



DEPARTMENT OF THE
PREMIER AND CABINET

ANNUAL REPORT

2015-16





Government of South Australia

Department of the Premier
and Cabinet

Public - I2 - A1

Department of the Premier and Cabinet

State Administration Centre

200 Victoria Square

Adelaide SA 5000

www.dpc.sa.gov.au

GPO Box 2343

Adelaide SA 5001

ISSN 0816-0813

For copies of this report please contact:

Strategy and Performance

Office of the Chief Executive

[Email](#) or Telephone: 61 8 842 95021

CONTENTS

CONTENTS	3
CHIEF EXECUTIVE'S REVIEW	4
OUR ORGANISATION	5
Department of the Premier and Cabinet Ministerial structure	5
Department of the Premier and Cabinet organisational structure	5
Changes to the Department of the Premier and Cabinet	6
ACHIEVEMENTS IN 2015-16	7
Positioning South Australia to be a better partner with business, other governments and internationally	7
A modern public service	9
Citizen and business-centric services	12
Reporting for Entities supported by the Department of the Premier and Cabinet	13
Corporate initiatives	14
OUR PEOPLE 2015-16	17
FINANCIAL OVERVIEW 2015-16	24
APPENDICES	25
Appendix 1 – Legislation and Boards and Committees administered by DPC	25
Appendix 2 – Consultants	26
Appendix 3 – Whole of Government advertising	29
Appendix 4 – Further information	34
FINANCIAL STATEMENTS 2015-16	36

CHIEF EXECUTIVE'S REVIEW

In 2015-16 the Department of the Premier and Cabinet (DPC) continued its strong focus on budget discipline with the department performing to budget, delivering more than \$6 million in savings and finding the means within its own resources to fund key government initiatives.

Opportunities to support economic growth and position South Australia as the best place to do business continued to be a major focus.

A Low Carbon Economy Unit was established to maximise economic and job creation opportunities associated with positioning South Australia as a global leader in the low carbon economy. DPC supported the establishment of the Nuclear Fuel Cycle Royal Commission Consultation and Response Agency, which has embarked on a comprehensive program of community consultation across the state.

Following the announcement of the \$50 billion SEA1000 Future Submarine contract, DPC took immediate steps to strengthen diplomatic and government-to-government relationships with France. This galvanised a state-level approach to maximise the economic, political and cultural opportunities arising from the submarine building program.

The department also led the way in further developing the state's relationship with China through the South Australia/Shandong partnership, now in its 30th year. In the past year, dozens of local businesses were presented with opportunities to forge new partnerships and markets in China, the state's premier trading partner.

A critical role for DPC is leading negotiations with other Australian jurisdictions and sectors to further our state's interests and support long-term benefit for all South Australians. A notable achievement for 2015-16 was reaching an agreement with the Commonwealth Government for the transition to the full National Disability Insurance Scheme.

A sound program of innovation and reform continued across government and has reframed the public sector as modern, focussed on delivering public value, growing digital maturity and providing citizen and business-centric services.

The department was stamped as a modern workplace with the transformation of office floors into a work environment that emphasises collaboration, openness and mobility. This improvement to date delivered approximately \$1 million in rental savings per annum and will see savings in excess of \$5 million over the forward estimates as the modern workplace initiative is expanded.

A modern workplace is also typified by inclusiveness and respect. In February, the department increased its Indigenous employment target from 2% (headcount) to 4% (FTE) and reached the new target by 30 June 2016. DPC now aspires to a 5% stretch target. DPC supported law reforms for the lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ) community, championed inclusive workplaces and was accredited as a White Ribbon Workplace in the campaign to prevent violence against women.

The department is focused on service and value; working with business and the community to make sure South Australia thrives and prospers in the global economy. I look forward to building on the success we achieved in 2015-16.

Kym Winter-Dewhirst
CHIEF EXECUTIVE

OUR ORGANISATION

Department of the Premier and Cabinet Ministerial structure

Hon Jay Weatherill MP
Premier

Hon John Rau MP
Minister for the Public Sector

Department of the Premier and Cabinet organisational structure

CHIEF EXECUTIVE



Changes to the Department of the Premier and Cabinet

The Low Carbon Economy Unit was created in early 2016 with resources transferred from the Department of Environment, Water and Natural Resources, Department of State Development, Department of Primary Industries and Regions SA, and the Department of Planning, Transport and Infrastructure.

The Innovative ICT Transformation Program was established in March 2016.

The Office of the Chief Economist was created from existing resources, reflecting DPC's increased focus on leadership and advice on economic strategy and policy to the Economic Development Cabinet Committee.

The Capital City Committee Directorate was transferred to Renewal SA from 1 July 2015.

The Simpler Regulation Unit was transferred to the Department of Treasury and Finance, effective 1 July 2016.

The department's organisational structure was further streamlined and refined during 2015-16. Resources were aligned to the priority areas of government and to improve agility and responsiveness.

ACHIEVEMENTS IN 2015-16

The department has a central role in policy development, leading across-government negotiations and driving results in the government's priority areas. Strong partnerships between government, business and the community underpin this work. The *State Economic Plan* is a major focus, which includes positioning South Australia as the best place to do business. The department's achievements for 2015-16 are reported under three critical areas:

- positioning South Australia to be a better partner with business, other governments and internationally
- a modern public service
- citizen and business-centric services.

The offices for the Commissioner for Public Sector Employment, State Coordinator-General and the Agent General also support DPC's role.

Positioning South Australia to be a better partner with business, other governments and internationally

The department works with governments at the international, national, state and local level to further South Australia's interests, realise economic opportunities and strengthen communities.

At the international level the department:

- strengthened diplomatic and government-to-government relationships with key national, regional and local French government leaders following the \$50 billion SEA1000 contract awarded to French Naval defence company DCNS
- supported a China mission which delivered more than 120 export leads valued in excess of \$42.4 million, 52 new investment leads with an estimated value of \$20 million and the signing of 32 Memoranda of Understanding
- strengthened ties with global economic partners by supporting the establishment of the first Chinese bilingual school in South Australia, the Chinese Consulate-General in Adelaide, and the Bank of China, being the first Chinese bank to open in the state
- supported two South East Asia missions which delivered new wine and horticulture export sales and leads, a significant agribusiness partnership in Thailand, an agricultural training and technology partnership in Vietnam, and 11 cooperative agreements or initiatives in vocational and higher education.

The Office of the Agent-General in London played a critical role exploring and supporting development of new markets and investment opportunities for South Australian business and generated multiple investment leads. In 2015-16 the office:

- attracted submissions into the government's Expression of Interest for Low Carbon Electricity Supply and Services
- supported development of the *Sundrop Farms* expansion project in Port Augusta
- hosted events to showcase South Australian wine and produce to existing and prospective investors
- championed the launch of the Shanghai, Hong Kong and Adelaide 'South Australia Club' chapters.

At the national level, DPC led negotiations with the Commonwealth Government to:

- secure \$187 million in additional Commonwealth public hospital funding ahead of negotiating longer term funding arrangements
- reach agreement on arrangements for the transition to the full National Disability Insurance Scheme, which will benefit around 32,000 people with disability, their families and carers in South Australia.

Within South Australia, the department:

- facilitated the development of the \$80 million Tailem Bend Motorsport Park, which is forecast to generate an annual \$200 million economic benefit to the state
- negotiated land tenure arrangements for \$460 million of development within the health and medical precinct in the Adelaide CBD
- drove the Open Data program across government by hosting the annual [Unleashed Open Data Competition](#), working with agencies to release their open data, and achieving the 2015-16 target of 1,000 datasets publicly available on [Data.SA](#)
- led work to ensure better sharing of data across government, including the establishment of a Chief Data Officers network and the drafting of supporting legislation to go to Parliament in early 2016-17
- led procurement reforms aimed at making the South Australian Government a better public sector customer to suppliers
- delivered savings and efficiencies through a shared services business model and achieved 95.2% of SA Government invoices paid within 30 days
- worked with agencies, business and all sectors to progress the government's [10 Economic Priorities](#), with agencies completing 88% (60 out of 68) of the total objectives due in 2015-16
- led work across government to develop South Australia's first social impact bond, and negotiated with the Hutt Street Centre to fine-tune the model for a new service designed to address homelessness for 400 South Australians.

The department led major policy work across government to help evolve the business environment and build the capacity of the state's economy to create sustainable jobs for the future. The [KPMG 2016 Competitive Alternatives report](#) rated Adelaide as the most cost competitive of Australian cities and the 23rd most competitive of over 100 surveyed cities worldwide.

The new Low Carbon Economy Unit was created to maximise economic opportunities available to South Australia as a recognised leader in renewable energy. It aims to progress low carbon development and investment opportunities to create new industries and jobs while supporting energy security and affordability for consumers. To date the unit has:

- progressed a number of innovative renewable energy projects with the private sector and universities, including leveraging external and Commonwealth Government funding
- commenced Stage 2 of the [Bio-energy Roadmap](#) with an industry and suppliers forum to explore potential projects.

The government's commitment to transform Adelaide into the world's first carbon neutral city gained international recognition and positioned South Australia at the forefront of sub-national government action against climate change.

The department launched the [Adelaide to Zero Carbon Neutral Adelaide Challenge](#) in March 2016 and attracted 150 ideas and innovative solutions from South Australia and around the world. The aim is to help achieve the target of Adelaide being the world's first carbon neutral city, create jobs in clean tech industries and promote the city as a showcase for renewables and clean technology.

Continuing to drive investment, cut red tape and create jobs, the Office of the State Coordinator-General in 2015-16 determined that 43 development proposals with a combined estimated value of \$973.5 million were assigned to the Development Assessment Commission (DAC) as the planning authority and granted Development Plan Consent. A further 13 projects, with an estimated value of \$191 million, were called-in and lodged with DAC for assessment and a further 10 projects with an estimated value of \$345.5 million assigned to DAC have yet to submit applications for assessment. The office accelerated planning and development approval processes for the [Renewing Our Streets and Suburbs](#) initiative, resulting in some 67 dwelling units and 89 allotments being granted development approval.

The Office for the Public Sector negotiated an extension of the *South Australian Government Salary Sacrifice Arrangements Principal Agreement* with Maxxia for a further five years until 2023, including a commitment from Maxxia to employ 40 fulltime staff in a new customer service centre in Adelaide. This agreement allowed public sector employees to access salary sacrifice arrangements under federal tax law with more than \$1 billion of employee funds to flow through these arrangements annually.

A modern public service

A modern public service that is responsive, innovative and explores reform and continuous improvement is a critical factor in South Australia being recognised as the best place to do business. DPC initiated a whole-of-government drive towards a value-creating public service that:

- meets the needs of citizens
- uses wise judgement informed by engagement with citizens
- focusses on the long-term future
- is modern and effective.

Cabinet approved a suite of reforms to improve government decision-making and public value thinking, including the adoption of a public value framework for proposals that it considers. Decision-making authority was delegated to Cabinet Committees to enable Cabinet to concentrate on more strategic issues. A new Budget and Performance Cabinet Committee has the authority to approve funding requests of up to \$10 million (excluding GST) per annum and is responsible for monitoring the delivery of key commitments, projects and achievement of budgets.

The department supported the establishment and delivery of the Innovative Information and Communication Technology (ICT) Expression of Interest (EOI) process. Industry responded strongly with 186 proposals received from 103 suppliers. This process enabled a better understanding of the ICT market, opportunities and potential initiatives, and the Innovative ICT Transformation Program was established to progress a range of these ideas and initiatives. Working in collaboration with industry, the program aims to implement a more contemporary ICT foundation which will modernise the public sector, harmonise technologies and make government services more efficient, effective and accessible to all South Australians. The

program is expected to improve the government's ICT service delivery, drive economic development and deliver better value for money.

The department led the Premier's digital by default priority across agencies to support modern, flexible work practices, develop new services and approaches to service delivery, and create efficiency and productivity gains. A major achievement was the progressive rollout of a common payroll system across the public sector. Of the 30 legacy databases, 40% have now been successfully migrated to the new system which manages the payment of approximately 25,000 employees across 24 agencies each fortnight. All major pay cycle groups have been aligned to the same pay fortnight and/or pay day. The project to date has streamlined multiple processes and reduced the number of paper-based transactions by approximately 250,000 per annum.

Further efficiencies were achieved through:

- development of an accounts payable mobile app for e-Procurement users across agencies to improve processing efficiency and cycle times for payment of invoices
- implementation of an online tool to help purchase card holders manage their expenses quickly and easily, which uses integrated workflow technology for transaction processing and eliminated manual handling of purchase card statements
- initiation of a new online procurement portal project to connect suppliers with government and make the process of finding and responding to government tenders simpler and faster
- completion of the rollout of Basware across government (to all agencies which use the services of Shared Services SA) which will improve the level of service provided to all vendors, suppliers and business partners and has improved vendor payment performance.

The Office for the Public Sector led reforms and influenced modern public service initiatives across government.

- The [Gender Equality in Leadership Strategy](#) was implemented through targeted training programs, a reverse mentoring program and a new policy to protect and support victims of family/domestic violence.
- 15 days Special Leave with Pay for Domestic/Family Violence Leave (in addition to existing leave entitlements) was implemented across the public sector and will be included in the Commissioner's Determination on Leave from 1 July 2016. This positions South Australia as a strong social leader and reinforces the government's public commitment to the prevention of domestic violence.
- The Jawun Secondment Program was launched in September 2015, providing a six-week residential placement for public sector leaders in Ngarrindjeri-led organisations in the Lower River Murray, Lakes and Coorong. The program aims to develop leaders, support practical reconciliation and build the skills base and sustainability of Aboriginal communities. Three rounds of the program have been held since its launch, with a public sector participant in each round.

The inaugural [South Australian Government Communications Plan](#) was launched, providing strategic oversight of communications work across all agencies. This was a result of sector-wide reforms to ensure communications are used efficiently and effectively to help meet key challenges and opportunities for the state. It established a Director of Communications Committee, focused on delivery of the plan against four key themes, and

more closely aligned communications and policy work with the aim of providing better information and services to the community.

Two [D3 Digital Challenges](#) were also undertaken. The 'Active Ageing' challenge explored ways for people to be physically, socially and mentally active while staying connected and having control of their future. Two digital prototypes were advanced through the challenge:

- telephone technology to connect people by sharing narratives with family, friends and people with similar interests
- a web-based platform that matches a person's skills with volunteering roles.

The 'Keeping Women Safe' challenge focussed on women's and children's rights to feel safe and live without fear of violence. The challenge was conducted in partnership with the Commonwealth Government and prototypes included:

- an interactive app that will guide young people (4-18 years) through the consequences of different behavioural decisions and assist in making sound life choices
- a digital toolkit to empower women (as well as family, friends, support groups and work colleagues) by providing them with support options to address the gap between living in fear and reaching out to support services.

The department also embarked on a radical transformation of its own workplaces, providing a successful model for adoption by other agencies. At the forefront was the conversion of three office floors to an open-plan, modern workplace, which saw:

- four floors relinquished, generating approximately \$1 million in rental savings per year
- 54% of surveyed respondents indicated they felt more productive and 84% responded they felt more collaborative in the new environment (based on survey results of 180 affected employees)
- printing on these floors decreased by 56%, a significant start towards a future goal of achieving paperless status
- plans approved for converting additional floors in 2016-17.

Major contributions to workforce diversity and championing inclusive workplaces were featured during 2015-16. The representation of Indigenous employees has significantly increased from 1.1% of headcount at 30 June 2015, and now makes up 4% of the department's full time equivalent (FTE) count. DPC supported strategies for inclusive workplaces for lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ) employees through the development of a whole of government online training course, which will also support inclusive service delivery.

The department was accredited as a [White Ribbon](#) workplace and cited as a "pioneer in contributing to national cultural change to prevent and respond to violence against women". Significant work included training employees in violence prevention and responding to disclosures, and a review of workplace policies and procedures that support victims of domestic violence. The latter had across-government impact.

Citizen and business-centric services

There were many initiatives during 2015-16 reflecting DPC's citizen and business-centric focus. The *Reforming Democracy policy* was launched in August 2015 and outlines a range of commitments, to be delivered by December 2017, involving the community in government decision making. Significant progress included upgrading the *YourSAY website* to host all major government engagements. *YourSAY* now has more than 51,000 registered users, equivalent to 4.6% of enrolled voters in South Australia. Since 2010, these users have had the opportunity to influence more than 200 government decisions and allocate \$2.5 million in public funds to improve their communities.

A second round of *Fund My Community* was held and built on the significant efficiencies achieved through the participatory budgeting (people's choice) approach to grant allocation. In 2015-16 *Fund My Community* engaged 2,447 people in allocating \$1 million to improve the wellbeing of isolated, vulnerable and disadvantaged South Australians, bringing the total number of participants in this program to more than 4,000 people. Run in conjunction with Country Cabinet meetings, \$150,000 was allocated by the community through the *Fund My Idea* program.

Three Country Cabinet meetings were held in the Barossa, Light and Lower North; Limestone Coast; and Port Augusta and Northern Flinders Ranges regions, with related events attended by 1,800 members of local communities. This provided citizens and local business with an opportunity to talk directly with the Premier, Ministers and Chief Executives of government departments about issues and opportunities in their region.

The *Better Together* community engagement training program was updated to reflect the public value principles and was delivered to 693 attendees from across government.

The *Customer Service Charter* (Public Service Guarantee) was launched across government, providing clear standards of customer service that citizens can expect when dealing with government. A toolkit was also developed to support agencies to meet the Premier's Public Service Guarantee and to measure customer service improvements.

As the government's central point of contact for citizens and business, Service SA continued to provide public value through modern service choices:

- 97% of vehicle registration and licensing transactions (by volume) are now available online through the Service SA network
- The online program has resulted in a 13% increase in customers transacting online which, in turn, resulted in a 10% reduction in calls and a 30% reduction in customer wait times in Customer Service Centres
- Service SA completed more than 11.8 million transactions during 2015-16 with an overall customer satisfaction rating of 94%.

The department led work across government to drive more online services for business and citizens and modernise service delivery, as part of the digital by default priority. This included working with more than 20 agencies to develop citizen-centric digital strategies and plans, which detail more than 100 digital service transformations and business improvement initiatives, including:

- a [Digital Transformation Strategy](#) to ensure public services are simple, smart, secure and digital
- implementation of a [Digital Service Standard](#) for a common approach towards digital service transformation across government to help meet the service expectations of South Australians
- reducing risks and enhancing the resilience of the government's ICT systems, recognising that trust and confidence is fundamental to digital uptake.

The department's citizen and business-centric focus was also reflected through the continuation of the [90 Day Change Projects](#) program, managed by the Office for the Public Sector, which saw 10 projects completed in 2015-16. One of these projects involved the Lifetime Support Authority (LSA), which cares for and supports South Australians who are very seriously injured as a result of a motor vehicle accident. The [Live Data: Remote Access for Lifetime Support Authority Staff](#) project saw the LSA adopt new technologies to allow staff to spend better quality time with clients and access and update files, emails and client information seamlessly and securely from any location.

Reporting for Entities supported by the Department of the Premier and Cabinet

Competition Commissioner - Competitive Neutrality Complaints

The following information is provided in accordance with the requirement in section 21 of the *Government Business Enterprises (Competition) Act 1996* (the Act) for the Chief Executive of DPC to report annually on investigations carried out under this Act.

No complaints were received by the Competitive Neutrality Complaints Secretariat, situated within Cabinet Office, during 2015-16. Therefore, there was no requirement to forward any complaints to a Competition Commissioner during this period.

There are currently no Competition Commissioners appointed by the Governor under section 5 of the Act.

Summaries of previous complaints referred to a Competition Commissioner and additional information is available via the [national competition policy section](#) of the DPC website.

State Emergency Management Committee

The following information is provided in accordance with section 13 of the *Emergency Management Act 2004* which requires the State Emergency Management Committee (SEMC) to report annually on its operations.

SEMC met on four occasions during 2015-16. The most significant matters addressed were:

- *Emergency Management Act 2004* amendments: a number of changes to the Act were enacted that updated and strengthened South Australia's emergency management arrangements. Key changes include recognition of the role of local government in emergency management, and greater acknowledgement of the importance of hazard planning and mitigation measures. These changes come as a result of an extensive review and consultation process overseen by SEMC and involving all major stakeholders. In support of the updated Act, SEMC commenced a review of the State Emergency Management Plan.

- Pinery Bushfire: on 25 November 2015, the Pinery fire burnt more than 82,500 hectares across South Australia's mid-north. Insurance losses exceeded \$75 million with 91 homes, more than 400 farm structures and thousands of livestock destroyed. During the fire, two people lost their lives. SEMC has continued to monitor and evaluate the response and recovery operations of the Pinery Fire to ensure lessons learnt can be used to improve the state's emergency arrangements.

SEMC releases its own annual report, which is available on the [Security and Emergency Management section](#) of the DPC website.

Corporate initiatives

Reconciliation

Reconciliation had a high profile across the department. A major achievement was having 4.17% FTE of employees made up of Aboriginal and Torres Strait Islander (ATSI) people as at 30 June 2016.

The showcase modern workplace floor in the State Administration Centre was officially named the 'Respect and Reconciliation' floor, with all meeting rooms named after prominent ATSI people. The ATSI flags and Indigenous art works are featured on the floor. A visual style guide was also developed which includes ATSI art work for use in departmental documents.

The Reconciliation Committee continued to oversee the implementation of the *Reconciliation Action Plan 2015-18*. The committee organised events for DPC and the Department of Treasury and Finance employees to celebrate National Reconciliation Week 2016. Events included a bush food barbecue in Tarntanyangga (Victoria Square) provided by Tauondi College, cultural tours of the ATSI galleries at the South Australian Museum, and a film event in collaboration with the Department of State Development. Employees also attended the Reconciliation breakfast.

Disability Access and Inclusion Plan

Achievements included a partnership with the National Disability Recruitment Coordinator program to increase the employment of people with a disability in DPC and procurement of new software to improve the accessibility of online training courses.

The modern workplace refurbishment in the State Administration Centre featured:

- a large number of height adjustable sit-stand desks and meeting tables
- amenities and kitchen facilities that enable wheel-chair accessibility
- open, flexible and accessible meeting spaces.

The new Service SA Seaford Meadows Customer Service Centre provided improved accessibility for customers and staff. The centre features:

- a combination of seated and height adjustable customer service desks, eliminating the traditional high service counters
- contrasting floor covering transition to reduce tripping hazards
- fully automated entrance doors
- a self-serve customer ticket dispenser that swivels for height and angle requirements
- staff kitchen facilities that are wheel-chair accessible.

Whistleblowers Protection Act 1993

DPC has appointed three responsible officers for the purposes of the *Whistleblowers Protection Act 1993* pursuant to Section 7 of the *Public Sector Act 2009*. There was one instance of disclosure of public interest information for DPC during 2015-16, which was addressed in accordance with legislative requirements.

Fraud

The department is committed to maintaining a work environment free of fraud and corrupt behaviour. A formal policy is in place documenting the process to be followed in the event that fraud or corruption is suspected or detected. DPC offers protection to genuine whistleblowers to enable disclosure of illegal activities or corruption to be made.

One instance of fraud was investigated and referred to the Office for Public Integrity and SAPOL. The incident involved the use of a government purchase card for personal use. The total amount involved was not material and arrangements are in place for the employee to refund the monies.

Public complaints

Implementation of the complaint and feedback policy and procedure was completed by September 2015, and a process was established for a quarterly review of all complaints and resulting improvements.

The table below shows the formal complaints received by DPC during 2015-16.

Complaints by subject category	Number
Service quality/delivery	47
Behaviour of staff	48
Service access/processes/procedures	113
Other complaints	10
Feedback	10
Total complaints	228

Of these, 92.5% were received and resolved by Service SA and 7.5% by Shared Services SA. Both areas responded by:

- working closely with customers and providing counselling and training to staff to improve service expectations
- reviewing and changing practices and policies to facilitate a number of transactions and improve customer services.

In addition, Shared Services SA implemented a system to streamline the collection and resolution of customer feedback and complaints. Service SA implemented new and

improved existing online services to provide customers with more convenient and faster access to services.

In 2016-17, Shared Services SA will introduce a customer feedback process into the complaints management process, to evaluate how well complaints are managed and resolved. Similarly, Service SA will:

- expand the number of online transactions and promote these to maximise customer uptake
- improve Customer Service Centres
- make forms easier for customers to understand and complete.

Sustainability

The department reduced its accommodation footprint by 3,769.9 m² and consequently reduced the consumption of energy associated with office lighting and air-conditioning.

Accommodation planning aims to transform closed office accommodation into open, modern work environments that support higher occupancy levels. In new office environments lighting controls were returned to base building systems, some inefficient T8 lighting was replaced with LED downlights and sensor controlled lighting was installed in meeting rooms and quiet rooms.

The cooling towers replacement project at the Glenside Hosting Facility delivered a 74% reduction in energy consumption when compared to the old towers, which equated to an approximate annual reduction of \$15,000 in energy costs.

The range of DPC initiatives focussing on online transactions, modern service delivery and work practices produced savings in printing and paper use for the department and across agencies, as well as for the customer. These include:

- expanded electronic workflows as part of DPC's information and records management system
- projects for transitioning from paper-based to electronic document management and for reducing the number and complexity of paper-based forms within Service SA
- projects led by Shared Services SA to digitise processes and transactions for government agencies and employees.

OUR PEOPLE 2015-16

Workforce statistics

Detailed information for DPC's workforce for each year is in the *South Australian Public Sector Workforce Information* report, available on the [Office for the Public Sector](#) website.

Total number of employees	
Persons	1528
Full Time Equivalent	1404.87*

* Excludes five FTEs for the Agent-General's Office, London

Gender	% Persons	% FTEs
Male	35.34	37.28
Female	64.65	62.71
Other	0	0

Number of persons during the 2015-16 financial year	
Separated from the agency	192
Recruited to the agency	186

Executives by gender, classification and status

Class.	Term Tenured			Term Untenured			Total					
	M	F	X	M	F	X	M	%	F	%	X	%
EXE0F	0	0	0	2	0	0	2	4.56	0	0	0	0
SAES1	0	1	0	19	11	0	19	43.18	12	27.27	0	0
SAES2	0	0	0	5	6	0	5	11.36	6	13.64	0	0
Total	0	1	0	26	17	0	26	59.09	18	40.9	0	0

M (male), F (female), X (indeterminate/intersex/unspecified)

Average days leave per Full-time Equivalent (FTE) employee

Leave type	2012-13	2013-14	2014-15	2015-16
Sick leave	8.0	8.0	7.74	7.99
Sick leave (unpaid)	1.9	1.09	1.26	2.09
Family carers' leave	1.0	0.9	0.92	1.09
Miscellaneous special leave	0.8	0.5	0.44	0.44
Total	11.7	10.49	10.36	11.61

Aboriginal and Torres Strait Islander (ATSI) Employees

Salary bracket	ATSI staff headcount	Total staff headcount	Total staff FTE	% ATSI staff FTE	% Total staff FTE
\$0 - \$56 199	33	517	460.34	7.15	32.76
\$56 200 - \$71 499	12	389	367.58	3.26	26.16
\$71 500 - \$91 499	4	337	303.94	1.22	21.63
\$91 500 - \$115 499	2	231	221.51	0.90	15.76
\$115 500+	0	54	51.5	0	3.66
Total	51	1528	1404.8	*3.57	100

* DPC achieved 4.17% of its FTEs comprising Aboriginal or Torres Strait Islander employees, including formal offers of employment accepted by 30 June 2016.

The Government target is 2% of headcount (target 53 from South Australia's Strategic Plan)

Number of employees by age bracket by gender

Age Bracket	Male	Female	Other	Total	% of Total	2014 Workforce Benchmark* %
15-19	3	6	0	9	0.59	5.5
20-24	9	29	0	38	2.49	9.7
25-29	40	94	0	134	8.77	11.2
30-34	74	138	0	212	13.87	10.7
35-39	77	129	0	206	13.48	9.6
40-44	63	134	0	197	12.89	11.4
45-49	67	125	0	192	12.57	11.1
50-54	72	119	0	191	12.5	11.4
55-59	68	114	0	182	11.91	9.1
60-64	51	71	0	122	7.98	6.7
65+	16	29	0	45	2.95	3.6
Total	540	988	0	1528	100%	100%

*Source: Australian Bureau of Statistics Australian Demographic Statistics, 6291.0.55.001 Labour Force Status by age social marital status, and sex.

Number of employees with disabilities (according to Commonwealth Disability Discrimination Act Definition)

Male	Female	Other	Total	% of Agency
8	33	0	41	2.68

Types of disability (where specified)

Disability	Male	Female	Other	Total	% of Agency
Disability requiring workplace adaptation	8	27	0	35	2.29
Physical	4	13	0	17	1.11
Intellectual	1	0	0	1	0.07
Sensory	2	4	0	6	0.39
Psychological/psychiatric	0	1	0	1	0.07

Documented review of individual performance management

Employees with ...	% Total Workforce
A review completed in the past six months under the new process	92.79
A review completed in the past 12 months under the old process	95.43
No review	4.57

Leadership and management training expenditure

Training and development	Total Cost \$	% of Total Salary Expenditure
Total training and development expenditure	2 664 917	2.03
Total leadership and management development expenditure	548 354	0.42

Employment Opportunity Programs

Disability employment

In 2016, DPC partnered with the WorkFocus Group National Disability Recruitment Coordinator to review and implement strategies that promote the recruitment and retention of people with disability within the department.

DPC has undertaken an accessibility audit and review of recruitment processes and systems and work commenced on designing and developing a Disability Employment Pool, to be implemented in 2016-17.

Aboriginal Employment Plan

DPC established an Aboriginal and Torres Strait Islander (ATSI) Employment Pool to source candidates for roles across all classification levels. The pool was widely advertised on the DPC Careers and Jobs SA websites, and in the *Koori Mail* and *National Indigenous Times*. A process was established for applicants from the pool to be considered prior to any vacancy being advertised. As at 30 June 2016, there were 105 candidates in the employment pool.

To demonstrate commitment to a culturally inclusive workplace and to retain ATSI employees, the department provided up to five cultural leave days per year for ATSI employees. Planning for delivering Cultural Competency training for leaders also commenced, to be implemented in 2016-17.

The South Australian Strategy for the Inclusion of Lesbian, Gay, Bisexual, Transgender, Intersex and Queer (LGBTIQ) people

Under the [South Australian LGBTIQ Inclusion Strategy](#), DPC developed an online awareness course and short film to promote a more respectful and inclusive workplace and customer service environment for LGBTIQ employees and customers. The course was launched in May 2016 and is available to all public sector agencies, and is the first of its kind for any Australian government.

Recognising and respecting greater diversity beyond the traditionally acknowledged male/female gender binary, DPC partnered with the Department of Environment, Water and Natural Resources to lead the public sector in the review of gender records on employee and customer forms and systems. Changes were made to expand the gender options, in line with best practice as implemented by the Australian Bureau of Statistics.

Jobs4YouthSA program

The department recognises the requirement to increase diversity and address the ageing workforce through employment opportunity programs, this includes the Jobs4Youth program. From the 2014-15 Jobs4Youth program, 13 trainees/graduates were retained within the department, with another 26 trainees/graduates successfully recruited during 2015-16.

Work Health Safety and Injury Management

Work Health and Safety (WHS) prosecutions, notices and corrective action taken

Number of notifiable incidents pursuant to WHS Act Part 3	2
Number of notices served pursuant to WHS Act Section 90, Section 191 and Section 195 (Provisional improvement, improvement and prohibition notices)	0
Number of prosecutions pursuant to WHS Act Part 2 Division 5	0
Number of enforceable undertakings pursuant to WHS Act Part 11	0

There were two notifiable incidents that occurred during the reporting period and both were investigated internally. One was as a result of a personal illness and the other incident related to a contract cleaner and was reported by DPC as the shared duty holder.

Work Health and Safety performance (Building Safety Excellence targets)

Total new workplace injury claims	15
Significant injuries – where lost time exceeds one working week (expressed as frequency rate per 1000 FTE)	1.20
Significant musculoskeletal injuries – where lost time exceeds one working week (expressed as frequency rate per 1000 FTE)	0.00
Significant psychological injuries – where lost time exceeds one working week (expressed as frequency rate per 1000 FTE)	1.20

Note: The BSE targets above are based on information manually entered into the Self Insurance Management System

The number of new claims has decreased by 40% when compared to the previous year. The rate of significant injuries, defined as claims that have a working week or more in lost time, has declined from 8.66 per 1,000 FTE in March 2014 down to 1.20 per 1,000 FTE for the year ending 30 June 2016.

A range of initiatives and programs met requirements under the draft *Building Safety Excellence Strategy*. These included:

- development of online training modules for managers and completion of two internal audits
- a Wellbeing Program with a strong psychological focus; a staff wellbeing survey was conducted (89% indicated low risk of work related stress and 60% low risk of personal stress); training was provided on the PERMA positive psychology model, resilience and change management
- key risk areas identified
- performance measured and reported against targets.

Gross Workers Compensation expenditure for 2015-16 compared with 2014-15

Expenditure	2015 – 16 \$	2014 – 15 \$	Variation \$ + (-)	% change + (-)
Income support	146 986	273 999	(127 103)	(46)
Hospital	3 627	1 358	2 269	167
Medical	123 983	197 956	(73 973)	(37)
Rehabilitation/ return to work	—	1 537	(1 537)	(100)
Investigations	13 445	3 273	10 172	311
Legal expenses	128 627	103 031	25 596	25
Lump Sum	76 856	15 185	61 671	406
Redemption	388 900	125 931	262 969	209
Other (including travel)	34 771	18 714	16 057	86
Total Claim Expenditure	\$917 196	\$740 985	\$176 211	24%

There was an 8.4% decrease in the cost of new claims during 2015-16 and reductions in relation to income support and medical expenses. While coming from a low base, the increase in hospital expenses was for a minor operation for one employee.

There was an increase in both lump sum payments and redemption payments for the year. These payments have the effect of finalising claims and reducing future liability.

The department has no workers in the seriously injured category.

FINANCIAL OVERVIEW 2015-16

This section provides a summary of the department's actual results compared with the department's final revised budget for the 2015-16 financial year. A full suite of the department's financial statements for 2015-16 is presented later in this report.

Statement of comprehensive income

	2015-16 Budget \$000s	2015-16 Actual \$000s	Variation \$000s	2014-15 Actual \$000s
Expenses	(282 428)	(270 646)	11 782	(297 972)
Revenues	199 919	197 165	(2 754)	205 802
Net cost of providing services	(82 509)	(73 481)	9 028	(92 170)
Net Revenue from SA Government	76 829	76 829	—	87 938
Net result	(5 680)	3 348	9 028	(4 232)
Total Comprehensive Result	(5 680)	3 348	9 028	(4 232)

The department reported a \$3.348 million profit for the 2015-16 financial year. This result is \$9.028 million favourable when compared with the 2015-16 budget, mainly due to job vacancies and delayed expenditure that will be carried over into future years.

Statement of financial position

	2015-16 Budget \$000s	2015-16 Actual \$000s	Variation \$000s	2014-15 Actual \$000s
Current assets	74 866	88 806	13 940	81 731
Non-current assets	38 813	34 237	(4 576)	38 079
Total assets	113 679	123 043	9 364	119 810
Current liabilities	(37 077)	(36 352)	725	(35 868)
Non-current liabilities	(30 982)	(33 061)	(2 079)	(32 633)
Total liabilities	(68 059)	(69 413)	(1 354)	(68 501)
Net assets	45 620	53 630	8 010	51 309
Equity	45 620	53 630	8 010	51 309

The department's net assets at 30 June 2016 were \$8.010 million higher than budget, mainly due to a higher than budgeted deposit account balance caused by delayed expenditure.

APPENDICES

Appendix 1 – Legislation and Boards and Committees administered by DPC

Legislation

Premier

Agent-General Act 1901

Competition Policy Reform (South Australia) Act 1996

Constitution Act 1934

Emergency Management Act 2004

Fees Regulation Act 1927

Government Business Enterprises (Competition) Act 1996

Mutual Recognition (South Australia) Act 1993

Remuneration Act 1990

Trans-Tasman Mutual Recognition (South Australia) Act 1999

Unauthorised Documents Act 1916

Year 2000 Information Disclosure Act 1999

Minister for the Public Sector

Public Sector (Honesty and Accountability) Act 1995

Public Sector Act 2009

Freedom of Information Act 1991 (administered by the Attorney-General's Department)

Boards and Committees

In 2015-16, DPC provided support to the following boards and committees:

- Information and Communication Technology (ICT) Board*
- Nuclear Fuel Cycle Royal Commission Consultation and Response Authority Board**
- Playford Memorial Trust Inc***
- Public Sector Grievance Review Commission
- Remuneration Tribunal
- State Emergency Management Committee***

* Until October 2015, when the Minister for the Public Sector approved its dissolution

** From 30 May 2016 until 30 June 2016

*** On 30 October 2014 Cabinet determined these were not government boards, although DPC continued to support them as entities

Appendix 2 – Consultants

Consultant	Purpose of consultancy	Number	Total \$
Value below \$10 000			
Various			
Subtotal		23	\$120 862
Value \$10 000 and above			
Australasian Shared Services Association	Benchmarking study for activities relating to accounts payable, accounts receivable and payroll services		
The Australia and New Zealand School of Government Limited	Supported the introduction of Public Value concepts into the South Australian public sector		
Colmar Brunton Pty Ltd	Survey design and review for the Nuclear Fuel Cycle Royal Commission Consultation and Response Unit		
Deloitte Touche Tohmatsu	Audit and verification system for integrating audit, analysis, reporting and policy to facilitate improvements in public sector safety and injury management performance		
Deloitte Touche Tohmatsu	Review of StateNet Cyber Security management		
Deloitte Touche Tohmatsu	Review of the whole of government payroll reform data migration plan		
EconSearch Pty Ltd	Update the data and industry aggregations within the Regional Industry Structure and Employment input-output model		
Ernst & Young	Examine the potential implications to the public health system and the health system overall, of the funding growth provided by the Commonwealth indexation arrangements under the 2014-15 Federal Budget		

Consultant	Purpose of consultancy	Number	Total \$
Ernst & Young	Market review, capital markets advice and financial modelling		
Ernst & Young	Review of the parallel run plan and tools for the CHRIS 21 payroll reform project		
Essential Media Communications	Research, analysis and advice for the development of a whole of government communications plan		
Future Earth Systems Pty Ltd	Initial investigation and production of discussion paper for the project of Adapting Gigabit City for South Australia		
Infor Global Solutions (Anz) Pty Ltd	Review and research on the Masterpiece extracts system		
Integrated Global Partners	Organisational diagnostic of the culture, structure, practices and systems within DPC		
Kloud Solutions SA Pty Ltd	Development of a strategy and governance framework for the management of the Office 365 platform		
KPMG	Advisory services to the CHRIS 21 Payroll Reform Project Board		
KPMG	Development of a Best Service Framework discussion paper, for the Disability Reform Program Steering Committee (provides governance of NDIS and Commonwealth Aged Care reform)		
KPMG	Preparation of the Competitive Alternatives 2016 Summary report for the South Australian Government		
MCI Australia	Management services for Open State 2016		
Michael B Evans	Advice in relation to the taxation of financial services under Australian GST law		
Michels Warren Pty Ltd	Communications, media and public relations services for the Nuclear Fuel Cycle Royal Commission Consultation and Response Unit		

Consultant	Purpose of consultancy	Number	Total \$
Nous Group	Whole of government human resources functions and models		
PricewaterhouseCoopers	Geospatial economic modelling		
Quiip Holdings Pty Ltd	Community engagement on behalf of the Nuclear Fuel Cycle Royal Commission Consultation and Response Unit		
SMS Consulting Group Ltd	Digital strategy development for DPC		
SMS Consulting Group Ltd	Provision of an ICT enterprise architecture roadmap that determines technical baseline and outlines progression to target, in line with strategic plans and digital agenda		
Square Holes	Expert advice on marketing and communications approach including resonant themes, ideas, language and the degree to which the target audience would subscribe to messages. Outputs will inform future direction and concept development on communications strategies.		
System Solutions Engineering	Pilot receiving media monitoring communications signals off premises		
Taylor Fry Pty Ltd	Actuarial review of outstanding claim provisions for SA Crown self-insured agencies workers compensation claims		
	Subtotal	29	1 722 907
	Total number and value of consultancies	52	1 843 769

Appendix 3 – Whole of Government advertising

The Government of South Australia is committed to providing all South Australians with information about its policies, services, programs and initiatives; as well as information on all matters that affect South Australians' rights, benefits and obligations.

Conveying public value via marketing communications is regarded as integral to meeting this commitment to the community, and the government is constantly looking for ways to effectively engage with the community without compromising on quality or effectiveness.

Categories of Government advertising

Advertising conducted by the Government of South Australia encompasses a diverse range of activities and objectives. These include, but are not limited to:

- promoting behavioural change for social good – for example: road-safety, environment, sustainability and conservation
- providing information regarding government services and policies – public transport changes, service locations and facilities
- recruiting staff – regular recruitment advertising or special campaigns
- increasing enrolments and participation in education – school open days and TAFE enrolments
- raising awareness of health issues – vaccination awareness and smoking cessation
- providing information regarding changes to legislation – consumer rights, law amendments
- driving retail sales – tourism, events and festivals
- encouraging investment in the state – interstate business awareness and migration.

The Government of South Australia proactively manages and provides oversight of advertising activity through a range of policies, guidelines and processes administered by Government Communications Advice (GCA) in DPC, overseen by the Premier's Communications Advisory Group.

The *Marketing Communications Guidelines* provide instruction and assistance to government agencies on appropriate and effective use of public funds for advertising and associated marketing communications activities.

The [GCA website](#) provides information and advice to help government marketing and communications personnel improve the quality, value and effectiveness of their external communications.

Expenditure on Government advertising

The government's expenditure on media advertising in 2015-16 was \$8.84 million less when compared to the baseline year of 2009-10.

The increase of \$2.46 million from 2014-15 to 2015-16 was anticipated, given the addition of key priority campaigns such as community consultation on the nuclear fuel cycle, encouraging investment in the state through tax reform and increased expenditure on health and tourism campaigns. The highest spending campaigns are those that also generate the most benefit to the state by increasing investment, tourism, health or safety.

During 2015-16, DPC maintained a Master Media Agency (MMA) contract with Mediaedge:CIA for the provision of media planning and booking services. All South Australian government agencies are required to use the MMA system.

The following table indicates expenditure on advertising by Government of South Australia agencies via the MMA contract during 2015-16.

Government agency	Total media spend \$ (exc. GST)
Adelaide Cemeteries Authority	149 477
Adelaide Festival Centre Trust	1 020 918
Adelaide Festival Corporation	431 467
Adelaide Film Festival	53 708
Adelaide Shores	5 100
Attorney-General (including Public Trustee, SafeWork SA)	237 882
Auditor-General	5 421
Austraining International	12 379
Country Arts SA	6 368
Country Fire Service	457 656
Courts Administration Authority	15 544
Defence SA	119 715
Department for Communities and Social Inclusion	65 654
Department for Correctional Services	55 185
Department for Education and Child Development	699 602
Department of Environment, Water and Natural Resources	263 636
Department of Planning, Transport and Infrastructure	595 859
Department of Primary Industries and Regions SA	234 500
Department of State Development (including Art Gallery of SA, SA Museum, State Library of SA, Public Library Services)	1 944 801

Government agency	Total media spend \$ (exc. GST)
Department of the Premier and Cabinet	810 470
Department of Treasury and Finance	151 208
Education Adelaide	171
Electoral Commission South Australia	26 409
Environment Protection Authority	29 616
Funds SA	14 530
History SA	76 353
HomeStart Finance	583 713
Independent Commissioner Against Corruption	7 043
Legal Services Commission	5 980
Motor Accident Commission	3 755 781
Parliament House	58 067
Renewal SA	732 627
ReturnToWorkSA	22 211
SA Electoral Districts Boundaries Commission	37 024
SA Health	3 391 227
SA Water	105 712
SACE Board of South Australia	6 280
South Australia Police	269 570
South Australian Civil and Administrative Tribunal	4 825
South Australian Fire and Emergency Services Commission	382 921
South Australian Tourism Commission (including Motor Sport Group)	10 028 059
State Opera of South Australia	143 536

Government agency	Total media spend \$ (exc. GST)
State Theatre Company	195 434
TAFE SA	910 435
Windmill Theatre	9 462
Total	28 133 538

Top 10 Government advertising campaigns by media expenditure

The following table details the top 10 advertising campaigns, by expenditure, for 2015-16.

Agency	Title of campaign	Media expenditure \$ (exc. GST)
SA Tourism Commission	Interstate Tourism	6 453 956
Drug and Alcohol Services SA (SA Health)	Smoking Cessation	1 560 103
SA Tourism Commission	Tour Down Under	886 543
SA Tourism Commission	Intrastate Tourism	858 721
The Motor Sport Group (SA Tourism Commission)	Clipsal 500	831 597
Motor Accident Commission	Driver Safety - Drugs	670 217
Department of State Development	Investment Attraction - Tax Reforms	644 534
Motor Accident Commission	Driver Safety - Distraction	628 916
Motor Accident Commission	Driver Safety - Regional Drivers	624 384
Motor Accident Commission	Driver Safety - Drink Drive	622 209

Top 10 Department of the Premier and Cabinet advertising campaigns by media expenditure

The following table details the major advertising campaigns by DPC during 2015-16.

DPC division	Title of campaign	Media expenditure \$ (exc. GST)
Engagement and Response Division	Nuclear Consultation Communications (Phase One)	401 238
Strategic Communications	Jobs SA 2016 initiative	150 000
Strategic Communications	Economic Priorities	107 786

Notes for all media expenditure figures quoted:

- Gross media expenditure (exc. GST) reported by the MMA under the contract which DPC manages.
- The title of the campaign is the one used by the responsible government agency and may vary compared to how it was known in the market.
- Expenditure does not include creative, production, research and other related costs, which were incurred by the individual government agency during the preparation of advertising materials.
- Figures correct as at 17 August 2016.

Appendix 4 – Further information

Further information about DPC is provided under the topics listed below. This includes information which is available from other sources.

Accounts payment performance

The department's account payment performance report is now provided directly to the Department of Treasury and Finance (DTF) and is available from the [DTF website](#).

Contractual information

Information on DPC contracts is available from the [South Australian Tenders & Contracts website](#).

Energy efficiency

Information on the department's energy efficiency performance is included in the *South Australian Government Annual Energy Efficiency Report* which is provided to Cabinet each year. The most recent report is available from the [sa.gov.au website](#). All previous reports are available from the [Department of State Development website](#).

Low Carbon Economy

Information on Low Carbon Economy is provided in the following three documents, available from SA Government websites:

- [South Australia's Climate Change Strategy 2015-2050: Towards a Low Carbon Economy](#)
- [The Carbon Neutral Adelaide commitment](#)
- [A Low Carbon Investment Plan for South Australia](#).

Office for the Public Sector

Further information about the Office for the Public Sector is outlined in the Commissioner for Public Sector Employment's *State of the Sector Report*, available on the [Office for the Public Sector website](#).

Overseas travel

Information on overseas travel undertaken by the Chief Executive and staff is reported on the [DPC website](#).

South Australia's Strategic Plan

South Australia's Strategic Plan (SASP) sets the broad framework for state government agencies to coordinate and collaborate on key priority areas. Progress against all targets is reported on the [SASP website](#). DPC is the lead agency for the following five SASP targets:

- Target 32: Customer and client satisfaction with government services: Increase the satisfaction of South Australians with government services by 10% by 2014, maintaining or exceeding that level of satisfaction thereafter.
- Target 35: Economic growth: Exceed the average national economic growth rate over the period to 2020.
- Target 39: Competitive business climate: Maintain Adelaide's rating as the least costly place to set up and do business and continue to improve our position internationally.

- Target 52: Women: Have women comprising half the public sector employees in the executive levels (including Chief Executives) by 2014 and maintain thereafter.
- Target 53: Aboriginal employees: Increase the participation of Aboriginal people in the South Australian public sector spread across all classifications and agencies to 2% by 2014 and maintain or better those levels through to 2020.

Workforce statistics

Detailed information about the department's workforce is published each year in the *South Australian Public Sector Workforce Information* report, available on the [Office for the Public Sector website](#).

FINANCIAL STATEMENTS 2015-16



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

**To the Chief Executive
Department of the Premier and Cabinet**

As required by section 31(1)(b) 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 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2016
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2016
- a Statement of Administered Financial Position as at 30 June 2016
- a Statement of Administered Changes in Equity for the year ended 30 June 2016
- a Statement of Administered Cash Flows for the year ended 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Acting Chief Executive and the Chief Finance Officer.

The Chief Executive's responsibility for the financial report

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

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 comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about 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 control relevant to the entity's preparation of the financial report that gives a true and fair view 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 evaluating 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.

My report refers only to the financial statements described above and does not provide assurance over the integrity of publication of the financial report on the Department of the Premier and Cabinet's website nor does it provide an opinion on any other information which may have been hyperlinked to/from these statements.

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Department of the Premier and Cabinet as at 30 June 2016, 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.



Andrew Richardson

Auditor-General

22 September 2016

Department of the Premier and Cabinet

Annual Financial Statements

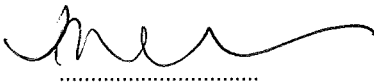
For the year ended 30 June 2016

DEPARTMENT OF THE PREMIER AND CABINET Certification of the Financial Statements

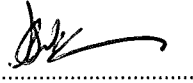
We certify that the attached general purpose financial statements for the Department of the Premier and Cabinet:

- are in accordance with the accounts and records of the department;
- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards; and
- present a true and fair view of the financial position of the Department of the Premier and Cabinet as at 30 June 2016 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Department of the Premier and Cabinet for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Dr Tahnya Donaghy
A/Chief Executive
16 September 2016



Steven Woolhouse FCPA
Chief Finance Officer
16 September 2016

Department of the Premier and Cabinet
Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Employee benefits	6	138 702	156 744
Supplies and services	7	115 441	120 572
Grants and subsidies	8	6 971	10 119
Depreciation and amortisation	9	8 104	10 246
Other expenses	10	738	250
Net loss from the disposal of non-current assets	17	690	-
Resources provided free of charge	11	-	41
Total expenses		270 646	297 972
Income			
Fees and charges	13	193 563	200 741
Commonwealth revenues	14	238	-
Grants	15	842	1 996
Interest		1	3
Resources received free of charge	16	-	31
Recoveries from administered items		1 500	1 267
Net gain from the disposal of non-current assets	17	-	705
Other income	18	1 021	1 059
Total income		197 165	205 802
Net cost of providing services		73 481	92 170
Revenues from / payments to SA Government			
Revenues from SA Government	19	79 128	93 438
Payments to SA Government	19	(2 299)	(5 500)
Net revenues from SA Government		76 829	87 938
Net result		3 348	(4 232)
Total comprehensive result		3 348	(4 232)

The net result and total comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying Notes.

Department of the Premier and Cabinet
Statement of Financial Position
as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	20	68 386	55 845
Receivables	21	20 342	25 793
Inventories		78	93
Total current assets		88 806	81 731
Non-current assets			
Receivables	21	1 513	149
Property, plant and equipment	22	26 852	31 566
Works of art	22	27	27
Intangible assets	23	5 845	6 337
Total non-current assets		34 237	38 079
Total assets		123 043	119 810
Current liabilities			
Payables	25	15 690	15 742
Employee benefits	26	19 375	19 144
Provisions	27	922	609
Other liabilities	28	365	373
Total current liabilities		36 352	35 868
Non-current liabilities			
Payables	25	2 561	2 428
Employee benefits	26	27 739	27 130
Provisions	27	1 861	1 815
Other liabilities	28	900	1 260
Total non-current liabilities		33 061	32 633
Total liabilities		69 413	68 501
Net assets		53 630	51 309
Equity			
Contributed capital		916	916
Asset revaluation surplus		675	2 339
Retained earnings		52 039	48 054
Total equity		53 630	51 309

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments	30
Contingent assets and liabilities	31

The above statement should be read in conjunction with the accompanying Notes.

Department of the Premier and Cabinet
Statement of Changes in Equity
for the year ended 30 June 2016

	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2014	45 221	39 382	141 539	226,142
Net result for 2014-15	-	-	(4 232)	(4 232)
Total comprehensive result for 2014-15	-	-	(4 232)	(4 232)
Transfer between equity components	(45 221)	(37 043)	82 264	-
Transactions with SA Government as owner				
Net assets transferred out as a result of an administrative restructure	-	-	(171 212)	(171 212)
Prior period adjustments	-	-	(305)	(305)
Equity contribution from the State Government	916	-	-	916
Balance at 30 June 2015	916	2 339	48 054	51 309
Net result for 2015-16	-	-	3 348	3 348
Total comprehensive result for 2015-16	-	-	3 348	3 348
Transfer between equity components	-	(1 664)	1 664	-
Transactions with SA Government as owner				
Net assets transferred out as a result of an administrative restructure	-	-	(907)	(907)
Prior period adjustments	-	-	(120)	(120)
Balance at 30 June 2016	916	675	52 039	53 630

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

The above statement should be read in conjunction with the accompanying Notes.

Department of the Premier and Cabinet
Statement of Cash Flows
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits		(136 150)	(155 838)
Supplies and services		(137 397)	(136 847)
Grants and subsidies		(6 971)	(11 138)
GST paid to the ATO		-	(5 600)
Other payments		(173)	(250)
Cash used in operations		(280 691)	(309 673)
Cash inflows			
Fees and charges		212 402	218 262
Commonwealth revenues		238	-
Grants		842	2 137
Interest received		1	3
Recoveries from administered items		1 500	1 271
GST recovered from the ATO		7 059	-
Other receipts		1 028	1 076
Cash generated from operations		223 070	222 749
Cash flows from SA government			
Receipts from SA Government		79 128	93 438
Payments to SA Government		(2 299)	(5 500)
Cash generated from SA government		76 829	87 938
Net cash provided by operating activities	33	19 208	1 014
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(4 755)	(4 275)
Purchase of intangible assets		(1 788)	(3 590)
Cash used in investing activities		(6 543)	(7 865)
Cash inflows			
Proceeds from the sale of property, plant and equipment		-	5 584
Cash generated from investing activities		-	5 584
Net cash used in investing activities		(6 543)	(2 281)
Cash flows from financing activities			
Cash outflows			
Cash transferred as a result of restructuring activities		(124)	(7 153)
Cash used in financing activities		(124)	(7 153)
Cash inflows			
Capital contributions from the State government		-	916
Cash generated from financing activities		-	916
Net cash used in financing activities		(124)	(6 237)
Net increase/(decrease) in cash and cash equivalents		12 541	(7 504)
Cash and cash equivalents at the beginning of the period		55 845	63 349
Cash and cash equivalents at 30 June	20	68 386	55 845

The above statement should be read in conjunction with the accompanying Notes.

Department of the Premier and Cabinet
Disaggregated Disclosures Expenses and Income
as at 30 June 2016

	Premier and Cabinet Policy and Support		Strategic Engagement and Communications		Agent-General	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	11 435	9 827	3 217	2 616	1 215	954
Supplies and services	4 381	2 495	2 554	3 640	955	995
Grants and subsidies	2 993	7 873	2 300	1 657	-	-
Depreciation and amortisation	76	63	66	10	46	45
Net loss from disposal of non-current assets	-	-	-	-	-	-
Other expenses	10	5	-	11	140	-
Resources provided free of charge	-	-	-	-	-	-
Total expenses	18 895	20 263	8 137	7 934	2 356	1 994
Income						
Fees and charges	155	156	255	356	191	116
Commonwealth revenues	238	-	-	-	-	-
Grants	-	121	10	470	-	-
Interest	-	-	-	-	1	2
Resources received free of charge	-	-	-	-	-	-
Recoveries from administered items	-	250	1 500	1 017	-	-
Net gain from disposal of non-current assets	(2)	-	-	-	-	1 258
Other income	6	3	140	-	159	123
Total income	397	530	1 905	1 843	351	1 499
Net cost of providing services	18 498	19 733	6 232	6 091	2 005	495
Revenues from / payments to SA Government						
Revenues from SA Government	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	(5 500)
Total net revenues from SA Government	-	-	-	-	-	(5 500)
Net result	(18 498)	(19 733)	(6 232)	(6 091)	(2 005)	(5 995)

Department of the Premier and Cabinet
Disaggregated Disclosures Expenses and Income
as at 30 June 2016

	State Coordinator- General		Support Services and Community Programs		Government Publishing	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	660	312	30 650	30 994	1 409	1 485
Supplies and services	109	59	23 200	14 819	1 499	1 648
Grants and subsidies	-	-	1 538	469	-	-
Depreciation and amortisation	-	-	884	1 362	146	69
Net loss from disposal of non-current assets	-	-	496	-	-	-
Other expenses	-	-	97	253	6	-
Resources provided free of charge	-	-	-	41	-	-
Total expenses	769	371	56 865	47 938	3 060	3 202
Income						
Fees and charges	-	-	4 212	12 197	2 189	1 752
Commonwealth revenues	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Interest	-	-	-	1	-	-
Resources received free of charge	-	-	-	-	-	-
Recoveries from administered items	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	387	-	(51)	-
Other income	-	-	440	620	190	19
Total income	-	-	5 039	12 818	2 328	1 771
Net cost of providing services	769	371	51 826	35 120	732	1 431
Revenues from / payments to SA Government						
Revenues from SA Government	-	-	72 537	81 447	-	-
Payments to SA Government	-	-	(2 299)	-	-	-
Total net revenues from SA Government	-	-	70 238	81 447	-	-
Net result	(769)	(371)	18 412	46 327	(732)	(1 431)

Department of the Premier and Cabinet
Disaggregated Disclosures Expenses and Income
as at 30 June 2016

	Capital City		Information and Communication Technology Services		Government Services	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	-	501	10 644	16 227	70 783	79 887
Supplies and services	-	91	47 006	48 564	38 107	51 468
Grants and subsidies	-	-	140	120	-	-
Depreciation and amortisation	-	-	5 376	5 554	1 334	2 406
Net loss from disposal of non-current assets	-	-	176	-	18	-
Other expenses	-	-	424	38	63	200
Resources provided free of charge	-	-	-	-	-	-
Total expenses	-	592	63 766	70 503	110 305	133 961
Income						
Fees and charges	-	-	57 779	59 150	129 341	132 119
Commonwealth revenues	-	-	-	-	-	-
Grants	-	288	-	-	95	136
Interest	-	-	-	-	-	-
Resources received free of charge	-	-	-	31	-	-
Recoveries from administered items	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	(334)	(235)	-	-
Other income	-	-	46	263	2	130
Total income	-	288	57 491	59 209	129 438	132 385
Net cost of providing services	-	304	6 275	11 294	(19 133)	1 576
Revenues from / payments to SA Government						
Revenues from SA Government	-	-	1 685	1 643	4 906	10 348
Payments to SA Government	-	-	-	-	-	-
Total net revenues from SA Government	-	-	1 685	1 643	4 906	10 348
Net result	-	(304)	(4 590)	(9 651)	24 039	8 772

Department of the Premier and Cabinet
Disaggregated Disclosures Expenses and Income
as at 30 June 2016

	Public Sector Performance		State Records SA		Industry Participation Advocate	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	8 691	9 478	-	3 429	-	1 034
Supplies and services	3 041	3 765	-	3 154	-	295
Grants and subsidies	-	-	-	-	-	-
Depreciation and amortisation	176	114	-	594	-	29
Net loss from disposal of non-current assets	-	-	-	-	-	-
Other expenses	36	29	-	11	-	-
Resources provided free of charge	-	-	-	-	-	-
Total expenses	11 944	13 386	-	7 188	-	1 358
Income						
Fees and charges	4 551	4 788	-	413	-	-
Commonwealth revenues	-	-	-	-	-	-
Grants	737	981	-	-	-	-
Interest	-	-	-	-	-	-
Resources received free of charge	-	-	-	-	-	-
Recoveries from administered items	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	-	-	(318)	-	-
Other income	379	313	-	-	-	-
Total income	5 667	6 082	-	95	-	-
Net cost of providing services	6 277	7 304	-	7 093	-	1 358
Revenues from / payments to SA Government						
Revenues from SA Government	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
Total net revenues from SA Government	-	-	-	-	-	-
Net result	(6 277)	(7 304)	-	(7 093)	-	(1 358)

Department of the Premier and Cabinet
Disaggregated Disclosures Expenses and Income
as at 30 June 2016

	General/Not attributable		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses				
Employee benefits	(2)	-	138 702	156 744
Supplies and services	(5 411)	(10 421)	115 441	120 572
Grants and subsidies	-	-	6 971	10 119
Depreciation and amortisation	-	-	8 104	10 246
Net loss from disposal of non-current assets	-	-	690	-
Other expenses	(38)	(297)	738	250
Resources provided free of charge	-	-	-	41
Total expenses	(5 451)	(10 718)	270 646	297 972
Income				
Fees and charges	(5 110)	(10 306)	193 563	200 741
Commonwealth revenues	-	-	238	-
Grants	-	-	842	1 996
Interest	-	-	1	3
Resources received free of charge	-	-	-	31
Recoveries from administered items	-	-	1 500	1 267
Net gain from disposal of non-current assets	-	-	-	705
Other income	(341)	(412)	1 021	1 059
Total income	(5 451)	(10 718)	197 165	205 802
Net cost of providing services	-	-	73 481	92 170
Revenues from / payments to SA Government				
Revenues from SA Government	-	-	79 128	93 438
Payments to SA Government	-	-	(2 299)	(5 500)
Total net revenues from SA Government	-	-	76 829	87 938
Net result	-	-	3 348	(4 232)

Department of the Premier and Cabinet
Disaggregated Disclosures Assets and Liabilities
as at 30 June 2016

	Support Services and Community Programs		Capital City		State Records SA		Industry Participation Advocate	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	66 456	55 389	-	124	-	-	-	-
Receivables	22 360	26 617	-	-	-	29	-	4
Inventories	78	86	-	-	-	7	-	-
Property, plant and equipment	26 338	28 686	-	-	-	2 193	-	159
Works of art	-	-	-	-	-	-	-	-
Intangible assets	5 845	6 253	-	-	-	84	-	-
Total assets	121 077	117 031	-	124	-	2 313	-	163
Liabilities								
Payables	18 703	18 620	-	39	-	220	-	36
Employee benefits	47 057	44 866	-	85	-	963	-	330
Provisions	2 783	2 417	-	-	-	6	-	1
Other liabilities	1 265	1 620	-	-	-	13	-	-
Total liabilities	69 808	67 523	-	124	-	1 202	-	367

	Agent-General		General/Not attributable		Total	
	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	1 930	332	-	-	68 386	55 845
Receivables	40	109	(545)	(817)	21 855	25 942
Inventories	-	-	-	-	78	93
Property, plant and equipment	514	528	-	-	26 852	31 566
Works of art	27	27	-	-	27	27
Intangible assets	-	-	-	-	5 845	6 337
Total assets	2 511	996	(545)	(817)	123 043	119 810
Liabilities						
Payables	93	72	(545)	(817)	18 251	18 170
Employee benefits	57	30	-	-	47 114	46 274
Provisions	-	-	-	-	2 783	2 424
Other liabilities	-	-	-	-	1 265	1 633
Total liabilities	150	102	(545)	(817)	69 413	68 501

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

1 Objectives of the Department of the Premier and Cabinet

The Department of the Premier and Cabinet (the department) delivers specialist policy advice to the Premier and Ministers and supports the Cabinet process. It also has overarching responsibility for Commonwealth-State relations and drives the Premier's Council of Australian Governments (COAG) agenda. The department leads the implementation of South Australia's strategic priorities and policy commitments in the areas of economic and social development, international relationships and strengthening engagement between government and the community.

The department provides direction and leadership to the South Australian public sector and drives key government initiatives to benefit other government agencies and the community. These include the provision of shared corporate and business services across government, management of the government's information communication technology strategy and innovation, digital technology strategies and infrastructure, and delivery of government information, services and transactions through the Service SA network.

2 Summary of significant accounting policies

(a) Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are General Purpose Financial Statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards, and Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The department has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the department is a not-for-profit entity.

Except for AASB 2015-7 which the department has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the department for the reporting period ended 30 June 2016. Refer to Note 4.

(b) Basis of preparation

The preparation of the financial statements 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 are outlined in the applicable notes;
- the selection and application of accounting policies in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:
 - a) revenue, 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;
 - b) expenses incurred as a result of engaging consultants;
 - c) employee targeted voluntary separation package information;
 - d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (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.

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

The department's Statement of Comprehensive Income, Statement of Financial Position 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 applicable valuation policy.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month operating cycle and are presented in Australian currency.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and comparative information presented for the year ended 30 June 2015.

(c) Reporting entity

The department is a government department of the State of South Australia established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown. The financial statements and accompanying notes encompass all the controlled activities of the department (refer to the disaggregated schedule for details of the department's controlled activities).

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

In making this assessment, the department considered its power over the entity, its exposure or rights to variable returns from its involvement with the entity and the ability to use its power to affect return amounts.

The department has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

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 Governments.

Transactions and balances relating to these administered resources are not recognised as departmental income, expense, assets and liabilities. As administered items are significant in relation to the department's overall financial performance and position, they are disclosed in the administered financial statements attached to the general purpose financial statements.

Except as otherwise disclosed, administered items are recognised on the same basis and using the same accounting policies as for the departmental items.

(d) Transferred functions

The Public Sector (Reorganisation of Public Sector Operations) Notice 2015 (dated 21 May 2015) declared that State Records of South Australia will transfer to the Attorney General's Department, and the Industry Participation Advocate will transfer to the Department of State Development, both effective 1 July 2015.

As a result of restructuring of administrative arrangements, the department relinquished responsibility for Capital City effective 1 July 2015.

The Public Sector (Reorganisation of Public Sector Operations) Notice 2013 (dated 26 June 2014) declared that:

- Safework SA was transferred from the department to the Attorney-General's Department effective from 1 July 2014.
- Aboriginal Affairs and Reconciliation Division, Arts SA including Artlab Australia, Office of the Economic Development Board and Invest in SA were transferred from the department to the Department of State Development, effective 1 July 2014.

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

(e) Budgeted amounts

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budget or administrative restructures/machinery of government changes. The budget process is not subject to audit.

(f) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable to do so.

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

(g) Rounding

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

(h) 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.

Income, 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 (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- Receivables and payables are stated with the amount of GST included.

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

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

The department prepares a business activity statement on behalf of clients to which it provides business services, under the grouping provisions of the GST legislation. Under the grouping provisions, the department is liable for the GST payments and entitled to the GST receipts associated with these entities and items. The GST applicable forms part of the receivables and payables recorded in the department's Statement of Financial Position and the GST cash flows recorded in the Statement of Cash Flows.

(i) Events after the end of the reporting period

Adjustments would be made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions at balance date.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the event relates to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

Events after 30 June 2016 are outlined in note 37.

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

(j) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the department will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Fees and Charges

Income from fees and charges is derived from goods and services provided to other SA Government agencies and to the public. The revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Grants

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

Resources received free of charge

Resources received free of charge from external parties are recognised in the Statement of Comprehensive Income at their fair value. Contributions of services are recognised only when the fair value can be determined reliably and the services would be purchased if they had not been donated.

Revenues from SA Government

Appropriations for program funding are recognised as revenues when the department obtains control over the funding. 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 equity.

In relation to liquidity/funding risk, the continued existence of the department in its present form, and with its present activities, is dependent on Government policy and on continuing appropriations for the department's administration and activities.

Other income

Other income consists of refunds, pre-tax employee contributions and other miscellaneous income.

(k) Expenses

Expenses are recognised when and only when the flow or consumption or loss of future economic benefits has occurred and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

Employee benefits expense

Employee benefits expenses include all costs related to employment including salaries and wages, non-monetary benefits and leave entitlements. These are recognised when incurred.

Superannuation

The amount charged to the Statement of Comprehensive Income represents contributions made by the department to the superannuation plan in respect of current services of current departmental staff. The Department of Treasury and Finance centrally recognises the superannuation liability, for schemes operated by the State Government in the whole-of-government financial statements.

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

Grants and subsidies

Grants and subsidies that the department pays to other entities for general assistance or a particular purpose may be for capital or recurrent purposes and the name of the category reflects the use of the grant or subsidy. These entities may be other SA Government agencies, non-government organisations or the public. The grants and subsidies given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. For contributions payable, the contribution will be recognised as a liability and expense when the department has a present obligation to pay the contribution.

Grants and subsidies paid by the department generally have conditional stipulations attached.

Depreciation and amortisation of non-current assets

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets, while depreciation is applied to physical assets such as property, plant and equipment. The useful lives of all major assets held by the department are reassessed on an annual basis.

The value of leasehold improvements is amortised over the estimated useful life of each improvement or the unexpired period of the relevant lease, whichever is shorter.

Land is not depreciated.

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

<i>Class of asset</i>	Useful Life (years)
Buildings and Improvements	5-100
Transportable accommodation	10-20
Furniture and fittings	5-10
Plant and equipment	3-20
Office equipment	3-30
IT equipment	3-10
PABX equipment	3-7
Transmission equipment	5-40
StateNet core	5
Motor vehicles	4
Intangibles – Computer software	1-15

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.

Net gain (loss) on disposal of non-current assets

A gain (loss) from the disposal of non-current assets is recognised when control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. When re-valued assets are sold, the revaluation increments are transferred to retained earnings.

Resources provided free of charge

Resources provided free of charge to external parties are recognised as expenditure in the Statement of Comprehensive Income at their fair value and in the expense line to which they relate.

Payments to SA Government

Payments to the SA Government include the return of surplus cash pursuant to the government's cash alignment policy, paid directly to the Consolidated Account.

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

(l) 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.

(m) Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

Cash and cash equivalents

Cash and cash equivalents as reported in the Statement of Financial Position include cash on hand and deposits held at call. Cash and cash equivalents in the Statement of Cash Flows comprise cash and cash equivalents as defined above. Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from goods and services, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled 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 government 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 allowance for doubtful debts based on a review of balances within receivables that are unlikely to be collected. An allowance for doubtful debts is raised when there is objective evidence that the department will not be able to collect the debt. Bad debts are written off when identified.

Inventories

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

Non-current asset acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. However, if 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 authority immediately before transfer.

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

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

- 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.

Revaluation of non-current assets

All non-current tangible assets are valued at fair value. Revaluation of non-current assets or groups of assets is performed when their fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than 3 years.

Every 5 years, the department revalues its land, buildings and artwork via a Certified Practising Valuer. If at any time management considers that the carrying amount of the asset materially differs from the fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are re-valued to fair value.

An independent valuation of the land, buildings and artwork was conducted as at 30 June 2014 by Valcorp Australia Pty Ltd. The valuation of land and buildings as at 30 June 2014 was prepared on a fair value basis in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

Any revaluation increment is credited to the revaluation surplus except to the extent that it reverses a revaluation decrement of the same asset class previously recognised as an expense, in which case the increment is recognised as income. Any revaluation decrement is recognised as an expense, except to the extent that it reverses a revaluation increment for the same asset class, in which case the decrement is debited directly to the revaluation surplus to the extent of the credit balance existing in the revaluation surplus for that class of asset.

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

Impairment of assets

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the respective class in the revaluation surplus.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition in the financial records, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition or internal development of software is capitalised when the expenditure meets the asset definition criteria (identifiability, control, and the existence of future economic benefits) and the asset recognition criteria (probability of future economic benefit and cost can be reliably measured) 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 outlined in AASB 138 are expensed. Subsequent expenditure on intangible assets has not been capitalised.

Fair value measurement

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

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

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

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

Non-financial assets

In determining fair value, the department has taken into account the characteristics of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible and financial feasibility).

The department's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the department did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

Refer to Notes 22, 23 and 24 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Financial assets

The department does not recognise any financial assets at fair value.

(n) Liabilities

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard or where offsetting reflects the substance of the transaction or other event.

Where a liability line item combines amounts expected to be settled within twelve months and more than twelve months, the department has separately disclosed the amounts expected to be settled after more than twelve months.

Payables

Payables include creditors, accrued expenses, employment on-costs and Paid Parental Leave Scheme payable.

Creditors represent the amounts owing for goods and services received before 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 and where an invoice has not been processed.

The Paid Parental Leave Scheme payable represents amounts which the department has received from the Commonwealth Government to forward onto eligible employees via the department's standard payroll processes. That is, the department is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

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, skills and experience retention 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. The Department of

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

Treasury and Finance centrally recognises the superannuation liability for schemes operated by the State Government, in the whole-of-government financial statements.

Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date but yet to be paid. Long-term employee benefits are measured at the present value and short-term employee benefits are measured at nominal amounts.

(i) Salaries and wages

Liabilities for salaries and wages 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) Employment on-costs

Employment on-costs (payroll tax, superannuation and workers compensation) are recognised separately under payables and provisions.

(iv) Long service leave

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

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA government entities across government.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience.

(v) Skills and experience retention leave

A liability for skills and experience retention leave is calculated by determining the amount unpaid at the reporting date at remuneration rates current at reporting date. The liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

(vi) Sick leave

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.

Workers compensation provision

The department is an exempt employer under the *Workers Rehabilitation and Compensation Act 1986*. Under a scheme arrangement, the department is responsible for the management of workers rehabilitation and compensation.

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an annual actuarial assessment as at 30 June 2016 performed by the consulting actuaries to the Office of the Public Sector division of the department.

The workers compensation provision liability recognised for the employees of the department is based on an apportionment of an actuarial assessment of the whole-of-government workers compensation liability conducted by Taylor Fry Consulting Actuaries.

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

The actuarial assessment conducted by Taylor Fry Consulting Actuaries is based on the Payment Per Claim Incurred valuation method. The assessment has been conducted in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the Work Cover Guidelines for Actuarial Assessments. The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling those claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all the claims do not have to be paid out in the immediate future.

Copyright Provision

The *Commonwealth Copyright Act 1968* allows governments to copy copyrighted material for the services of government without infringing the Act if it pays 'equitable remuneration' to a declared 'collecting society'. State Records SA has responsibility for negotiating the amount payable for the State's copying of printed and electronic publications. The provision represents copyright licensing fees for print and electronic publications for the SA Government.

(o) Contributed/distributed capital

Where the investing activities of the department are not funded through appropriations, operating receipts, proceeds of assets sales or grants, government funding is provided via a capital contribution.

Capital distributed includes the return of surplus cash pursuant to the government's cash alignment policy, paid directly to the Consolidated Account. Where agencies have equity contributions from the Treasurer, part or all transfers of cash may be deemed a return of equity.

(p) Leases

The Department as lessee

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement.

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 Statement of Comprehensive Income in the periods in which they are incurred.

Lease incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefits of lease incentives received by the department in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight-line basis.

(q) Unrecognised Contractual commitments and contingent assets and liabilities

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

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

3 Hedging arrangements

In accordance with government policy, the department enters into hedges for all contracted expenditure in a foreign currency over AUD \$250 000. The South Australian Government Financing Authority (SAFA) manages the foreign currency hedges on the department's behalf.

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

4 New and revised Accounting Standards

Except for AASB 2015-7 which the department has early adopted, Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the department for the period ending 30 June 2016. 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 statements of the department.

AASB 16 Leases will apply for the first time to our 30 June 2020 financial report. This standard will require us to recognise all lease items in the statement of financial position as assets to represent the value of what we lease, and liabilities to represent expected future lease payments. Depending on what lease arrangements we have entered into at the time, this could see significant assets and liabilities being recognised and, over the lease term, amortised.

5 Activities of the Department

The department has identified thirteen major classes of activities that it delivers to the community and the Premier. Activities 7, 11 and 12 were part of the department during 2014-15 but have transferred to other departments as a result of machinery of government changes and have been disclosed for comparative purposes. The identity and description of each major activity class for the department during the year ended 30 June 2016 are summarised below (refer to the department's Disaggregated Disclosures).

Activity 1 – Premier and Cabinet Policy and Support

Coordination and leadership of cross-government policy on behalf of the Premier and Cabinet; leadership of the strategic economic and policy priorities of the state; support to the Premier intergovernmental relations; leadership and coordination of the government's international engagement and protocol functions; economic analysis to support the state budget and economic policy reforms; and support to Cabinet and Cabinet committees.

Activity 2- Strategic Engagement and Communications

Provision of whole of government leadership in marketing and communications, including the monitoring of advertising expenditure and leadership of whole of government marketing campaigns. Provision of support for high-quality engagement with specific sectors and the community at large, including through best practice community engagement advice and management of engagement tools.

Activity 3 - Agent-General

The Agent-General's Office represents the Premier and Government of South Australia in the United Kingdom and Europe to advance the state's development objectives as expressed in South Australia's Strategic Plan. The office aims to increase awareness of Adelaide and drive preference for all the state has to offer, principally as a destination for foreign investment, migrants, students, tourists and as a producer of premium food and wine.

Activity 4 – State Coordinator-General

Assists proponents with eligible private projects over \$3 million to unlock red tape and delays across all levels of government to stimulate investment and jobs growth. Administers the government's assessment of unsolicited proposals from the private and community sector.

Activity 5 – Support Services and Community Programs

Ministerial and support services and the management and monitoring of corporately administered grant programs. The program also delivers corporate services to the Department of Treasury and Finance.

Activity 6 – Government Publishing

Production and distribution of government and parliamentary publications.

Activity 7 - Capital City

Support the Capital City Committee, a legislated partnership between the Adelaide City Council and the Government of South Australia, by providing executive and strategic support to the committee and ensuring coordination between the strategic objectives of the state and the council to identify opportunities for the City of Adelaide.

As a result of restructuring of administrative arrangements, the department relinquished responsibility for Capital City. Assets and liabilities relating to this business unit were transferred to Renewal SA effective 1 July 2015. Refer to note 29.

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

Activity 8 – Information and Communication Technology Services

Provision of specialised information communication technology (ICT) services, support and information to government and industry.

Activity 9- Government Services

Provision of a comprehensive range of services to various government agencies and the community.

Activity 10 - Public Sector Performance

The Office for the Public Sector undertakes statutory responsibilities under the *Public Sector Act 2009* and South Australian public sector leadership development, sector-wide reform and renewal, workforce data analysis and strategy development, enterprise bargaining and industrial relations, workers compensation performance and injury management services.

Activity 11 – State Records SA

Provision of specialised services, support, information and policy to the community, government, industry and the Minister in the areas of records management and archives.

As a result of restructuring of administrative arrangements outlined in the South Australian Government Gazette on 21 May 2015, the department relinquished responsibility for State Records SA. Assets and liabilities relating to this business unit were transferred to the Attorney-General's Department effective 1 July 2015. Refer to note 29.

Activity 12 - Industry Participation Advocate

The role of the Industry Participation Advocate (IPA) is to increase the number and diversity of local businesses securing economic benefit from government contracts. The IPA will investigate and recommend new ways to drive local investment, develop strong value chains from the state's portfolio of major projects, support the development of an advanced services sector and leverage opportunities for innovation. The IPA will also examine and report on efficiencies and productivity improvements that can be gained from procurement reforms.

As a result of restructuring of administrative arrangements outlined in the South Australian Government Gazette on 21 May 2015, the department relinquished responsibility for the Industry Participation Advocate. Assets and liabilities relating to this business unit were transferred to the Department of State Development effective 1 July 2015. Refer to note 29.

Activity 13 – General / Not Attributable

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

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

6 Employee benefits

	2016	2015
	\$'000	\$'000
Salaries and wages	100 867	113 424
Long service leave	4 530	5 889
Annual leave	9 050	10 356
Skills and experience retention leave	482	586
Employment on-costs - superannuation	13 310	14 413
Employment on-costs - other	6 367	7 192
Targeted voluntary separation payments (refer below)	1 038	4 240
Board and committee fees	86	102
Other employee related expenses	2 972	542
Total employee benefits	138 702	156 744

Targeted voluntary separation packages (TVSPs)

	2016	2015
	\$'000	\$'000
Amounts paid during the reporting period to separated staff:		
TVSPs	1 038	4 240
Annual leave, LSL and skills and experience retention leave, and long service leave paid during the reporting period	768	2 871
	1 806	7 111
Recovery from the Department of Treasury and Finance	-	1 303
Net cost to the department	1 806	5 808

Number of employees who received a TVSP during the reporting period	13	57
---	----	----

Remuneration of employees

This table includes all employees who received normal remuneration equal to or greater than the base executive remuneration level during the year. The executive base level remuneration for 2015-16 has changed from \$141 500 (2014-15) to \$145 000 (2015-16).

Normal remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, leave paid on termination, superannuation contributions, salary sacrifice and fringe benefits, and any Fringe Benefits Tax paid or payable in respect of those benefits. Contract termination payments are included where employee normal remuneration exceeds \$145 000.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

The total remuneration received by employees for the year, listed in the table below, was \$13.4 million (\$21.5 million).

The number of employees, who received remuneration of \$145 000 or more during the year, falls within the following bands:

	2016	2015
	Number	Number
\$141 500 - \$145 000*	-	3
\$145 001 - \$155 000	7	6
\$155 001 - \$165 000	4	7
\$165 001 - \$175 000	4	4
\$175 001 - \$185 000	3	9
\$185 001 - \$195 000	5	3
\$195 001 - \$205 000	4	4
\$205 001 - \$215 000	5	2
\$215 001 - \$225 000	3	1
\$225 001 - \$235 000**	4	3
\$235 001 - \$245 000	3	3
\$245 001 - \$255 000	1	1
\$255 001 - \$265 000	1	2
\$275 001 - \$285 000	1	1
\$285 001 - \$295 000	-	5
\$295 000 - \$305 000	-	1
\$305 000 - \$315 000	-	6
\$315 000 - \$325 000**	1	4
\$325 001 - \$335 000	-	1
\$335 001 - \$345 000	2	-
\$345 001 - \$355 000	-	2
\$355 001 - \$365 000	1	-
\$365 001 - \$375 000	2	-
\$385 001 - \$395 000	-	2
\$395 001 - \$405 000	-	1
\$405 001 - \$415 000	-	1
\$425 001 - \$435 000	-	1
\$455 001 - \$465 000	-	1
\$485 001 - \$495 000	-	1
\$505 001 - \$515 000	-	1
\$525 001 - \$535 000	1	-
\$575 001 - \$585 000	1	-
\$645 001 - \$655 000	-	1
\$695 001 - \$705 000	1	-
\$725 001 - \$735 000	1	-
\$735 001 - \$745 000	-	1
\$765 001 - \$775 000	-	1
\$785 001 - \$795 000	-	1
Total	55	80

*This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2014-15.

**The table above includes the TVSP component paid where the employee meets the \$145 000 threshold on normal remuneration.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

7 Supplies and services

	2016	2015
	\$'000	\$'000
Accommodation	17 206	21,527
Telecommunication	5 982	5,820
Staff development and recruitment	2 362	2,449
General administration and consumables	10 109	10,292
Promotion and marketing	3 553	3,115
Sponsorships	842	103
External contributions	4	205
Repairs, maintenance and minor equipment purchases	1 102	1,758
IT and computing charges	30 475	29,610
Microsoft licence and support	16 545	16,496
Managed network services	5 001	4,803
Outsourced contracts	2 269	2,322
Contractors and temporary staff	14 295	15,878
Consultants	1 844	1,646
Cost of goods sold	219	254
Community infrastructure	-	2
Projects	254	-
Intra government transfers	1 302	1,510
Other supplies and services	2 077	2,782
Total supplies and services	115 441	120 572

Payments to consultants

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

	2016	2015	2016	2015
	Number	Number	\$'000	\$'000
Below \$10 000	23	15	121	80
Above \$10 000	29	29	1 723	1 566
Total	52	44	1 844	1 646

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

8 Grants and Subsidies

	2016	2015
	\$'000	\$'000
Grants and subsidies	6 971	10 119
Total grants and subsidies	6 971	10 119

Grants and subsidies consists of the following

Brand South Australia	1 500	1 457
Premier's community initiatives	165	33
Flinders University	-	75
Playford Memorial Trust	79	77
Building the state of wellbeing	345	200
Engine room SA	-	200
Connecting up Australia	120	120
Special appeals and minor grants	743	349
Tailem Bend motorsport park	-	7 500
D3 Digital challenge	200	10
Intercultural Adelaide	-	98
Adelaide fringe marketplace moneypot project	50	-
Adelaide to zero carbon challenge	100	-
Bioenergy connect fund	50	-
Community advocacy campaign	500	-
Electric car-share demonstration project	33	-
Establish the association and promote coworking in SA	50	-
National campaign to reduce violence against women	1 114	-
Qingdao International beer festival Huangdao	300	-
South Australian public high school trial 2016	15	-
The early childhood data project	909	-
Centre for Business Growth	698	-
Total grants and subsidies	6 971	10,119

9 Depreciation and amortisation

	2016	2015
	\$'000	\$'000
Depreciation and amortisation		
Buildings and improvements	1 210	2,515
Plant and equipment	5 102	5,841
Intangibles assets	1 792	1,890
Total depreciation and amortisation	8 104	10 246

10 Other expenses

	2016	2015
	\$'000	\$'000
Doubtful debts (note 21)	20	(12)
Derecognition of assets (note 22 and note 23)	425	125
Other	293	137
Total other expenses	738	250

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

11 Resources provided free of charge

	2016	2015
	\$'000	\$'000
Donated assets	-	41
Total resources provided free of charge	-	41

12 Auditors remuneration

	2016	2015
	\$'000	\$'000
Audit fees paid/payable to the Auditor-General's Department	551	657
Total audit fees	551	657

13 Fees and charges

	2016	2015
	\$'000	\$'000
Shared Services SA	89 872	88 772
Service SA	33 043	32 122
Regulatory fees	6	101
Fees for services	30 360	38 797
Microsoft licence and support	15 686	15 135
Rental income	-	14
Service provision	15 972	15 818
Sale of goods	1 684	1 749
Other	6 940	8 233
Total fees and charges	193 563	200 741

14 Commonwealth revenues

	2016	2015
	\$'000	\$'000
Commonwealth revenue	238	-
Total Commonwealth revenue	238	-

15 Grants

	2016	2015
	\$'000	\$'000
Recurrent grant	842	1 996
Total grants	842	1 996

16 Resources received free of charge

	2016	2015
	\$'000	\$'000
Donated assets	-	31
Total resources received free of charge	-	31

The department received Government Radio Network assets from the Attorney-General's Department during 2014-15.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

17 Net gain/(loss) from the disposal of non-current assets

	2016	2015
	\$'000	\$'000
Assets held for sale		
Proceeds from disposal	-	5 584
Selling costs	-	(84)
Net book value of assets disposed	-	(4 242)
Net gain/(loss) from disposal of assets held for sale	-	1 258
Buildings and improvements		
Proceeds from disposal	-	-
Net book value of assets disposed	(146)	(92)
Net (loss) from disposal of buildings and improvements	(146)	(92)
Plant and equipment		
Proceeds from disposal	-	-
Net book value of assets disposed	(91)	(332)
Net (loss) from disposal of plant and equipment	(91)	(332)
ICT infrastructure		
Proceeds from disposal	-	-
Net book value of assets disposed	(166)	(129)
Net (loss) from disposal of ICT Infrastructure	(166)	(129)
Intangible assets		
Proceeds from disposal	-	-
Net book value of assets disposed	(287)	-
Net gain/(loss) from disposal of intangible assets	(287)	-
Total assets		
Proceeds from disposal	-	5 584
Selling costs	-	(84)
Net book value of assets disposed	(690)	(4 795)
Total net gain (loss) from disposal of assets	(690)	705

18 Other Income

	2016	2015
	\$'000	\$'000
Refunds	140	309
Sponsorship	40	52
Pre-tax employee contributions	439	426
Other	402	272
Total other income	1 021	1 059

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

19 Revenues from / payments to SA Government

	2016	2015
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	75 551	86 974
Transfers from contingency provisions	3 577	6 464
Total revenues from SA Government	79 128	93 438
Payments to SA Government		
Return of proceeds of sale of Agent-General's residence	-	5 500
Return of surplus cash pursuant to cash alignment policy	2 299	-
Total payments to SA Government	2 299	5 500

The original amount appropriated under the Annual *Appropriation Act* was not varied in 2015-16. In 2014-15 the original amount appropriated to the department under the annual *Appropriation Act* was varied due to a reduction of \$3.9 million.

There was no material variations between the amounts appropriated and the expenditure associated with this appropriation.

The Agent-General's Residence in London, the United Kingdom was sold during 2014-15. Net proceeds of sale were paid to the Consolidated Account.

20 Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Deposits at call	53 225	43 745
Deposits with the Treasurer	10 104	8 667
Other short-term deposits	5 057	3 433
Total cash and cash equivalents	68 386	55 845

Deposits with the Treasurer

Includes deposits 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

All deposits at call are non-interest bearing. The carrying amount of cash and cash equivalents represents fair value.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

21 Receivables

	2016	2015
	\$'000	\$'000
Current		
Receivables	16 458	22 250
Less: allowance for doubtful debts	-	-
Prepayments	2 748	2 367
Accrued income	1 136	740
GST receivable	-	436
Total current receivables	20 342	25 793
Non-current		
Receivables	31	64
Prepayments	1 482	85
Total non-current receivables	1 513	149
Total receivables	21 855	25 942

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. Receivables, prepayments and accrued income are non-interest bearing. Other than recognised in the allowance 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.

Note 35 contains information regarding:

- (a) categorisation of financial instruments - refer to table (a).
- (b) ageing analysis of receivables - refer to table (b).
- (c) maturity analysis of receivables - refer to table (c).

Allowance for doubtful debts

The allowance 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 Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Movements in the allowance for doubtful debts are as follows:

	2016	2015
	\$'000	\$'000
Carrying amount at the beginning of the period	-	17
Increase in allowance	20	(12)
Amounts written off	(20)	(5)
Carrying amount at the end of the period	-	-

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

22 Property, plant and equipment

	2016	2015
	\$'000	\$'000
Land, buildings and improvements		
Buildings & improvements (at fair value)	30 741	40 419
Accumulated depreciation	(24 080)	(31 696)
Total land, buildings and improvements	6 661	8 723
Plant and equipment		
Plant and equipment at cost (deemed fair value)	58 458	61 787
Accumulated depreciation	(40 699)	(41 732)
Total plant and equipment	17 759	20 055
Work in progress		
Work in progress at cost	2 432	2 788
Total work in progress	2 432	2 788
Total property, plant and equipment	26 852	31 566
Works of art		
Works of art (at fair value)	27	27
Total works of art	27	27

Reconciliation of Property, plant and equipment for 2015-16

	Land buildings and improvements	Plant and equip	Work in progress	Works of art	Total tangible assets
2016	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	8 723	20 055	2 788	27	31 593
Acquisitions	-	665	4 090	-	4 755
Transfers to (from) WIP	1 571	2 474	(4 045)	-	-
Disposals	(146)	(257)	-	-	(403)
Depreciation and amortisation	(1 210)	(5 102)	-	-	(6 312)
Transfers out as a result of administrative restructure	(2 277)	(76)	-	-	(2 353)
Other changes	-	-	(401)	-	(401)
Book value at 30 June 2016	6 661	17 759	2 432	27	26 879

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

Reconciliation of Property, plant and equipment for 2014-15

	Land buildings and improvements	Plant and equipment	Work in progress	Works of art	Total tangible assets
2015	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	172 684	23 750	9 968	5 110	211 512
Acquisitions	-	157	4 251	-	4 408
Transfers to (from) WIP	483	3 662	(4 145)	-	-
Disposals	(93)	(464)	-	-	(557)
Depreciation and amortisation	(2 515)	(5 841)	-	-	(8 356)
Transfers out as a result of administrative restructure	(161 801)	(1 221)	(7 227)	(5 083)	(175 332)
Resources provided free of charge	-	(14)	(27)	-	(41)
Resources received free of charge	-	31	-	-	31
Other changes	(35)	(5)	(32)	-	(72)
Carrying amount at the end of the period	8 723	20 055	2 788	27	31 593

Valuations of land and buildings

An independent valuation of the land and buildings was conducted as at 30 June 2014 by Valcorp Australia Pty Ltd. The valuation of land and buildings at 30 June 2014 was prepared on a fair value basis in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

Fair value of unrestricted land was determined using a market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustments for factors specific to the land such as size and location. Fair value of land classified as restricted in use was determined using an adjusted market price of surrounding unrestricted land.

The valuer used depreciated replacement cost for buildings, due to there not being an active market. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

All other non-current assets controlled by the department have been deemed to be held at fair value.

Impairment

There were no indications of impairment of property, plant and equipment, and intangible assets held at 30 June 2016.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

23 Intangible Assets

	2016	2015
	\$'000	\$'000
Intangibles		
Computer software	7 926	8 521
Accumulated amortisation	(7 467)	(7 330)
Other intangibles	7 797	6 118
Accumulated amortisation	(3 295)	(2 733)
Total intangibles	4 961	4 576
Work in progress		
Work in progress at cost	884	1 761
Total work in progress	884	1 761
Total intangibles	5 845	6 337

Reconciliation of intangible assets for 2015-16

	Computer	Other	WIP	Total
	Software	intangibles	Intangibles	intangible
2016	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of period	1 116	3 460	1 761	6 337
Acquisitions	-	-	1 788	1 788
Transfers to (from) WIP	513	2 011	(2 524)	-
Disposals	(27)	(260)	-	(287)
Depreciation and amortisation	(1 137)	(655)	-	(1 792)
Transfers out as a result of administrative restructure	(6)	(54)	(23)	(83)
Other changes	-	-	(118)	(118)
Book value at 30 June 2016	459	4 502	884	5 845

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

Reconciliation of intangible assets for 2014-15

	Computer Software	Other intangibles	WIP Intangibles	Total intangible assets \$'000
2015				
Carrying amount at the beginning of the period	1 189	2 968	385	4 542
Acquisitions	1 422	-	2 682	4 104
Transfers to (from) WIP	59	1 110	(1 169)	-
Depreciation and amortisation	(1 555)	(335)	-	(1 890)
Transfers out as a result of administrative restructure	-	(324)	(46)	(370)
Other changes	1	41	(91)	(49)
Carrying amount at the end of the period	1 116	3 460	1 761	6 337

24 Fair value measurement

Fair Value hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement for disclosure purposes. The department categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels as at 30 June 2016:

Fair value measurements at 30 June 2016

	Fair value \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements			
Buildings (note 22)	2 234	-	2 234
Leasehold improvements (note 22)	4 427	-	4 427
Plant and equipment (note 22)	17 759	-	17 759
Works of art (note 22)	27	27	-
Total recurring fair value measurements	24 447	27	24 420

Fair value measurements at 30 June 2015

	Fair value \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements			
Buildings (note 22)	2 393	-	2 393
Leasehold improvements (note 22)	6 330	-	6 330
Plant and equipment (note 22)	20 055	-	20 055
Works of art (note 22)	27	27	-
Total recurring fair value measurements	28 805	27	28 778

The department had no valuations categorised into level 1.

There were no transfers of assets between level 1 and level 2 fair value hierarchy levels during 2015-16. The department's policy is to recognise transfers into and out of fair value hierarchy levels as at end of the reporting period.

Valuation techniques and inputs

Valuation techniques used to derive levels 2 and 3 fair values are at Note 22 and below. There were no changes in valuation techniques during 2015-16.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

Reconciliation of Level 3 recurring fair value measurements at 30 June 2016

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Total \$'000
2016					
Opening balance at the beginning of the period	-	2 393	6 330	20 055	28 778
Additions	-	-	-	665	665
Transfers from WIP	-	69	1 502	2 474	4 045
Disposals & adjustments	-	(20)	(126)	(257)	(403)
Transfer out as a result of administrative restructure	-	-	(2 277)	(76)	(2 353)
Total movement recognised in statement of financial position	-	2 442	5 429	22 861	30 732
Gains/(losses) for the period recognised in net result:					
Depreciation	-	(208)	(1 002)	(5 102)	(6 312)
Total losses recognised in net result	-	(208)	(1 002)	(5 102)	(6 312)
Carrying amount at 30 June	-	2 234	4 427	17 759	24 420

Reconciliation of Level 3 recurring fair value measurements at 30 June 2015

Opening balance at the beginning of the period	10 718	123 579	11 017	23 750	169 064
Additions	-	-	-	157	157
Transfers from WIP	-	46	437	3 662	4 145
Resources received free of charge	-	-	-	31	31
Resources provided free of charge	-	-	-	(14)	(14)
Reclassification of assets	-	(35)	-	(5)	(40)
Disposals & adjustments	-	(93)	-	(464)	(557)
Transfer out as a result of administrative restructure	(10 718)	(120 894)	(2 819)	(1 221)	(135 652)
Total movement recognised in statement of financial position	-	2 603	8 635	25 896	37 134
Gains/(losses) for the period recognised in net result:					
Depreciation	-	(210)	(2 305)	(5 841)	(8 356)
Total losses recognised in net result	-	(210)	(2 305)	(5 841)	(8 356)
Carrying amount at 30 June	-	2 393	6 330	20 055	28 778

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

25 Payables

	2016	2015
	\$'000	\$'000
Current		
Creditors	10 438	10 691
Accrued expenses	2 127	2 507
Employment on-costs	2 617	2 544
Net GST payable	508	-
Total current payables	15 690	15 742
Non-current		
Employment on-costs	2 561	2 428
Total non-current payables	2 561	2 428
Total payables	18 251	18 170

Employment on-costs

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2015 rate of 37% to 40% and the average factor for the calculation of employer superannuation on-cost has also changed from the 2015 rate of 10.3% to 10.2% as at 30 June 2016.

These rates are used in the employment on-cost calculation. The net financial effect of the change in the superannuation on-cost rate on employment on-costs and employee benefit expense is immaterial.

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 35 contains information regarding:

- (a) Categorisation of financial instruments - refer to table (a).
- (b) Maturity analysis of payables - refer to table (c).

26 Employee benefits

	2016	2015
	\$'000	\$'000
Current		
Accrued salaries and wages	1 594	855
Annual leave	9 904	10 369
Long service leave	7 170	7 207
Skills and experience retention leave	707	713
Total current employee benefits	19 375	19 144
Non-current		
Long service leave	27 739	27 130
Total non-current employee benefits	27 739	27 130
Total employee benefits	47 114	46 274

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased in 2016 to 2.0% (3.0%), the resulting effect is immaterial.

The salary inflation rate remained unchanged at 4.0% for long service leave and 3.0% for annual leave and skills and experience retention leave. As a result there is no net financial effect resulting from the changes in salary inflation rate.

27 Provisions

	2016	2015
	\$'000	\$'000
Current		
Provision for workers compensation	922	609
Provision for copyright	-	-
Total current provisions	<u>922</u>	<u>609</u>
Non-current		
Provision for workers compensation	1 861	1 815
Total non-current provisions	<u>1 861</u>	<u>1 815</u>
Total provisions	<u><u>2 783</u></u>	<u><u>2 424</u></u>
Provision for workers compensation movement		
Carrying amount at the beginning of the period	2 424	4 377
Increase (decrease) in provision recognised	359	(1 953)
Carrying amount at the end of the period	<u>2 783</u>	<u>2 424</u>
Provision for copyright movement		
Carrying amount at the beginning of the period	-	2 602
Reduction due to copyright payments	-	(2 595)
Decrease in provision recognised	-	(7)
Carrying amount at the end of the period	<u>-</u>	<u>-</u>
Total carrying amount at the end of the period	<u><u>2 783</u></u>	<u><u>2 424</u></u>

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

28 Other liabilities

	2016	2015
	\$'000	\$'000
Current		
Unearned income	5	13
Lease incentive	360	360
Total current other liabilities	365	373
Non-current		
Lease incentive	900	1 260
Total non-current other liabilities	900	1 260
Total other liabilities	1 265	1 633

29 Transferred Functions

2015-16 Transferred In/out

As a result of administrative arrangements outlined in the South Australian Government Gazette (the Government Gazette) No. 31 on 21 May 2015, the department relinquished responsibility for State Records SA and the Industry Participation Advocate. Assets and liabilities relating to the State Records SA were transferred to the Attorney-General's Department effective 1 July 2015.

Assets and Liabilities relating to the Industry Participation Advocate were transferred to the Department of State Development effective 1 July 2015.

As a result of administrative arrangements outlined in the Chief Executive letter of agreement on 21 September 2015, the department relinquished responsibility for Capital City Committee, a business unit of the department. Assets and liabilities relating to the business unit were transferred to Renewal SA effective 1 July 2015.

	State Records SA	Industry Participation Advocate	Capital City Committee	Total
	\$'000	\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents	-	-	124	124
Receivables	29	4	-	33
Inventories	7	-	-	7
Non-current assets				
Property, plant and equipment	2 277	159	-	2 436
Total assets	2 313	163	124	2 600
Current liabilities				
Payables	168	19	34	221
Employee benefits	383	138	34	555
Provisions	2	-	-	2
Other	13	-	-	13
Non-current liabilities				
Payables	52	17	5	74
Employee benefits	580	192	51	823
Provisions	4	1	-	5
Total liabilities	1 202	367	124	1 693
Net assets transferred out	1 111	(204)	-	907

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

2014-15 Transferred Out

Arts SA, Aboriginal Affairs and Reconciliation Division, Office of the Economic Development Board and Invest in SA

As a result of administrative arrangements outlined in the South Australian Government Gazette (the Government Gazette) on 26 June 2014, the department relinquished responsibility for Arts SA, Office of Economic Development, Invest in SA and the Aboriginal Affairs and Reconciliation Division (AARD). Assets and liabilities relating to these business units were transferred to the department of State Development effective 1 July 2014.

Net assets transferred out

	Invest in SA	Office of the Economic Development Board	AARD	Arts SA	Total 1.7.2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and cash equivalents	-	-	1 040	6 077	7 117
Receivables	10	-	126	4 448	4 584
Non-current assets					
Receivables	-	-	-	3	3
Property, plant and equipment	-	-	2 062	160 691	162 753
Total assets	10	-	3 228	171 219	174 457
Current liabilities					
Payables	23	26	1 104	2 586	3 739
Employee benefits	63	42	634	491	1 230
Provisions	-	-	3	23	26
Other	-	-	-	1 428	1 428
Non-current liabilities					
Payables	4	5	90	127	226
Employee benefits	46	56	969	1 284	2 355
Provisions	1	1	7	99	108
Total liabilities	137	130	2 807	6 038	9 112
Net assets transferred out	(127)	(130)	421	165 181	165 345

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

SafeworkSA

As a result of administrative arrangements outlined in the Government Gazette on 26 June 2014, the department relinquished responsibility for Safework SA, a business unit of the department. Assets and liabilities relating to this business unit were transferred to the Attorney-General's department effective 1 July 2014.

Net assets transferred out

	SafeWork SA \$'000	Total 1.7.2014 \$'000
Current assets		
Cash and cash equivalents	36	36
Receivables	193	193
Non-current assets		
Receivables	1	1
Property, plant and equipment	12 949	12 949
Total assets	13 179	13 179
Current liabilities		
Payables	865	865
Employee benefits	2 400	2 400
Provisions	12	12
Non-current liabilities		
Payables	340	340
Employee benefits	3 664	3 664
Provisions	31	31
Total liabilities	7 312	7 312
Net assets transferred out	5 867	5 867

30 Unrecognised contractual commitments

Operating lease commitments

The department as a lessee

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

	2016 \$'000	2015 \$'000
Within one year	11 452	11 386
Later than one year but not longer than five years	27 320	32 548
Later than five years	1 849	1 951
Total operating lease commitments	40 621	45 885
Representing:		
Non-cancellable operating leases	40 621	45 885
Total operating lease commitments	40 621	45 885

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

At the reporting date, the department's operating leases are for the lease of office accommodation and motor vehicles.

- Office accommodation is leased from the Building Management Accommodation and Building Services, a business unit of the Department of Planning, Transport and Infrastructure. The leases are non-cancellable with terms ranging from 1 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 payments 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.

For the current financial year, the total amount of rental expense for minimum lease payments for operating leases was \$13.5 million (\$16.6 million).

Capital commitments

	2016	2015
	\$'000	\$'000
Within one year	1 200	1 526
Later than one year but not longer than five years	717	-
Later than five years	80	-
Total capital commitments	1 997	1 526

Other commitments

	2016	2015
	\$'000	\$'000
Within one year	3 402	20 505
Later than one year but not longer than five years	1 357	150
Total other commitments	4 759	20 655

The department's other commitments relate to the Jobs 4 Youth Traineeship program, the provision of the whole of Government Workers Compensation & Incident Management Database and the audit and verification of the Safety and Injury Management System.

For 2014-15 the department's other commitments included the following commitments which ceased as at 30 June 2016:

- Microsoft Enterprise Agreement regarding a 3 year across-government software assurance and
- Microsoft Enterprise Agreement regarding a 3 year instalment payment agreement.

31 Contingent assets and liabilities

Contingent assets

South Australian Government Salary Sacrifice Agreement (Office of the Public Sector)

In 2012, the Government entered into a salary sacrificing agreement with Maxxia Pty Ltd. The agreement allows the Minister or his delegate to withdraw up to a total of \$10 million when an unconditional financial undertaking is present to fund any interim measures to avoid disruption to the salary sacrifice arrangements provided to employees. The financial undertaking is in place until 30 June 2024.

Contingent liabilities

Software Licences (Shared Services SA)

A review of software licences has identified a possible liability for a shortfall in allocated licences for a particular software. SSSA and the vendor are currently involved in negotiations and therefore the amount payable cannot be measured as at 30 June 2016.

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

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, with the assistance of a grant from the SA Government in May 2001. A contract signed by the SA Government and the University of Adelaide resulted in the former assuming liability for any possible third party claims resulting from any contamination which may be discovered on the property.

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

32 Budgetary reporting and explanations of major variances

The following is a brief explanation of the major variance between original budget and actual amounts. Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

	Original budget ¹ 2016 \$'000	Actual 2016 \$'000	Variance \$'000
Statement of Comprehensive Income			
Expenses			
Employee benefits	144 907	138 702	(6,205)
Supplies and services	123 992	115 441	(8,551)
Grants and subsidies	1 923	6 971	5,048
Depreciation and amortisation	11 967	8 104	(3,863)
Net loss from the disposal of non-current assets	-	690	690
Other expenses	2 177	738	(1,439)
Borrowing Costs	12	-	(12)
Total Expenses	284 978	270 646	(14,332)
Income			
Fees and charges	210 236	193 563	(16,673)
Commonwealth revenues	-	238	238
Grants	364	842	478
Interest	-	1	1
Recoveries from administered items	-	1 500	1,500
Other income	179	1 021	842
Total income	210 779	197 165	(13 614)
Net cost of providing services	74 199	73 481	(718)
Revenues from / payments to SA government			
Revenues from SA government	75 551	79 128	3,577
Payments to SA government	-	(2 299)	(2,299)
Total net revenues from SA Government	75 551	76 829	1,278
Net result	1 352	3 348	1 996
Total comprehensive result	1 352	3 348	1 996

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

¹The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2015-16 Budget Paper - 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

	Note	Original budget ¹	Actual	Variance
		2016 \$'000	2016 \$'000	\$'000
Investing expenditure summary				
Total existing projects	(a)	5 293	2 326	(2,967)
Total annual program	(b)	4 175	4 217	42
Total investing expenditure		9 468	6 543	(2 925)

- (a) The variance mainly reflects delays associated with hosting facilities and other Central Data Network projects.
(b) The variance mainly reflects higher than budgeted capital acquisitions.

33 Cash flow reconciliation

	2016 \$'000	2015 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	68 386	55 845
Balance as per the Statement of Cash Flows	68 386	55 845
Reconciliation of net cash provided by operating activities to net cost of providing services		
Net cash provided by operating activities	19 208	1 014
Less revenues from SA Government	(79 128)	(93 438)
Add payments to SA Government	2 299	5 500
Add/less non-cash items		
Depreciation and amortisation	(8 104)	(10 246)
Resources provided free of charge	-	(41)
Resources received free of charge	-	31
Bad and doubtful debts expense	-	17
Net (loss)/gain on disposal of assets	(690)	705
Prior period adjustments	120	(305)
Derecognition of assets	-	(125)
Net transfers from administrative restructures	(1 653)	(11 643)
Other expenses	(445)	-
Movements in assets and liabilities		
Decrease in receivables	(4 067)	(3 038)
(Decrease)/increase in inventories	(15)	1
(Increase)/decrease in payables	(175)	4 550
(Increase)/decrease in employee benefits	(840)	8 491
(Increase)/decrease in provisions	(359)	4 555
Decrease in other liabilities	368	1 802
Net cost of providing services	(73 481)	(92 170)

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

34 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. Transactions with SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses							
Employee benefits	6	7 338	7 859	131 364	148 885	138 702	156 744
Supplies and services	7						
Accommodation		16 737	21 168	469	359	17 206	21 527
Telecommunication		1	-	5 981	5 820	5 982	5 820
Staff development and recruitment		460	360	1 902	2 089	2 362	2 449
General administration and consumables		2 155	2 303	7 954	7 989	10 109	10 292
Promotion and marketing		194	86	3 359	3 029	3 553	3 115
Sponsorships		-	2	842	101	842	103
External contributions		-	53	4	152	4	205
Repairs, maintenance and minor equipment purchases		564	1 063	538	695	1 102	1 758
IT and computing charges		1 920	2 389	28 555	27 221	30 475	29 610
Microsoft licence and support		-	-	16 545	16 496	16 545	16 496
Managed network services		-	184	5 001	4 619	5 001	4 803
Outsourced contracts		1	-	2 268	2 322	2 269	2 322
Contractors and temporary staff		-	-	14 295	15 878	14 295	15 878
Consultants		-	-	1 844	1 646	1 844	1 646
Cost of goods sold		1	-	218	254	219	254
Community infrastructure Projects		126	-	128	-	254	-
Intra government transfers		1 174	1 510	128	-	1 302	1 510
Other supplies and services		417	253	1 109	1 872	1 526	2 125
Grants and subsidies	8	893	80	6 078	10 039	6 971	10 119
Depreciation and amortisation	9	-	-	8 104	10 246	8 104	10 246
Other Expenses	10						
Doubtful debts		20	-	-	(12)	20	(12)
Derecognition of assets		-	-	425	125	425	125
Other		14	-	279	137	293	137
Resources provided free of charge	11	-	41	-	-	-	41
Auditors remuneration	12	551	657	-	-	551	657
Net loss from the disposal of non-current assets	17	-	-	690	-	690	-
Payments to SA Government	19	2 299	5 500	-	-	2 299	5 500
Total expenses		34 865	43 508	238 080	259 964	272 945	303 472

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

	Note	SA Government		Non-SA Government		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Income							
Fees and charges	13						
Shared Services SA		89 872	88 772	-	-	89 872	88 772
Service SA		33 043	32 122	-	-	33 043	32 122
Regulatory fees		-	60	6	41	6	101
Fees for services		29 309	37 578	1 051	1 219	30 360	38 797
Microsoft licence and support		15 686	15 135	-	-	15 686	15 135
Rental income		-	-	-	14	-	14
Service provision		9 436	9 111	6 536	6 707	15 972	15 818
Sale of goods		562	516	1 122	1 233	1 684	1 749
Other		6 131	6 675	809	1 558	6 940	8 233
Commonwealth revenue	14	-	-	238	-	238	-
Grant income	15						
Recurrent grant		842	1 600	-	396	842	1 996
Resources received free of charge	16	-	31	-	-	-	31
Net gain from the disposal of non-current assets	17	-	-	-	705	-	705
Recoveries from administered items		1 500	1 267	-	-	1 500	1 267
Interest income		-	-	1	3	1	3
Other income	18	62	32	959	1 027	1 021	1 059
Revenues from SA Government	19	79 128	93 438	-	-	79 128	93 438
Total income		265 571	286 337	10 722	12 903	276 293	299 240
Financial assets							
Receivables	21						
Receivables		14 372	21 030	2 117	1 284	16 489	22 314
Prepayments		-	-	4 230	2 452	4 230	2 452
Accrued income		402	85	734	655	1 136	740
GST receivable		-	-	-	436	-	436
Total financial assets		14 774	21 115	7 081	4 827	21 855	25 942
Financial liabilities							
Payables	25						
Creditors		2 395	1 539	8 043	9 152	10 438	10 691
Accrued expenses		1 538	1 336	589	1 171	2 127	2 507
Employment on-costs		2 469	2 417	2 709	2 555	5 178	4 972
GST payable		-	-	508	-	508	-
Other liabilities	28						
Unearned income		4	-	1	13	5	13
Lease incentive		-	-	1 260	1 620	1 260	1 620
Total financial liabilities		6 406	5 292	13 110	14 511	19 516	19 803

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

35 Financial Instruments

The department risk management policies are in accordance with the Risk Management Policy Statement issued by the Premier and Treasurer and the principles established in the Australian Standard Risk Management Principles and Guidelines.

The department is exposed to financial risk – liquidity risk, credit risk and a market risk. There have been no changes in risk exposure since the last reporting period.

(a) Categorisation of financial instruments

For details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2 "Summary of Accounting Policies".

Category of financial asset and financial liability	Statement of Financial Position line item	Note	Carrying amount 2016 \$'000	Fair value 2016 \$'000	Carrying amount 2015 \$'000	Fair Value 2015 \$'000
Financial assets						
Cash and cash equivalents	Cash	20	68 386	68 386	55 845	55 845
Receivables	Receivables ⁽¹⁾	21	17 567	17 567	22 960	22 960
Financial liabilities						
Financial liabilities at cost	Payables ⁽¹⁾	25	11 088	11 088	9 950	9 950
Financial liabilities at cost	Other liabilities	28	1 265	1 265	1 633	1 633

1. Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government certain rights to receive or pay cash may not be contractual and therefore in these situations the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax, etc. they would be excluded from disclosure. The accounting standards define contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

Credit Risk

Credit risk arises when there is the possibility of the department's debtors defaulting on their contractual obligations resulting in financial loss to the department. The department measures credit risk on a fair value basis and monitors risk on a regular basis.

The department has minimal concentration of credit risk. The department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The department does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets is calculated on past experience and current and expected changes in client credit rating. Currently the department does not hold any collateral as security to any of its financial assets.

Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to note 21 for information on the allowance for impairment in relation to receivables.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements

(b) Ageing analysis of financial assets

The following table discloses the ageing of financial assets and the ageing of impaired assets:

	Past due by			Total \$'000
	Overdue for less than 30 days \$'000	Overdue for 30-60 days \$'000	Overdue for more than 60 days \$'000	
2016				
Not impaired				
Receivables	341	272	775	1 388
2015				
Not impaired				
Receivables	603	438	296	1 337

(c) Maturity analysis of financial assets and liabilities

The following table discloses the maturity analysis of financial assets and liabilities:

	Carrying amount \$'000	Contractual maturities		
		< 1 year \$'000	1-5 years \$'000	< 5 years \$'000
2016				
Financial assets				
Cash and cash equivalents	68 386	68 386	-	-
Receivables	16 462	16 462	-	-
Accrued income	1 105	1 105	-	-
Total financial assets	85 953	85 953	-	-
Financial liabilities				
Creditors	11 088	11 088	-	-
Unearned income	5	5	-	-
Other financial liabilities	1 260	360	900	-
Total financial liabilities	12 353	11 453	900	-

	Carrying amount \$'000	Contractual maturities		
		< 1 year \$'000	1-5 years \$'000	< 5 years \$'000
2015				
Financial assets				
Cash and cash equivalents	55 845	55 845	-	-
Receivables	22 269	22 269	-	-
Accrued income	691	691	-	-
Total financial assets	78 805	78 805	-	-
Financial liabilities				
Creditors	9 950	9 950	-	-
Unearned income	13	13	-	-
Other financial liabilities	1 620	360	1 260	-
Total financial liabilities	11 583	10 323	1 260	-

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

Liquidity risk

Liquidity risk arises from the possibility that the Department is unable to meet its financial obligations as they are due to be settled. The department is funded principally from appropriations by the SA Government. The department works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. The department settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The department's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

Market risk

The department has no interest bearing liabilities as at the end of the reporting period. There is no exposure to foreign currency or other price risks.

A sensitivity analysis has not been undertaken for the interest rate of the department as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

36 Remuneration of board and committee members

The department administers a number of boards and committees where members receive or are entitled to receive remuneration for their membership.

Members during the year that were entitled to receive remuneration for membership during the 2015-16 financial year were:

Remuneration Tribunal

P Alexander
J Lewin
N Vincent
P Martin (appointed 23/05/2016)

Internal Audit and Risk Committee

Y Sneddon (appointed 01/07/2015)
P McMahon* (appointed 01/07/2015)
S Hocking* (appointed 01/07/2015, resigned 10/05/2016)
M Gunn* (appointed 01/07/2015)
D Contala* (appointed 01/07/2015)
M Duffy* (appointed 11/05/2016)

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. These members are starred above.

Nuclear Fuel Cycle Royal Commission Consultation and Response Advisory Board

P Agius (appointed 30/05/2016)
D White (appointed 30/05/2016)
D Stehlik (appointed 30/05/2016)
R Huntley (appointed 30/05/2016)
J Mansfield (appointed (30/05/2016)

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

	2016	2015
	Number of	Number of
	members	members
\$0 - \$9 999	12	17
\$10 000 - \$19 999	2	3
\$20 000 - \$29 999	1	1
\$40 000 - \$49 999	-	1
Total number of board members	15	22

Department of the Premier and Cabinet

Notes to and forming part of the Financial Statements

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 \$86 000 (\$112 000).

For the year ending 30 June 2016, the department's disclosure regarding boards and committee's remuneration only applies to those boards and committees who were paid by the department. Boards and committees that did not receive remuneration from the department have been excluded from the note disclosure and comparatives adjusted where applicable.

Amounts paid to a superannuation plan for board/committee members was \$8 000 (\$10 000).

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.

37 Events after the reporting period

The South Australian Government Gazette dated 2 June 2016, proclaimed the establishment of the administrative unit, the Nuclear Fuel Cycle Royal Commission Consultation and Response Agency, as an attached office of the department as from 1 July 2016.

Department of the Premier and Cabinet

**Administered Financial
Statements**

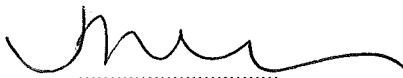
For the year ended 30 June 2016

Department of the Premier and Cabinet Certification of the Administered Financial Statements

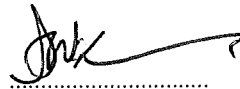
We certify that the attached general purpose financial statements for the Department of the Premier and Cabinet:

- are in accordance with the accounts and records of the department;
- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards; and
- present a true and fair view of the financial position of the Department of the Premier and Cabinet as at 30 June 2016 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Department of the Premier and Cabinet for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Dr Tahnya Donaghy
A/Chief Executive
16 September 2016



Steven Woolhouse FCPA
Chief Finance Officer
16 September 2016

Department of the Premier and Cabinet
Statement of Administered Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Administered expenses			
Employee benefits	A2	500	453
Grants and subsidies	A3	249	-
Intra government transfers	A4	142	-
Supplies and services	A5	1 701	2 157
Disbursements on behalf of third parties	A6	405 628	434 063
Payments to SA Government	A8	3 502	-
Total administered expenses		411 722	436 673
Administered income			
Collections on behalf of third parties	A7	405 628	434 063
Revenues from SA Government	A8	2 364	2 511
Interest		1	7
Fees and charges		-	102
Total administered income		407 993	436 683
Net result		(3 729)	10
Total comprehensive result		(3 729)	10

The net result and total comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying Notes.

Department of the Premier and Cabinet
Statement of Administered Financial Position
as at 30 June 2016

	Note	2016 \$'000	2015 \$'000
Administered current assets			
Cash and cash equivalents	A9	4 651	8 350
Receivables	A10	1	12
Total current assets		4 652	8 362
Total assets		4 652	8 362
Administered current liabilities			
Payables	A11	1 861	1 845
Employee benefits	A12	6	3
Total current liabilities		1 867	1 848
Total liabilities		1 867	1 848
Net assets		2 785	6 514
Equity			
Retained earnings		2 785	6 514
Total equity		2 785	6 514

Unrecognised contractual commitments

A14.

Contingent liabilities

A15.

The total equity is attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying Notes.

Department of the Premier and Cabinet
Statement of Administered Changes in Equity
for the year ended 30 June 2016

	Retained earnings	Total
	\$'000	\$'000
Balance at 30 June 2014	40 847	40 847
Net result for 2014-15	10	10
Total comprehensive result for 2014-15	10	10
Net assets transferred out as a result of administrative restructures	(34 343)	(34 343)
Balance at 30 June 2015	6 514	6 514
Net result for 2015-16	(3 729)	(3 729)
Total comprehensive result for 2015-16	(3 729)	(3 729)
Balance at 30 June 2016	2 785	2 785

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

The above statement should be read in conjunction with the accompanying Notes.

Department of the Premier and Cabinet
Statement of Administered Cash Flows
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Cash flows from operating activities			
Cash outflows			
Payments to SA Government		(3 502)	-
Employee benefits		(497)	(451)
Grants and subsidies		(249)	-
Intra government transfers		(142)	-
Supplies and services		(1 719)	(2 143)
Disbursements on behalf of third parties		(405 595)	(434 528)
Cash used in operations		(411 704)	(437 122)
Cash inflows			
Revenues from SA Government		2 364	2 511
Fees and charges		12	155
Collections on behalf of third parties		405 628	434 063
Interest		1	7
Cash generated from operations		408 005	436 736
Net cash used in operating activities	A16	(3 699)	(386)
Cash flows from financing activities			
Cash outflows			
Cash paid on restructuring activities		-	(36 540)
Cash used in financing activities		-	(36 540)
Net decrease in cash and cash equivalents		(3 699)	(36 926)
Cash and cash equivalents at the beginning of the period		8 350	45 276
Cash and cash equivalents at the end of the period	A9	4 651	8 350

The above statement should be read in conjunction with the accompanying Notes.

Department of the Premier and Cabinet
Disaggregated Disclosure – Administered Expenses and Income
as at 30 June 2016

	Special Act Salaries and Allowances		Bank of Tokyo Cultural and Social Exchange		SA Okayama	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	500	453	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
Intra government transfers	-	-	89	-	-	-
Supplies and services	-	-	-	-	-	-
Disbursements on behalf of third parties	-	-	-	-	-	-
Payments to SA Government	1 024	-	-	-	-	-
Total administered expenses	1 524	453	89	-	-	-
Income						
Collections on behalf of third parties	-	-	-	-	-	-
Revenues from SA Government	485	432	-	-	-	-
Interest	-	-	1	7	-	-
Fees and charges	-	-	-	-	-	-
Total administered income	485	432	1	7	-	-
Net result	(1 039)	(21)	(88)	7	-	-

	Promotion of the State		Government Workers Compensation		Service SA Administered	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	-	-	-	-	-	-
Grants and subsidies	249	-	-	-	-	-
Intra government transfers	-	-	53	-	-	-
Supplies and services	1 500	1 959	-	-	-	-
Disbursements on behalf of third parties	-	-	-	-	405 628	434 063
Payments to SA Government	-	-	2 475	-	-	-
Total administered expenses	1 749	1 959	2 528	-	405 628	434 063
Income						
Collections on behalf of third parties	-	-	-	-	405 628	434 063
Revenues from SA Government	1 879	2 079	-	-	-	-
Interest	-	-	-	-	-	-
Fees and charges	-	3	-	-	-	-
Total administered income	1 879	2 082	-	-	405 628	434 063
Net result	130	123	(2 528)	-	-	-

Department of the Premier and Cabinet
Disaggregated Disclosure – Administered Expenses and Income
as at 30 June 2016

	TVSP Scheme		ODG Administered		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits	-	-	-	-	500	453
Grants and subsidies	-	-	-	-	249	-
Intra government transfers	-	-	-	-	142	-
Supplies and services	-	-	201	198	1,701	2,157
Disbursements on behalf of third parties	-	-	-	-	405,628	434,063
Payments to SA Government	3	-	-	-	3,502	-
Total administered expenses	3	-	201	198	411 722	436 673
Income						
Collections on behalf of third parties	-	-	-	-	405,628	434,063
Revenues from SA Government	-	-	-	-	2,364	2,511
Interest	-	-	-	-	1	7
Fees and charges	-	-	-	99	-	102
Total administered income	-	-	-	99	407 993	436 683
Net result	(3)	-	(201)	(99)	(3 729)	10

Department of the Premier and Cabinet
Disaggregated Disclosures – Administered Assets and Liabilities
as at 30 June 2016

	Special Act Salaries and Allowances		Bank of Tokyo Cultural and Social Exchange		SA Okayama		Promotion of the State	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets								
Cash and cash equivalents	(61)	3 015	-	88	48	48	2 803	2 672
Receivables	-	12	-	-	-	-	-	-
Total assets	(61)	3 027	-	88	48	48	2 803	2 672
Liabilities								
Payables	-	1 845	-	-	-	-	-	-
Employee benefits	6	3	-	-	-	-	-	-
Total liabilities	6	1 848	-	-	-	-	-	-

	Government Workers Compensation		Service SA Administered		TVSP Scheme		ODG Administered	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets								
Cash and cash equivalents	-	-	1 861	-	-	2 527	-	-
Receivables	-	-	-	-	-	-	1	-
Total assets	-	-	1 861	-	-	2 527	1	-
Liabilities								
Payables	-	-	1 861	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-	-
Total liabilities	-	-	1 861	-	-	-	-	-

	Total	
	2016 \$'000	2015 \$'000
Assets		
Cash and cash equivalents	4 651	8 350
Receivables	1	12
Total assets	4 652	8 362
Liabilities		
Payables	1 861	1 845
Employee benefits	6	3
Total liabilities	1 867	1 848

Department of the Premier and Cabinet

Notes to and forming part of the Administered Financial Statements

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 apply to both the departments and administered financial statements.

Administered items

The following funds were administered by the department as at 30 June 2016. They do not represent controlled transactions of the department. As such, they are not recognised in the financial statements of the department.

- Special Act Salaries and Allowances
- Bank of Tokyo Cultural and Social Exchange
- SA Okayama
- Promotion of the State
- Government Workers Compensation Fund
- Service SA collections and disbursements
- TVSP Scheme
- Office of the Digital Government - Administered

Cash held by the Government Workers Compensation and the TVSP Scheme was returned to the Department of Treasury and Finance (DTF) during 2015-16, in accordance with the DTF Cash Alignment Policy. Both funds will be closed as at 30 June 2016.

Refer to note A8. - Payments to SA Government for further information.

Department of the Premier and Cabinet
Notes to and forming part of the Administered Financial Statements

A2. Employee benefits

	2016	2015
	\$'000	\$'000
Salaries and wages	482	440
Other employment related expenses	18	13
Total employee benefits	500	453

Remuneration of employees

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

	2016	2015
	number	number
\$465 001 - \$475 000*	-	1
\$515 001 - \$525 000*	1	-
Total	1	1

The table includes staff who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs including salaries and wages, payments in lieu of leave, superannuation contributions, fringe benefits tax and other salary sacrifice benefits. The total remuneration received by the staff member for the year was \$516 000 (\$472 000).

*The employee on-costs of the staff member were included in the department's controlled financial statements.

A3. Grants and subsidies

	2016	2015
	\$'000	\$'000
Grants and subsidies	249	-
Total grants and subsidies	249	-

A4. Intra government transfers

	2016	2015
	\$'000	\$'000
Other intra government transfers	142	-
Total other expenses	142	-

A5. Supplies and services

	2016	2015
	\$'000	\$'000
Marketing	1 500	1 959
IT services and computing charges	4	10
Contractors	56	188
Other supplies and services	141	-
Total supplies and services	1 701	2 157

Department of the Premier and Cabinet
Notes to and forming part of the Administered Financial Statements

A6. Disbursements on behalf of third parties

	2016	2015
	\$'000	\$'000
Registrations, licences and other fees - Department of Planning, Transport and Infrastructure	350 227	369 772
Expiation notices - South Australia Police	49 417	57 982
Firearms licences - South Australia Police	2 533	2 442
Office of Business and Consumer Affairs	753	1 086
South Australian Water Corporation	897	1 088
Emergency Services Levy - South Australian Fire and Emergency Services Commission	734	384
Other	1 067	1 309
Total disbursements on behalf of third parties	405 628	434 063

A7. Collections on behalf of third parties

	2016	2015
	\$'000	\$'000
Registrations, licences and other fees - Department of Planning, Transport and Infrastructure	350 227	369 772
Expiation notices - South Australia Police	49 417	57 982
Firearms licences - South Australia Police	2 533	2 442
Office of Business and Consumer Affairs	753	1 086
South Australian Water Corporation	897	1 088
Emergency Services Levy - South Australian Fire and Emergency Services Commission	734	384
Other	1 067	1 309
Total collections on behalf of third parties	405 628	434 063

A8. Revenues from / payments to SA Government

	2016	2015
	\$'000	\$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	1 879	2 079
<i>Special Acts</i>	485	432
Total revenues from SA Government	2 364	2 511
Payments to SA Government		
Surplus cash transferred to the Consolidated account	3 502	-
Total Payments to SA Government	3 502	-

The original amount appropriated to the Department under the annual *Appropriation Act* was not varied in 2015-16 and 2014-15.

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

Surplus cash transferred to the consolidated account includes \$1.19m for excess cash as result of Machinery of Government cash reserves from prior years and \$2.48m for closed schemes; this is offset by \$0.17m for shortfall in Special Acts Appropriation payments.

Department of the Premier and Cabinet
Notes to and forming part of the Administered Financial Statements

A9. Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Deposits with the Treasurer	2 790	6 521
Cash on hand and in transit	1 861	1 829
Total cash and cash equivalents	4 651	8 350

A10. Receivables

	2016	2015
	\$'000	\$'000
Current		
Receivables	-	12
Prepayments	1	-
Total current receivables	1	12
Total receivables	1	12

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables and accrued revenues are non-interest bearing. The carrying amount of receivables approximates net fair value due to being receivable on demand. In addition, there is no concentration of risk.

A11. Payables

	2016	2015
	\$'000	\$'000
Current		
Creditors	-	17
Registration & licensing creditors	1 861	1 828
Total current payables	1 861	1 845
Total payables	1 861	1 845

A12. Employee benefits

	2016	2015
	\$'000	\$'000
Current		
Accrued salaries and wages	6	3
Total current employee benefits	6	3
Total employee benefits	6	3

Department of the Premier and Cabinet
Notes to and forming part of the Administered Financial Statements

A13. Transferred functions

No functions were transferred during 2015-16.

Transferred Out 2014-15

As a result of restructuring of administrative arrangements outlined in the South Australian Government Gazette on 26 June 2014, the department relinquished administrative responsibility for the Aboriginal Affairs and Reconciliation business unit which had administrative responsibility for Administered Commonwealth funding known as Aboriginal Affairs Administered and APY Lands.

Assets and liabilities relating to these business units transferred to the Department of State Development (DSD) on 1 July 2014.

The following assets and liabilities were transferred to DSD:

	AARD Administered Funds \$'000	APY Lands \$'000	Total \$'000
Assets			
Cash	16 568	19 972	36 540
Receivables	32	39	71
Total assets	16 600	20 011	36 611
Liabilities			
Payables	143	2 125	2 268
Total liabilities	143	2 125	2 268
Net assets transferred	16 457	17 886	34 343

Net assets transferred out by the department as a result of the administrative restructure were at the carrying amount.

Department of the Premier and Cabinet
Notes to and forming part of the Administered Financial Statements

A14. Unrecognised contractual commitments

There are no unrecognised contractual commitments as at 30 June 2016.

A15. Contingent Assets and Liabilities

The department is not aware of any contingent assets or liabilities affecting the administered activities of the department as at 30 June 2016.

A16. Cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of financial position	4 651	8 350
Cash and cash equivalents disclosed in the statement of cash flows	4 651	8 350
Reconciliation of net cash provided by operating activities to net result of administered items		
Net cash provided by operating activities	(3 699)	(386)
Movements in assets and liabilities		
Decrease in receivables	(11)	(53)
(Increase)/decrease in payables	(16)	451
Increase in employee benefits	(3)	(2)
Net cost of providing services	(3 729)	10

A17. Events after the reporting date

There are no known events after balance date that affects these financial statements in a material manner.

Department of the Premier and Cabinet
Notes to and forming part of the Administered Financial Statements

A18. Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature. Transactions with the SA Government entities below the threshold of \$100 000 have been included with the non-government transactions, classified according to their nature.

	Note	SA Government		Non SA Government		Total	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses							
Employee benefits	A2	-	-	500	453	500	453
Grants and subsidies	A3	-	-	249	-	249	-
Intra government transfers	A4	142	-	-	-	142	-
Supplies and services	A5						
Marketing		-	1 612	1 500	347	1 500	1 959
IT services and computing charges		-	-	4	10	4	10
Contractors		-	-	56	188	56	188
Other supplies and services		-	-	141	-	141	-
Disbursements on behalf of third parties	A6						
Registrations, licences and other fees - DPTI		350 227	369 772	-	-	350 227	369 772
Expiation notices - South Australia Police		49 417	57 982	-	-	49 417	57 982
Firearms licences - South Australia Police		2 533	2 442	-	-	2 533	2 442
Office of Business and Consumer Affairs		753	1 086	-	-	753	1 086
South Australian Water Corporation		897	1 088	-	-	897	1 088
Emergency Services Levy		734	384	-	-	734	384
Other		1 067	1 309	-	-	1 067	1 309
Revenues from / payments to SA Government	A8	3 502	-	-	-	3 502	-
Total expenses		409 272	435 675	2 450	998	411 722	436 673

Department of the Premier and Cabinet
Notes to and forming part of the Administered Financial Statements

	Note	SA Government		Non SA Government		Total	
		2016	2015	2016	2015	2016	2015
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Collections on behalf of third parties	A7						
Registrations, licences and other fees - DPTI		350 227	369 772	-	-	350 227	369 772
Expiation notices - South Australia Police		49 417	57 982	-	-	49 417	57 982
Firearms licences - South Australia Police		2 533	2 442	-	-	2 533	2 442
Office of Business and Consumer Affairs		753	1 086	-	-	753	1 086
South Australian Water Corporation		897	1 088	-	-	897	1 088
Emergency Services Levy		734	384	-	-	734	384
Other		1 067	1 309	-	-	1 067	1 309
Revenues from / payments to SA Government	A8	2 364	2 511	-	-	2 364	2 511
Interest revenues		1	7	-	-	1	7
Fees and charges		-	102	-	-	-	102
Total income		407 993	436 683	-	-	407 993	436 683
Financial assets							
Receivables	A10						
Receivables		-	-	1	12	1	12
Total financial assets		-	-	1	12	1	12
Financial liabilities							
Payables	A11						
Creditors		-	-	-	17	-	17
Registration & licensing creditors		1 861	1 828	-	-	1 861	1 828
Employee benefits	A12						
Accrued salaries and wages		-	-	6	3	6	3
Total financial liabilities		1 861	1 828	6	20	1 867	1 848

Department of the Premier and Cabinet
Notes to and forming part of the Administered Financial Statements

A19. Budgetary reporting and explanations of major variances

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

		Original budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000
Statement of Administered Comprehensive Income	Note			
Expenses				
Employee benefits		446	500	(54)
Grants and subsidies		-	249	(249)
Intra government transfers		-	142	(142)
Supplies and services		17 480	1 701	15 779
Disbursements on behalf of third parties	(a)	1 416 524	405 628	1 010 896
Payments to SA Government		-	3 502	(3 502)
Total expenses		1 434 450	411 722	1 022 728
Income				
Collections on behalf of third parties	(b)	1 431 813	405 628	1 026 185
Revenues from SA Government		2 325	2 364	(39)
Interest		4	1	3
Fees and charges		432	-	432
Total income		1 434 574	407 993	1 026 581
Net result		124	(3 729)	3 853
Total comprehensive result		124	(3 729)	(3 853)

The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2015-16 Budget paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

Major variance explanations

- (a) The budget includes payments to the Department of Planning, Transport and Infrastructure (DPTI) and Motor Accident Commission (MAC) for online motor vehicle registration and licensing collections via EzyReg. A decision was however reached that DPC only administer over-the-counter collections (there by excluding online collections which are recorded by DPTI). The budget has not yet been adjusted to reflect this decision.
- (b) The budget includes revenue to DPTI and MAC for online motor vehicle registration and licensing collections via EzyReg. A decision was however reached that DPC only administer over-the-counter collections (thereby excluding online collections which are recorded by DPTI). The budget has not yet been adjusted to reflect this decision.

FINANCIAL STATEMENTS 2014-15

The Auditor-General's letter of certification for 2014-15 Financial Statements was accidentally omitted from the 2014-15 DPC Annual Report, and is now provided.

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Chief Executive Department of the Premier and Cabinet

As required by section 31(1)(b) 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 2015. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2015
- a Statement of Financial Position as at 30 June 2015
- a Statement of Changes in Equity for the year ended 30 June 2015
- a Statement of Cash Flows for the year ended 30 June 2015
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2015
- Disaggregated Disclosures - Assets and Liabilities as at 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2015
- a Statement of Administered Financial Position as at 30 June 2015
- a Statement of Administered Changes in Equity for the year ended 30 June 2015
- a Statement of Administered Cash Flows for the year ended 30 June 2015
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Finance Officer.

The Chief Executive's Responsibility for the Financial Report

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

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 comply with relevant ethical requirements and that the auditor plan and perform the audit to obtain reasonable assurance about 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 control relevant to the entity's preparation of the financial report that gives a true and fair view 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.

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Department of the Premier and Cabinet as at 30 June 2015, 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.

A handwritten signature in black ink, appearing to read 'Richardson', with a long horizontal line extending to the right.

Andrew Richardson
Auditor-General
18 September 2015