96.2 million higher than the budgeted surplus of \$22.6 million. This significant variance is as a result of departmental restructures discussed in detail below.

Operating expenses were \$7.2 million lower than anticipated. This was due primarily to delays in expenditure relating to the Carnegie Mellon University – Software Engineering Institute grants of \$1.0 million, delays in expenditure relating to

WorkCover funded programs of \$1.6 million, delays in expenditure relating to the AP Central Power Station Stage 3 of \$2.7 million expenditure and delays in expenditure relating to various grant programs. The majority of the departmental under expenditure will be submitted to Treasury and Finance as carryover into 2007-08.

Operating revenues were \$0.6 million higher than anticipated. The variance was due primarily to funding transferred in June by the Commonwealth, to assist in the Federal initiative of conducting an inquiry into child abuse on the APY Lands. This receipt was partially offset by the delay of Commonwealth revenue relating to the Alcohol Education Rehabilitation Foundation and delay of revenue received for the Cranfield University Defence course program held in Adelaide. It is anticipated that these funds will be received in 2007-08.

Net revenues from restructuring were \$88.2 million higher than anticipated. This was due primarily to the higher than expected net revenue received from restructuring during 2006-07. During 2006-07, the Office of Public Employment and business units from the Department of Administrative and Information Services transferred into the department. The net revenue received from these transfers was in total \$110.2 million. This amount reflects the assets and liabilities of the various units that transferred into the department.

	Budget 2006-07 \$'000	Actual 2006-07 \$'000	Actual 2005-06 \$'000
Operating expenses	(257 498)	(250 249)	(165 160)
Operating revenues	32 132	32 815	18 201
Net cost of services	(225 366)	(217 434)	(146 959)
Net revenues from Government	225 157	225 903	148 697
(Decrease)/Increase in net assets resulting from operations before restructuring	(209)	8 469	1 738
Net revenues from restructuring	22 803	110 286	1 503
Net result after restructuring	22 594	118 755	3 241

(Note: the figures above exclude the Office of Public Employment from 1 July 2006 to 30 September 2007)

	Budget 2006-07 \$'000	Actual 2006-07 \$'000	Actual 2005-06 \$'000
Current assets	27 793	50 921	17 085
Non-current assets	78 444	141 472	22 636
Total assets	106 237	192 393	39 721
	Budget 2006-07 \$'000	Actual 2006-07 \$'000	Actual 2005-06 \$'000
Current liabilities	(14 669)	(23 393)	(6 719)
Non-current liabilities	(19 459)	(21 863)	(4 793)
Total liabilities	(34 128)	(45 256)	(11 512)
Net assets	72 109	147 137	28 209
Equity	(72 109)	(147 137)	(28 209)

(Note: the figures above exclude the Office of Public Employment from 1 July 2006 to 30 September 2007)

Current assets were \$23.1 million higher than forecast, due to higher than expected cash balances as a result of restructuring and appropriation received. In addition, current debtors were higher than budget due to restructuring and recognition of the Dean Rifle Range being held for sale. Non current assets were \$63 million higher than forecast, which was due primarily to the transfer in of fixed assets owned by the business units from the Department of Administrative and Information Services.

Current and non-current liabilities, which include payables and provisions for employee entitlements, were \$11.1 million higher than budget due primarily to the transfer in of the business units from the Department of Administrative and Information Services.

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

	Budget 2006-07 \$'000	Actual 2006-07 \$'000	Actual 2005-06 \$'000
<i>Cash flows from operating activities</i>			
Payments	(252 936)	(290 169)	(174 280)
Receipts	31 464	84 487	27 619
Cash flows from Government	224 502	224 787	148 092
Net cash provided by operating activities	3 030	19 105	1 431
<i>Cash flows from investing activities</i>			
Payments	(780)	(665)	(16)
Receipts	-	2	-
Net cash used in investing activities	(780)	(663)	(16)
Net cash flow from financing activities	6 811	7 313	(272)
Net increase in cash held	9 061	25 755	1 143
Cash at the beginning of the financial year	14 307	14 461	13 318
Cash at the end of the financial year	23 368	40 216	14 461

(Note: the figures above exclude the Office of Public employment from 1 July 2006 to 30 September 2007)

The variances in relation to cash flows from operating activities reflect the variances described above in relation to operating expenses and revenues. Cash flows from investing activities relate primarily to asset purchases.

The higher than expected payments reflect the purchase of office equipment and office refits. Cash flows from financing activities relate primarily to cash inflows as a result of restructuring.

Trends

This section contains an analysis of financial trends over the last three years. Data is included for operations for a full year.

The net cost of services has fluctuated over the last three years predominantly due to departmental restructuring. In particular, in 2006-07, the Security and Emergency Management Office was restructured and several projects were transferred to other government agencies including SA Fire and Emergency Services Commission, SA Police and SA Metropolitan Fire Service. On 1 October 2006, the Office of Public Employment transferred into the department and on 1 January 2007, business units from the Department of Administrative and Information Services transferred into the department.

In 2005-06, the Office for Volunteers transferred to the Department of Primary Industries and

Resources, Immigration SA and Population Policy Unit transferred to the Department of Trade and Economic Development, the Office for the Commissioner of Public Employment was 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.

The net asset position increased during 2006-07 from 2005-06, due predominantly to a significant increase in the fixed assets resulting from restructuring.

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.

	2006-07 \$'000	2005-06 \$'000	2004-05 \$'000
Summary of financial performance			
Net cost of services	217 434	146 959	150,442
Increase/(Decrease) in net assets	118 928	3 234	(21 815)
Net assets	147 137	28 209	24,975
Cash balance	40 216	14 461	13,318
Key performance indicators			
Average employee cost	55	92	81
Average net cost of services per employee	190	416	378
Current asset/current liabilities ratio	2.0	2.5	1.9
% of creditors paid within 30 days	84%	85%	89%
% consultants of operating expenses	0.4%	0.2%	0.6%

(Note: the figures above exclude the Office of Public Employment from 1 July 2006 to 30 September 2007)

Internal Restructuring

During 2006-07, the department restructured to create three new Groups titled, Sustainability and Workforce Management, Departmental Affairs and Cabinet Office. The details of this restructuring are outlined on pages 35-37 of this report.

Change in Accounting Policy

Except for the amendments to Australian Accounting Standard AASB010 *Presentation of Financial Statements*, which the department has early-adopted, the Australian Accounting Standards and interpretations that have recently been issued or amended but are not effective, have not been adopted by the department for the reporting period ending 30 June 2007. The department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial report of the department.

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 2006-07. The table highlights that the department was able to pay 84% of all invoices by the specified due date. The remaining 16% 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 6% below this benchmark.

Account Payment Performance 2006-07

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*	18 344	84%	123 149 251	87%
Paid late but paid within 30 days of due date	3 325	11%	13 175 849	9%
Paid more than 30 days from due date	1 414	5%	3 172 359	4%
Total accounts paid	23 083	100%	139 497 459	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.

Contractual Arrangements

In 2006-07 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 Transport, Energy and Infrastructure 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 total cost of \$17.0 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. During the 2006-07 financial year, the department conducted an investigation of the expenditure incurred by the Protocol Unit. As at 30 June 2007, the department had not yet finalised its investigation.

Financial Statements

INCOME STATEMENT

For the Year Ended 30 June 2007

	Note Number	2007 \$'000	2006 \$'000
Expenses			
Employee benefits	6	62 417	32 464
Supplies and services	7	53 796	29 947
Depreciation and amortisation	8	2 641	1 148
Grants and subsidies	9	124 757	101 537
Net loss from disposal of assets	10	26	54
Finance costs		174	-
Other expenses	11	6 438	10
Total expenses		250 249	165 160
Income			
Fees and charges	13	14 558	3 907
Commonwealth revenues		3 855	2 201
Grants and subsidies	14	10 326	6 883
Interest	17	30	1 522
Resources received free of charge	2.7	800	284
Community Development Fund		900	900
Recoveries from administered items		1 287	1 096
Other income	15	1 059	1 408
Total income		32 815	18 201
Net cost of providing services		217 434	146 959
Revenues from / payments to SA Government			
Revenues from SA Government	16	225 903	149 491
Payments to SA Government	16	-	(794)
Total revenues from SA Government		225 903	148 697
Net result before restructure		8 469	1 738
Net revenue from administrative restructures	27	110 286	1 503
Net result after restructure		118 755	3 241
Net result after restructure is attributable to the SA Government as owner			

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

BALANCE SHEET

As at 30 June 2007

	Note Number	2007 \$'000	2006 \$'000
Current assets			
Cash and cash equivalents	17	40 216	14 461
Receivables	18	7 727	2 624
Inventories		78	-
		48 021	17 085
Non-current assets classified as held for sale	19	2 900	-
Total current assets		50 921	17 085
Non-current assets			
Receivables	18	773	19
Property, plant and equipment	20	140 310	22 411
Works of art	20	27	47
Intangible assets	21	362	159
Total non-current assets		141 472	22 636
Total assets		192 393	39 721
Current liabilities			
Payables	22	13 062	3 563
Short-term employee benefits	24	8 973	3 082
Short-term provisions	25	995	74
Short-term borrowings	23	279	-
Other current liabilities	26	84	-
Total current liabilities		23 393	6 719
Non-current liabilities			
Payables	22	1 324	399
Long-term employee benefits	24	13 852	4 171
Long-term provisions	25	2 656	200
Long-term borrowings	23	4 031	-
Other non-current liabilities	26	-	23
Total non-current liabilities		21 863	4 793
Total liabilities		45 256	11 512
Net Assets		147 137	28 209
Equity			
Contributed capital		173	-
Asset revaluation reserve		9 955	9 955
Retained earnings		137 009	18 254
Total equity		147 137	28 209
The total equity is attributable to the SA Government as owner			
Commitments for expenditure	28		
Contingent assets and liabilities	29		

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2007

	Contributed Capital \$'000	Asset revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
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
Capital contribution from the State Government	173	-	-	173
Net result after restructure for 2006-07	-	-	118 755	118 755
Total recognised income and expense for 2006-07	-	-	118 755	118 755
Balance at 30 June 2007	173	9 955	137 009	147 137
All changes in equity are attributable to the SA Government as owner				

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

CASH FLOW STATEMENT

For the Year Ended 30 June 2007

	Note Number	2007 \$'000	2006 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits		(61 076)	(31 810)
Supplies and services		(62 465)	(24 365)
Grants and subsidies		(114 926)	(102 073)
Finance costs		(174)	-
GST payments on purchases		(49 957)	(9 949)
GST remitted to ATO		(2 632)	-
Other payments		(55)	(6 083)
Cash used in operating activities		(291 285)	(174 280)
Cash inflows			
Fees and charges		19 212	3 033
Receipts from Commonwealth		3 857	2 201
Receipts from Grants and Subsidies		5 717	275
Interest received		85	1 499
Community Development Fund		900	900
Recoveries from Administered Items		1 287	835
GST receipts on receivables		44 829	2 005
GST input tax credits		7 986	7 835
Other receipts		614	9 036
Cash generated from operating activities		84 487	27 619
Cash flows from SA Government			
Receipts from SA Government		225 903	148 886
Payments to SA Government		-	(794)
Cash generated from SA Government		225 903	148 092
Net cash provided by operating activities	30	19 105	1 431
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(639)	(16)
Purchase of intangibles		(26)	-
Cash used in investing activities		(665)	(16)
Cash inflows			
Proceeds from sale of property, plant and equipment		2	-
Cash generated from investing activities		2	-
Net cash used in investing activities		(663)	(16)
Cash flows from financing activities			
Cash outflows			
Repayment of borrowings		(133)	-
Cash used in financing activities		(133)	-
Cash inflows			
Capital contribution from the State Government		173	-
Proceeds from advance account repayments		4	-
Gain (loss) from restructuring activities		7 269	(272)
Cash generated from financing activities		7 446	(272)
Net cash provided by/(used in) financing activities		7 313	(272)
Net increase in cash and cash equivalents held		25 755	1 143
Cash and cash equivalents at the beginning of the financial year		14 461	13 318
Cash and cash equivalents at the end of the financial year	17	40 216	14 461

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

PROGRAM SCHEDULE OF EXPENSES AND INCOME

For the Year Ended 30 June 2007

	Program 1	Program 2	Program 3	Program 4	Program 5	Program 6	Program 7	Program 8
Expenses								
Employee benefits	22 139	1 664	1 965	461	2 738	2 221	328	5 633
Supplies and services	16 677	678	983	428	1 198	1 614	179	9 256
Depreciation and amortisation expense	662	-	-	-	3	379	-	40
Grants and subsidies	6 316	2 585	133	27 842	18 720	48 600	991	5 752
Net loss from disposal of assets	26	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-
Other expenses	62	-	-	-	7	-	-	-
Total expenses	45 882	4 927	3 081	28 731	22 666	52 814	1 498	20 681
Income								
Fees and charges	1 153	4	191	21	819	287	5	282
Commonwealth revenues	1 353	-	-	-	-	110	-	1 996
Grants and subsidies	739	932	20	-	-	9	230	301
Interest	(12)	-	-	-	-	2	-	40
Resources received free of charge	-	-	-	-	-	-	-	800
Community Development Fund	-	-	-	-	-	900	-	-
Recoveries from administered items	-	192	-	-	-	-	-	1 095
Other revenue	197	18	3	20	330	48	2	2
Total income	3 430	1 146	214	41	1 149	1 356	237	4 516
Net cost of providing services	(42 452)	(3 781)	(2 867)	(28 690)	(21 517)	(51 458)	(1 261)	(16 165)
Revenues from / Payments to SA Government								
Revenues from SA Government	116 678	-	-	17 860	29 416	57 781	-	-
Payments to SA Government	-	-	-	-	-	-	-	-
Total revenues from/ payments to SA Government	116 678	-	-	17 860	29 416	57 781	-	-
Net result before restructure	74 226	(3 781)	(2 867)	(10 830)	7 899	6 323	(1 261)	(16 165)

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

PROGRAM SCHEDULE OF EXPENSES AND INCOME

For the Year Ended 30 June 2007

	Program 9	Program 10	Program 11	Program 12	Program 13	Program 14	2007 \$'000	2006 \$'000
Expenses								
Employee benefits	2 925	12 246	2 143	4 332	1 875	1 747	62 417	32 464
Supplies and services	1 597	7 490	1 741	7 385	4 213	357	53 796	29 947
Depreciation and amortisation expense	-	47	16	1 083	373	38	2 641	1 148
Grants and subsidies	19	1 798	-	12 001	-	-	124 757	101 537
Net loss from disposal of assets	-	-	-	-	-	-	26	54
Finance costs	-	-	-	174	-	-	174	-
Other expenses	-	-	-	6 369	-	-	6 438	10
Total expenses	4 541	21 581	3 900	31 344	6 461	2 142	250 249	165 160
Income								
Fees and charges	696	5 230	2 236	1 771	1 304	559	14 558	3 907
Commonwealth revenues	97	-	-	299	-	-	3 855	2 201
Grants and subsidies	45	4 150	-	3 900	-	-	10 326	6 883
Interest	3	-	-	(3)	-	-	30	1 522
Resources received free of charge	-	-	-	-	-	-	800	284
Community Development Fund	-	-	-	-	-	-	900	900
Recoveries from administered items	-	-	-	-	-	-	1 287	1 096
Other revenue	3	429	-	25	(15)	(3)	1 059	1 408
Total income	844	9 809	2 236	5 992	1 289	556	32 815	18 201
Net cost of providing services	(3 697)	(11 772)	(1 664)	(25 352)	(5 172)	(1 586)	(217 434)	(146 959)
Revenues from / Payments to SA Government								
Revenues from SA Government	4 168	-	-	-	-	-	225 903	149 491
Payments to SA Government	-	-	-	-	-	-	-	(794)
Total revenues from/ payments to SA Government	4 168	-	-	-	-	-	225 903	148 697
Net result before restructure	471	(11 772)	(1 664)	(25 352)	(5 172)	(1 586)	8 469	1 738

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Notes to Financial Statements

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

The Department of the Premier and Cabinet (the Department) delivers high quality policy advice and support to the Premier and Ministers, provides direction and leadership to the SA Public Sector, and drives key Government initiatives through a range of services benefiting the South Australian community.

The Department leads the implementation of the Government's agenda by focussing on the following key priorities:

- Lead the implementation of South Australia's Strategic Plan (SASP) across Government;
- Drive the achievement of the SASP targets assigned to the Department;
- Lead the development and implementation of policy across the Public Sector;
- Provide leadership in Federal and State relations;
- Deliver high quality services to the South Australian community and Government; and
- Improve our organisation.

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 applicable Australian Accounting Standards and Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

Statement of Compliance

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS) and AAS 29 *Financial Reporting by Government Departments*. The Department has early-adopted the amendments to AASB 101 *Presentation of Financial Statements*. Refer to note 4, 'Changes in Accounting Policies'.

The preparation of the financial report requires:

- The use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Department's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, these are outlined in the applicable notes; and
- Compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*, by authority of Treasurer's Instruction 19 *Financial Reporting*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, that have been included in this financial report:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$100 000 for separate identification of these items applies;
 - b) expenses incurred as a result of engaging consultants (as reported in the Income Statement);
 - c) employee targeted voluntary separation package information;
 - d) employees whose normal remuneration is \$100 000 or more (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Department's Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with 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 is presented in Australian currency.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

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 income and expenses but are disclosed in the applicable schedules.

2.3 Transferred Functions

The agency known as Office of Public Employment (OPE) was dissolved and amalgamated into the Department of the Premier and Cabinet effective 1 October 2006 (refer note 27). There is no change to the statutory role and function of the Commissioner for Public Employment who continues to report to the Premier. Departmental resources are made available to enable the Commissioner to continue to meet his statutory obligations.

For financial accounting and reporting purposes, a number of business units were transferred from the Department of Administrative and Information Services (DAIS) to the Department of the Premier and Cabinet effective 1 January 2007 (refer note 27). The business units transferred to the Department include:

- Public Sector Workforce Relations
- SafeWork SA
- Employee Ombudsman
- Industrial Court and Commission
- Workers Compensation Tribunal
- Office for Recreation and Sport
- Office for Racing
- Government Publishing SA
- State Records
- Placement Services
- Corporate Central business units
 - Injury Management
 - Media Monitoring Unit
 - Office of the Chief Executive
 - Office of the Minister

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 has required a change. Where permitted by a specific Accounting Policy Statement or Australian Accounting Standard comparative information has been reclassified and disclosed where required.

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

2.5 Rounding

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

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 and have not been offset unless required or permitted by a specific 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.

Grants and subsidies are recognised as income when the Department obtains control of the income or when the agreement or contract has been approved and executed or income received.

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

Grants and subsidies paid by the Department have unconditional stipulations attached.

Resources received free of charge relate to transportable accommodation buildings being installed on the APY Lands provided by the Commonwealth through the Department's administered funds. The buildings currently under construction have been reported as work in progress at 30 June 2007.

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.

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

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 Finance costs

All finance costs are recognised as expenses.

2.10 Current and Non-Current classification

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.

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.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

2.11 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.

2.12 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.

2.13 Inventories

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

2.14 Non-Current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less cost to sell if their carrying amount will be recovered principally through sale rather than continuing use. An impairment loss of \$6.35 million has been recognised on the initial written down value of land prior to the transfer to assets held for sale. Non-current assets classified as held for sale are not depreciated or amortised.

2.15 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* 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

2.16 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, including those transferred to the Department as a result of an administrative restructure, have been deemed to be held at fair value.

2.17 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. An impairment loss of \$6.35 million has been recognised this financial year.

2.18 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. 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.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

2.19 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.

2.20 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 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.

2.21 Interest bearing liabilities

This represents loans underwritten by the Department as guarantor to external organisations. These are recognised as liabilities because the Department is servicing the interest and loan repayments.

2.22 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. 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 6.5 or more years of service and the current rate of remuneration for each of these employees respectively. The 6.5 years has been based on an actuarial calculation undertaken by the Department of Treasury and Finance. The calculation was based on significant sample of employees throughout the South Australian public sector and determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with the Department's experience of employee retention and leave taken.

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.

2.23 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 Workforce Wellbeing branch of the Department.

The Department's liability reflects an apportionment of the whole-of-government estimate of Workers Compensation liability according to the Public Sector Workforce Wellbeing branch experience of claim numbers and payments over the period 1 July 1987 to 30 June 2007. A separate valuation of the liabilities of this Department has not been undertaken.

2.24 Leases

The Department as Lessee

The Department has entered into a number of operating lease agreements for buildings, motor vehicles 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.

The Department as Lessor

The Department leases sporting venues and office accommodation to various external sporting organisations through operating leases. Income from operating leases is recognised as rental income in the period incurred, and is representative of the pattern of benefits derived from the leased assets.

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) and liabilities (loans). 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.

In accordance with government policy, the Department enters into hedges for all contracted expenditure in a foreign currency over AUD \$100 000. The South Australian Government Financing Authority (SAFA) manages the foreign currency hedges on the Department's behalf. At 30 June 2007, the Department has outstanding hedges totalling \$4.8 million in relation to the contractual arrangements with the Carnegie Mellon University. There is no financial risk to the Department as a result of the hedging arrangements.

Note 4. Changes in Accounting Policies

Except for the amendments to AASB 101 *Presentation of Financial Statements*, which the Department has early-adopted, the Australian Accounting Standards and Interpretations that have recently been issued or amended but are not effective, have not been adopted by the Department for the reporting period ending 30 June 2007. The Department has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial report of the Department.

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 fourteen 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 2007 are summarised below (refer to the Department's Program Schedule of Expenses and Income).

Program 1 – Executive Government

Support the Premier and Cabinet by leading the implementation of the agenda of the Government within the South Australian public sector and community. This is achieved 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.

Program 2 – Social Inclusion

Support the work of the Social Inclusion Board by researching and constructing improved social policy and practices to achieve improved outcomes for disadvantaged people in South Australia.

Program 3 – Sustainability and Climate Change

Implementing the Government's commitments on climate change and sustainability within South Australia. This includes international and national leadership in areas such as the development of renewable energy policy and initiatives, and the reduction of greenhouse gas emissions.

Program 4 – Library and Information Services

To provide information to the public, industry and government agencies and to fund services provided by Public Library Services (formerly known as PLAIN Central Services) to public libraries.

Program 5 – 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 6 – Arts Industry Development and Access to Artistic Product

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

Program 7 – Capital City

Support the work of the Capital City Committee, a partnership between the State Government and the Adelaide City Council, by providing executive support to the Committee and assisting co-ordination between the Government and the Council to identify potential opportunities for the City.

Program 8 – Aboriginal Affairs and Reconciliations

Improve the well being of Aboriginal people by providing high level strategic policy advice and across government coordination and monitoring, facilitating community development initiatives, protecting Aboriginal culture and heritage, managing essential services and community infrastructure, and supporting the State's landholding authorities.

Program 9 – Public Sector Human Resources Management

This program provides strategic human resource management planning, policy development, monitoring and reporting to facilitate a skilled, dynamic and responsive public sector workforce.

Program 10 – Industrial Relations

Provision of workplace advisory and regulatory services to the general community and the public sector.

Program 11 – Employee Advocacy

Provision of services to ensure the rights of employees are protected and to resolve workplace disputes.

Program 12 – Recreation, Sport and Racing

Provision of programs, services and policy to facilitate the delivery and strategic development of active recreation and sport facilities, services, programs and infrastructure across the State. This includes promoting community participation in active recreation and sport activities, engendering the continued development of the industry and providing targeted support to specific populations including the development of high performance athletes.

This program also includes the provision of policy advice to the Minister on matters impacting upon the viability of the racing industry in South Australia.

Program 13 – Community Services

Provision of specialised services and support, information and policy to the community, government, industry and the Minister in the areas of land administration, records management and archives, government publishing and the provision of wider access to government information, services and transactions.

Program 14 – Intra-Agency Support Services

Centralised provision of support services to the business units of the Department, including injury management services, media monitoring, Ministerial office and administrative support.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 6. Employee Benefits

	2007	2006
	\$'000	\$'000
Salaries and wages	44 357	23 517
TVSP (refer below)	-	868
Long service leave	1 972	631
Annual leave	4 365	1 429
Employment on-costs – superannuation	6 558	3 139
Employment on-costs – other	3 233	1 609
Committee fees	216	165
Other employee related expenses	1 716	1 106
Total employee benefits	62 417	32 464

Targeted Voluntary Separation Packages (TVSP)	2007	2006
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	2007	2006
The number of employees whose remuneration received or receivable falls within the following bands:		
\$100 000 - \$109 999	33	9
\$110 000 - \$119 999	15	6
\$120 000 - \$129 999	9	5
\$130 000 - \$139 999	12	3
\$140 000 - \$149 999	6	6
\$150 000 - \$159 999	10	1
\$160 000 - \$169 999	2	3
\$170 000 - \$179 999	1	3
\$180 000 - \$189 999	3	-
\$190 000 - \$199 999	4	3
\$200 000 - \$209 999	2	3
\$210 000 - \$219 999	3	1
\$220 000 - \$229 999	1	1
\$230 000 - \$239 999	3	-
\$240 000 - \$249 999	5	-
\$260 000 - \$269 999	1	-
\$270 000 - \$279 999	1	-
\$280 000 - \$289 999	1	1
\$290 000 - \$299 999	1	1
\$300 000 - \$309 999	1	2
\$310 000 - \$319 999	1	-
\$320 000 - \$329 999	-	1
\$330 000 - \$339 999	1	-
Total number of employees	116	49

The table includes employees who received remuneration of \$100 000 or more during the year paid by the Department. Where employees have transferred to the Department during the year as a result of an amalgamation or administrative restructure, remuneration has been calculated as though the employees were employed by the Department for the entire year. This includes 9 employees transferred from the Office of Public Employment (OPE) and 40 from the Department of Administrative and Information Services (DAIS).

The total remuneration received by employees listed in the table above, for the year was \$17.4 million (\$7.8 million).

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 7. Supplies and Services

	2007	2006
	\$'000	\$'000
<i>Supplies and services provided by entities within the SA Government</i>		
Accommodation	6 026	3 858
Telecommunication	636	391
Staff development and recruitment	272	66
General administration and consumables	1 972	829
Promotion and marketing	109	315
Repairs, maintenance and minor equipment purchases	390	459
Service level agreements	3 938	1 715
IT and computing charges	1 423	1 184
Contractors and consultants	11	5
Temporary and casual staff	-	17
Community infrastructure	6 508	1 321
Projects	2 271	753
Other	1 120	579
Total supplies and services – SA Government entities	24 676	11 492
<i>Supplies and services provided by entities external to the SA Government</i>		
Accommodation	1 964	840
Telecommunication	504	328
Staff development and recruitment	1 225	492
General administration and consumables	6 311	2 032
Promotion and marketing	3 757	3 087
Repairs, maintenance and minor equipment purchases	3 070	668
IT and computing charges	1 462	859
Contractors and consultants	2 593	1 457
Cost of goods sold	559	-
Temporary and casual staff	948	443
Community infrastructure	707	1 832
Projects	3 943	4 647
Other	2 077	1 770
Total supplies and services – Non SA Government entities	29 120	18 455
Total supplies and services	53 796	29 947

	2007	2007	2006	2006
	No.	\$'000	No.	\$'000
The number and dollar amount of consultancies paid/payable (included in supplies and services) that fell within the following bands:				
Below \$10,000	34	111	19	84
Between \$10,000 and \$50,000	13	303	7	145
Above \$50,000	7	525	3	165
Total number of consultants engaged	54	939	29	394

Note 8. Depreciation and Amortisation

	2007	2006
	\$'000	\$'000
Depreciation		
Land, buildings and improvements	470	471
Plant and equipment	717	565
Recreation, sporting and stadia infrastructure	1 314	-
Total Depreciation	2 501	1 036
Amortisation		
Intangible assets	140	112
Total Amortisation	140	112
Total Depreciation and Amortisation	2 641	1 148

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 9. Grants and Subsidies

	2007	2006
	\$'000	\$'000
<i>Grants and subsidies paid/payable to entities within the SA Government</i>		
Recurrent grant	78 489	77 628
Capital grant	-	556
Total grants and subsidies – SA Government entities	78 489	78 184
<i>Grants and subsidies paid/payable to entities external to the SA Government</i>		
Recurrent grant	42 285	23 353
Capital grant	3 983	-
Total grants and subsidies – Non SA Government entities	46 268	23 353
Total grants and subsidies	124 757	101 537

Grants and subsidies consists of the following:

Libraries Board of South Australia operating grant	27 486	27 673
Adelaide Festival Centre Trust operating grant	9 909	10 722
South Australian Cricket Association subsidy	9 000	-
Museum Board operating grant	8 627	8 234
Country Arts SA operating grant	6 159	5 481
Arts industry assistance	5 845	4 989
Art Gallery Board operating grant	5 498	6 061
South Australian Film Corporation operating grant	4 738	4 556
History Trust of South Australia operating grant	3 917	4 159
Adelaide Festival Corporation operating grant	2 825	3 692
Arts project assistance	2 781	2 320
Security and Emergency Management Office redistribution of project funding	2 593	-
South Australian Youth Arts Board operating grant	2 571	2 099
Aboriginal community assistance	1 788	1 193
State Theatre Company of South Australia operating grant	1 776	1 679
Adelaide Symphony Orchestra operating grant	1 772	1 736
Union Education program	1 500	-
Anangu Pitjantjatjara operating grant	1 337	510
Australian Dance Theatre operating grant	1 198	896
Premier's community initiatives	1 177	921
Active Club program	1 110	-
Aboriginal community essential services assistance	1 096	1 483
Tandanya operating grant	1 025	710
Windmill Performing Arts operating grant	1 025	1 000
State Opera of South Australia operating grant	1 017	951
Community recreation and sporting facilities capital grants (CRSFG)	1 002	-
Jam Factory of Contemporary Craft and Design operating grant	991	900
Adelaide Airport solar initiative	950	-
Breaking the Cycle program	894	-
Para West Adult Campus operating grant	891	498
Adelaide Fringe operating grant	867	917
Carrick Hill Trust operating grant	654	665
Other grants and subsidies	10 738	7 492
Total grants and subsidies	124 757	101 537

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 10. Net Loss from Disposal of Assets

	2007 \$'000	2006 \$'000
Plant and equipment		
Proceeds from disposal	(2)	-
Net book value of assets disposed	8	54
Net loss from disposal of plant and equipment	(6)	(54)
Works of art		
Proceeds from disposal	-	-
Net book value of assets disposed	20	-
Net loss from disposal of works of art	(20)	-
Total assets		
Proceeds from disposal	(2)	-
Net book value of assets disposed	28	54
Net loss from disposal of assets	(26)	(54)

Note 11. Other Expenses

	2007 \$'000	2006 \$'000
Other expenses paid/payable to entities within the SA Government		
Bad and doubtful debts	7	-
Total other expenses – SA Government entities	7	-
Other expenses paid/payable to entities external to the SA Government		
Asset impairment	6 350	-
Bad and doubtful debts	26	5
Other	55	5
Total other expenses – Non SA Government entities	6 431	10
Total other expenses	6 438	10

Note 12. Auditor's Remuneration

	2007 \$'000	2006 \$'000
Audit fees paid / payable to the Auditor-General's Department	158	128
Total audit fees	158	128

Other Services

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 13. Fees and Charges

Fees and charges received/receivable from entities within the SA Government	2007 \$'000	2006 \$'000
Arts industry related fees	476	2 376
Salaries charged to other entities	930	581
Sale of goods	841	4
Regulatory fees	2 992	34
Fees for services	643	125
Rental income	(3)	18
Other recoveries	3 164	67
Total fees and charges – SA Government entities	9 043	3 205
Fees and charges received/receivable from entities external to the SA Government		
Arts industry related fees	511	326
Salaries charged to other entities	152	4
Sale of goods	909	3
Regulatory fees	1 260	-
Fees for services	665	99
Rental income	662	132
Other recoveries	1 356	138
Total fees and charges – Non SA Government entities	5 515	702
Total fees and charges	14 558	3 907

Note 14. Grants and Subsidies Revenue

Grants and subsidies received/receivable from entities within the SA Government	2007 \$'000	2006 \$'000
Recurrent grant	9 427	6 401
Total grants and subsidies – SA Government entities	9 427	6 401
Grants and subsidies received/receivable from entities external to the SA Government		
Recurrent grant	856	439
Sponsorship for Department initiatives	43	43
Total grants and subsidies – Non SA Government entities	899	482
Total grants and subsidies	10 326	6 883

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 15. Other Income

	2007 \$'000	2006 \$'000
Other income received/receivable from entities within the SA Government		
TVSP recoveries	-	868
Other	717	428
Total other income – SA Government entities	717	1 296
Other income received/receivable from entities external to the SA Government		
Other	342	112
Total other income – Non SA Government entities	342	112
Total other income	1 059	1 408

Note 16. Revenues from / Payments to SA Government

	2007 \$'000	2006 \$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	225 903	148 867
Other Revenue from SA Government	-	624
Total revenues from SA Government	225 903	149 491
Payments to SA Government		
Return of surplus cash pursuant to cash alignment policy (refer note 2.8)	-	(794)
Total payments to SA Government	-	(794)
Total revenues from / payments to SA Government	225 903	148 697

Note 17. Cash and Cash Equivalents

	2007 \$'000	2006 \$'000
Deposits at call	25 572	4 384
Deposits with the Treasurer	14 474	10 043
Other	170	34
Total cash	40 216	14 461

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 i.e. funds can only be used once the Treasurer's / Under Treasurer's approval is received.

Interest rate risk

Deposits at call includes funds held for the Aboriginal Heritage Fund which earns a floating interest rate based on daily bank deposit rates. All other deposits at call are non-interest bearing from 1 July 2007.

The carrying amount of cash and cash equivalents represents fair value.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 18. Receivables

	2007	2006
	\$'000	\$'000
Current		
Receivables	3 512	1 526
Less provisions for doubtful debts	(135)	-
Workers compensation recoveries	28	-
Prepayments	88	-
Accrued revenues	1 607	52
Loans	65	25
Less provision for doubtful loans	(30)	-
GST receivable	2 592	1 021
Total current receivables	7 727	2 624
Non-current		
Workers compensation recoveries	90	-
Prepayments	613	-
Loans	70	40
Less provision for doubtful loans	-	(30)
Other	-	9
Total non-current receivables	773	19
Total receivables	8 500	2 643
	2007	2006
	\$'000	\$'000
Government / Non Government receivables		
Receivables from SA Government entities		
Receivables	2 207	1 145
Prepayments	26	-
Accrued revenues	1 429	28
Loans	70	-
Other	-	9
Total receivables from SA Government entities	3 732	1 182
Receivables from Non SA Government entities		
Receivables	1 305	381
Less provision for doubtful debts	(135)	-
Workers compensation recoveries	118	-
Prepayments	675	-
Accrued revenues	178	24
Loans	65	65
Less provision for doubtful loans	(30)	(30)
GST receivable	2 592	1 021
Total receivables from Non SA Government entities	4 768	1 461
Total receivables	8 500	2 643

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

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.

Provision for doubtful debts

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

Movements in the provision for doubtful debts (impairment loss)

	2007 \$'000	2006 \$'000
Carrying amount at the beginning of the period	-	-
Increase in the provision	181	-
Amounts written off	(46)	-
Carrying amount at the end of the period	135	-

Note 19. Assets Held for Sale

	2007 \$'000	2006 \$'000
Land	2 900	-
Total assets held for sale	2 900	-

On 5 March 2007 Cabinet approved the sale of the Dean Rifle Range to the Land Management Corporation. Settlement of the sale will occur on 2 July 2007.

Note 20. Property, Plant and Equipment

Valuations 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, including those transferred to the Department as a result of an administrative restructure, have been deemed to be held at fair value.

Impairment

An impairment loss of \$6.35 million has been recognised on the initial written down value of land prior to the transfer to assets held for sale.

There were no indications of impairment of property, plant and equipment, infrastructure and intangible assets held at 30 June 2007.

Resources received free of charge

The Department received transportable accommodation buildings being installed on the APY Lands free of charge from an administered Commonwealth fund. The buildings currently under construction have been reported as Work In Progress at 30 June 2007.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

	2007	2006
	\$'000	\$'000
Land, buildings and improvements		
Land at fair value	6 263	6 263
Buildings and improvements at fair value	28 702	24 777
Accumulated depreciation	(12 816)	(9 392)
Total land, buildings and improvements	22 149	21 648
Plant and equipment		
Plant and equipment at fair value	7 795	2 958
Accumulated depreciation	(5 798)	(2 195)
Total plant and equipment	1 997	763
Recreation, sporting and stadia infrastructure		
Recreation, sporting and stadia infrastructure at fair value	118 589	-
Accumulated depreciation	(3 282)	-
Total recreation, sporting and stadia infrastructure	115 307	-
Work in progress		
Work in progress at cost	857	-
Total work in progress	857	-
Total Property, Plant and Equipment	140 310	22 411
Works of Art		
Works of Art at fair value	27	47
Total Works of Art	27	47
Total Works of Art	27	47

Note 21. Intangible Assets

	2007	2006
	\$'000	\$'000
Computer software	2 019	325
Accumulated amortisation	(1 759)	(166)
Other intangibles	128	-
Accumulated amortisation	(26)	-
Total intangible assets	362	159

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Consolidated

RECONCILIATION OF NON-CURRENT ASSETS

The following table shows the movement of Non-Current Assets during 2006-07

	Land, Buildings and Improvements	Plant and Equipment	Recreation, Sporting and Stadia Infrastructure	Work in Progress	Works of Art	Total Tangible Assets	Computer Software	Other Intangibles	Total Intangible Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		\$'000	\$'000
Fair Value									
Balance at 30 June 2006	31 040	2 958	-	-	47	34 045	325	-	325
Additions	116	243	162	827	-	1 348	132	-	132
Assets classified as held for sale	-	-	(2 900)	-	-	(2 900)	-	-	-
Other (includes reclassifications, disposals & retirements)	-	(283)	-	(16)	(20)	(319)	-	-	-
Impairment losses	-	-	(6 350)	-	-	(6 350)	-	-	-
Acquisitions through administrative restructure	3 809	4 877	127 677	46	-	136 409	1 562	128	1 690
Balance at 30 June 2007	34 965	7 795	118 589	857	27	162 233	2 019	128	2 147
Accumulated Depreciation / Amortisation									
Balance as at 30 June 2006	(9 392)	(2 195)	-	-	-	(11 587)	(166)	-	(166)
Other (includes reclassifications, disposals & retirements)	-	275	-	-	-	275	-	-	-
Depreciation expense	(470)	(717)	(1 314)	-	-	(2 501)	(127)	(13)	(140)
Acquisitions through administrative restructure	(2 954)	(3 161)	(1 968)	-	-	(8 083)	(1 466)	(13)	(1 479)
Balance at 30 June 2007	(12 816)	(5 798)	(3 282)	-	-	(21 896)	(1 759)	(26)	(1 785)
Net Book Value at 30 June 2007	22 149	1 997	115 307	857	27	140 337	260	102	362
Net Book Value at 30 June 2006	21 648	763	-	-	47	22 458	159	-	159

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 22. Payables

	2007 \$'000	2006 \$'000
Current		
Creditors	10 570	2 950
Accrued expenses	824	128
Employment on-costs	1 668	485
Total current payables	13 062	3 563
Non-current		
Employment on-costs	1 324	399
Total non-current payables	1 324	399
Total payables	14 386	3 962
	2007 \$'000	2006 \$'000
Government / Non-Government Payables		
Payables to SA Government entities		
Creditors	4 246	1 241
Accrued expenses	-	128
Employment on-costs	2 992	884
Total payables to SA Government entities	7 238	2 253
Payables to non SA Government entities		
Creditors	6 324	1 709
Accrued expenses	824	-
Total payables to non SA Government entities	7 148	1 709
Total payables	14 386	3 962

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 to the amounts being payable on demand.

Note 23. Borrowings

	2007 \$'000	2006 \$'000
Current		
Loans from non SA Government	279	-
Total short-term borrowings	279	-
Non-current		
Loans from non SA Government	4 031	-
Total long-term borrowings	4 031	-
Total borrowings	4 310	-

Borrowings represent loans underwritten by the Department as guarantor to external organisations. Borrowings consist of two loans at fixed interest rates of 7.99% and 7.34% respectively. Both loans have a maturity date of June 2017.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 24. Employee Benefits

	2007 \$'000	2006 \$'000
Current		
Annual leave	5 818	1 895
Long service leave	1 924	765
Accrued salaries and wages	1 231	422
Total short-term employee benefits	8 973	3 082
Non-current		
Long service leave	13 852	4 171
Total long-term employee benefits	13 852	4 171
Total employee benefits	22 825	7 253

The total current and non-current employee expense (i.e. aggregate employee benefit plus related on costs) for 2006-07 is \$10.6 million and \$15.2 million respectively.

In the 2006-07 financial year, the long service leave benchmark has been revised from 7 years to 6.5 years based on an actuarial assessment.

Note 25. Provisions

	2007 \$'000	2006 \$'000
Current		
Provision for workers compensation	995	74
Total current provisions	995	74
Non-current		
Provision for workers compensation	2 656	200
Total non-current provisions	2 656	200
Total provisions	3 651	274
Carrying amount at the beginning of the period	274	295
Increase (decrease) in provisions recognised	3 377	(21)
Carrying amount at the end of the period	3 651	274

Note 26. Other Liabilities

	2007 \$'000	2006 \$'000
Current		
Unearned revenues	84	-
Total current other liabilities	84	-
Non-current		
Imprest Account	-	23
Total non-current other liabilities	-	23
Total other liabilities	84	23

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 27. Transferred Functions

As a result of operations of the Office of Public Employment being abolished, certain assets and liabilities transferred to the Department as at 1 October 2006. For financial accounting and reporting purposes, certain assets and liabilities transferred from DAIS to the Department as at 1 January 2007.

(a) Net assets transferred in

	Office of Public Employment \$'000	Dept of Administrative and Information Services \$'000	Total 2007 \$'000
Current assets			
Cash	(71)	6 780	6 709
Receivables	-	4 251	4 251
Inventories	-	56	56
Non-current assets			
Receivables	-	626	626
Property, plant and equipment	-	128 324	128 324
Intangibles	-	211	211
Total assets	(71)	140 248	140 177
Current liabilities			
Payables	96	7 337	7 433
Employee benefits	489	4 661	5 150
Provisions	11	939	950
Other liabilities	-	25	25
Non-current liabilities			
Payables	100	760	860
Borrowings	-	4 174	4 174
Employee benefits	1 049	7 989	9 038
Provisions	31	2 230	2 261
Total liabilities	1 776	28 115	29 891
Net assets transferred in	(1 847)	112 133	110 286
Total revenues from restructuring	(1 847)	112 133	110 286

(b) Income and expenses attributable to the Office of Public Employment for 2006-07 were:

	1 July 2006 – 30 September 2006* \$'000	1 October 2006 – 30 June 2007 \$'000	Total 2007 \$'000
Expenses			
Employee benefits	1 211	2 924	4 135
Supplies and services	434	1 607	2 041
Grants and subsidies	-	19	19
Other	23	-	23
Total expenses	1 668	4 550	6 218
Income			
Fees and charges	58	703	761
Commonwealth revenue	-	97	97
Grants and subsidies	-	45	45
Interest	-	3	3
Other	12	18	30
Total income	70	866	936
Revenues from SA Government			
Appropriation	1 500	4 168	5 668
Total revenues from SA Government	1 500	4 168	5 668
Net result	(98)	484	386

* Transactions incurred during 1 July to 30 September 2006 are reported by the Office of Public Employment, and do not form part of the Department's net result.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

(c) **Income and expenses attributable to business units transferred from the Department of Administrative and Information Services for 2006-07 were:**

	1 July 2006 – 31 December 2006*	1 January 2007 – 30 June 2007	Total 2007
	\$'000	\$'000	\$'000
Expenses			
Employee benefits	23 227	23 714	46 941
Supplies and services	16 657	21 692	38 349
Grants and subsidies	9 649	14 528	24 177
Finance costs	180	174	354
Depreciation and amortisation	1 588	1 563	3 151
Other	20	6 369	6 389
Total expenses	51 321	68 040	119 361
Income			
Fees and charges	11 897	11 193	23 090
Commonwealth revenue	109	299	408
Grants and subsidies	4 180	8 050	12 230
Interest	4	(3)	1
Other	393	624	1 017
Total income	16 583	20 163	36 746
Revenues from SA Government			
Appropriation	-	44 633	44 633
Total revenues from SA Government	-	44 633	44 633
Net result	(34 738)	(3 244)	(37 982)

* Transactions incurred during 1 July to 31 December 2006 are reported by DAIS, and do not form part of the Department's net result.

DAIS formerly reported appropriation income at a corporate level. DAIS Corporate was transferred to the Department of Treasury and Finance (DTF) effective 1 January 2007. Appropriation received during 1 July to 31 December 2006 cannot be reasonably allocated across the business units of the former DAIS. Therefore, all appropriation relating to the former DAIS received during this period will be reported by DTF.

Note 28. 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:

	2007 \$'000	2006 \$'000
Within one year	8 168	5 187
Later than one year but not longer than five years	14 220	9 123
Total remuneration commitments	22 388	14 310

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

Operating lease commitments

The Department as lessee

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

	2007 \$'000	2006 \$'000
Within one year	7 861	2 442
Later than one year but not longer than five years	17 570	6 199
Later than five years	7 679	1 541
Total operating lease commitments	33 110	10 182
Representing		
Non-cancellable operating leases	33 110	10 182
Total operating lease commitments	33 110	10 182

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

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 Transport, Energy and Infrastructure (DTEI). 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.
- Motor vehicle leases are non-cancellable, with rental payment monthly in arrears. No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- 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 \$6.2 million (\$3.1 million).

The Department as lessor

Leases receivable contracted for at the reporting date but not recognised as assets:

	2007	2006
	\$'000	\$'000
Within one year	393	-
Later than one year but not longer than five years	123	-
Later than five years	250	-
Total other commitments	766	-
Representing		
Non-cancellable operating leases	766	-
Total operating lease commitments	766	-

At the reporting date, the Department's operating leases as Lessor are for the lease of sporting facilities to various sports organisations. Sporting venues and office accommodation are leased to various sporting organisations. The leases are non-cancellable with terms ranging from 1 to 25 years with some leases having right of renewal.

Other commitments

	2007	2006
	\$'000	\$'000
Within one year	17 901	10 016
Later than one year but not longer than five years	5 754	9 931
Later than five years	13	-
Total other commitments	23 668	19 947

The Department's other commitments include:

- agreements for the provision of assistance to the Carnegie Mellon University for the operations of the University in Adelaide,
- construction of distribution networks from a Central Power Station to communities on the APY lands, and
- Community Recreation and Sporting Facilities Capital Grants to be paid by the Office for Recreation and Sport.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 29. Contingent Assets and Liabilities

Contingent Assets

Carnegie Mellon University

The South Australian Financing Authority has provided the Department guarantees as at 30 June 2007 for:

- Carnegie Mellon Entertainment Technology Centre Course Assurance Deed of Guarantee \$108,720;
- Entertainment Technology Centre Repayment Deed of Guarantee \$100,000; and
- Carnegie Mellon Heinz School Repayment Deed of Guarantee \$440,000.

The prospect of this indemnity / guarantee provision being invoked is considered by management as being extremely remote.

Contingent Liabilities

South Australian Netball Association (Office for Recreation and Sport)

In 1997 the Government entered into formal arrangements with the South Australian Netball Association (SANA), regarding the construction of a netball stadium at Mile End. The arrangements resulted in the SANA securing a loan of \$3.5 million from an external banking institution to be applied with Government funding toward the stadium construction. As part of the arrangement the Government underwrites the loan of the SANA. As such the Department is contingently liable for the outstanding balance of the loan of the SANA. At balance date the outstanding balance of the loan was \$1.8 million (2005-06: \$2.7 million). The Department was not required to make any contributions during the reporting period.

International Solar Cities Congress (Capital City Projects)

In 2007 the Department entered into an agreement with Plevin and Associates to organise and deliver to Adelaide an International Solar Cities Congress during February 2008. The contract between the Department and Plevin and Associates provides that the Department will cover any shortfalls in cost incurred by Plevin and Associates in the event the Congress does not secure 506 registrations, the predicted number of registrations needed to break even in terms of cost recovery. The contingent liability is estimated at \$150,000 and would become payable during 2008, however, it is considered highly unlikely that the applicable clauses in the agreement will become invoked.

Legal Proceedings (SafeWork)

The Department is involved in prosecuting breaches under the *Occupational Health, Safety and Welfare Act, Fair Work Act, Explosives Act and Dangerous Substance Act*. At balance date there were a number of matters (60 matters) before the courts and are yet to be resolved. In the event decisions are not awarded in the favour of the Department, the contingent liability is estimated to be \$300 000 for the court costs.

Alice Springs to Darwin Railway (Commercial Advice)

The AustralAsia Railway Corporation (the 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 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 honour 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 (Commercial Advice)

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 that 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.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Note 30. Cash Flow Reconciliation

	2007 \$'000	2006 \$'000
Reconciliation of cash and cash equivalents		
Cash and cash equivalents as recorded in the Cash Flow Statement	40 216	14 461
Cash and cash equivalents as recorded in the Balance Sheet	40 216	14 461
Reconciliation of net cash provided by (used in) operating activities to net cost of providing services		
Net cash provided by operating activities	19 105	1 431
Less revenues from SA Government	(225 903)	(149 491)
Add payments to SA Government	-	794
Add/less non cash items		
Depreciation of property, plant and equipment	(2 501)	(1 036)
Amortisation of intangibles	(140)	(112)
Net loss on disposal of assets	(26)	(54)
Net loss (gain) on restructuring	25 817	(1 771)
Prior year error correction	-	(7)
Impairment loss recognised	(6 350)	-
Resources received free of charge	800	284
Change in assets / liabilities		
Increase in receivables	5 064	422
Increase in inventories	78	-
(Increase) decrease in payables	(10 191)	773
(Increase) decrease in employee benefits	(15 572)	1 353
(Increase) decrease in provisions	(3 377)	21
Increase in borrowings	(4 177)	-
(Increase) decrease in other liabilities	(61)	434
Net cost of providing services	(217 434)	(146 959)

Note 31. Remuneration of Board and Committee Members

The Department has established a number of boards and committees where members receive or are entitled to receive remuneration for their membership. Members that were entitled to receive remuneration for membership during the 2006-07 financial year were:

Social Inclusion Board

D Cappo *
K Colbung *
R Thomas
B Wright
I Marshall
G Hugo
A Blair
B Cass
A McKenzie *
J Cass
M Butler
T Smith *
M Patetsos

Aboriginal Heritage Committee

R Dodd
S Dodd
M George
A Wilson
P Buckskin *
P Coulthard
M Turner *
D Brown
I Agius
L Casey
E McNamara
M Ah Chee
A Rigney
S Sparrow

Art for Public Places Committee

S Carson
R Andrews
N Cumpston
I Hamilton
M Edgecombe
N Folland
G Lee
H Lovelock-Deane
P Mortimer
M Murray
J Blyfield
D Kelly

Health Promotion Through the Arts Assessment Committee

J Clutterbuck
J Orchard
T Sexton
J Thomas

Contemporary Music Peer Assessment Panel

C Armstrong
T Coates
A Edwards
T Koch
B Lyon
P Murton
G Skuthorpe
J Power

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

**Advisory Council
Indigenous**

H Miller
L Casey
M Anderson
A Rigney
A Agius
L O'Brien
K Colbung *
D Walker

**Asbestos Advisory
Committee**

C Brown

**Established Artists &
International Peer
Assessment Panel** ⁽¹⁾

M Norman
J Boase
M Carroll
A Cook
K Coelho
P Curtin
L Ngatokorua
T Roppola

**Emerging Artists Peer
Assessment Panel** ⁽¹⁾

M Blackman
K Brooks
K Hales-McCarthur
M Kimber
J Louey
C Pompili
W Walker
D J Josh

**Industrial Relations
Advisory Committee**

M Butler
A Dennard
P Eblen
M Fisher
J Giles
W Hanson
N Kitchen
B McIntosh
M Patterson *
B Smedley
C Vincent
M Wright*

**Premier's Round Table
on Sustainability**

K Wells
M Eames
D Atkins
O Morozow
D Bilsborough
A Huang
A Stock
P Paton
Y Sneddon
M Oliphant
A Williams
T Woodward
N Vincent
M Young
J Tate

**Literature Peer
Assessment Panel**

K Brooks
P Curtin
R Hosking
J Thomas
S Williams

**Petroleum Products
Retail Outlets Board**

J Hamilton
C Jones
N Thredgold

**Festivals, Events & New
Commissions Peer
Assessment Panel** ⁽¹⁾

C Anthoney
D Alferink
C Cantlon
S Healy
R Hosking
N Hurcombe
T Wren

**SafeWork SA
Advisory Committee**

J Cavanough
J Davison *
D Farrell
D Frith
J Giles
M Heylen
M Howard
M O'Malley
M Patterson *
T Phillips
A Wood

**Organisations
Assessment Panel**

A Kohn
J Van Hakartano
E Green
P Walton
L Donnelley
S Chance
K Goldsworthy
D Longley
V Szekeres
S Wittington
C Kenneally
G Strahle
J Thompson

**Visual Arts, Craft and
Design Peer Assessment
Panel**

A Baker
A Bishop
K Coelho
D Jones
M Kimber
J Louey
M Norman
J Pieda
S Waters
T Wren

Remuneration Tribunal

H Bachmann
J Meeking
D Smythe

**Live Music Peer
Assessment Panel** ⁽¹⁾

M Bevan
M Colbung

State Records Council

M Anderson *
H Croucher
J Ellis
S Farrimond
M Feltus
S Froude *
R Green * (from 10 October
2006)
M Moore *
K Percival

**Boxing and Martial Arts
Advisory Committee**

R Soulio *
S McDonald
A Wong
T Ferrauto
J Leondaris
J Williams
J Cheesman
R Lee
D Casey

**Performing Arts Peer
Assessment Panel**

D Alferink
J Boase
M Carroll
A Cook
K Hales-McCarthur
N Hurcombe
A Peluso
C Pompili
T Roppola
A Steel
R Chew
L Sanderson
R Hervey

**Richard Llewellyn A & D
Trust**

N Lillicrapp
S Luke
R Petchell
A Stock
K Worth
C Wainwright
K Morgan
R Maurovic

Physical Activity Council

P Brooks
J Dry
P Hamilton
C Sanders
J Williams

**Privacy Committee of
South Australia**

G Mailes * (from 8 November
2006)
B Quirke *
N Rogers *
T Ryan *
A Stanley *
L Thomas

**Occupational Health, Safety
and Welfare Review
Committee**

W Cornish
J Bradshaw
A Gleeson
P Farmer
I Law
D Frith
J Halls
J Giles
K Edwards
S Sampson
J Cavanough
A Alcock
J Brownsea
B Smedley
M O'Malley
J Wilder

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.



	2007	2006
	No. of	No. of
	members	members
The numbers of members whose remuneration received or receivable falls within the following bands:		
\$0 - \$9 999	223	142
\$10 000 - \$19 999	4	7
Total numbers of members	227	149

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$237 000 (\$170 000)

Amounts paid to a superannuation plan for board/committee members was \$23 000 (\$14 000).

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

(1) These committees were disbanded on 31 March 2007.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

Note 32. Events After Balance Date

There were no events after balance date.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Administered Items

STATEMENT OF ADMINISTERED INCOME AND EXPENSES

For the Year Ended 30 June 2007

	Note Number	2007 \$'000	2006 \$'000
Income			
Revenues from SA Government		25 622	29 240
Revenues from Commonwealth		17 063	5 483
Revenues from fees and charges		2 138	-
Interest		2	656
Other income		139	202
Total income		44 964	35 581
Expenses			
Employee benefits	A3	5 251	614
Grants and subsidies	A4	12 559	12 728
Intra government transfers	A5	9 261	6 733
Supplies and services	A6	4 601	7 413
Total expenses		31 672	27 488
Operating surplus before restructure		13 292	8 093
Decrease in net assets due to administrative restructure	A8	(6 989)	-
Operating surplus after restructure		6 303	8 093

The operating surplus is attributable to SA Government as owner

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

STATEMENT OF ADMINISTERED ASSETS AND LIABILITIES

As at 30 June 2007

	Note Number	2007 \$'000	2006 \$'000
Current assets			
Cash		33 507	21 035
Receivables		9	52
Total current assets		33 516	21 087
Non-current assets			
Other		34	-
Total non-current assets		34	-
Total assets		33 550	21 087
Current liabilities			
Payables		6 865	2 284
Short-term employee benefits	A7	163	-
Accrued revenue		-	5 246
Total current liabilities		7 028	7 530
Non-current liabilities			
Long-term employee benefits	A7	148	-
Other		6 514	-
Total non-current liabilities		6 662	-
Total liabilities		13 690	7 530
Net assets		19 860	13 557
Equity			
Retained earnings		19 860	13 557
Total Equity	A8	19 860	13 557

The total equity is attributable to the SA Government as owner

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

STATEMENT OF CHANGES IN ADMINISTERED EQUITY

For the Year Ended 30 June 2007

	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2005	5 464	5 464
Net result after restructure for 2005-06	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
Net result after restructure for 2006-07	6 303	6 303
Total recognised income and expense for 2006-07	6 303	6 303
Balance at 30 June 2007	19 860	19 860

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

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

STATEMENT OF ADMINISTERED CASH FLOW

For the Year Ended 30 June 2007

	Note Number	2007 \$'000	2006 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		25 622	29 240
Receipts from Commonwealth		17 063	5 483
Fees and charges		2 138	-
Interest		55	606
Other income		95	876
Total cash inflows		44 973	36 205
Cash outflows			
Employee benefits		(4 942)	(616)
Grants and subsidies		(12 559)	(12 728)
Intra government transfers		(9 261)	(6 733)
Supplies and services		1 250	(6 369)
Total cash outflows		(25 512)	(26 446)
Net cash inflows from operating activities		19 461	9 759
Cash flows from financing activities			
Cash outflows			
Loss from restructuring		(6 989)	-
Total cash outflows		(6 989)	-
Net cash outflows from financing activities		(6 989)	-
Net increase in cash held		12 472	9 759
Cash at the beginning of the financial year		21 035	11 276
Cash at the end of the financial year		33 507	21 035

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

NOTES

A1. 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 Department's financial statements apply to both the departmental and Administered Financial Statements.

A2. Administered items

The following funds and financial transactions were administered by the Department as at 30 June 2007. They do not represent controlled transactions of the Department. As such, they are not recognised in the financial statements of the Department.

- *Special Act* payments
- Bank of Tokyo cultural and social exchange
- SA Okayama account
- Promotion of the State
- TVSP scheme
- Social Inclusion – Homelessness
- Social Inclusion – School retention action plan
- APY Lands
- Aboriginal Affairs administered
- Elizabeth City Centre
- Anzac Day Commemorative Fund
- Government Workers Rehabilitation Compensation Fund
- Recreation and Sport Fund
- Sport and Recreation Fund

A3. Employee benefits

	2007 \$'000	2006 \$'000
Salaries and wages	1 839	513
Long service leave	55	-
Annual leave	60	-
Employment on-costs – superannuation	238	76
Employments on-costs – other	96	25
Other employee related expenses	2 963	-
Total employee benefits	5 251	614

	2007	2006
Remuneration of employees		
The number of employees whose remuneration received or receivable falls within the following bands:		
\$250 000 - \$259 999	2	-
\$270 000 - \$279 999	-	1
\$290 000 - \$299 999	1	-
\$300 000 - \$309 999	1	-
\$310 000 - \$319 999	-	1
\$330 000 - \$339 999	2	-
\$350 000 - \$359 999	1	-
\$360 000 - \$369 999	2	-
\$370 000 - \$379 999	1	-
\$390 000 - \$399 999	1	-
Total number of employees	11	2

The table includes all employees who received remuneration of \$100 000 or more during the year paid by the State. This includes 10 administered employees transferred from the Department of Administrative and Information Services (DAIS). The total remuneration received by employees listed in the table above, for the year was \$3.64 million (\$0.59 million).

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

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

A4. Grants and subsidies

	2007	2006
	\$'000	\$'000
Grants paid to other SA Government departments	8 567	9 814
Grants paid to non SA Government departments	3 992	2 914
Total grants and subsidies	12 559	12 728

A5. Intra government transfers

	2007	2006
	\$'000	\$'000
Recoveries by controlled items	1 287	1 096
Resources provided free of charge	800	-
Other intra government transfers	7 174	5 637
Total intra government transfers	9 261	6 733

A6. Supplies and services

	2007	2006
	\$'000	\$'000
Special projects	-	2 303
Community infrastructure	3 116	437
Other supplies and services	1 485	4 673
Total supplies and services	4 601	7 413

A7. Employee benefits

	2007	2006
	\$'000	\$'000
Current		
Salaries and wages	87	-
Long service leave	29	-
Annual leave	27	-
Employment on-costs – Superannuation	11	-
Employments on-costs – Other	9	-
Total short-term employee benefits	163	-
Non-current		
Long service leave	135	-
Employment on-costs – Superannuation	5	-
Employments on-costs – Other	8	-
Total long-term employee benefits	148	-
Total employee benefits	311	-

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

A8. Transferred administered functions

As a result of a restructuring of administrative arrangements, the Department transferred assets of the State Emergency Relief Fund to the Department for Families and Communities as at 1 December 2006.

For financial accounting and reporting purposes, certain assets and liabilities transferred from the Department of Administrative and Information Services (DAIS) to the Department as at 1 January 2007. The administered functions transferred to the Department include:

- *Special Act* salary payments
- Government Workers Rehabilitation Compensation Fund
- Recreation and Sport Fund
- Sport and Recreation Fund

(a) Net assets transferred in

	Department of Administrative and Information Services \$'000	Total 2007 \$'000
<i>Current assets</i>		
Cash	1 621	1 621
Receivables	26	26
<i>Non-current assets</i>		
Other	86	86
Total assets	1 733	1 733
<i>Current liabilities</i>		
Payables	2 539	2 539
Short-term employee benefits	163	163
<i>Non-current liabilities</i>		
Long-term employee benefits	140	140
Other	5 762	5 762
Total liabilities	8 604	8 604
Net assets transferred in	(6 871)	(6 871)

(b) Net assets transferred out

	State Emergency Relief Fund \$'000	Total 2007 \$'000
<i>Current assets</i>		
Cash	118	118
Total assets	118	118
Net assets transferred out	118	118
Total expenses from restructuring		(6 989)

(c) Net expenses attributable to administered items transferred from the Department of Administrative and Information Services for 2006-07 were:

	1 July 2006 – 31 December 2006* \$'000	1 January 2007 – 30 June 2007 \$'000	2007 Total \$'000
<i>Revenue</i>			
Revenues from SA Government	2 253	5 004	7 257
Other	1 686	2 116	3 802
Total revenue	3 939	7 120	11 059
<i>Expenses</i>			
Employee benefits	1 866	4 801	6 667
Supplies and services	26	3 428	3 454
Total expenses	1 892	8 229	10 121
Net result	2 047	(1 109)	938

* Transactions incurred during 1 July to 31 December 2006 are reported by DAIS, and do not form part of the Department's administered operating surplus.

The 2006-07 result includes transactions associated with the transfer of business units from the Department of Administrative and Information Services for the period 1 January 2007 to 30 June 2007. Analysis of variations between 2006-07 and 2005-06 should be made within this context.

Certification of the Financial Report

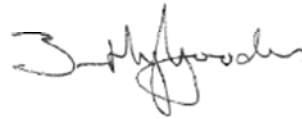
We certify that:

- 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 2007, 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

14 / 9 / 2007



Tim Goodes
Executive Director
Services

13 / 09 / 2007



Government of South Australia
Auditor-General's Department

Our Ref: A07/166

28 September 2007

Mr W McCann
Chief Executive officer
Department of the Premier and Cabinet
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Dear Mr McCann

The audit of the Department of the Premier and Cabinet for the year ended 30 June 2007 has been completed.

Issues arising from the audit had been communicated to you in letters dated 8 August 2007 and 20 August 2007. Satisfactory responses have been received.

The co-operation and support extended to the audit team was appreciated.

Returned herewith are the Department's financial statements together with my Independent Auditor's Report.

Yours sincerely

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

S O'Neill
AUDITOR-GENERAL

enc.

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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To The Chief Executive Department of the Premier and Cabinet

As required by section 31 of the *Public Finance and Audit Act 1987*, I have audited the accompanying financial report of the Department of the Premier and Cabinet for the financial year ended 30 June 2007. The financial report comprises:

- An Income Statement;
- A Balance Sheet;
- A Cash Flow Statement;
- A Statement of Changes in Equity;
- A Program Schedule of Income and Expenses;
- A Summary of significant accounting policies and other explanatory notes;
- A Statement of Administered Income and Expenses;
- A Statement of Administered Assets and Liabilities;
- A Statement of Administered Cash Flows;
- A Statement of Changes in Administered Equity;
- A Summary of significant accounting policies and other explanatory notes for Administered Items;
- A Certificate by the Chief Executive and the Executive Director, Services.

The Responsibility of the Chief Executive for the Financial Report


The Chief Executive is responsible for the preparation and fair presentation of the financial report in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing Standards. The Auditing Standards require that the auditor complies with relevant ethical requirements relating to audit engagements and plans and performs the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as the overall presentation of the financial report.

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



Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Department of the Premier and Cabinet as at 30 June 2007, and its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards (including the Australian Accounting Interpretations).



S O'Neill
AUDITOR-GENERAL
28 September 2007

Corporate Reporting

Facilitating Executive Government

Cabinet Office's system for managing Cabinet Submissions, obtaining agency comments, distributing Cabinet papers and recording Cabinet decisions is largely manual and paper based.

A new electronic on-line system is currently being developed, which will modernise Cabinet Office processes, making them more efficient and sustainable over the longer term. The new system, due to be completed in 2007-08, will allow for electronic lodgement of submissions and comments, which in turn will improve the scope for more timely and thorough consideration of proposals to Cabinet.

Council for the Australian Federation

The Council for the Australian Federation (CAF) was formed in 2006 to improve the way the States and Territories deliver the main services that affect Australians' daily lives - public education, health and hospitals, police services and emergency management, urban and rural development, the environment, water, transportation, infrastructure and services, and cultural and recreational amenities. CAF consists of Premiers and Chief Ministers from all Australian States and Territories, and is currently chaired by the South Australian Premier Mike Rann, who was a key player in getting CAF underway.

The objectives of the Council are to:

- provide leadership on and promote innovative solutions to matters important to Australians
- promote constructive engagement with the Commonwealth Government and Parliament on matters of national interest
- promote and communicate to the Australian people the benefits of Australia's federal system in providing diversity of policy options
- complement the work of COAG and facilitate COAG-based agreements with the Commonwealth by working towards a common position among the States and Territories
- reach collaborative agreements on cross-jurisdictional issues where a Commonwealth imprimatur is unnecessary or has not been forthcoming.

At the second CAF, held on 9 February 2007, Premiers and Chief Ministers signed a Declaration on Climate Change, and considered the important issues of the National Reform Agenda, water reform, health and emissions trading.

Major Visits and Events

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

- 20th Anniversary of the Sister State Relationship with the Shandong Province, 18 - 20 July 2006
- Visit by His Excellency Mr Robert D McCallum, US Ambassador, 14 - 16 September 2006
- Memorial for Maurice de Rohan, Agent General in London, 14 November 2006
- Clipsal500 V8 Car Race, State Suite and State Dinner, 1 - 4 March 2007
- World Police and Fire Games, 16-25 March 2007
- Premier's ANZAC Spirit School Prize and tour of Western Front, 11 - 27 April 2007
- Visit by the Prime Minister of Greece, 24 May 2007

Disability Action Plan

The department's *Disability Action Plan 2007-2009* was approved for implementation in May 2007, and has been incorporated into the department's corporate planning process.

To ensure accessibility to its services, DPC conducted further assessments of office and public institution buildings, and received funding for building upgrades, including disability access, for some Arts locations. Several DPC business units including Arts SA, Office for Recreation and Sport, SafeWork SA, Office of the Executive Committee of Cabinet, and State Records of South Australia delivered services and programs targeted to people with disabilities.

Eleven staff responsible for website administration and development attended workshops on accessible web design.

A Disability Awareness training program was developed to provide a foundation awareness of legal obligations and how staff could improve their interactions with people with a disability. More than 20% of staff had participated in Disability Awareness training by 30 June 2007.

DPC business units continued to consult with disability stakeholders and peak representative groups to identify issues and solutions related to service delivery and the employment of people with disabilities.

Further details are provided in DPC's response to the Department for Families and Communities' *Promoting Independence Disability Action Plans for South Australia*.

Customer Service

DPC has lead responsibility for SASP Target 1.7, which aims to increase the satisfaction of South Australians with government services. The Public Sector Workforce Division is developing an implementation plan for the target across government.

Services Division is co-ordinating the DPC contribution to the target, including revision of the DPC Customer Service Charter, and revision of existing surveys to include Cabinet endorsed customer satisfaction measures.

DPC does not yet have a system to collect data on the percentage positions with customer service reflected in the job and person specifications.

Advancing Reconciliation

The South Australian Government's commitment to Reconciliation is reaffirmed in South Australia's Strategic Plan, which serves as the over-riding expression of the Government's and community's longer term priorities for the State. The updated version, released in 2007, gives greater profile to Aboriginal issues through the inclusion of specific targets for improvement in several areas, and through the presentation of data in a range of areas that can be disaggregated to show the differences in the quality of life between Aboriginal and non-Aboriginal people in this State.

DPC established its inaugural Reconciliation and Cultural Inclusion Committee this year and prepared a Reconciliation Action Plan which signals the portfolio's commitment to Reconciliation, underpinned by its principles and those of the Cultural Inclusion and Social Inclusion frameworks. The Reconciliation Action Plan contains valuable strategies to address the gap in the life expectancy of Aboriginal South Australians. The four key result areas reflect DPC's responsibilities as a leader in cross-government initiatives, as an 'employer of choice' for Aboriginal people, a responsible service provider and a good corporate citizen.

Reconciliation Week 2007 was celebrated with a variety of activities, which presented opportunities for cultural awareness education. These events attracted high levels of employee participation, whilst celebrating Aboriginal culture and achievements. The inaugural Reconciliation e-newsletter Reconciliation Connection was released which provides an important learning tool, highlighting good Reconciliation practice. The State flag, Aboriginal flag and Torres Strait Islander flag have been installed in the State Administration Centre foyer. Minister Weatherill noted that this installation goes beyond symbolism, it reminds us of our responsibility to Reconciliation in decision-making processes. The Reconciliation and Cultural Inclusion Committee, reporting to the Senior Management Group, will lead and oversee implementation of strategies in the Reconciliation Action Plan.

Overseas Travel

No. of Employees	Destination(s)	Reasons for Travel	Total Cost to Agency
1	Norfolk Virginia, Washington, USA	Accompany the Deputy Premier on defence-related meetings in the USA.	\$18,017.46
1	Toronto, Canada	Host the First IALI Conference in North and present keynote speech, chair workshop and participate in the Opening and Closing Ceremonies of the conference on behalf of IALI. Chair an IALI Executive Committee meeting. Participate in an ILO workshop on behalf of IALI. Participate in Health and Safety Canada 2007.	None (airfare and accommodation paid by hosts)
1	Paris, France	Attend the International Group of Unstable Substances meeting and the Eighth International Conference of the Chief Inspectors of Explosives.	\$4,800.00
1	UK, France	Lead tour group for Premier's Spirit of ANZAC Prize.	\$33,715.99
1	New Zealand	Sustainability Commissioners meeting on behalf of the Premier's Round Table on Sustainability and <i>Advancing Environmental Sustainability</i> conference.	\$2,283.24
1	London	Cambridge University Prince of Wales' Business Environment program.	\$4,209.15
1	Wales	International Ecological Footprint Conference.	\$4,143.23
1	Scotland, London and, Germany	Attend 3 conferences on greenhouse sustainability and climate change (part payment only).	\$1,562.39
1	United Kingdom	Research best practice Mental Health in United Kingdom to inform recommendations to Government. Meetings in London, Birmingham and Monaghan, Ireland.	\$11,781.86
1	United States of America	Invitation from Carter Center, to review best practices in USA, inform recommendations on homelessness, Mental Health, Juvenile Justice and Family Justice. Meetings in Atlanta, Georgia – Mental Health and Homelessness and New York – Juvenile Justice, Mental Health and Homelessness.	\$10,525.88
2	Shandong, China and Hong Kong	Marketing and recruitment visit with Carnegie Mellon University, Australia.	\$8,126.00
1	London; Pittsburgh, USA	Meet with Deputy Agent General re Cranfield University and University College of London. Part of negotiation team to secure Agreement for SEI Australia, Adelaide.	\$13,204.00
1	New Delhi, Dubai, Kuwait, Saudi Arabia	Follow up on Indian contacts and MoU. Marketing and recruitment focused visit to India/Gulf States.	\$7,200.00
1	Zagreb, Croatia and Espinho Portugal	Provide performance analysis support to the Australian Beach Volleyball team.	\$3,439.38
1	Norway Poland France and Canada	Head Coach of the Australian U 19 Men and Women Beach Volleyball team and performance analyst and assistant coach with the National Senior Women's team.	\$5,942.20
1	China	2007 International Beach Volleyball World Tour in Shanghai - specialist Tactical Coach for the Australian Beach Volleyball Team	\$1,371.28
1	China	Provide performance analysis support to the Australian Beach Volleyball Team for the World Tour in Shanghai.	\$1,146.46
1	China	Provide psychological support to the Australian Beach Volleyball Team for the world tour in Shanghai.	\$1,462.94
1	China	Provide Strength and Conditioning support to the Australian Beach Volleyball Team on the World Tour in Shanghai.	\$1,146.46
1	Barcelona/Spain/Madrid	Attend Board of Directors Meeting International Association of High Performance Sports Training Centres.	\$2,0651.59
1	Dubai	Represented SA at the 31st Asian Racing Conference.	\$13,385.00



Urban Design Charter

The Office for Recreation and Sport actively provides comment on land use plans and proposals within South Australia. Through these mechanisms the ORS advocates urban design principles that support increased participation in sport, active recreation and physical activity.

Regional Impact Assessment Statements

DPC was not required to lodge any Regional Impact Assessment Statements with the Office of Regional Affairs in 2006-07.

However, Cabinet does require all Cabinet submissions to consider the regional impact of all proposals, particularly were the recommendations:

- directly impact on a region or regions (for example, where changes in the way services are provided affects the ability of people in particular regions to access those services)
- indirectly impact on a region or regions (for example, where a reduction in services leads to fewer people coming into a regional town causing a reduction in retail business)
- affect or relate to regional issues
- treat or affect regional and metropolitan areas differently.

The Cabinet Office monitors this requirement and provides advice to agencies in the preparation of their statements.

In addition community 'check-ins' with regional areas occurred in late 2006, to relay the results of the consultations that occurred during April-June 2006 and to discuss the release of South Australia's Strategic Plan.

One of the recommendations of the update of the Plan was to establish a Community Engagement Board as an advisory body to the Executive Committee of Cabinet, to act as a conduit for community views on the Plan and its implementation. Another recommendation was to regionalise the Plan through the development of regional 'sub-plans'. This process began in 2006-07 and will continue through 2007-08.

Community Cabinet meetings also give people living in the regions the opportunity to meet with Ministers and Chief Executives of government departments and to raise any issues affecting their region.

Consultants

Consultant	Purpose of Consultancy
Less than \$10,000	
Total of 34	Various
Sub Total \$111,038	
\$10,000 - \$50,000	
Lindsay Holmes & Assoc Pty Ltd	Work with Nexus Multicultural Arts Centre on strategic planning and strengthening of management and financial systems.
Bracton Consulting Service	Review SA Workers Compensation Scheme.
R Haggerty	SA aspiration to lead the nation in innovative housing solutions for homeless people.
KPMG	Additional review of protocol unit.
Lizard Drinking	ICT Strategic Plan Development.
Geoffrey Mulgan	Guidance on models and processes for Government and social innovation and future research directions for the state.
DR Mutton	Special advisor to the Premier on East Timorese matters.
Prospect Marketing UCL	Market feasibility study.
Scarce Group	Carnegie Mellon SEI project by Kevin Scarce.
S Schneider	Working on climate change across Government.
Moss Alan	Shop Trading Hours Review.
John WH Price	Investigation into explosion at Gladstone 9/5/06.
Monash University	Provide expert advice and report for the Gladstone explosives investigation.
Sub Total \$302,615	
Above \$50,000	
Ernst & Young	Feasibility study into options available for a possible remount of the Ring Cycle.
Fraser Mustard	Early learning from birth to eight.
Ilna Kickbusch	Strengthen South Australia's capability in working across government, business & community sectors to achieve strategic inter-related objectives on health, prosperity and wellbeing.
Armstrong Muller Consulting	Services in relation to the preparation of the SA Bush Foods report 2007.
Price Waterhouse	Department of Treasury and Finance WorkCover Scheme Review.
Jeffrey Tryens	Implementing the recommendations emerging from the update of SA's strategic plan.
Adelaide Research & Innovation Pty Ltd	Ongoing technical advice contract for OHS major hazards & dangerous occurrences.
Sub Total \$525,198	
Total \$938,851	

Asbestos Management

DPC: ANNUAL ASBESTOS MANAGEMENT REPORT, 2006-07 (ArtsSA and Office of Recreation and Sport)				
Category	Number of Sites		Category Description	Interpretation
	At start of year	At end of year		
1	0	0	Remove	Should be removed promptly.
2	2	2	Remove as soon as practicable	Should be scheduled for removal at a practicable time.
3	1	1	Use care during maintenance	May need removal during maintenance works.
4	12	12	Monitor condition	Has asbestos present. Inspect according to legislation and policy.
5	0	0	No asbestos identified / identified asbestos has been removed	(All asbestos identified as per OHS&W 4.2.10(1) has been removed.)
6	0	0	Further information required	(These sites not yet categorised.)

Definitions:

Category: The site performance score, determined by the lowest item performance score at each site.

Number of Sites in Category: A count of how many sites have the corresponding site performance score, with separate counts done at the start and the end of each year.

Category Description: Indicates the recommended action corresponding to the lowest item performance score (recorded in the asbestos register by a competent person, as per OHS & W Regulations (SA) 1995, 4.2.10).

Interpretation: A brief real-world example of what each category implies for a site.

Energy Efficiency

On 1 January 2007, a number of divisions of the former Department for Administrative and Information Services were transferred to the Department of the Premier and Cabinet, including the Office for Recreation and Sport, State Records and SafeWork SA, substantial energy users. A significant effort was required to understand their operations to identify the major energy usage and to bring the baseline and intervening year data onto the department's baseline.

Following the revision of South Australia's Strategic Plan in January 2007, Target 3.13 for an energy use reduction of 25% changed to an energy efficiency improvement of 25%. As a result, a range of business measures were sought to assess the changes in energy efficiency across the portfolio.

The baseline measure adopted for tenant light and power energy use was floor area. For public buildings, such as the Art Gallery, floor area and annual visitor numbers were adopted. No business measure was adopted for the sporting facilities, however, investigations for a suitable measure will be undertaken in 2007-08. The business measures adopted are shown in Table 1.

Comparisons with 2000-01 baseline

Overall energy use has reduced from the 2000-01 baseline by 8%. Excluding the sporting stadiums, the energy use has declined by 10%. See Table 1 for a detailed breakdown of energy use and efficiency for the portfolio for 2000-01 and 2006-07.

Energy efficiency over the period has improved substantially in the Arts areas. The best examples are the 66% improvement in energy use per visitor in the State Library from 61MJ/visitor in 2000-01 to 21 MJ/visitor in 2006-07. This is attributable to both a significant decrease in energy use following the renovations in 2001 and a significant increase in visitors.

The Art Gallery has also improved from 41 MJ/visitor in 2000-01 to 26 MJ/visitor in 2006-07, a 35% increase in energy efficiency.

Improvements in energy efficiency in the leased offices were achieved with a reduction in the DPC Central Offices from 269 MJ/m² to 222 MJ/ m², and in the DPC Operational Units from 345MJ/ m² to 228MJ/ m². These were largely due to the consolidation of office space across the central business district.

Energy Use Change over 12 months

Overall energy use for 2006-07 is 1% above 2005-06, although there were significant variations across the portfolio:

- Energy use for the DPC Central Offices was down 13%. This largely is attributed to the consolidation of several offices across the CBD into the State Administration Centre.
- The energy use at the State Library was down by 12% on the same time in 2005-06 while the SA Museum was up by 9%.
- The energy use at the Adelaide Festival Centre was up by 8% which is attributed to the increase in performances and patronage as a result of the marketing and programming strategy introduced in 2006.
- The energy use in the sporting stadiums, including Hindmarsh Soccer Stadium, the Superdrome and SANTOS Athletics Stadium was up by 72% which is attributed to increased use of these facilities over the year.

Achievements

In May 2007 the Shaw Method of Air-conditioning, installed in the West Wing of the Art Gallery of SA in 2004-05, was awarded the Facilities Management Association of Australia Award for Excellence in Environmental Achievement. This system saved 23% of energy consumption compared to the previous system.

In the 2007-08 Budget, funding of \$2.5 million was provided for an air-conditioning and lighting upgrade in the Elder and Melrose Wings of the Art Gallery. This is expected to lead to a significant improvement in energy efficiency by 2011. To complement this project, an electricity monitoring project was commenced to track changes in energy use over the different seasons.

An energy demand project was undertaken at the State Library. Sponsored by ETSA Utilities, it is expected to result in a project to reduce energy demand at the State Library and its precinct. Energy efficiency requirements were included in the tender for redevelopment of the Dunstan Playhouse at the Adelaide Festival Centre. DPC also commenced rationalisation of office accommodation in the CBD to reduce its accommodation footprint, with several smaller units being brought into the State Administration Centre. Refurbishments were undertaken in this location to more closely meet the required standards of area per staff member and to improve the energy efficiency for lighting.

DPC Energy Use, Efficiency and Greenhouse Gas Emissions (2000-01 and 2006-07)

	Classification	Energy Use (GJ)	GHG Emissions (tonnes) **	Business Measures	Energy Efficiency
Base Year 2000-01 *					
Central Offices (includes State Administration Centre; and 50 Pirie Street)	Tenants light and power	2 516	518	9 357 m ²	269 MJ/ m ²
Operational Units State Records; SafeWork SA; Office for Recreation and Sport; IRCC; GPSA; Sporting facilities	Tenants light and power	3 937	812	11 420 m ²	345 MJ/ m ²
	Other buildings	2 250	448	7 810 m ²	288 MJ/ m ²
	Other uses (Sporting facilities)	2 921	551	To be identified	To be identified
Arts SA (includes Art Gallery; Artlab; Arts SA; Carrick Hill; Plain Central Services; SA Museum; State Library)	Office Buildings – Combined Services	2 912	600	5 713 m ²	510 MJ/ m ²
	Public Buildings	58 412	9 170	68 558 m ² 1 845 000 visitors	852 MJ/ m ² 32 MJ/visitor
	Other Buildings	893	184	2 000 m ²	447 MJ/ m ²
Arts SA Statutory Authorities (includes Adelaide Festival Centre Trust, Country Arts)	Office Buildings – Combined Services	1 450	281	4 302 m ²	337 MJ/ m ²
	Public Buildings	31 697	4 942	70 646 m ² 771 700 visitors	449 MJ/ m ² 41 MJ/visitor
History Trust (includes Motor Museum; Maritime Museum; Migration Museum)	Public Buildings	3 427	703	14 924 m ² 279 400 visitors	230 MJ/ m ² 12 MJ/visitor
Portfolio Total		110 415	22 526		
2006-07 *					
Central Offices (includes State Administration Centre; and 50 Pirie Street)	Tenants light and power	1 697	430	7 283 m ²	233 MJ/ m ²
Operational Units State Records; SafeWork SA; Office for Recreation and Sport; IRCC; GPSA; Sporting facilities	Tenants light and power	3 227	775	14 144 m ²	228 MJ/ m ²
	Other Buildings	3 290	779	10 986 m ²	299 MJ/ m ²
	Other Uses (Sporting facilities)	4 247	962	To be identified	To be identified
Arts SA (includes Art Gallery; Artlab; Arts SA; Carrick Hill; Plain Central Services; SA Museum; State Library)	Office Buildings – Combined Services	2 048	522	5 713 m ²	359 MJ/ m ²
	Public Buildings	47 629	8 685	73 096 m ² 3 140 800 visitors	652 MJ/ m ² 15 MJ/visitor
	Other Buildings	906	231	2 000 m ²	453 MJ/ m ²
Arts SA Statutory Authorities (includes Adelaide Festival Centre Trust, Country Arts)	Office Buildings – Combined Services	949	234	4 302 m ²	221 MJ/ m ²
	Public Buildings	34 566	6374	70 646 m ² 743 419 visitors	489 MJ/ m ² 46 MJ/visitor
History Trust (includes Motor Museum; Maritime Museum; Migration Museum)	Public Buildings	2 938	698	14 924 m ² 294 000 visitors	197 MJ/ m ² 10 MJ/visitor
Portfolio Total		101 497	19 690		

* Baseline modified in 2006-07 to reflect changes resulting from the addition of a number of business units arising from the break up of the Department for Administrative and Information Services on 31 December 2006.

** Greenhouse Gas estimates have changed since 2005-06 due to changes in calculation factors used by OSCAR, the national database managed by the Australian Greenhouse Office.

Greening of Government Operations (GoGO)

The department met all the strategic milestones due by 30 June 2007 that were set by Cabinet for the GoGO Action Plan.

Milestone 1 – Establish CE Commitment to GoGO Framework

This milestone was reached in 2005-06.

Milestones 2 – 5: Allocation of Internal Resources and Establishing a Plan and Targets

In March 2007 the department established a Sustainability and Greenhouse Gas Reduction Task Group, including all divisions within the expanded department, to renew efforts to reduce its environmental impact.

A *DPC Sustainability and Greenhouse Gas Reduction Action Plan 2007-2009* was developed with targets and actions areas reflecting the Greening of Government Operations Framework and priorities in South Australia's Strategic Plan. The plan's five priority areas are:

- Energy and Greenhouse Gas Emissions Management for Buildings, Facilities and Equipment
- Greenhouse Gas Emissions Management for Transport
- Water Management
- Waste Reduction
- Energy and Greenhouse Gas Emissions Management for Business Practices.

Launched in June, the plan set performance goals for reducing water and paper use, and waste to landfill, and for increasing personal and business uptake of sustainable travel. The equivalent of 0.8 FTE staff resource was allocated to co-ordinate, support and monitor the actions in the plan.

Milestone 6: Report on Progress

A sustainability stocktake survey in May 2007, showed a high level of commitment to implementing sustainability initiatives across DPC - 96% of DPC sites recycled printer cartridges; 70% of staff have LCD computer screens; 95% of sites had some form of paper recycling in place; and 20% of sites (including three sports stadiums) recycled food waste.

A good example of commitment was the collection of 13 kg of mobile phones and accessories through the Mobile Muster program at Arts SA.

Key Measures

Paper use

Paper purchased from the major paper suppliers for standard office use within the department for local printing and photocopying was:

- DPC Central Offices – 4 070 reams at an estimated cost of \$22 600
- Arts SA Central – 1 210 reams at an estimated cost of \$5 500
- DPC Operational Units* - 9 720 reams at an estimated cost of \$55 400.

* Includes SafeWork SA, Office for Recreation and Sport, Office for Racing and Public Sector Workforce Division.

In addition, Government Publishing SA, which provides print services for Parliament and government agencies, purchased 24 157 reams at an estimated cost of \$107 700.

Water use

Due to difficulties in sourcing accurate data in 2006-07, estimates only are available for water use in parts of the department. Actions to address this issue are in the departmental *Sustainability and Greenhouse Gas Reduction Action Plan 2007-2009*.

Estimated water use for office buildings based on a water consumption intensity of 0.7kL/m² per annum (as advised by the Office of Sustainability and Climate Change) is 15.0 ML per annum for the offices in the CBD and at 1 Richmond Road. This is based on office space of 21 427 m² as at 30 June 2007.

Water use in a range of Arts SA and related entity sites was 49.8 ML in 2006-07, at a cost of \$89 924. The sites included the Lion Arts Centre, State Library of South Australia, PLAIN Central Services, SA Museum, Art Gallery of South Australia, SA Maritime Museum, Port Dock Railway Museum, Carrick Hill and the Birdwood Motor Museum.

An example of developing an effective water conservation plan is occurred at Carrick Hill. It commenced securing its highly regarded gardens for the future by improving water use efficiency through landscape design, plant type selection, irrigation practices and capturing 2 ML of water from runoff in a converted pond.

Freedom of Information

Information Statement

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

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 on pages 35 - 37 of this Annual Report.

DPC's functions and 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.

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.

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 functions of the department's divisions
- 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 Office
Department of the Premier and Cabinet
GPO Box 2343
SOUTH AUSTRALIA SA 5001

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

Freedom of Information Applications

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 2006-07 the department received 150 applications in accordance with the Act including 60 applications received by SafeWork SA after its transfer to DPC (1 October 2006). The majority of (FOI) applications are received from the media and Members of Parliament.

Agent General's Report

The Office of the Agent General (London) has gone through significant internal change during 2006-07, primarily because of the unfortunate death of the former Agent General Maurice de Rohan, AO OBE in October 2006. Mr de Rohan, who was Agent General for eight years and a highly respected former businessman, was the Premier's nominee for Governor-elect to replace Her Excellency Marjorie Jackson-Nelson, AC, CVO, MBE but unfortunately was never able to take up this role.

Prior to his death Mr de Rohan had begun a comprehensive review of the London office's direction and had developed specific new goals. Following my appointment, in March 2007, I continued this refinement and the office now focuses on key migration, wine, education, defence and minerals portfolios – while continuing to support the State's tourism goals – and other important areas consistent with *South Australia's Strategic Plan*. 'Opportunistic' initiatives and support to inward and out-bound trade and investment missions are also a focus.

The concerted migration focus has continued to produce good results with the United Kingdom supplying the bulk all new settlers to the State, including more than 45%* (2005-06) of the highly valued 'skilled stream' settlers. (*NB: final data for 2006-07 was not available at the time of writing.)

In 2006-07, the office attended 9 designated trade exhibitions, 13 seminars in England, Scotland, Ireland and the Netherlands, maintained key industry partnerships and led five SAPOL examinations involving about 260 candidates during May. This successful SAPOL recruitment eventually led to the employment of 135 British police in South Australia. In addition to police, the State Government also sourced nurses and other medical staff from the UK.

In June 2007, a major promotion during the Tour de France targeted British, French and Belgium markets, pitching South Australia as a premium destination for 'migrants, tourists and foreign students'. A specifically designed on-line campaign captured valuable data from more than 4000 consumers, which has provided an important base of prospective targets.

As at 30 June 2007, the UK had retained its position as Australia's number one wine export

market in both volume and value. South Australian wine exports accounted for about 60% of the total with an estimated value of more than A\$561 million. Direct support for this important market included six trade and consumer events with partners including Wine Australia (London), the South Australian Wine Industry Association and the Clare Valley Winemakers Association. While the German and Scandinavian markets continue to provide strong value growth for South Australian producers, it is Russia which offers one of the more curious opportunities. In October 2006, at the invitation of the Russian Union of Grapegrowers and Winemakers, the Office of the Agent General led a technical mission to southern Russia. The resultant report led to a visit by a four-member Russian buying group to Adelaide in March 2007. Australian wine sales to Russia have responded positively and in June 2007 the profile was further boosted with Penfolds Chief Winemaker Peter Gago – on his first trip to Russia – presenting two state-sponsored Grange tasting events in Moscow.

The Education Portfolio continues to realise positive benefits. Specialist UK institution Cranfield University delivered two executive education courses in Adelaide in March and April and has now established a small business development office in the City. Six months' of London-based negotiations culminated in the Premier visiting University College London in May and in June (during a UCL visit to Adelaide) the State signed a Terms Sheet which may lead to UCL establishing its first overseas branch campus in Adelaide. London also negotiated four Bolashak scholarship contracts (on behalf of the South Australian universities) with the Kazakhstan Government, paving the way for an initial cohort of 18 students to begin studying in Adelaide this year. The deal is worth more than \$1m per annum in tuition and has the potential to expand.

In addition, South Australia's Defence Industry credentials were reinforced. Ultra Electronics agreed to establish its Australian head office in Adelaide and almost 20 other companies participated in a mission to Adelaide in November. The Office also supported a range of Senior Governmental visits, delegations, small South Australian companies and provided market analysis and intelligence.

Bill Muirhead
Agent General for South Australia (London)

National Competition

Competition Commissioner's Annual Report

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 2006-07 is presented as part of the Annual Report of the Department of the Premier and Cabinet.

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

Regulation 18 of the Public Sector Management Regulations 1995 lists the information that the annual report must contain. Some of the information required is not relevant to an individual person appointed to undertake specific investigations as required. 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.

There were no competitive neutrality complaints referred for investigation in 2006-07.

John Carey
Competition Commission

National Competition Secretariat

A secretariat to handle all competitive neutrality complaints is located in Cabinet Office of the department. The secretariat advises the public and private sectors on the complaints mechanism. The framework for consideration of competitive neutrality complaints is provided by principles 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 assesses whether it is *prima facie* within the scope of the Act. The complaint is next referred to the agency that is the subject of the complaint for internal investigation and response. If the complaint cannot be resolved by agreement, the Premier may refer it to the Competition Commissioner appointed under the Act for investigation and report.

The following information is provided in accordance with a 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.

The Competitive Neutrality Complaints secretariat has received a formal complaint against the Institute of Medical and Veterinary Sciences. The secretariat has referred the complaint to the Department of Health and the Institute of Medical and Veterinary Sciences for investigation.

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>.

Appendices

Appendix A: SafeWork SA Advisory Committee Annual Report

Message from the Presiding Officer

The 2006-07 financial year has been a challenging one for the SafeWork SA Advisory Committee in its efforts to promote safe, fair and productive working lives in South Australia. The State's Strategic Plan has a target of reducing injuries by 40% by 2012. It remains my goal to better this target and make South Australia the leader in safety. The Advisory Committee has implemented a number of initiatives in 2006-07 to help South Australia achieve this goal. The initiatives endorsed by the Committee are aimed at getting people to think safety '24/7'.

In August 2006, the Committee endorsed the Industry Improvement Programme. This is designed to engage employers in priority high-risk industries and gain their commitment to help reduce workplace injuries. It is one of many initiatives we have implemented to achieve our target and further highlights the collaborative working relationship that has been forged between SafeWork SA and WorkCover for the benefit of all South Australians.

Last year, I reported that the Advisory Committee was examining the possibility of a media campaign to promote safety in the workplace and the community. With the assistance of the Communications Committee, the Advisory Committee endorsed a campaign, which the Government's Strategic Communications Unit approved in June 2007. The 'Look After Your Workmates' campaign carries a simple, positive message that will go a long way towards keeping workplaces safer, if people turn its message into action.

Another initiative undertaken by the Advisory Committee is the establishment of a grants programme with two streams: OHSW Commissioned Research and Small Grants. OHSW Commissioned Research was launched in April 2007 with a call for expressions of interest, while Small Grants was launched in June 2007 with a call for applications. The Advisory Committee will decide on the applications in October 2007. The Advisory Committee is excited about the possibility of South Australians developing innovative solutions to OHSW problems.

An area of importance to the Committee is the safety of our youth. Training and education in OHSW is an important tool in protecting young and new workers. With the assistance of the Skills Development Committee, the Advisory Committee supports programmes educating students in OHSW before entry to the workforce. In 2006-07 the Skills Development Committee has undertaken a review of training for health and Safety Representatives and Deputies, OHS Committee members and Responsible Officers, as well as a review of Approved Training Providers.

The Advisory Committee, with the assistance of the Legislative Development Committee has continued to provide top-level advice to the Minister for Industrial Relations on legislative matters. In 2006, the Minister obtained advice in relation to increased penalties for breaches of the *Occupational Health, Safety and Welfare Act 1986* (the Act) and in 2007 in relation to OHS Right of Entry as well as advice on adopting National Standards.

Through initiatives endorsed by the Committee and delivered by SafeWork SA, we are confident that all South Australians will eventually enjoy safe, fair and productive working lives, and the benefits will follow.

I acknowledge and thank the staff of SafeWork SA for their work and commitment to improving OHSW in South Australia. Likewise, I thank the members of the Advisory Committee for their contribution and commitment.

Tom Phillips
Presiding Officer
SafeWork SA Advisory Committee


Appendix B: SafeWork SA Agency and Priority Programs

Industry	Scope of Activity	Compliance Measures
Construction	<p>National Demolition and Asbestos in Construction project (Joint Lead Agency with WA).</p> <p>Project commenced in February 2006, focusing on public protection and demolition work plans.</p> <p>The final report sent to WA for comment February 2007, completed and supported by Heads of Workplace Safety Authorities (HWSA).</p>	<p>25 sites inspected.</p> <p>Notices issued for non-compliance, where detected.</p>
Construction	<p>National Mobile Plant in Construction project.</p> <p>Project commenced October 2006. The objective was raising the civil construction sector's awareness of the value of a systematic approach to OHS. Focusing on the safety of persons in the workplace near mobile plant and public protection around mobile plant.</p> <p>Stakeholder groups were briefed and consulted on the project.</p> <p>Information kits were provided and audits completed during March 2007.</p>	<p>80 information kits provided to employers and employees.</p> <p>69 sites were audited in SA.</p> <p>Notices were issued for non-compliance, where detected.</p>
Manufacturing (Food)	<p>National Labour Hire in Manufacturing (Food) project.</p> <p>Project commenced in August 2006. The objectives were to improve the ability of host employers and labour hire agencies to jointly manage OHS, implement a national model of OHS obligations in labour hire arrangements and measure compliance.</p> <p>Stakeholder groups were consulted and briefed.</p> <p>Field audits were conducted in May 2007.</p>	<p>25 businesses were audited – 10 labour hire companies and 15 host employers.</p> <p>Notices were issued for non-compliance, where detected.</p>
Manufacturing (Automotive components)	<p>National Manual Handling in Manufacturing project.</p> <p>Project commenced August 2006. The objective was to improve the capabilities of employers to effectively manage manual handling risks in consultation with employees.</p> <p>Stakeholder groups were consulted on the programme with information sessions held and a follow up survey.</p> <p>Audits were conducted in April 2007.</p>	<p>43 sites were audited.</p> <p>Notices were issued for non-compliance, where detected.</p>
All Industry Sectors	<p>SafeWork Industry Improvement Program.</p> <p>A programme comprising five key strategies directed at reducing the number and cost of work-related injuries in support of the SA Strategic Plan targets.</p> <p>The five strategies are:</p> <ol style="list-style-type: none"> 1. Industry engagement 2. Large employer and self insurers compliance strategy 3. Medium-size employer tailored intervention strategy 4. Small business strategy 5. Risk mitigation strategy <p>Stakeholders were consulted and informed of the program.</p>	<p>Six industry OHS committees in place.</p> <p>Pilot programme commenced.</p> <p>54% of audits complete (180).</p> <p>Advisory tools developed.</p> <p>Three national projects in progress.</p>
High-risk industry Sectors	<p>State-based Noise Audit project.</p> <p>An information and auditing project to assess knowledge about and compliance with the new noise standard and the Approved Code of Practice for industry.</p> <p>Stakeholders were consulted and informed of the programme.</p> <p>Audits were completed from October 2006 to January 2007.</p>	<p>113 worksites were audited.</p> <p>Notices were issued for non-compliance, where detected.</p>
Auto Gas Fitters	<p>State-based compliance programme.</p> <p>An Agency initiative resulting from identified LPG installations with dangerous faults.</p> <p>Permit holders were reminded of their obligations and worksites audited for compliance with Australian Standards</p>	<p>68 installers and 52 auto gas workshops were audited.</p> <p>Notices were issued for non-compliance, where detected.</p>

Industry	Scope of Activity	Compliance Measures
Shearing Industry	<p>Shearing Industry Education, Intervention and Compliance Programme.</p> <p>A state compliance programme commencing in 2005-06.</p> <p>The programme consists of a range of education presentations, information meetings and audits to improve the understanding of OHS obligations and of OHS management and performance relating to sheep shearing.</p>	<p>8 shearing shed audits.</p> <p>8 property inspections.</p> <p>3 TAFE and wool-wise presentations.</p> <p>3 stakeholder meetings.</p>
Meat Processing	<p>IR 457 Visas in the meat industry in SA.</p> <p>A compliance audit programme for employment agents and employers using guest workers within the meat industry to gauge compliance with the <i>Fair Work Act 1994</i>, the <i>Long Service Leave Act 1987</i> and the <i>Employment Agents Registration Act 1993</i>.</p> <p>Meat industry employers and employment agents were audited.</p> <p>An employment agent was further investigated for a breach of the <i>Employment Agents Registration Act 1993</i>.</p>	<p>6 meat industry employers audited.</p> <p>4 employment agents audited.</p> <p>1 employment agent and 6 sites investigated.</p>
Hospitality Industry	<p>IR Compliance with the <i>Fair Work Act 1994</i> and the <i>Long Service Leave Act 1987</i> in the hospitality industry.</p> <p>Audits of hotels and motels within the metropolitan and regional areas were undertaken to ensure compliance with:</p> <ul style="list-style-type: none"> • the relevant Industrial Award – the Hotels, Clubs, etc Award; the Motels Award • the <i>Fair Work Act 1987</i> • the <i>Long Service Leave Act 1987</i> • work and family obligations, <p>and to promote the State Enterprise Bargaining Model Agreement.</p>	<p>96 hotels and motels were audited</p>
Viticulture Fruit Picking Aquaculture	<p>State IR compliance project in the viticulture, fruit picking and aquaculture industries.</p> <p>An audit programme to prevent breaches of the minimum standard of remuneration and other minimum standards under the <i>Fair Work Act</i> in response to queries and complaints.</p>	<p>315 sites audited in metropolitan and regional areas.</p>
Hairdressing and Beauty Industry	<p>State IR awareness and compliance programme in the hairdressing and beauty industry.</p> <p>An education and information programme to improve awareness of Award provisions and requirements under the <i>Fair Work Act 1994</i>.</p>	<p>112 audits completed in metropolitan and regional areas.</p>

Appendix C: Safety Awareness Presentations

Topic	Content	Audience
Managing Drugs and Alcohol at Work	Presentation of the Inspectorate's perspective of managing drugs and alcohol at work.	Whyalla and Port Pirie area unemployed programme, business and economic board.
When an Inspector Calls	What to expect when an Inspector calls at your workplace.	Peer Training, OHS Area Managers; OHS Reps Conference; DTEI OHS Unit and representatives.
Electrical Safety in Marinas	Common problems and legal requirements for electrical compliance in marinas.	Metropolitan marina operators and Riverland marina operators.
Dangerous Goods Transport	What are the requirements for the safe and legal transport of dangerous goods.	Barossa Valley winemakers, transporters and other interested parties.
Dangerous Goods and OHS Management in the Pool Supply Industry	How to ensure compliance with OHS and Dangerous Goods legislation, and common issues in the industry.	SA Pool Supply and Installers Association.
Wine Industry presentations	Wine Industry topical issues.	Wine industry stakeholders.
Bullying	Managing Bullying	Post-graduate education, Catholic schools, and public service OHS co-ordinators
OHS in Business	OHS roles, responsibilities and requirements for Business.	2 presentations to TAFE Business students.
OHS in Small Business	OHS requirements for Small Business.	SA 2006 Small Business Conference and Expo.



Appendix D: Fatalities notifiable under the *Occupational Health, Safety and Welfare Act 1986*

A total of six notifiable work-related fatalities were recorded:

- | | |
|------------|--|
| 14.7.2006 | A bus driver died while changing a tyre alone in preparation for the 5am service to Adelaide, and was found trapped beneath the bus by passengers. |
| 13.8.2007 | A self-employed opal miner died after falling 10 metres down an access shaft on a registered opal mining claim. |
| 30.9.2006 | A self-employed man died after falling 26 metres when the winch he was using to check a mineshaft failed. |
| 4.10.2006 | A self-employed truck driver suffered fatal injuries after falling from a load of wool bales while loading his truck. |
| 30.11.2006 | A stock control manager died after falling 8 metres while counting hay bales on top of a stack. |
| 7.12.2006 | A truck driver was fatally injured while standing on the opposite side of a truck when the steel tubing being unloaded by forklift fell and hit him. |

Appendix E: Compliance activities and statistics

SafeWork SA Inspectors undertake a range of activities to ensure workplace and public health and safety. Inspectors provide information, assistance and advisory services as well as compliance and enforcement services.

Improvement Notices are issued when there is no immediate risk to health and safety, but correction is required for compliance.

Prohibition Notices are issued when there is an immediate threat of injury and they stipulate that activity must cease until the risk to health and safety has been removed or eliminated.

Prosecution is considered when serious breaches of the law are detected, In 2005-06, 80 finalised investigations were referred to the Crown Solicitor's Office for legal action.

Worksite visits and investigations:

	2006-07	2005-06	2004-05	2003-04	2002-03
Number of worksite visits	19,893	18,908	21,841	16,931	12,582
Number of investigations	2,082	2,063	2,170	1,401	1,397

OHS Compliance Notices issued by inspectors

	2006-07	2005-06	2004-05	2003-04	2002-03
Improvement Notices	3,258	3,573	4,688	2,748	1,977
Prohibition Notices	1,460	623	899	814	364

Enquiries to the Help and Early Intervention Call Centre (1300 365 255)

Enquiry	Telephone	In person	Written
Industrial Relations	56,094	230	934
Occupational Health and Safety	11,554	56	1235
Total	67,648	286	2169

Other enquiries received by the Help Centre include:

337 telephone calls about industrial relations and related issues, and 979 OHS related calls were made to numbers other than 1300 365 255.

Industrial relations claims:

In 2006-07 SafeWork SA finalised 1369 IR investigations and recovered a total of \$1,156,017 (State \$1,140,956 and Federal \$15,061)

Appendix F: Convictions

During 2006-07, there was one conviction under the *Fair Work Act 1994* and 56 convictions under *Occupational Health, Safety and Welfare Act 1986*.

Fair Work Act 1994

19/12/06 GREENEARTH PTY LTD (trading as COMFORT INN - MANHATTAN MOTOR INN): Convicted and fined \$7,000 after pleading guilty to eight breaches and being found guilty of four breaches of s224. The company had not complied with provisions of the Motels (South Australia) Award in relation to two workers.

Occupational Health, Safety and Welfare Act 1986

05/07/06 SOUTHERN CROSS MARINE CULTURE PTY LTD: Convicted and fined \$32,000 plus costs after pleading guilty to a breach of s19 (1). On 5 April 2004, a worker suffered extensive injuries when he fell from an oyster punt and was struck by the propeller of the outboard motor.

07/07/06 PAPERLINX AUSTRALIA PTY LTD: Convicted and fined \$4,400 after pleading guilty to a breach of s 19(1). On 20 April 2004, a worker suffered a severe cut to her right index finger while attempting to clear a jam in an operational Rotex Junior exercise book machine.

07/07/06 SUREGROUP PTY LTD T/AS ED HARRY MENSWEAR: Convicted and fined \$4,500 after pleading guilty to a breach of r2.5.7 (1)(b) and of r2.5.8 (1). On 19 May 2004, a worker received an electric shock while using a vacuum cleaner and as a result suffered a soft tissue injury.

21/07/06 EPIC ENERGY CORPORATE SHARED SERVICES PTY LTD: Convicted and fined \$18,750 after pleading guilty to a breach of s19 (1). On 2 February 2004, an employee of a contractor was injured when the wall of an excavation collapsed while he was working in the excavated area.

21/07/06 GEORGE VRYNIOS: Convicted and fined \$2,000 after pleading guilty to a breach of s21 (1a). On 8 December 2003, a worker was injured while operating a machine with its guard raised after being instructed to do so by Mr Vrynios.

26/07/06 FIELDERS AUSTRALIA PTY LTD: Convicted and fined \$16,500 after pleading guilty to a breach of s19 (1). On 8 December 2003, a worker was injured while operating a machine with its guard raised.

18/08/06 KERRY LOGISTICS (AUSTRALIA) PTY LTD: Convicted and fined \$25,500 after pleading guilty to a breach of s19 (1). On 20 October 2004, a worker was seriously injured while attempting to remove a dent in the roof of a shipping container by using a forklift and a piece of hardwood to push the dent out. The wood gave way, fell and struck the worker in the face.

24/08/06 LORENZIN CONSTRUCTIONS PTY LTD: Convicted and fined \$24,000 after pleading guilty to a breach of s19 (1). On 28 August 2004, a worker was injured when a 500kg digging bucket detached from its boom and rolled six metres downhill to a pit where the worker was working. The worker sustained severe injuries to his right arm after being struck by the bucket.

29/08/06 DAKATASI PTY LTD T/AS MAGILL RECYCLING & SALVAGE: Convicted and fined \$14,875 after pleading guilty to a breach of s19 (1). On 29 January 2005, a worker was injured when he fell through an opening in the top of a mesh recycling cage he was working on.

30/08/06 CASTALLOY AUTOMOTIVE PTY LTD T/AS ION AUTOMOTIVE (3): Convicted and fined a total of \$159,000 after pleading guilty to breaches of s19 (1) in relation to three separate incidents.

On 19 May 2004, a worker suffered severe lacerations to his right hand when his glove was drawn into the blade of the table bandsaw he was operating (Fine: \$52,000).

On 15 July 2004, a worker suffered a broken thumb when it was caught in a clamp of a manifold dunk testing machine (Fine: \$52,000).

On 17 July 2004, a worker lost his right little finger after it was crushed by the closing clamp of a die-casting machine (Fine: \$55,000).

01/09/06 ORRCON OPERATIONS PTY LTD: Convicted and fined \$17,600 plus costs after pleading guilty to a breach of s19 (1). On 6 October 2004, a worker severed his fingers while sharpening the blade of a slitting machine while it was in operation.

01/09/06 WMC (OLYMPIC DAM) PTY LTD: Convicted and fined \$153,000 plus costs after pleading guilty to three counts of s19 (1). On 19 July 2005, a worker was killed, another injured and a third placed at risk when charges set in one heading (tunnel) were detonated by drilling in an opposing heading.

14/09/06 HERBALIFE AUSTRALASIA PTY LTD: Convicted and fined \$18,750 plus costs after pleading guilty to a breach of s19 (1). On 21 February 2005, a worker suffered injuries to his wrist and elbow after falling approximately six metres from a metal cage lifted on the tines of a lift truck.

15/09/06 NUKORC PTY LTD: Convicted and fined \$10,350 plus costs after pleading guilty to breaches of s19 (1) and r6.6.2 (1). On 4 June 2005, a worker suffered a crush injury to her thumb and a severe abrasion to her finger while attempting to remove a blockage from a cork lubricating machine.

22/09/06 CORPORATE FLOORING PTY LTD: Convicted *ex parte* (without representation) and fined \$35,000 plus costs for breaches of s19 (1) and s20 (1)(b). On 19 April 2004, a worker broke her leg after falling from the tines of a moving forklift she had been riding on at the invitation of a company director.

29/09/06 ENGINEERING EMPLOYERS ASSOCIATION SOUTH AUSTRALIA GROUP TRAINING SCHEME INCORPORATED: Convicted and fined \$60,000 plus costs after pleading guilty to a breach of s19 (1). On 5 June 2004, an apprentice died after he was pulled onto the spinning shaft of the horizontal borer he was operating.

29/09/06 WILDERNESS ESCAPE OUTDOOR ADVENTURES PTY LTD: Convicted and fined \$36,000 plus costs after pleading guilty to a breach of s22 (2). On 1 April 2004, a 12-year-old student participating in a climbing activity suffered fractures to his ankle and wrists after falling seven metres when an incorrectly tied belay rope failed.

10/10/06 GAMBIER EARTH MOVERS PTY LTD: Convicted and fined \$18,750 plus costs after pleading guilty to a breach of s19 (1). On 19 August 2004, a worker suffered a fractured wrist and bruised leg while emptying boulders from an articulated dump truck when boulders lodged in the tailgate causing the truck to overbalance and the cabin to roll over with the worker inside.

17/10/06 BROONS HIRE (SA) PTY LTD: Convicted and fined \$20,000 plus costs after pleading guilty to a breach of s19 (1). On 30 May 2005, a worker suffered partial amputation of three fingers after his hand was crushed while he and another worker attempted to remove a tight fitting axle shaft from an Impact Roller Drum.

20/10/06 BINIRIS (AUST) PTY LTD: Convicted and fined \$26,000 plus costs after pleading guilty to a breach of s19 (1). On 19 January 2005, a worker suffered a large laceration to her upper arm after she was instructed to clean offal from the slaughter floor by reaching into a moving conveyor.

03/11/06 MANUELE ENGINEERS PTY LTD: Convicted and fined \$16,200 plus costs after pleading guilty to a breach of s19 (1) and three breaches of r6.4.3 (2). On 21 May 2004, a worker was seriously injured when a steel beam weighing 1.6 tonnes fell down on him as he attempted to roll it over using a gantry crane and a sling with shortening hooks.

09/11/06 ADELAIDE BAG AND PACKAGING PTY LTD: Convicted and fined \$14,400 after pleading guilty to a breach of s19 (1). On 17 September 2004, a worker suffered a crush injury to his right middle finger when his hand was caught between rollers of a paper bag manufacturing machine.

10/11/06 REGENT HOMES PTY LTD: Convicted and fined \$12,000 after pleading guilty to a breach of s22 (2). On 5 April 2004, a worker was injured when he fell through an open stairwell from the first floor of the house where he was performing electrical work.

17/11/06 AMCOR PACKAGING (AUST) PTY LTD: Convicted and fined \$14,000 after pleading guilty to a breach of s19 (1). On 23 July 2004, a worker sustained a crush injury to his right hand while changing a die on a machine. His glove became caught on a blade and was dragged into the machine rollers.

24/11/06 PARILLA PREMIUM POTATOES PTY LTD: Convicted and fined \$12,000 after pleading guilty to a breach of s19 (1). On 3 May 2004, a worker suffered the partial amputation of two fingers after attempting to clear a blockage in an onion-trimming machine.

28/11/06 NORTHERN SCAFFOLDING PTY LTD: Convicted and fined \$34,000 after pleading guilty to a breach of s19 (1). On 24 June 2004, a worker suffered back and leg injuries after a 10 kilogram transom fell on him from a height of 15 metres while he was working at the base of a scaffold.

12/12/06 GENPOWER/ASCA (AUST) PTY LTD: Convicted and fined \$22,500 after pleading guilty to a breach of s19 (1). On 30 August 2005, a worker suffered crush injuries and a fracture to his leg when the 2940 kilogram switchboard he was moving fell, pinning him to the ground.

14/12/06 PIKE RIVER FRESH PTY LTD: Convicted and fined \$5,000 after pleading guilty to a breach of s19 (1). An elevated work platform used for picking fruit and pruning trees was found to be without a guardrail at the front and inadequately guarded at the rear.

14/12/06 CORROSION CONTROL (SA) PTY LTD: Convicted and fined \$30,000 (reduced to \$8,000 due to the defendant's financial hardship) after pleading guilty to a breach of s19 (1). On 4 October 2003, a worker suffered serious injuries when a steel beam fell on him while the centre of gravity was being established.

18/12/06 DAGENHAM PTY LTD:
Convicted and fined \$9,000 after pleading guilty to a breach of s19 (1). On 20 May 2005, the clamps of a pipe-bending machine trapped a worker's hands when he accidentally activated the machine while arranging a pipe. The worker sustained a broken middle finger and multiple cuts to his right hand and three crushed fingertips that resulted in amputation on his left hand.

18/12/06 CONROYS SMALLGOODS PTY LTD: Convicted and fined \$22,500 after pleading guilty to a breach of s19 (1). On 26 September 2005, a worker suffered a crushed and amputated finger while attempting to clear a meat-packaging machine.

20/12/06 TYCO AUSTRALIA PTY LTD: Convicted and fined \$16,800 after pleading guilty to a breach of s19 (1). On 14 April 2005, a worker suffered the amputation of the end section of his finger when it became trapped between the roller of a vertical roller machine and the piece of steel he was rolling.

21/12/06 SA STRUCTURAL PTY LTD:
Convicted and fined \$17,600 after pleading guilty to a breach of s19 (1). On 23 April 2004, an apprentice suffered amputation of his thumb below the base of the nail while using an unguarded guillotine-style cropping machine.

22/12/06 AMAROO ORCHARDS PTY LTD: Convicted and fined \$18,000 after pleading guilty to a breach of s19 (1). On 14 August 2004, a worker suffered a dislocated shoulder when he fell 2.1 metres from a walkway into the tank he was instructed to clean.

19/01/07 AMEZDROZ AND SON PTY LTD: Convicted and fined \$34,000 after pleading guilty to a breach of s19 (1). On 20 August 2004, a worker suffered severe crush injuries to his leg and foot and other injuries to his body, back and arm when a 580 kilogram pallet fell from the truck he was unloading, pinning him to the ground.

02/02/07 DOMINO'S PIZZA AUSTRALIA NEW ZEALAND LTD: Convicted and fined \$26,250 after pleading guilty to a breach of s22 (2). A vandalised sign, accessible to the public, was in a dangerous condition with exposed live wires and broken fluorescent tubes for approximately two months.

27/02/07 NORNDA PTY LTD:
Convicted and fined \$12,000 after pleading guilty to a breach of s19 (1). On 19 April 2005, a worker was operating a "Wyvern" Pin Borer to drill and bore pinholes in aluminium engine piston castings. The worker left his right index finger on top of the piston as he activated the clamp and suffered a crush injury to his finger when it was caught between the clamp and the piston.

02/03/07 AGRESOLVE PTY LTD:
Convicted and fined \$9,000 plus costs after pleading guilty to a breach of s19 (1). On 3 May 2004, a worker placed by Agresolve with a host employer suffered partial amputation of two fingers after attempting to clear a blockage in an onion-trimming machine.

13/03/07 WHITEHEADS TIMBER SALES PTY LTD: Convicted and fined \$20,000 plus costs after pleading guilty to a breach of s19 (1). On 16 February 2005, a worker suffered partial amputation of her left index finger while using a bandsaw to cut lengths of timber.

14/03/07 JADE DALE LESLIE: Pleaded guilty to one count of s22 (2)(a), two counts of s22 (2)(b) and one count each of r4.2.4 (1) and r4.2.9 (3). A conviction was recorded only in relation to the count of s22 (2)(a) and a penalty of \$2,250 plus costs was imposed. On 11 October 2004, while removing and replacing asbestos cement roof sheeting from a house, Mr Leslie failed to take all reasonable precautions to ensure that the occupants were not exposed to unnecessary risks to their health.

15/03/07 VINPAC INTERNATIONAL PTY LTD: Convicted and fined \$16,000 plus costs after pleading guilty to a breach of s19 (1). On 27 October 2004, a labour hire worker placed with Vinpac International suffered a fractured skull and wrist after falling three metres from the top of a wine tank.

20/03/07 RESOURCECO PTY LTD:
Convicted and fined \$12,000 plus costs after pleading guilty to a breach of s19 (1). On 26 August 2004, a worker suffered a laceration to his forearm and a crush injury to his hand when he was caught while attempting to unblock a conveyor.

23/03/07 TM NOMINEES PTY LTD:
Convicted and fined \$15,500 plus costs after pleading guilty to a breach of s19 (1) and r6.6.2 (1). On 10 May 2004, a worker suffered serious injuries to his left hand after he was dragged into the Barker Sander machine that he was operating.

30/03/07 TATIARA MEAT CO PTY LTD: Convicted and fined \$28 800 plus costs after pleading guilty to a breach of s19 (1). On 16 June 2004, a worker suffered burns to his ankle, shins, groin, hands and neck while operating a pressurised batch cooking vessel that is used to render down by-products from meat.

05/04/07 VERMONT HOLDINGS PTY LTD: Convicted and fined \$29,400 plus costs after pleading guilty to a breach of s19 (1). On 22 July 2004, a worker suffered a broken leg and other injuries after he fell 2.8 metres from a personnel box on a forklift.

05/04/07 DE VILLE AUSTRALIA PTY LTD: Convicted and fined \$26,400 plus costs after pleading guilty to a breach of s22 (2). On 22 July 2004, a worker employed by a contractor to fit new roller doors at De Ville Australia's premises fell 2.8 metres from a personnel box on a forklift, both of which De Ville Australia had supplied for use by the worker.

20/04/07 GEORGE WESTON FOODS LTD: Convicted and fined \$45,000 plus costs after pleading guilty to a breach of s19 (1). On 13 December 2005, a worker suffered burns to his feet, body and eyes when he was exposed to sodium hypochlorite while decanting it from an intermediate bulk container into a smaller container.

14/05/07 GOLDEN NORTH PTY LTD: Convicted and fined \$15,200 plus costs after pleading guilty to a breach of s19 (1). On 19 October 2005, a worker had her right index finger crushed while cleaning an unguarded ice cream cup-filling machine. Her finger was subsequently amputated at the first joint. An appropriate removable guard was stored in a spare parts shed but it had not been used in the four years Golden North had operated the machine.

30/05/07 BURF NOMINEES PTY LTD: Convicted and fined \$32,000 (reduced to \$7,500 due to the defendant's financial hardship) plus costs after pleading guilty to a breach of s22 (2). On 23 August 2004, the sole employee and director of the company extended the boom of a large truck mounted crane without deploying the truck's outriggers, contrary to the crane's specifications. As a result, the crane toppled over with its boom landing on the garage roof of a neighbouring residence while the occupant was in the room immediately next to the garage.

05/06/07 ENVIROGREEN PTY LTD: Convicted and fined \$15,000 after pleading guilty to a breach of s19 (1). On 4 August 2004, a worker was exposed to risk while driving a delivery truck.

05/06/07 JAMES ASHBY: Convicted and fined \$22,400 plus costs after pleading guilty to a breach of s19 (1). On 4 August 2005, a worker suffered perforation of the eardrums, permanent eye damage and the amputation of a hand, when an explosive detonated in his hand. He was using gelignite to destroy rabbit warrens.

15/06/07 KRUEGER ENGINEERING PTY LTD: Convicted and fined \$12,800 after pleading guilty to a breach of s19 (1). On 7 July 2005, an apprentice suffered crush injuries and subsequent amputation to his middle and index finger tips when they passed below a guard on a guillotine.

27/06/2007 POLYAIRE PTY LTD: Convicted and fined \$12,000 plus costs after pleading guilty to a breach of s19 (1). On 13 December 2004, a worker sustained a laceration to his finger after it was caught between a rotating spiked roller and a stationary air line while guiding polyester from the roller to a conveyor with a stick.

28/06/2007 NYLEX INDUSTRIAL PRODUCTS PTY LTD: Convicted and fined \$18,975 plus costs after pleading guilty to a breach of s 19 (1). On 4 November 2004, a worker suffered crush injuries to his hand after it was trapped between the two halves of a die he was removing from an injection-moulding machine.

Appendix G: Whole of Government Workplace Safety Performance

Workers Compensation Claims Expenditure

The total workers compensation claims expenditure for 2006-07 was \$86.4 million compared with \$92.3 million in 2005-06, a decrease of \$5.9 million (6.4%) adjusted for inflation of 3.5% per annum.

The significant decrease in Section 42 Lump Sum Settlements of \$6.3 million (41.1%) was due to Targeted Voluntary Separation Package settlements in 2005-06.

A breakdown of the whole of government gross workers compensation expenditure for 2006-07 compared with 2005-06 is as follows:

EXPENDITURE	2006-07 (\$m)	2005-06* (\$m)	Variation (\$m) + (-)	% Change + (-)
Income Maintenance	41.7	43.3	(1.6)	(3.7%)
Lump Sum Settlements- Redemptions - Section 42	9.0	15.3	(6.3)	(41.1%)
Lump Sum Settlements- Permanent Disability – Section 43	9.4	9.4	0.0	0.0%
Other	26.3	24.3	2.0	8.1%
Total Claims Expenditure	86.4	92.3	(5.9)	(6.4%)

* 2005-06 adjusted for claims inflation

New claims performance

In 2006-07 5,012 new claims were recorded compared to 5,111 in 2005-06, a reduction of 99 (1.9%).

This decline occurred in the context of an increase in the South Australian public sector workforce. Consequently, the incidence rate (new claims per 1,000 FTEs) has fallen from 66.0 in 2006 to 63.9 in 2007, indicating improvements in workplace safety.

Provision for Estimate of Outstanding Liabilities

Most public sector agencies are self insurers (Crown exempt employers) under the *Workers Rehabilitation and Compensation Act 1986* and as such, are liable for associated costs and ongoing liabilities of claims. Actuarial valuations of the provision for workers compensation liability for all Crown Exempt Employer agencies have been performed as at 30 June 2007. A summary of the estimated outstanding liability estimates for the past three years is as follows:

Date (as at)	Liability Provision (\$million)
30 June 2007	358.2
30 June 2006	344.2
30 June 2005	338.7

The \$14.0 million (4.1%) increase from 2005-06 is mainly due to 'Natural growth' (i.e. additional claims incurred during 2006-07) and claims inflation.

Monitoring of Whole of Government Targets

Public Sector Workforce Division continued to monitor performance against the *Workplace Safety Management Strategy (WSMS) 2004 - 2006* stretch performance targets.

In March 2007, Government approved the *Safety in the Public Sector 2007 – 2010*, a strategy that has eight (8) safety performance targets and comes into effect in July 2007.

Claim Demographics of 2006-07 new claims

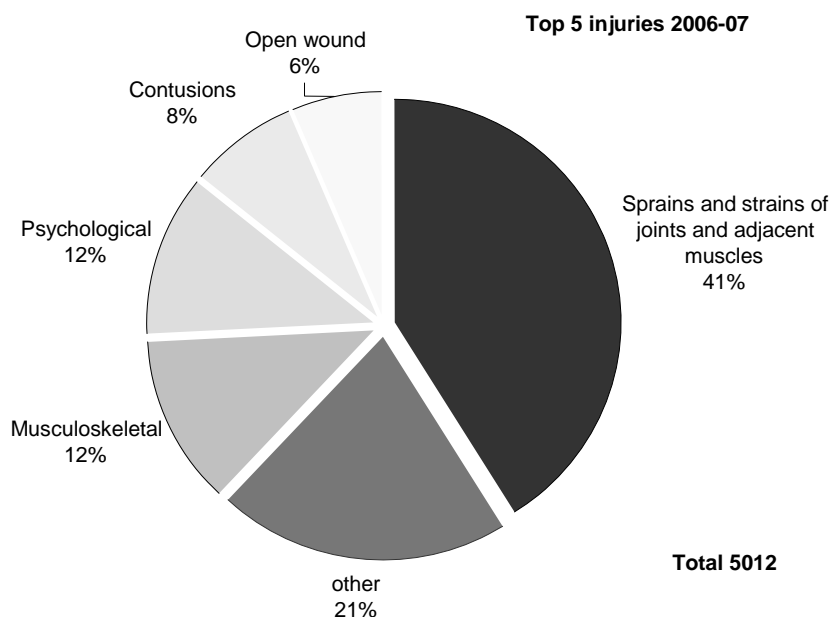
Occupations with the Greatest Number of Claims

The occupation with the greatest number of claims in 2006-07 was Nurses, with 13.9% of new claims. This was followed by Teachers (10.9%) and Police Officers (9.7%). Note that the following 10 Occupations comprise 55.0% of all new claims.

Occupation	2006-07		2005-06	
	Claims	%	Claims	%
Nurse (Registered/enrolled)	695	13.9%	665	13.0%
Teacher (Primary/secondary)	547	10.9%	573	11.2%
Police Officer	488	9.7%	472	9.2%
Fire Fighter	219	4.4%	236	4.6%
Disabilities Services Officer	155	3.1%	233	4.6%
General Clerk	136	2.7%	169	3.3%
Prison Officer	134	2.7%	158	3.1%
Personal Care Assistant	132	2.6%	138	2.7%
Ambulance Officer	127	2.5%	123	2.4%
Kitchen Hand	125	2.5%	108	2.1%
Other	2254	45.0%	2,236	43.7%
SAPS Total	5,012	100.0%	5,111	100.0%

Most Common Types of Injury

A sprain or strain was the most common injury (41.0%), followed by musculoskeletal (12%), psychological injury (12%), contusions (8%), and open wounds (6%).



Age of Workers

This figure shows the distribution of claimant age for new claims in the last three years. Consistent with the ageing of SAPS workforce, the proportion of claimants in the 50 and over age groups has increased.

The median age of claimants in the last 3 years has increased from 45.7 years in 2004-05 to 46.3 in 2005-06 and 46.6 this year.

