



**Government
of South Australia**

**DEPARTMENT OF
THE PREMIER AND CABINET
2019-2020 Annual Report**

DEPARTMENT OF THE PREMIER AND CABINET
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To:

The Hon Steven Marshall MP
Premier of South Australia

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Department of the Premier and Cabinet by:

Jim McDowell

Chief Executive



Date 30/09/2020

Signature _____

From the Chief Executive



The South Australian community has shown an abundance of resilience and adaptability in the face of challenging times during this year. The social, health and economic impacts of the devastating bushfires in South Australia and then the COVID-19 pandemic have been significant for our state. I am proud of the efforts of my department in supporting the Premier and Cabinet to navigate through these difficult times whilst continuing to deliver important outcomes for South Australia in 2019-2020.

In the wake of the bushfires our state faced in early 2020, the department took on a lead role in coordinating the rebuild of the Kangaroo Island and Adelaide Hills economies and communities.

The department has also had the responsibility of providing significant support to the Premier in managing the government's response to the COVID-19 pandemic. As a result of the national approach to tackling COVID-19, I have been privileged to participate in the newly established National Cabinet. The department is working closely with the Australian Government on new intergovernmental relations to embed the National Cabinet as a replacement for the Council of Australian Governments.

In addition to this, I have assumed a number of new roles to support South Australia's COVID-19 response including as the chair of South Australia's COVID-19 Transition Committee. We provide economic, social and health advice to the State Coordinator as he considers transitioning out of or otherwise amending Directions under the *Emergency Management Act 2004* in relation to COVID-19. I was also appointed as Assistant State Coordinator in March 2020.

Having completed my second year as Chief Executive of the department, it is timely to reflect on the opportunities I see for the state government to improve the way in which the South Australian Public Sector functions. In 2019-2020 we have commenced a reform agenda to begin addressing this. To this end, we have established a new unit within the department to lead this work. The Performance and Reform unit, headed by Mr Mark Duffy, will lead a program of work focusing on establishing effective performance reporting across the public sector, and increasing engagement and collaboration to drive change.

Despite the challenges of the year, the department continued to deliver on its strategic priorities and projects.

Our people and culture

The health and wellbeing of our staff was paramount this year. Adapting our workplace and operations due to COVID-19 gave us an opportunity to increase the

mobility of our workforce and equip our staff with the tools and technology to adapt to working remotely. Throughout this, our people maintained a strong work ethic and ensured the continuation of our services throughout these challenging times.

Culturally, we continued to strive for a healthier, more inclusive and diverse workforce, ensuring that everyone can feel welcome and rewarded at work. In November, we launched a Gender Affirmation and Transition in the Workplace Procedure – the first of its kind in the South Australian Public Sector – to outline the process and support available when an employee seeks to affirm or transition their gender in our workplace.

We continued our commitment to the Gender Equality and Respect Action Plan, which sets out a number of strategies to promote women's equal participation, respectful relationships between men and women in the workplace and the breaking down of harmful stereotypes about men's and women's roles at work. We also announced our commitment to pursue White Ribbon Re-accreditation in 2020-2021.

Our operations and performance

Throughout 2019-2020 the department continued to focus on driving whole of government policy initiatives including the development of a South Australian Cyber Security Framework, coordination of the South Australian Government Aboriginal Affairs Action Plan and review of the *South Australian Multicultural and Ethnic Affairs Commission Act 1980*.

The department also launched the 'Arts and Culture Plan South Australia 2019-2024' on 2 September 2019, which makes recommendations to guide growth and investment in the arts and culture sector.

Our focus on supporting the state's economic growth has continued through the Growth State program. This initiative seeks to drive partnerships between the government and industry to accelerate our economy, and to attract and retain the best and brightest to live and work in South Australia. The department is also leading one of the state's most important complex and innovative projects to deliver a world-class Entrepreneur and Innovation Centre (EIC) as a flagship of Lot Fourteen. Lot Fourteen aims to capitalise on Adelaide's cultural, environmental and economic strengths, establishing a place of extraordinary vibrancy and appeal which also builds South Australia's economy.

DPC has continued to collaborate with other agencies to build the government's data analytics capability – facilitating data sharing across government and delivering important data initiatives. Of particular note, the department completed work on a project, in conjunction with a number of other government agencies, to provide frontline workers and decision makers with a fuller picture of South Australia's vulnerable children and their families.

Importantly, we strengthened our commitment to Aboriginal reconciliation by developing our Stretch Reconciliation Action Plan (RAP) 2020-2023. Our RAP includes ambitious but achievable deliverables, focussed on valuing culture,

acknowledging history, working together, empowering communities, and supporting meaningful employment and economic development for Aboriginal people and communities.

Our year ahead

The department has shown great resilience and continued to make substantial contributions to deliver on the government's priorities over the course of this financial year. In 2020-2021 we will continue to adapt to challenges as they arise and deliver results for the South Australian Public Sector and community. The department will focus on the delivery of our strategic priorities and continue to lead the state's strategic and economic response to the COVID-19 pandemic. Our focus remains to deliver projects which enable greater productivity, innovation and social and economic growth in South Australia.

I thank the department's dedicated, hard-working staff and look forward to continuing to make a difference to the lives of South Australians in 2020-2021.

Jim McDowell

Chief Executive

Department of the Premier and Cabinet

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Overview: about the agency

Our strategic focus

<p>Our Purpose</p>	<p>As a central agency of the South Australian Public Sector, the Department of the Premier and Cabinet (DPC) provides a unique advisory role and whole of government perspective to priority issues for the Premier and the Cabinet.</p> <p>We work in partnership and collaborate with public sector agencies to ensure integrated approaches to policy, projects and program delivery.</p>
<p>Our Vision</p>	<p>The Premier and the Cabinet can fulfil their objectives for South Australia and deliver outcomes for the South Australian community.</p>
<p>Our Values</p>	<p>The public sector values underpin everything we do:</p> <ul style="list-style-type: none"> • Trust • Service • Professionalism • Respect • Collaboration and Engagement • Honesty and Integrity • Courage and Tenacity • Sustainability
<p>Our functions, objectives and deliverables</p>	<p>The Department of the Premier and Cabinet is the lead agency supporting the Premier and Cabinet by developing policy and delivering programs to realise the government's vision for South Australia.</p> <p>DPC's strategic goals for 2019-2020 were:</p> <ol style="list-style-type: none"> 1. Lead whole of government policy, major initiatives and projects that deliver outcomes in line with the Premier and Cabinet's priorities. 2. Drive strong policy outcomes across government portfolios through accurate, timely and evidence-based advice, collaboration and coordination. 3. Deliver programs and services within the Premier's portfolio responsibilities that support South Australian communities. 4. Support the Premier to lead a well administered, Cabinet-led government. 5. Be a high performing and effective central agency. <p>Further information about our functions and responsibilities is available on our website.</p>

Our organisational structure

The organisational chart reflects the structure of the agency as at 30 June 2020.

Chief Executive Office of the Chief Executive								
Disaster Rebuilding and Resilience	Lot Fourteen	Office for Data Analytics	ICT and Digital Government	Intergovernmental and Diplomatic Relations	Cabinet Office	Communities and Corporate		Performance and Reform
		Analytics and Intelligence	Office for Digital Government	Intergovernmental Relations	Cabinet Advice	Multicultural Affairs	Communications	
		Engineering and Security	Office for Technology	Diplomatic Relations and Protocol	Social Policy Advice	Artlab Australia	People and Culture	
			Office for Cyber Security	Security and Emergency Management	Economic Policy Advice	Arts South Australia	Finance	
				French Strategy	Growth State		Business and Projects	
				Population Strategy	Aboriginal Affairs and Reconciliation		ICT Services	

Attached Offices			
Office for Recreation, Sport and Racing	Office of the Commissioner for Aboriginal Engagement	Office of the South Australian Productivity Commission	State Governor's Establishment

Statutory Authorities			
Art Gallery of South Australia	Carrick Hill	South Australian Museum	State Library of South Australia
Aboriginal Lands Trust	Adelaide Festival Centre Trust	Adelaide Festival Corporation	Country Arts SA
State Opera South Australia	State Theatre Company South Australia		

The Department of the Premier and Cabinet comprises of the following divisions:

- *Cabinet Office* coordinates and supports the Cabinet process, monitors the delivery of the government's priorities and commitments, and coordinates cross government economic and social policy. Aboriginal Affairs and Reconciliation works with Aboriginal people, communities and organisations and leads Aboriginal policy across government.
- The *Intergovernmental and Diplomatic Relations* division represents South Australia's interests in intergovernmental forums. It delivers state events and manages inbound and outbound international and diplomatic missions. It leads whole of government emergency management and security governance, initiatives and issues, and the French strategy and population policy.
- The *ICT and Digital Government* division drives the strategic priorities for the department and the South Australian Government in the areas of cyber security, digital government, engagement, ICT technology and innovation.
- The *Office for Data Analytics* leads public sector data analytics initiatives. It advises on and administers the *Public Sector (Data Sharing) Act 2016* and the Information Sharing Guidelines to create a data-driven government.

- The *Lot Fourteen* project team leads the strategic development, management and delivery of the Lot Fourteen project and precinct.
- The *Performance and Reform* unit leads projects that work to enhance the performance of the South Australian Public Sector.
- The *Communities and Corporate* division provides departmental and across-government support and direction across communications, people and culture, finance, business and projects and ICT services. It delivers the state's Arts policy and programs, preservation and conservation of art and historical items, and develops multicultural policies and programs to promote cultural diversity in South Australia.
- The *Disaster Rebuilding and Resilience* unit is responsible for driving a comprehensive strategy to rebuild the economic and social infrastructure of these communities and enhance their resilience to future threats.

Changes to the agency

During 2019-2020 there were the following changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

New offices established and attached to DPC

Performance and Reform	Established 1 April 2020
Disaster Rebuilding and Resilience	Established January 2020

Performance and Reform

On 1 April 2020, the Performance and Reform unit was established. The unit sits within DPC and reports to the Chief Executive, DPC.

Mr Mark Duffy was appointed to lead the Performance and Reform.

The unit will work with agencies across government to develop an integrated performance framework and to lead a program of work to refine the accountability of the South Australian Public Sector (SAPS).

In addition, the Performance and Reform unit is responsible for providing secretariat support to the newly-established Executive Committee. The Executive Committee held their first meeting on 19 June 2020 and is the primary executive level decision-making body for the South Australian Public Sector.

Disaster Rebuilding and Resilience

The Disaster Rebuilding and Resilience unit (DRR) was established in recognition of the scale and complexity of the 2019-2020 bushfires. On 15 January 2020, Ms Margot Forster was appointed as the State Lead responsible for this unit. The State

Lead reports to the Premier through the Chief Executive, DPC. In late March, the appointment was extended to include the role of State Recovery Coordinator – Bushfires.

The unit’s functions are to provide a single point of coordination to oversee the state government recovery and rebuilding response in support of fire affected communities, including:

- coordinating bushfire funding agreements;
- working directly with the Commonwealth, local governments and key stakeholders on bushfire recovery related policy and programs;
- developing the long-term bushfire recovery and rebuilding plan for the state; and
- coordinating offers from major non-government donors providing support to bushfire-affected communities.

Offices transferred out of DPC

Transferred as at 1 July 2019	To
Veterans SA	Defence SA

Our Minister

The Hon Steven Marshall MP is South Australia’s 46th Premier.

The Premier is supported by the Department for the Premier and Cabinet.

In addition to this the Premier is responsible for Aboriginal Affairs and Reconciliation, the Arts, Multicultural Affairs, Defence and Space Industries, Veterans’ Affairs and Tourism.

Email contact details	Mail contact details
premier@sa.gov.au	GPO Box 2343 Adelaide SA 5001

Our Executive team

As at 30 June 2020, the department's Executive Leadership Team comprised:

Mr Jim McDowell, Chief Executive

Mr Mark Duffy, Chief Executive, Performance and Reform

Dr Jon Gorvett, Executive Director, Intergovernmental and Diplomatic Relations

Ms Ruth Ambler, Executive Director, Cabinet Office and Aboriginal Affairs and Reconciliation

Mr Peter Worthington-Eyre, Executive Director, Office for Data Analytics

Dr Eva Balan-Vnuk, Executive Director, ICT and Digital Government

Mr Steven Woolhouse, Executive Director, Communities and Corporate

Ms Di Dixon, Lead, Lot Fourteen

Ms Kelly Biggins, Director, Office of the Chief Executive

Legislation administered by the agency

The following are Acts committed to the Premier:

- *Aboriginal Heritage Act 1979*
- *Aboriginal Heritage Act 1988*
- *Aboriginal Lands Parliamentary Standing Committee Act 2003*
- *Aboriginal Lands Trust 2013*
- *Adelaide Festival Centre Trust Act 1971*
- *Adelaide Festival Corporation Act 1998*
- *Adelaide Festival Theatre Act 1964*
- *Agent-General Act 1901*
- *Anangu Pitjantjatjara Yankunytjatjara Land Rights Act 1981*
- *ANZAC Day Commemoration Act 2005*
- *Art Gallery Act 1939*
- *Carrick Hill Trust Act 1985*
- *Competition Policy Reform (South Australia) Act 1996*
- *Constitution Act 1934*
- *Emergency Management Act 2004*
- *Fees Regulation Act 1927*
- *Government Business Enterprises (Competition) Act 1996*
- *Infrastructure SA Act 2018*
- *Libraries Act 1982*

- *Maralinga Tjarutja Land Rights Act 1984*
- *Mutual Recognition (South Australia) Act 1993*
- *Public Sector (Data Sharing) Act 2016*
- *Remuneration Act 1990*
- *South Australian Country Arts Trust Act 1992*
- *South Australian Multicultural and Ethnic Affairs Commission Act 1980*
- *South Australian Museum Act 1976*
- *State Opera of South Australia Act 1976*
- *State Theatre Company of South Australia Act 1972*
- *Trans-Tasman Mutual Recognition (South Australia) Act 1999*
- *Unauthorised Documents Act 1916*

Other related agencies (within the Minister's area/s of responsibility)

The following offices are attached to, and supported by, DPC.

Office of the Commissioner for Aboriginal Engagement

Established in 2007, the Office of the [Commissioner for Aboriginal Engagement](#) is a primary point of contact for the Aboriginal community to express their concerns about issues that matter to them and have those concerns and issues addressed.

Dr Roger Thomas was appointed as South Australia's Commissioner for Aboriginal Engagement on 18 July 2018. The role of the Commissioner is to provide Aboriginal leadership in South Australia, advocating on behalf of all Aboriginal people and communities across the state.

During the 2019-2020 financial year, the Commissioner's office:

- developed and made recommendations on models to reform the engagement relationship between the South Australian Government and the Aboriginal Community of South Australia
- consulted with the Aboriginal community on key elements of the proposed engagement models
- recommended to government the preferred models for reforming the engagement relationship and strategies to implement a preferred model
- continued to advocate for Aboriginal families and individuals
- represented the Aboriginal community on policy forums in the areas of homelessness, housing, ageing, mental health, corrections, health, education and the environment.

Office of the South Australian Productivity Commission

The [South Australian Productivity Commission](#) (SAPC) was established on 22 October 2018 and is supported by the Office of the South Australian Productivity Commission (SAPC), attached to DPC.

The SAPC is led by Chief Executive, Dr Matthew Butlin, and reports to the Premier.

The SAPC is an independent body that makes recommendations to the government to facilitate productivity growth, unlock new economic opportunities, support job creation and remove existing regulatory barriers.

The SAPC is producing an independent Annual Report for 2019-2020, accessible via their website.

Office for Recreation, Sport and Racing

In 2019-2020 the [Office for Recreation, Sport and Racing](#) (ORSR), led by Chief Executive, Ms Kylie Taylor, was an attached office to DPC. The ORSR reported to the Minister for Recreation, Sport and Racing, the Hon Corey Wingard MP.

The ORSR leads the government's policy on sport and active recreation. It develops stronger, healthier and safer communities through active sport and recreation policy, programs, services, infrastructure and elite pathways. It also provides strategic policy advice to the Minister on matters relating to the South Australian racing industry.

The ORSR is producing an independent Annual Report for 2019-2020, accessible via their website.

State Governor's Establishment

The State Governor's Establishment supports the Governor of South Australia, His Excellency the Honourable Hieu Van Le AC.

Statutory authorities attached to the department

All statutory authorities attached to the department are producing independent Annual Reports for 2019-2020, accessible via their websites.

The agency's performance

Performance at a glance

During 2019-2020, DPC led or supported a range of programs, initiatives, policies and activities to achieve our strategic goals. The department:

- provided bushfire recovery leadership and coordination for South Australia - including negotiating and engaging with the Commonwealth through the National Bushfire Recovery agency, supporting affected communities and councils, program monitoring and evaluation, and coordinating public communication and engagement
- supported the Premier in managing the COVID-19 pandemic through leadership across government and provision of strategic advice
- developed a plan for public sector reform and established a Performance and Reform unit to drive improved public sector performance and leadership
- developed the DPC Stretch Reconciliation Action Plan 2020-2023
- progressed the delivery of the South Australian Arts Plan 2019-2024
- continued to provide leadership for key across-government initiatives to boost the state's economy
- led the strategic development and delivery of Lot Fourteen to capitalise on the cultural, environmental and economic strengths of our city
- coordinated the collaborative development of the Growth State agenda to prioritise and guide the state government's economic development initiatives
- released the South Australian Government Cyber Security Framework, a whole of government policy framework
- delivered the Vulnerable Children Project and trialled the key Integrated Data System (KIDS) dashboard which will provide government personnel with a more comprehensive picture of South Australia's most vulnerable children
- executed the Memorandum of Understanding between South Australia and the Commonwealth's Digital Transformation Agency with a focus on the first state pilot in Australia of the Trusted Digital Identity Framework
- established the Economic Development Sub-Committee responsible for supporting and guiding Growth State, Our Plan for Prosperity
- completed the construction of Her Majesty's Theatre.

Agency response to COVID-19

In March 2020, the South Australian Government announced the implementation of measures and emergency planning to deal with the COVID-19 pandemic in South Australia.

The Chief Executive, Department of the Premier and Cabinet was appointed Assistant State Coordinator under the *Emergency Management Act 2004*, following the declaration of a major emergency.

DPC responded to the challenges of COVID-19 as follows:

- developed a departmental *Coronavirus Outbreak Action Plan* that outlined our planned response in the event of a COVID-19 outbreak
- played a key role in coordinating the state's contribution to National Cabinet
- led the planning for the state's economic rebuilding and recovery work in relation to COVID-19
- activated the State Crisis Centre, assisting with a range of multi-agency initiatives, preparing briefings and advice for the Premier and Ministers, and participated in the National Coordination Mechanism
- assisted SA Health and South Australia Police on a range of multi-agency initiatives, preparing protocols for agencies in managing COVID-19 risks and supporting the implementation of emergency Directions such as the restrictions on people crossing the state border
- worked with the Australian government, other government agencies and remote Aboriginal communities to implement restrictions under the *Biosecurity Act 2015* (Cwth) to reduce the likelihood of COVID-19 spreading into vulnerable Aboriginal communities. This included providing health information in traditional language.
- made COVID-19 information available to multicultural communities in over 30 languages
- supported multicultural communities to address the impacts of the COVID-19 pandemic by re-directing funding from cancelled events to support the delivery of COVID-19 outreach projects
- supported the arts sector through the delivery of \$2.5 million from the COVID-19 Arts grants support package
- enabled improved access to email and increased concurrent remote access VPN service enabling public servants across government to perform critical functions from remote locations
- led the strategy, development and operation of covid-19.sa.gov.au South Australia's single digital source of trusted public information for COVID-19. The platform also delivered South Australia's COVID-19 daily dashboard and housed all COVID-Safe Plans for businesses.

Agency contribution to whole of government objectives

DPC contributed to the achievement of the South Australian Government's objectives – more jobs, lower costs and better services.

Key objective	Agency's contribution
More jobs	<p>Coordinated the development and launch of Growth State: Our Plan for Prosperity, which is a partnership between government and industry, with the goals of accelerating the economy and retaining and attracting the best and brightest to live and work in South Australia.</p> <p>Led the strategic development and delivery of Lot Fourteen, establishing the building blocks to drive value for the South Australian economy while realising a place of extraordinary vibrancy and appeal. Lot Fourteen significant milestones included:</p> <ul style="list-style-type: none"> • launched the Start-up Hub with Stone & Chalk • supported the establishment and opening of the Australian Cyber Collaboration Centre (A3C), Australian Institute for Machine Learning, Australian Space Agency and SmartSat CRC at Lot Fourteen. • delivered the refurbishment and activation of the six heritage buildings at Lot Fourteen, which have over 800 occupants. • continued the demolition and delivery program at Lot Fourteen with between 150-500 contractors onsite, on a daily basis.
Lower costs	<p>Negotiated the best possible outcomes for South Australia in intergovernmental forums, including funding arrangements for public hospitals and health reform, early childhood education, legal assistance services and public dental services, in conjunction with relevant South Australian agencies.</p>

Key objective	Agency's contribution
Better services	<p>Established a Performance and Reform unit to lead projects that enhance the performance of the South Australian Public Sector.</p> <p>Developed and released a whole of South Australia Cyber Security framework, whereby agencies implemented a cyber security program.</p> <p>Finalised the Vulnerable Children Project and trialled the Key Integrated Data System dashboard at the Child Abuse Report Line.</p> <p>Provided bushfire recovery leadership and coordination for South Australia including negotiation and engagement with the Commonwealth through the National Bushfire Recovery Agency.</p> <p>Completed the construction of Her Majesty's Theatre.</p> <p>Maintained SA.GOV.AU – operation of the state's single website for reliable government information and services. SA.GOV.AU delivered at 10% year-on-year increase with 11.3 million unique user sessions from 5.57 million unique users during the financial year.</p> <p>Supported the Premier in contributing to the new National Cabinet. Negotiated the intergovernmental relations framework to replace the Council of Australian Governments.</p>

Agency specific objectives and performance

DPC implemented activities to meet a range of objectives in 2019-2020 in line with our purpose, vision and strategic goals.

Objective 1	
Lead whole of government policy, major initiatives and projects that deliver outcomes in line with the Premier and the Cabinet's priorities	
Indicators	Performance
<p>1.1 Lead the development of Lot Fourteen to capitalise on the cultural, environmental and economic strengths of our city.</p>	<p>1.1 Led the strategic development and delivery of Lot Fourteen, establishing the building blocks to drive value for the South Australian economy while realising a place of extraordinary vibrancy and appeal.</p> <p>Established a cross-government project delivery team and implemented the project governance structure to ensure the Lot Fourteen vision and objectives are met with inclusion of all relevant government agencies and stakeholders.</p> <p>Progressed plans, business cases and design for an International Centre for Food, Hospitality and Tourism Studies; and an Entrepreneur and Innovation Centre and Hub as part of the Adelaide City Deal.</p> <p>Established the Aboriginal Entrepreneur Hub based at Lot Fourteen as part of the Adelaide City Deal in partnership with the National Indigenous Australians Agency (NIAA).</p>
<p>1.2 Progress the business case, detailed planning and final cost estimates for the Aboriginal Art and Cultures Centre, which will exhibit art and culture.</p>	<p>1.2 Led the option analysis, design and progressed the operating model for the Aboriginal Art and Cultures Centre at Lot Fourteen.</p>
<p>1.3 Coordinate South Australian Government implementation of the Adelaide City Deal to create innovation and job opportunities, increase population and enhance cultural experiences in the state.</p>	<p>1.3 Finalised and released the implementation plan for the Adelaide City Deal.</p>

<p>1.4 Finalise the Vulnerable Children Project; facilitating information sharing between agencies to provide frontline workers and strategic decision makers with a fuller picture of South Australia’s vulnerable children and their families.</p>	<p>1.4 Finalised the Vulnerable Children Project in December 2019. Worked with Department of Human Services and Department for Child Protection to facilitate information sharing between the agencies to provide frontline workers and strategic decision makers with a fuller picture of South Australia’s vulnerable children and their families.</p>
<p>1.5 Lead the development of a South Australian cyber sector strategy to identify and leverage opportunities for job creation and economic growth.</p>	<p>1.5 Led the development of a South Australian cyber sector strategy to identify and leverage opportunities for job creation and economic growth.</p> <p>Prepared for the launch of the Australian Cyber Collaboration Centre (A3C) at Lot Fourteen in July 2020.</p> <p>Developed a Security and Counter Foreign Interference roadmap for Lot Fourteen.</p>
<p>1.6 Lead the development of a population strategy to increase interstate migration and ensure successful long-term settlement of migrants.</p>	<p>1.6 Provided support for the National Population and Planning Framework and secured funding for various migration and population initiatives.</p>
<p>1.7 Implement a new engagement model that will enhance the government’s engagement with Aboriginal South Australians through both consultation and decision-making processes.</p>	<p>1.7 Undertook community consultation and made recommendations on the preferred engagement model that is intended to enhance the government’s engagement with Aboriginal South Australians.</p>

Objective 2

Drive strong policy outcomes across government portfolios through accurate, timely and evidence-based advice, collaboration and coordination

Indicators

- 2.
- 2.1 Coordinate collaborative development of the South Australian Growth Agenda to prioritise and guide the state

Performance

- 2.1 Launched Growth State: Our Plan for Prosperity, following on from the Steven Joyce Review of the South Australian Government’s International and Interstate

<p>2.5 Implement relevant actions within the government's Aboriginal Affairs Action Plan to continue to improve opportunities and services available to Aboriginal South Australians.</p>	<p>2.5 Co-ordinated whole of government implementation and reporting against the South Australian Government Aboriginal Affairs Action Plan. Launched the DPC Stretch Reconciliation Action Plan 2020-2023 in May 2020.</p>
<p>2.6 Finalise and progress implementation of a new Arts Plan for South Australia 2019-2024 to deliver a successful sustainable arts ecosystem.</p>	<p>2.6 Delivered the Arts Plan for South Australia 2019-2024 to government in July 2019. The government's response to recommendations were released publicly in September 2019. DPC commenced implementation of the agreed recommendations.</p>
<p>2.7 Provide strategic advice to the Premier in identifying, scoping and responding to the outcomes of Productivity Commission inquiries.</p>	<p>2.7 Provided support to finalise a Joint Government response to the Productivity Commission inquiry report: Murray Darling Basin Plan: Five-year assessment.</p>
<p>2.8 Develop a whole of South Australia cyber security policy framework to drive strategy and risk-based investment in cyber security.</p>	<p>2.8 Released a new South Australian Cyber Security Framework in December 2019.</p>
<p>2.9 Review and implement an across government cyber security maturity program to strengthen and enhance the cyber security resilience of South Australia.</p>	<p>2.9 Implemented the SA Cyber Security program. The program includes an annual attestation to provide overview and assurance.</p>
<p>2.10 Develop new legislation following the outcome of the review of the <i>South Australian Multicultural and Ethnic Affairs Commission Act 1980</i>.</p>	<p>2.10 Drafted new legislation following the outcome of the review of the <i>South Australian Multicultural and Ethnic Affairs Commission Act 1980</i>.</p>
<p>2.11 Advise on and administer the <i>Public Sector (Data Sharing) Act 2016</i>, the Information Sharing Guidelines and other analytics initiatives involving public sector data.</p>	<p>2.11 Advised on and administered the <i>Public Sector (Data Sharing) Act 2016</i> and assumed responsibility for open data policy. Reviewed the Information Sharing Guidelines and undertook analytics initiatives involving public sector data.</p>

Objective 3**Deliver programs and services within the Premier's portfolio responsibilities that support South Australian communities**

Indicators	Performance
3.	
3.1 Implement the Multicultural Grants Program to ensure funding better meets the needs and aspirations of South Australia's growing multicultural communities.	3.1 Implemented the Multicultural Grants Program, with 464 applications received, 296 applications funded, and all funds expended in 2019-2020.
3.2 Host the fourth biennial South Australian Multicultural Festival to celebrate and engage with South Australia's multicultural communities.	3.2 Hosted the fourth biennial South Australian Multicultural Festival on 10 November 2019 at Victoria Square (Tarntanyangga), Adelaide, in partnership with multicultural organisations and a wide range of community groups to celebrate and engage with South Australia's multicultural communities.
3.3 Commence the redevelopment of Carrick Hill to support its cultural, artistic, social and economic viability.	3.3 Commenced the redevelopment of Carrick Hill, including development of the upper floors, installation of a lift to increase access and progressed development of the new pavilion.
3.4 Complete the construction phase of the Her Majesty's Theatre Redevelopment project to enhance access, capacity, capability and appeal of the theatre and its precinct.	3.4 Completed construction of the Her Majesty's Theatre redevelopment project in June 2020.
3.5 Progress the redevelopment of the Adelaide Festival Centre Precinct.	3.5 Commenced the design and documentation of roof shell works and progressed the technical equipment upgrade at the Adelaide Festival Centre.
3.6 Support the government's objectives for international engagement, trade and diplomacy, by delivering and supporting significant inbound and outbound artistic activity and cultural exchange.	3.6 Supported the government's objectives for international engagement, trade and diplomacy, by delivering and supporting significant inbound and outbound artistic activity and cultural exchange, including planning for an exhibition of South Australian Aboriginal art works in Brittany, major festival partnerships and performing arts touring.

<p>3.7 Support the cultural heritage collection storage through the implementation of storage solutions.</p> <p>3.8 Lead, advise and provide expertise on the protection and conversation of the state’s cultural assets.</p> <p>3.9 Recognise a further two Aboriginal Representative Bodies under the <i>Aboriginal Heritage Act 1988</i>.</p>	<p>Strengthened South Australia’s relationship with France, building on the Australian Government Department of Defence Future Submarine Program, including further developing the sister-region relationship with Brittany.</p> <p>3.7 Completed stakeholder engagement with all the major arts institutions on the storage solutions strategic business case.</p> <p>3.8 Artlab Australia provided advice and expertise on the protection and conversation of the state’s cultural assets and collections.</p> <p>3.9 Recognised a further two Aboriginal Representative Bodies under the <i>Aboriginal Heritage Act 1988</i>.</p>
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Objective 4

Support the Premier to lead a well administered, Cabinet-led government

Indicators	Performance
<p>4.</p> <p>4.1 Continue to support good governance and decision-making through rigorous Cabinet process and policy analysis and collaborative relationships across government.</p> <p>4.2 Implement or continue to manage programs to monitor and support the delivery of:</p> <ul style="list-style-type: none"> • Government’s election commitments • Recommendations from the Review of State Government’s international and interstate engagement 	<p>4.1 Supported rigorous Cabinet process across government, through the administration of Cabinet, Executive Council and Cabinet Committees. Worked closely with agencies and through the committees to develop and refine policy proposals, and provided advice on all proposals considered by Cabinet, including a thorough analysis of their risks, costs and benefits.</p> <p>4.2 Monitored and supported the delivery of the government’s priorities and commitments.</p>

<ul style="list-style-type: none"> • Growth State actions • Aboriginal Affairs Action Plan actions • Whole of Government Reconciliation Action Plan actions <p>4.3 Continue the successful delivery of state/protocol events, the international visits program, and the Premier’s international engagements, ensuring strategic alignment with state government priorities including Growth State.</p> <p>4.4 Enhance South Australia’s security and emergency management arrangements by reviewing the State Emergency Management Plan and developing a new South Australian Government Protective Security Framework.</p> <p>4.5 Deliver effective technology platforms to enable government to serve the South Australian community, including a ‘Safety Scan’ digital barring register. Finalise and implement the review of Boards and Committees.</p>	<p>4.3 Continued the international visits program by promoting the state and its competitive advantages and offerings, showcasing South Australia’s strategic industries, businesses, knowledge institutions, community and regions.</p> <p>4.4 Completed the new South Australian Protective Security Framework, finalised a cyclical review of the State Emergency Management Plan and continued to enhance South Australia’s security and emergency management preparedness and prevention arrangements, with a particular focus on strengthening governance and enhancing recovery capability.</p> <p>4.5 Supported progress on the delivery of a digitised barring process and Id scanning application. Finalised the review of Boards and Committees, with implementation of the review in 2020</p>
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Objective 5

Be a high performing and effective central agency

Indicators	Performance
<p>5.</p> <p>5.1 Enhance the diversity of our workforce through programs, initiatives and training focussing on diversity and inclusion, reconciliation and gender equality and respect.</p>	<p>5.1 Implemented and progressed initiatives and programs for the department’s:</p> <ul style="list-style-type: none"> • Diversity and Inclusion Framework

<p>5.2 Support the development of our people through programs and initiatives across performance, development and leadership.</p> <p>5.3 Continue to support good organisational culture, safety and wellbeing through programs, initiatives and training focusing on flexible working arrangements, domestic violence awareness and employee wellbeing.</p> <p>5.4 Support the department to ensure it operates within its budget as published in the 2019-2020 State Budget.</p>	<ul style="list-style-type: none"> • Stretch Reconciliation Action Plan • Gender Equality and Respect Action Plan • Your Voice Survey Action Plan deliverables. <p>5.2 Encouraged employee participation in leadership and development initiatives such as: Aboriginal Frontline; Manager Essentials; Next Execs; Company Directors; Talent Connect; Psychometric assessments for individual and team development, and recruitment purposes. The South Australian Leadership Academy programs were postponed to 2020-2021 due to COVID-19.</p> <p>5.3 Established a 'Welcome to DPC Online Induction program' for all new staff.</p> <p>Required all DPC employees to participate in domestic violence awareness training, as part of the department's commitment to preventing violence against women.</p> <p>Supported DPC employees working from home due to COVID-19.</p> <p>Focussed on maintaining a safe working environment and further developed prevention strategies and improvement initiatives in line with the Building Safety Excellence in Public Sector strategy.</p> <p>5.4 Provided leadership in the delivery of public sector budget, finance and accounting policies, practices and principles within the department. DPC operated within its budgeted net cost of services during 2019-2020.</p>
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<p>5.5 Transition all staff to the modern workplace environment and enhance current modern workplace tools.</p>	<p>5.5 Transitioned remaining DPC business units to a modern workplace environment and all staff utilised modern workplace tools that enabled working from home arrangements, to ensure the safety of our employees as a result of the COVID-19 pandemic.</p>
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Corporate performance summary

The corporate services function provides support to the department's programs as well as a number of arts statutory authorities, attached offices and agencies. During 2019-2020 corporate services:

- developed and implemented a Coronavirus Outbreak Action Plan in response to the COVID-19 outbreak. This included the development of resources to support staff to transition to working offsite
- implemented a state-wide public education campaign to promote critical information on COVID-19 to all South Australians
- delivered an ICT infrastructure refresh program for infrastructure environment servers, storage, network switches and the wireless environment
- increased the rollout of ICT mobility devices and enabled Office 365 for all employees to support efficiencies in the workplace environment
- completed the electronic document records management system upgrade to a web browser interface to enable staff to securely access records more efficiently
- produced the *Our Home* television documentary to celebrate the cultural diversity of South Australians
- partnered with News Corp to deliver Future Adelaide to grow confidence and attract interstate investment, visitation and migration
- managed the Media Panel to provide media advertising services to government under the Master Media Scheme to deliver over \$4 million in added value
- implemented a new across government communications approval process to ensure a planned, coordinated and strategic approach to the government's communications strategies and programs.

Employment opportunity programs

Program name	Performance
DPC Aboriginal and Torres Strait Islander Employment Pool Program	<p>As at 30 June 2020, 311 Aboriginal and Torres Strait Islander candidates were registered on the employment pools for vacancies across all classifications.</p> <p>In the 2019-2020 financial year, three candidates from the pools were engaged in DPC roles.</p>
Skilling South Australia Program	<p>In the 2019-2020 financial year, six employees were engaged in Traineeships programs under Skilling South Australia, including two Aboriginal Trainees.</p>

Agency performance management and development systems

Performance management and development system	Performance
<p>DPC's Performance Development Program is a planned system for continually improving the performance of individuals and the organisation as a whole. Employees participate in bi-annual discussions as a minimum in line with the Premier's Direction.</p>	<p>DPC continuously monitors and supports employees to engage in regular and meaningful performance development discussions to discuss progress, achievements and development goals.</p> <p>Compliance with performance development requirements is measured through entries recorded in CHRIS 21 or through the learning management system.</p> <p>As at 31 December 2020, 83% of employees had a discussion in the past six months.</p> <p>As at 30 June 2020, 62% of employees had a discussion in the past six months.</p>

Work health, safety and return to work programs

Program name	Performance
Injury and Workers Compensation Management	<p>Strategies have been adopted to minimise the cost impact of work injured employees through early intervention, active case and claims management.</p> <p>DPC has consistently maintained a low rate of significant injury, as benchmarked against the South Australian Public Sector.</p> <p>2019-2020 has seen an 85% reduction in workers compensation expenditure.</p> <p>The department's WHS performance measures align with government WHS&IM Performance Measures and have been achieved.</p>
Wellbeing and Engagement	<p>A comprehensive Wellbeing Program has been delivered, based on the concept of Healthy Body/Healthy Mind. The program also aims to help build resilience and a positive culture with a focus on psychological wellbeing.</p> <p>Mental Health First Aid Training was offered to all Designated First Aiders and Health and Safety Representatives across 2018-2019 as well as other interested employees in line with provisions of the <i>South Australian Modern Public Sector Enterprise Agreement – Salaried 2017</i>.</p> <p>DPC has two Employee Assistance Program providers with a wide range of online resources made available to workers and their family in addition to a variety of delivery methods for counselling services.</p>

Workplace injury claims	Current year 2019- 2020	Past year 2018- 2019	% Change (+ / -)
Total new workplace injury claims	2	6	-67%
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

Work health and safety regulations	Current year 2019- 2020	Past year 2018- 2019	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	5	0	-100%
Number of provisional improvements, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0

Return to work costs**	Current year 2019- 2020	Past year 2018- 2019	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$19,390	\$130,841	-85%
Income support payments – gross (\$)	\$11,350	\$41,659	-73%

**before third party recovery

Data for previous years is available at: [Data.SA DPC Work Health and Safety & Return to Work Performance](#)

Executive employment in the agency

Executive classification	Number of executives
EXEC0F	2
Commissioner	1
SAES2	7
SAES1	22

Data for previous years is available at: [Data.SA DPC Executives](#)

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2019-2020 are attached to this report.

Statement of Comprehensive Income	2019-2020 Budget \$000s	2019-2020 Actual \$000s	Variation \$000s	Past year 2018-2019 Actual \$000s
Total Income	265 239	272 383	7 144	295 276
Total Expenses	261 454	300 443	(38 989)	322 390
Net Result	3 785	(28 060)	(31 845)	(27 114)
Other comprehensive income	-	40 794	40 794	-
Total Comprehensive Result	3 785	12 734	8 949	(27 114)

The department reported \$12.734 million profit for the 2019-2020 financial year. This result is \$8.949 million favourable when compared with the 2019-2020 budget, mainly due to a net asset revaluation increment, partially offset by a return of surplus cash to the Treasurer's Consolidated Account.

Statement of Financial Position	2019-2020 Budget \$000s	2019-2020 Actual \$000s	Variation \$000s	Past year 2018-2019 Actual \$000s
Current assets	95 162	56 996	(38 166)	81 162
Non-current assets	229 094	241 118	12 024	204 393
Total assets	324 256	298 114	(26 142)	285 555
Current liabilities	21 948	21 734	(214)	19 695
Non-current liabilities	10 937	13 672	2 735	13 901
Total liabilities	32 885	35 406	2 521	33 596
Net assets	291 371	262 708	(28 663)	251 959
Equity	291 371	262 708	(28 663)	251 959

The department's net assets at 30 June 2020 were \$28.663 million lower than budget, mainly due to a decrease in deposit accounts as a result of the return of surplus cash to the Treasurer's Consolidated Account partially offset by a net asset revaluation increment.

For further information please see Appendix: Audited financial statements.

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$ 23,039

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
CQR Consulting Australia Pty Ltd	Conduct an incident response gap analysis for the Cyber Security unit	\$ 10,740
Saab Australia Pty Ltd	Perform an assessment of the Information Security Registered Assessors Program (IRAP) for the child protection datalink	\$ 18,000
Creativation Pty Ltd	Modelling of low digital skills risks in the South Australian public sector	\$ 20,000
Creativation Pty Ltd	Preparation of a business case for the SAGOV services portal	\$ 20,091
Gherashe Consultants Pty Ltd	Development of the South Australian Government Arts Plan	\$ 22,500
CQR Consulting Australia Pty Ltd	Risk assessment and review of the information security management system for cyber security services	\$ 24,435
Experience Matters	Provide a data management review and maturity assessment	\$ 26,250
Experience Matters	Review the implementation	\$ 26,750

Consultancies	Purpose	\$ Actual payment
	effectiveness of the Information sharing guidelines	
Thompson Lewis Ltd	Consultancy program services covering the implementation of a performance management framework for the South Australian public sector and work with senior executives to facilitate adoption; strategic advice surrounding the implementation of election commitments; and strategic advice on transitioning to an altered operating environment under the change of government	\$ 27,437
KPMG	Delivery of a prioritisation engagement plan from the findings and recommendations from the NEC performance review	\$ 28,152
KPMG	Development of detailed costings and options analysis for the Cultural Institutions collection storage	\$ 29,106
TSS Cyber Pty Ltd	Assessment of security gaps of new applications and hosting environment for the Office of the Commissioner for Public Sector Employment	\$ 29,875
KPMG	Advisory services to support the development of a strategic business case for an Innovation Hub at Lot Fourteen	\$ 30,000
CQR Consulting Australia Pty Ltd	South Australian Government Cyber resilience review	\$ 30,800

Consultancies	Purpose	\$ Actual payment
PriceWaterhouseCoopers	Define the vision and scope for the Aboriginal Art and Cultures Centre	\$ 35,448
KPMG	Support the development of "Resilience and Recovery: An Investment Prioritisation Framework for South Australia"	\$ 37,195
Action Market Research Pty Ltd	Research to inform the content of a workshop for the Aboriginal Entrepreneur Hub	\$ 51,784
Aurecon Australasia Pty Ltd	Provide strategic options advice for future governance, ownership and operational models for the Lot Fourteen precinct	\$ 60,000
TSS Cyber Pty Ltd	Provision of recommendations to improve the department's security resilience, including an ICT Services security training and development strategy	\$ 75,000
SGS Economics & Planning Pty Ltd	Preparation of a strategic business case for the Aboriginal Art and Cultures Centre at Lot Fourteen, including option analysis and recommendations on potential governance and funding arrangements for this institution	\$ 86,000
KPMG	Prepare a strategic business case and options analysis for Cultural Institutions collection storage	\$ 183,278
PriceWaterhouseCoopers Indigenous Consulting Pty Ltd	Preparation of design documentation for the Aboriginal Entrepreneurs Hub	\$ 185,200
PriceWaterhouseCoopers Consulting (Australia) Pty Ltd	Development of an economic recovery and development strategy with a focus on short term	\$ 200,000

Consultancies	Purpose	\$ Actual payment
	initiatives to facilitate economic and employment growth for South Australia	
	Total	\$ 1,281,080

Data for previous years is available at: [Data.SA Consultants engaged by the Department of the Premier and Cabinet](#)

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$ 127,822

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Taylor Accountants	Assistance with the acquittals process for the Fund My Neighbourhood grant program	\$ 10,027
Life Registered	Data extraction, data cleansing and automation for the Attorney-General's Department to support the Vulnerable Children Project	\$ 11,144
Empired Ltd	Enhancements to the Arts SA Grants Management System (GMS)	\$ 11,250

Contractors	Purpose	\$ Actual payment
Empired Ltd	Payroll overpayments data extraction for Shared Services SA	\$ 12,000
Empired Ltd	Payroll overpayments system enhancements for Shared Services SA	\$ 12,123
Haymakr	State Budget post-campaign evaluation	\$ 12,500
Data 3 Ltd	Enhancements to the Arts SA Grants Management System	\$ 13,850
locane Pty Ltd	Application upgrades for the Office for Data Analytics	\$ 13,950
Plan B Consulting	Delivery of a Shared Point Online with SharePoint roadmap, and MS Teams enhancements	\$ 14,025
Chamonix IT Management	Design and development of a single digital experience for the SAGOV Services Portal	\$ 14,400
Locatable Solutions Pty Ltd	Geospatial services for the Early Intervention Taskforce	\$ 14,925
Cyberops Pty Ltd	Risk assessment relating to Microsoft Office 365 central tenancy	\$ 16,000
Locatable Solutions Pty Ltd	Geospatial services for the Emergency Management project	\$ 16,706
CQR Consulting Australia Pty Ltd	Support for educational workshops to agencies with implementing the South Australia Cyber Security Framework	\$ 19,375
Dr Gemma Munro	Co-design and facilitation of a forum for Magnetise SA project	\$ 20,376
See Marketing & Communications	Creating YourSAy engagement reports and Better Together email copywriting for use by government agencies	\$ 20,983
Enthdegree	Provision of independent non-financial auditing services for the South Australian Government's	\$ 22,399

Contractors	Purpose	\$ Actual payment
	Master Media Agency Scheme	
Objective Corporation Ltd	Upgrade of records management system	\$ 23,440
Talent Options	Temporary staff	\$ 23,686
Empired Ltd	System support for the Customer Relationship Management System	\$ 25,000
Haymakr	Provision of market research on people who chose to return or come to South Australia to support the population growth strategy	\$ 27,300
Chamonix IT Management	Development of an application services plan and support for the plan's implementation	\$ 27,720
Chamonix IT Management	Enhancements to the Communications Approval Portal – second contract	\$ 29,700
Malcolm Reading Consultants	Development of a strategic narrative and outline design brief for the Aboriginal Art and Cultures Centre	\$ 32,750
BDO Advisory	Regional Industry Structure and Employment (RISE) model update	\$ 36,800
BDO Advisory	Independent probity review of the Public Library Content (Digital) evaluation process	\$ 38,438
Flinders University	Tarnanthi data collection and research project	\$ 45,175
Iocane Pty Ltd	Support the protected environment of the Office for Data Analytics including moves, adds, changes, deletions upon request	\$ 46,440
Randstad Pty Ltd	Temporary staff	\$ 47,072
Objective Corporation Ltd	KNET records system data migration	\$ 48,324

Contractors	Purpose	\$ Actual payment
Optus Communications	Senior technical support for operational and project work on ICT infrastructure and services for the provision of across government ICT services – first contract	\$ 49,252
Empired Ltd	CHRIS 21 import work package for Payroll Services in Shared Services SA	\$ 61,403
TSS Cyber Pty Ltd	Review and management of the security as a service function for ICT Services	\$ 73,481
Iocane Pty Ltd	Engineering support and maintenance activities for the infrastructure platform for the Office for Data Analytics	\$ 74,100
Hudson Global Resources (Aust)	Temporary staff for work on ICT infrastructure	\$ 76,559
Shearn & Co Pty Ltd	Project lead for Lot Fourteen	\$ 81,000
Wavemaker	Commercial in confidence	\$ -
Objective Corporation Ltd	Data migration for business units transferred from the Department for Innovation and Skills to the Department of the Premier and Cabinet	\$ 87,104
NEC IT Services Australia Pty Ltd	Senior technical support for project work on ICT infrastructure	\$ 125,804
Optus Communications	Senior technical support for operational and project work on ICT infrastructure and services for the provision of across government ICT services – second contract	\$ 137,816
Innodev Pty Ltd	Senior technical support for project work on ICT infrastructure	\$ 146,438
Hudson Global Resources (Aust)	Temporary staff	\$ 159,175

Contractors	Purpose	\$ Actual payment
Modis Staffing Pty Ltd	Temporary staff for work on ICT infrastructure that has been capitalised	\$ 195,622
Iocane Pty Ltd	Provision of security architect and advisory services to the Office for Technology	\$ 263,475
Modis Staffing Pty Ltd	Temporary Staff	\$ 258,211
Innodev Pty Ltd	Provision of project management services to the Office for Technology	\$ 284,597
Solstice Media Ltd	Creation and distribution of communications, highlighting South Australian economic and cultural activity	\$ 375,000
Peoplebank Australia Ltd	Temporary staff for work on ICT infrastructure	\$ 422,682
Talent International (SA) Pty Ltd	Temporary staff for work on ICT infrastructure	\$ 456,732
Peoplebank Australia Ltd	Temporary Staff	\$ 568,832
Talent International (SA) Pty Ltd	Temporary staff	\$ 748,107
NEC IT Services Australia Pty Ltd	Senior technical support for operational and project work on ICT infrastructure and services for the provision of across government ICT services	\$ 759,870
Hays Specialist Recruitment	Temporary staff	\$ 826,643
Hays Specialist Recruitment	Temporary staff	\$ 820,052
	Total	\$ 7,887,655

Data for previous years is available at: [Data.SA Contractors engaged by the Department of the Premier and Cabinet](#)

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Risk management

Risk and audit at a glance

The department's Risk and Audit function:

- provides objective assurance and consulting activities to advance the department's ability to achieve its strategic objectives
- assists the Chief Executive and department in the effective discharge of responsibilities relating to risk management, governance and internal control
- provides support to the Risk and Performance Committee (committee), one of the key governance committees supporting the Chief Executive.

The Risk and Audit function operates independently of the activities that it audits to ensure unbiased judgements which are essential to its proper conduct and impartial advice to management.

Risk and Performance Committee

The committee met on five occasions during 2019-2020.

Membership consists of both internal and external members and is independently chaired.

During 2019-2020 the committee provided independent assurance on the operation and effectiveness of risk management, internal controls and compliance requirements for the department as prescribed under the committee Terms of Reference. Achievements during the year include:

- appointment of a new independent (external) Chair to the committee
- appointment of a new internal member to the committee
- completion of an annual review of organisational strategic risks
- monitoring delivery of the 2019-2020 annual internal audit plan.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Not applicable	0

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Data for previous years is available at: [Data.SA fraud detected within the Department of the Premier and Cabinet](#)

Strategies implemented to control and prevent fraud

<p>Policies and procedures</p>	<p>The department has adopted and promotes The Code of Ethics for the South Australian Public Sector, which provides guidance to employees on appropriate behaviour.</p> <p>The processes for preventing, detecting and responding to the risks of fraud are documented in the department's Corruption and Maladministration Control Policy and Corruption and Maladministration Control Strategy which is consistent with the across government Fraud and Corruption Policy issued by the Commissioner for Public Sector Employment.</p> <p>The department also supports the maintenance of an effective internal control environment by ensuring compliance with relevant legislation and regulations, namely the <i>Public Finance and Audit Act 1987</i>, Treasurer's Instructions and Accounting Standards.</p>
<p>Internal processes</p>	<p>Processes are in place for identifying, recording, analysing, reporting and escalating fraud and corruption loss events and control failures.</p> <p>These processes are supported by mechanisms to prevent, detect and respond to the risks of fraud, including:</p> <ul style="list-style-type: none"> • annual internal audit plans • monthly executive financial performance reports. • certification of internal controls under the DPC Financial Management Compliance Program and the end of financial year statements preparation process. • the maintenance of financial authorisations within the accounts payable and purchase card management systems including the performance of regular user access and transactional reviews.
<p>Annual financial report</p>	<p>The annual financial report is supported by a system of internal controls that are monitored and assessed during the financial year through the department's internal assurance processes and other processes undertaken by Shared Services SA as the external service provider.</p>
<p>Employee induction and online training</p>	<p>The induction process ensures that all new employees are made aware of the Code of Ethics for the South Australian Public Sector and the Corruption and Maladministration Control Policy. This policy clearly stipulates a zero tolerance position in respect to fraud and corruption. All staff are also required to complete an online Fraud and Corruption Awareness course within six months of commencement.</p>

<p>Financial Management Compliance Program</p>	<p>Appropriate business practices are reinforced through the department's Financial Management Compliance Program (FMCP) as mandated by Treasurer's Instruction 28. The FMCP was undertaken through a control self-assessment comprising a series of questions which assess relevant policies, procedures, systems, internal controls, risk management, and statutory/financial/management reporting that is in operation across all business units within the department.</p> <p>An independent risk-based validation of the results is undertaken, and results reported to the relevant business units and the Risk and Performance Committee.</p>
<p>Risk assessments</p>	<p>Business units undertake regular fraud and corruption risk assessments on their operations and are also required to identify, assess and monitor those risks and document mitigating actions in their risk registers which are subject to six-monthly reviews and monitoring throughout the year.</p> <p>An annual assurance mapping review complements the risk management assessments by providing additional assurance around the state of governance, risk management and internal controls within DPC.</p> <p>An annual review of strategic risks was also undertaken during the year to ensure they continue to reflect the current risk environment. This also included a review of the departmental risk appetite statement to ensure the boundaries for prudent and consistent decision-making are clearly defined in order to effectively deliver our strategy.</p>

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

Nil

Data for previous years is available at: [Data.SA Public Interest Disclosure Act 2018](#)

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the [Public Interest Disclosure Act 2018](#) on 1/7/2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
<i>Emergency Management Act 2004</i>	<p>Part 2 – State Emergency Management Committee</p> <p><i>Section 13 – Annual Report by SEMC</i></p> <p>(1) SEMC must, on or before 30 September in each year, present a report to the Minister on the operations of SEMC during the preceding financial year.</p> <p>(2) The Minister must, within 12 sitting days after receipt of a report under this section, cause copies of the report to be laid before both Houses of Parliament.</p>

The State Emergency Management Committee (SEMC) is established by section 6 of the *Emergency Management Act 2004* to provide leadership and maintain oversight of emergency management planning in the state. SEMC supports the Premier as Minister for the Act, and leads initiatives requested by the Emergency Management Council (EMC) Cabinet Committee. Under the Act, SEMC is responsible for leading and overseeing state emergency management planning and coordinating emergency management policies and strategies.

In 2019-2020, South Australia responded to an unprecedented frequency and scale of events with multiple bushfire events over summer, followed soon after by the COVID-19 pandemic. There was also a myriad of smaller scale security and emergency events that required a coordinated government response. 2019-2020 demonstrated the challenges of an evolving threat landscape and the ongoing need for a coordinated whole of government approach.

During 2019-2020, SEMC met seven times, including two extraordinary meetings to respond to the bushfire and COVID-19 emergencies. It delivered a range of projects and initiatives aligned to its legislative responsibilities and strategic intent.

Other outcomes included:

- continuing to deliver activities in the SEMC Strategic Framework and Plan 2017-2022. Completed projects from the framework included developing a public sector mobilisation policy for use during emergency events
- developing an implementation plan for the Disaster Resilience Strategy to work towards a safer and more resilient state and developing a Strategic Risk Mitigation Planning Guide to address eight identified strategic risks
- establishing a new sub-committee governance structure to improve efficiency, enhance accountability and support delivery of SEMC's legislative obligations and strategic directions, with a sharper focus on delivering outcomes

- implementing the Lessons Management Framework, to identify state-wide strategic lessons from bushfire emergencies during the year
- undertaking a review of the most complex matters identified during the 2018 review of the State Emergency Management Plan
- adapting SEMC’s Strategic Plan to align with identified strategic risks and emerging priorities.

The committee also provided advice to five scheduled EMC meetings and one extraordinary meeting.

Act or Regulation	Requirement
<p><i>Public Sector (Data Sharing) Act 2016</i></p>	<p>Division 4 - Reporting and review</p> <p><i>Section 16 – Reporting</i></p> <p>Section 17 – Annual Report</p> <p>(1) The Minister must, as soon as practicable after each 30 June, cause a report to be prepared about the operation of this Act during the year ended on that 30 June.</p> <p>(2) Without limiting subsection (1), a report relating to a year must include the following matters:</p> <p>(a) in relation to the provision of public sector data pursuant to a direction of the Office for Data Analytics (ODA) under section 6(4), a list of such directions including, in respect of each direction;</p> <p style="padding-left: 40px;">(i) the identity of the data provider and data recipient; and</p> <p style="padding-left: 40px;">(ii) the nature of the data; and</p> <p style="padding-left: 40px;">(iii) whether the public sector data contained personal information and whether the data was, at the time of the direction, exempt public sector data;</p> <p>(b) a summary of the results of data analytics work undertaken by ODA and made available to public sector agencies, the private sector and the general public;</p> <p>(c) in relation to the provision of public sector data containing personal information under section 8(1), a list of all instances of</p>

Act or Regulation	Requirement
	<p>such provision including the identification of the data provider and data recipient, the general nature of the data and the purpose for which the data was shared;</p> <p>(d) a list of all directions made by the Minister under section 9(1), including, in respect of each direction—</p> <p>(i) the identification of the data provider and data recipient and the general nature of the public sector data; and</p> <p>(ii) the purpose for which the public sector data was to be provided; and</p> <p>(iii) whether the direction related to public sector data containing personal information and whether the data was, at the time of the direction, exempt public sector data;</p> <p>(e) a list of all agreements entered into pursuant to section 13(1) including, in respect of each agreement—</p> <p>(i) the identification of the parties to the agreement and the general nature of the data being shared; and</p> <p>(ii) whether the agreement related to the sharing of public sector data containing personal information and whether the public sector data was, at the time of sharing, exempt public sector data.</p> <p>(3) The Minister must, within 6 sitting days after receipt of a report under this section, cause copies of the report to be laid before each House of the Parliament.</p>

The Office for Data Analytics (ODA) is a unit within DPC and was established by section 6 of the *Public Sector (Data Sharing) Act 2016* on 30 May 2017 to:

- undertake data analytics work in collaboration with agencies (mostly multi-agency)
- facilitate data sharing between other agencies
- inform agencies about their service delivery, operations and performance
- upskill government in evidence-based decision making using data and analytics.

Operations and activities from 1 July 2019 to 30 June 2020 are summarised on the [Office for Data Analytics](#) section of the DPC website.

(2) (a) in relation to the provision of public sector data pursuant to a direction of ODA under section 6(4), a list of such directions including, in respect of each direction –

(i) the identity of the data provider and data recipient; and

(ii) the nature of the data; and

(iii) whether the public sector data contained personal information and whether the data was, at the time of the direction, exempt public sector data.

There were no instances of ODA, under section 6(4), directing a public sector agency to provide public sector data to ODA during the period 1 July 2019 to 30 June 2020.

(2) (b) a summary of the results of data analytics work undertaken by ODA and made available to public sector agencies, the private sector and the general public is provided below.

- Delivered the Vulnerable Children Project (VCP)
 - Completed a linked policy dataset for the Department of Human Services (DHS)
 - Completed the Key Integrated Data Systems (KIDS) dashboard which was trialled at the Children Abuse Report Line (CARL) in the Department for Child Protection
- Supported COVID-19, Bushfire and Economic Recovery data-related activities
- Participated in the Australian Data and Digital Council (ADDC)
- Completed a pilot of the Emergency Management dashboard to consolidate information for the State Emergency Centre
- Commenced the state performance framework with the Environment Protection Authority (EPA)
- Reviewed the Information Sharing Guidelines (ISG) and options for incorporation into legislation
- Integrated the Business Longitudinal Analysis Data Environment (BLADE) through developing the South Australian Business Research Environment (SABRE)
- Contributed to the development of the National Disability Data Asset (NDDA)
- Analysed trade data and undertook economic complexity analysis.

(2) (c) in relation to the provision of public sector data containing personal information under 8(1), a list of all instances of such provision including the identification of the data provider and data recipient, the general nature of the data and the purpose for which the data was shared;

Data can be located via the [Office for Data Analytics](#) section of the DPC website.

(2) (d) a list of all directions made by the Minister under section 9(1), including, in respect of each direction-

(i) the identification of the data provider and data recipient and the general nature of the public sector data; and

(ii) the purpose for which the public sector data was to be provided; and

(iii) whether the direction related to public sector data containing personal information and whether the data was at the time of the direction, exempt public sector data.

There were no instances of the Minister, under section 9(1) directing a public sector agency to provide public sector data to another public sector agency during the period 1 July 2019 to 30 June 2020.

(2) (e) a list of all agreements entered into pursuant to section 13(1) including, in respect of each agreement-

(i) the identification of the parties to the agreement and the general nature of the data being shared

(ii) whether the agreement related to the sharing of public sector data containing personal information and whether the public sector data was, at the time of sharing, exempt public sector data.

There were no instances of the Minister, under section 13(1) directing entering into an agreement with a relevant non-government entity during the period 1 July 2019 to 30 June 2020.

Act or Regulation	Requirement
<i>Government Business Enterprises (Competition) Act 1996</i>	Section 21 - The annual report of the administrative unit responsible, under the Minister, for the administration of this Act must include a report on the investigations carried out under this Act for the relevant financial year.

Competition Commissioner - Competitive Neutrality Complaints

The following information is provided in accordance with the requirements of 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.

One complaint was received by the Competitive Neutrality Secretariat, situated within Cabinet Office, during 2019-2020. This complaint was resolved with no action required.

One complaint received in 2018-2019 was finalised in 2019-2020, with the government entity increasing its pricing structure to comply with the principles of competitive neutrality policy.

Following investigation by the Secretariat two complaints were referred to the Competition Commissioner during 2019-2020. The Commissioner investigated both complaints and the final reports have been released.

Currently there are no ongoing investigations by the Competition Commissioner.

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

Act or Regulation	Requirement
<i>City of Adelaide Act 1998</i>	<p>Division 4 – Reporting and review</p> <p><i>Section 16 – Reporting</i></p> <p>(1) The Capital City Committee must ensure that a report is prepared by 31 October in each year on the operation of the collaborative arrangements established under or pursuant to this Act during the financial year ending on the preceding 30 June.</p> <p>(2) The Premier must ensure that copies of a report prepared under subsection (1) are laid before both Houses of Parliament within 12 sitting days after the report is completed.</p> <p>(3) The Lord Mayor must ensure that copies of a report prepared under subsection (1) are presented to the Adelaide City Council within four weeks after the report is completed.</p>

The Capital City Committee (CCC) is an intergovernmental body established under the *City of Adelaide Act 1998* (the Act) which sets out its membership and functions. The primary function of the CCC is to enhance and promote the development of the city of Adelaide as the capital city of the state.

Under Section 7 of the Act, the CCC membership is constituted as follows:

- the Premier, or a Minister nominated by the Premier, who is the chair of the CCC
- two other Ministers nominated by the Premier
- the Lord Mayor or, if the Lord Mayor chooses not to be a member of the CCC, another member of the City of Adelaide (CoA) nominated by the Council and
- two other members of the CoA nominated by the Council.

The functions of the CCC are set out in Section 10 of the Act and include:

- identify and promote key strategic requirements for the economic, social, physical and environmental development and growth of the city of Adelaide;
- promote and assist in maximising opportunities for the effective coordination of public and private resources to meet the key strategic requirements identified by the CCC and recommend priorities for joint action by the state government and the CoA
- monitor the implementation of programs to promote the development of the city of Adelaide
- make provision for the publication of key strategies, goals and commitments relevant to the development and growth of the city of Adelaide and
- collect, analyse and distribute information about the economic, social, physical and environmental development of the city of Adelaide.

As per the legislated requirements, the CCC met four times in 2019-2020. The 2018-2019 Annual Report was tabled in Parliament on 18 February 2020.

Reporting required under the *Carers' Recognition Act 2005*

Nil to report.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2019-2020
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	1
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	10
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	1
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	3
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	7
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2019-2020
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	2
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	2
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	1
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	5
		Total	32

Additional Metrics	Total
Number of positive feedback comments	191
Number of negative feedback comments	93
Total number of feedback comments	284
% complaints resolved within policy timeframes	100%

Data for previous years is available at: [Data.SA Public Complaints received by the Department of the Premier and Cabinet](#)

Service improvements resulting from complaints or consumer suggestions over 2019-2020

The Office for Digital Government responded to one complaint regarding the accessibility of the YourSAy website by modifying the site to meet the latest WCAG Online Accessibility Guidelines. DPC also updated and promoted its Interpreting and Translating Policy, supporting the practical tools implemented for customers and employees.

Appendix: Audited financial statements 2019-2020



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To the Chief Executive Department of the Premier and Cabinet

Opinion

I have audited the financial report of the Department of the Premier and Cabinet for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department of the Premier and Cabinet as at 30 June 2020, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- Notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2020
- a Statement of Administered Financial Position as at 30 June 2020
- a Statement of Administered Changes in Equity for the year ended 30 June 2020
- a Statement of Administered Cash Flows for the year ended 30 June 2020
- a Schedule of Income and Expenses attributable to administered activities for the year ended 30 June 2020
- a Schedule of Assets and Liabilities attributable to administered activities as at 30 June 2020
- Notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Executive Director, Communities and Corporate.

Basis for opinion

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

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

Responsibilities of the Chief Executive for the financial report

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

Auditor’s responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of Department of the Premier and Cabinet for the financial year ended 30 June 2020.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

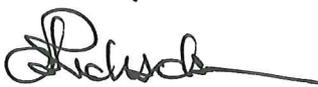
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of the Premier and Cabinet's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

Auditor-General

23 September 2020



Our ref: A20/166

23 September 2020

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Mr J McDowell
Chief Executive
Department of the Premier and Cabinet
Level 16, State Administration Centre
200 Victoria Square
ADELAIDE SA 5000

Dear Mr McDowell

**Audit of the Department of the Premier and Cabinet
for the year to 30 June 2020**

We have completed the audit of your accounts for the year ended 30 June 2020. Two key outcomes from the audit are the:

- 1 Independent Auditor's Report on your agency's financial report
- 2 audit management letters recommending you address identified weaknesses.

1 Independent Auditor's Report

We are returning the financial statements for the Department of the Premier and Cabinet, with the Independent Auditor's Report. This report is unmodified.

My annual report to Parliament indicates that we have issued an unmodified Independent Auditor's Report on your financial statements.

2 Audit management letters

During the year, we sent you audit management letters detailing the weaknesses we noted and improvements we considered you need to make including matters we considered in forming our collective opinion on financial controls required by the *Public Finance and Audit Act 1987*.

There were no significant findings for our controls opinion work at DPC.

We have received responses to our letters and will follow these up in the 2020-21 audit.

What the audit covered

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

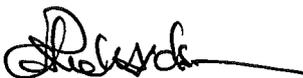
Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- ICT Revenue
- Accounts payable
- Payroll
- General ledger
- Fixed assets, including revaluation of property plant and equipment
- Grants

Particular attention was given to controls over bank accounts as part of our controls opinion work. The revaluation of property, plant and equipment was also a focus of our financial statement audit. We concluded that the financial report was prepared in accordance with the financial reporting framework in this respect.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson
Auditor-General

enc

Department of the Premier and Cabinet

Financial Statements

For the year ended 30 June 2020

Department of the Premier and Cabinet
Certification of the Financial Statements
for the year ended 30 June 2020

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

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987* and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Department of the Premier and Cabinet; and
- present a true and fair view of the financial position of the Department of the Premier and Cabinet as at 30 June 2020 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.



Jim McDowell
Chief Executive
17 September 2020



Steven Woolhouse
Executive Director, Communities and Corporate
17 September 2020

Department of the Premier and Cabinet
Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Appropriation	2.1	201 209	228 189
Fees and charges	2.2	51 814	54 063
Commonwealth grants	2.3	3 299	1 000
Other grants	2.4	2 247	1 746
Resources received free of charge	2.5	828	882
Recoveries from administered items		809	1 134
Transfers from contingency provisions		6 908	3 507
Other income	2.6	5 269	4 755
Total income		272 383	295 276
Expenses			
Employee benefits expenses	3.3	51 339	59 145
Supplies and services	4.1	58 577	62 091
Depreciation and amortisation	4.2	14 107	13 677
Borrowing costs	4.3	3	-
Grants and subsidies	4.4	142 735	153 355
Net loss from the disposal of non-current assets	4.5	411	244
Cash returned to the Department of Treasury and Finance		29 878	31 001
Other expenses	4.6	1 456	821
Resources provided free of charge	4.7	1 937	2 056
Total expenses		300 443	322 390
Net result		(28 060)	(27 114)
Other comprehensive income			
Changes in property, plant and equipment asset revaluation surplus		40 794	-
Total other comprehensive income		40 794	-
Total comprehensive result		12 734	(27 114)

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Department of the Premier and Cabinet
Statement of Financial Position
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash	6.1	45 450	65 794
Receivables	6.2	10 727	14 835
Inventories		184	41
Non-current assets classified as held for sale	5.5	635	492
Total current assets		56 996	81 162
Non-current assets			
Receivables	6.2	90	65
Property, plant and equipment	5.1	230 977	194 045
Intangible assets	5.4	10 051	10 283
Total non-current assets		241 118	204 393
Total assets		298 114	285 555
Current liabilities			
Payables	7.1	13 271	12 972
Employee benefits	3.4	6 574	6 016
Financial liabilities	7.2	133	-
Contract liabilities	7.3	1 171	-
Provisions	7.4	585	572
Other current liabilities	7.5	-	135
Total current liabilities		21 734	19 695
Non-current liabilities			
Payables	7.1	1 021	1 091
Employee benefits	3.4	11 018	11 900
Financial liabilities	7.2	348	-
Provisions	7.4	1 285	910
Total non-current liabilities		13 672	13 901
Total liabilities		35 406	33 596
Net assets		262 708	251 959
Equity			
Contributed capital		56 766	56 766
Asset revaluation surplus		40 794	-
Retained earnings		165 148	195 193
Total equity		262 708	251 959

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

Department of the Premier and Cabinet
Statement of Changes in Equity
for the year ended 30 June 2020

	Contributed capital	Asset revaluation surplus	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2018	5 295	675	128 301	134 271
Prior period adjustments	-	-	(400)	(400)
Restated balance at 1 July 2018	5 295	675	127 901	133 871
Net result for 2018-19	-	-	(27 114)	(27 114)
Total comprehensive result for 2018-19	-	-	(27 114)	(27 114)
Transfer between equity components	-	(675)	675	-
Transactions with SA Government as owner:				
Net assets received from an administrative restructure	51 471	-	156 032	207 503
Other movement	-	-	190	190
Net assets transferred as a result of an administrative restructure	-	-	(62 491)	(62 491)
Balance at 30 June 2019	56 766	-	195 193	251 959
Prior period adjustments	-	-	(1 146)	(1 146)
Changes in account policy on adoption of AASB15	-	-	(968)	(968)
Adjusted balance at 1 July 2019	56 766	-	193 079	249 845
Net result for 2019-20	-	-	(28 060)	(28 060)
Gain on revaluation of property, plant and equipment	-	40 794	-	40 794
Total comprehensive result for 2019-20	-	40 794	(28 060)	12 734
Net assets transferred as a result of an administrative restructure	-	-	129	129
Balance at 30 June 2020	56 766	40 794	165 148	262 708

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

Department of the Premier and Cabinet
Statement of Cash Flows
for the year ended 30 June 2020

		2020	2019
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		201 209	228 189
Fees and charges		57 427	59 614
Receipts from Commonwealth		3 500	1 000
Receipts of grants		2 089	1 746
Interest received		1	15
Recoveries from administered items		809	1 134
Transfers from contingency provisions		6 908	3 507
Other receipts		5 296	4 902
Cash generated from operations		277 239	300 107
Cash outflows			
Employee benefits payments		(50 786)	(63 040)
Payments for supplies and services		(62 405)	(73 889)
Payments of grants and subsidies		(141 290)	(152 710)
GST paid to the ATO		(1 493)	(957)
Cash returned to the Department of Treasury and Finance		(29 878)	(31 001)
Other payments		(954)	(566)
Cash used in operations		(286 806)	(322 163)
Net cash used in operating activities		(9 567)	(22 056)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(7 081)	(8 718)
Purchase of intangible assets		(2 456)	(3 901)
Cash used in investing activities		(9 537)	(12 619)
Net cash used in investing activities		(9 537)	(12 619)
Cash flows from financing activities			
Cash outflows			
Repayment of leases		(94)	-
Cash transferred as a result of restructuring activities		(1 146)	(39 979)
Cash used in financing activities		(1 240)	(39 979)
Net cash used in financing activities		(1 240)	(39 979)
Net decrease in cash and cash equivalents		(20 344)	(74 654)
Cash at the beginning of the period		65 794	140 448
Cash at the end of the period	6.1	45 450	65 794

The accompanying notes form part of these financial statements

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

1 About the Department of the Premier and Cabinet

The Department of the Premier and Cabinet (the department) is a not-for-profit government department of the State of South Australia. The department is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

The department does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the department.

Administered financial statements relating to administered resources are presented separately as part of this report.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

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

For the 2019-20 financial statements the department adopted *AASB 15 – Revenue from Contracts with Customers*, *AASB 16 – Leases* and *AASB 1058 – Income of Not-for-Profit Entities*. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

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

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the department has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

1.2. Objectives and programs

Objectives

The department delivers specialist policy advice to the Premier and ministers and supports the Cabinet process. It also has overarching responsibility for Commonwealth-State relations.

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

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

The department provides the following programs:

Premier and Cabinet Policy and Support

Coordination and leadership of the strategic economic and policy priorities of the state. Monitoring and supporting the delivery of the government's priorities and commitments. Support to the Premier and Cabinet through rigorous Cabinet process across Government, including thorough analysis of the risks, costs and benefits of proposals; communications, and cross government policy.

Support Services and Community Programs

Ministerial and support services and the management and monitoring of corporately administered grant programs.

Information and Communication Technology Services

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

Aboriginal Affairs and Reconciliation

Empower Aboriginal people to have a stronger voice in decision making across government and within communities, and provide leadership in the promotion of effective governance arrangements.

Provide whole of government policy advice and leadership, support engagement with Aboriginal stakeholders through the provision of culturally appropriate advice to government, facilitate the protection and preservation of Aboriginal heritage and culture, and support the state's Aboriginal land holding authorities.

Multicultural Affairs

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

Arts and Cultural Policy and Support

Ensure the State recognises and capitalises on artistic, cultural and economic opportunities arising from the diverse arts and cultural organisations, practitioners, events and physical assets in the state by developing programs that build on the cultural heritage and creativity, and providing financial support to the arts and culture sector.

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
for the year ended 30 June 2020

1.2 Objectives and programs (continued)

The following have transferred to other government departments prior to the current year but are disclosed in the comparative year: Refer to note 1.4.

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. 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. The Agent General's office transferred to the Department for Trade and Investment (DTI) as at 1 April 2019.

State Coordinator-General

Actively work to drive investment in South Australia by creating an environment that welcomes private sector development and stimulates job creation in South Australia by reducing delays across all levels of government. The State Coordinator-General transferred to the DTI as at 1 April 2019.

Veterans SA

Veterans SA supports our ex-servicemen and women and those who support them, by providing a central contact point for information about the state government's services to veterans across departments, including health, transport, disability and mental health.

Veterans SA provides administrative support to the Veterans' Advisory Council to ensure veterans receive a voice at the highest levels of government and helps to raise public awareness of the sacrifices made by South Australia's veterans.

Veterans SA has transferred to Defence SA effective 1 July 2019 refer to note 1.4.

The schedules on the following pages present expenses, income, assets and liabilities attributable to each of the programs for the years ended 30 June 2020 and 30 June 2019.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

Expenses and income by program

	Premier and Cabinet Policy and Support		Support Services and Community Programs		Information and Communication Technology Services	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income						
Appropriation	-	-	71 754	91 744	-	-
Fees and charges	3 120	4 107	928	1 102	38 034	38 947
Commonwealth grants	299	1 000	-	-	-	-
Other grants	889	579	45	53	456	473
Resources received free of charge	236	237	97	96	318	230
Recoveries from administered items	809	1 134	-	-	-	-
Transfers from contingency provisions	-	-	5 697	1 471	-	-
Other income	261	400	14	30	84	170
Total income	5 614	7 457	78 535	94 496	38 892	39 820
Expenses						
Employee benefits expenses	16 153	18 551	7 815	7 952	13 809	15 962
Supplies and services	14 096	14 531	3 880	5 068	33 045	34 382
Depreciation and amortisation	793	610	197	118	6 058	5 767
Borrowing costs	1	-	-	-	1	-
Grants and subsidies	8 960	11 245	25	40	203	315
Net loss from the disposal of non-current assets	4	29	2	12	403	177
Cash returned to the Department of Treasury and Finance	-	-	29 878	15 814	-	-
Other expenses	391	683	44	40	892	11
Resources provided free of charge	-	9	-	4	-	9
Total expenses	40 398	45 658	41 841	29 048	54 411	56 623
Net result	(34 784)	(38 201)	36 694	65 448	(15 519)	(16 803)

Department of the Premier and Cabinet
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	Aboriginal Affairs and Reconciliation		Multicultural Affairs		Arts South Australia	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	-	-	-	-	129 455	136 445
Fees and charges	691	825	231	237	12 193	13 829
Commonwealth grants	-	-	-	-	3 000	-
Other grants	803	737	12	13	42	50
Resources received free of charge	60	62	26	24	91	198
Recoveries from administered items	-	-	-	-	-	-
Transfers from contingency provisions	-	-	-	-	1 211	2 036
Other income	108	35	39	126	4 763	3 948
Total income	1 662	1 659	308	400	150 755	156 506
Expenses						
Employee benefits expenses	4 946	4 797	1 935	1 523	6 681	7 983
Supplies and services	2 894	3 300	759	946	7 286	7 665
Depreciation and amortisation	168	98	49	29	6 842	6 972
Borrowing costs	1	-	-	-	-	-
Grants and subsidies	5 242	5 223	2 925	2 918	125 380	133 269
Net loss from the disposal of non-current assets	1	7	-	3	1	15
Cash returned to the Department of Treasury and Finance	-	-	-	-	-	15 187
Other expenses	26	40	11	10	92	39
Resources provided free of charge	-	2	-	1	1 937	2 030
Total expenses	13 278	13 467	5 679	5 430	148 219	173 160
Net result	(11 616)	(11 808)	(5 371)	(5 030)	2 536	(16 654)

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	Agent-General		State Coordinator-General		Veterans SA	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income						
Appropriation	-	-	-	-	-	-
Fees and charges	-	61	-	61	-	213
Commonwealth grants	-	-	-	-	-	-
Other grants	-	33	-	3	-	5
Resources received free of charge	-	6	-	6	-	23
Recoveries from administered items	-	-	-	-	-	-
Transfers from contingency provisions	-	-	-	-	-	-
Other income	-	90	-	2	-	28
Total income	-	190	-	72	-	269
Expenses						
Employee benefits expenses	-	917	-	682	-	778
Supplies and services	-	802	-	291	-	699
Depreciation and amortisation	-	50	-	7	-	26
Borrowing costs	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	345
Net loss from the disposal of non-current assets	-	-	-	-	-	1
Cash returned to the Department of Treasury and Finance	-	-	-	-	-	-
Other expenses	-	(9)	-	3	-	4
Resources provided free of charge	-	-	-	-	-	1
Total expenses	-	1 760	-	983	-	1 854
Net result	-	(1 570)	-	(911)	-	(1 585)

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	General / Not attributable		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Income				
Appropriation	-	-	201 209	228 189
Fees and charges	(3 383)	(5 319)	51 814	54 063
Commonwealth grants	-	-	3 299	1 000
Other grants	-	(200)	2 247	1 746
Resources received free of charge	-	-	828	882
Recoveries from administered items	-	-	809	1 134
Transfers from contingency provisions	-	-	6 908	3 507
Other income	-	(74)	5 269	4 755
Total income	(3 383)	(5 593)	272 383	295 276
Expenses				
Employee benefits expenses	-	-	51 339	59 145
Supplies and services	(3 383)	(5 593)	58 577	62 091
Depreciation and amortisation	-	-	14 107	13 677
Borrowing costs	-	-	3	-
Grants and subsidies	-	-	142 735	153 355
Net loss from the disposal of non-current assets	-	-	411	244
Cash returned to the Department of Treasury and Finance	-	-	29 878	31 001
Other expenses	-	-	1 456	821
Resources provided free of charge	-	-	1 937	2 056
Total expenses	(3 383)	(5 593)	300 443	322 390
Net result	-	-	(28 060)	(27 114)

Department of the Premier and Cabinet
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Assets and liabilities by program

	Premier and Cabinet Policy and Support		Support Services and Community Programs		Information and Communication Technology Services	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash	-	-	19 026	50 973	-	-
Receivables	62	-	9 463	12 824	1 035	-
Inventories	13	-	-	41	171	-
Non-current assets classified as held for sale	-	-	-	-	-	-
Property, plant and equipment	7	-	10 871	5 863	17 289	17 518
Intangible assets	1 607	-	407	2 235	7 334	7 195
Total assets	1 689	-	39 767	71 936	25 829	24 713
Liabilities						
Payables	-	-	12 161	11 721	271	-
Employee benefits	-	-	11 779	15 952	2 657	-
Financial liabilities	-	-	58	-	366	-
Contract liabilities	1 169	-	-	-	-	-
Provisions	-	-	1 642	1 297	-	-
Other liabilities	-	-	-	76	-	-
Total liabilities	1 169	-	25 640	29 046	3 294	-

	Aboriginal Affairs and Reconciliation		Multicultural Affairs		Arts South Australia	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash	-	-	-	-	26 424	14 821
Receivables	67	38	-	-	277	2 296
Inventories	-	-	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-	635	492
Property, plant and equipment	587	651	-	-	202 223	169 907
Intangible assets	176	176	-	-	527	677
Total assets	830	865	-	-	230 086	188 193
Liabilities						
Payables	106	40	58	-	1 783	2 578
Employee benefits	990	261	532	-	1 634	1 651
Financial liabilities	57	-	-	-	-	-
Contract liabilities	-	-	-	-	2	-
Provisions	-	-	-	-	228	185
Other liabilities	-	-	-	-	-	59
Total liabilities	1 153	301	590	-	3 647	4 473

Department of the Premier and Cabinet
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	Veterans SA		General / Not attributable		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Assets						
Cash	-	-	-	-	45 450	65 794
Receivables	-	27	(87)	(285)	10 817	14 900
Inventories	-	-	-	-	184	41
Non-current assets classified as held for sale	-	-	-	-	635	492
Property, plant and equipment	-	106	-	-	230 977	194 045
Intangible assets	-	-	-	-	10 051	10 283
Total assets	-	133	(87)	(285)	298 114	285 555
Liabilities						
Payables	-	9	(87)	(285)	14 292	14 063
Employee benefits	-	52	-	-	17 592	17 916
Financial liabilities	-	-	-	-	481	-
Contract liabilities	-	-	-	-	1 171	-
Provisions	-	-	-	-	1 870	1 482
Other liabilities	-	-	-	-	-	135
Total liabilities	-	61	(87)	(285)	35 406	33 596

All assets and liabilities for other activities that are not disclosed separately are included in Support Services and Community Programs.

Department of the Premier and Cabinet
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1.3. Impact of COVID-19 pandemic on the department

The COVID-19 pandemic has had no material impact on the operations of the department during 2019-20.

1.4. Changes to the department

Transfers Out

As a result of administrative arrangements outlined in the Chief Executive Agreement (24 May 2019), the department relinquished responsibility for Veterans SA, a business unit of the department. Assets and liabilities relating to this business unit were transferred to Defence SA effective 1 July 2019.

The following assets and liabilities transferred during the year:

Agency Effective Date	Defence SA 1 July 2019 \$'000	Total \$'000
Property, plant and equipment	106	106
Total assets	106	106
Payables	24	24
Employee benefits	195	195
Provisions	16	16
Total liabilities	235	235
Total net assets transferred	129	129

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1.5. Budget performance

The budget performance table compares the departments outcomes against budget information presented to Parliament (2019-20 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Comprehensive Income	Note	Original	Actual	Variance
		budget	2020	2020
		2020	2020	
		\$'000	\$'000	\$'000
Income				
Appropriation		203 529	201 209	(2 320)
Fees and charges		41 749	51 814	10 065
Commonwealth grants		5 000	3 299	(1 701)
Other grants		10 109	2 247	(7 862)
Resources received free of charge		300	828	528
Recoveries from administered items		-	809	809
Transfers from contingency provisions		-	6 908	6 908
Other income		4 552	5 269	717
Total income		265 239	272 383	7 144
Expenses				
Employee benefits expenses		54 136	51 339	2 797
Supplies and services		54 673	58 577	(3 904)
Depreciation and amortisation		15 633	14 107	1 526
Borrowing costs		12	3	9
Grants and subsidies		135 900	142 735	(6 835)
Net loss from the disposal of non-current assets		300	411	(111)
Cash returned to the Department of Treasury and Finance	a	-	29 878	(29 878)
Other expenses		800	1 456	(656)
Resources provided free of charge		-	1 937	(1 937)
Total expenses		261 454	300 443	(38 989)
Net result		3 785	(28 060)	(31 845)

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

- a) Surplus cash returned to the Consolidated Account in accordance with the Cash Alignment Policy.

Department of the Premier and Cabinet
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1.5. Budget performance (continued)

	Note	Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
Investing expenditure summary				
Total existing projects	b	5 638	1 038	4 600
Total annual program		10 627	9 962	665
Total contributed assets		300	-	300
Total investing expenditure		16 565	11 000	5 565

- b) The favourable variance is primarily due to timing of project expenditure for which carryover of budget to 2020-21 has been sought with the Department of Treasury and Finance (\$3.860 million) and transfers of budget to Arts institutions towards specific storage projects that are currently being undertaken (\$0.740 million).

1.6. Significant transactions with government related entities

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

- accommodation supplied by Department of Planning, Transport and Infrastructure are included in supplies and services – refer to note 4.1.
- grants payments to Major Arts entities – refer to Grants note 4.4.
- fees and charges received relate to information and technology services provided to SA Government agencies by StateNet Services – refer to note 2.2.
- accommodation lease supplied by Urban Renewal Authority and leased motor vehicles supplied by Fleet SA – refer to note 5.3.

Department of the Premier and Cabinet
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2. Income

2.1. Appropriation

	2020	2019
	\$'000	\$'000
Revenues from appropriations		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	201 209	228 189
Total revenues from appropriations	201 209	228 189

Appropriations

Appropriations are recognised on receipt.

The original amount appropriated to the department under the annual *Appropriation Act* was not varied during the year.

2.2. Fees and charges

	2020	2019
	\$'000	\$'000
Service provision	41 360	43 517
Rental income	5 412	5 205
Regulatory fees	-	44
Sale of goods	-	18
Other	5 042	5 279
Total fees and charges	51 814	54 063

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

Rental income is rent charged to various arts entities including the Adelaide Festival Centre Trust. Other are sundry recoveries including salary on-charges.

2.3. Commonwealth grants

	2020	2019
	\$'000	\$'000
Grants		
Commonwealth revenues	3 299	1 000
Total Commonwealth grants	3 299	1 000

2.4. Other grants

	2020	2019
	\$'000	\$'000
Recurrent grants received	2 247	1 746
Total other grants	2 247	1 746

Department of the Premier and Cabinet
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2.5. Resources received free of charge

	2020	2019
	\$'000	\$'000
Shared Services SA	730	867
Donated assets	98	15
Total resources received free of charge	828	882

Donated assets include ICT Infrastructure assets transferred from the Department of Planning, Transport and Infrastructure.

2.6. Other income

	2020	2019
	\$'000	\$'000
Sponsorship	4 320	3 500
Refunds	489	464
Community Development Fund	400	400
Derecognition of lease incentive	-	210
Interest	-	16
Other	60	165
Total other income	5 269	4 755

Sponsorship revenue relates to the Art Gallery of South Australia's Tarnanthi – Contemporary Aboriginal and Torres Strait Islander Art Festival.

Department of the Premier and Cabinet
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3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the department include the Premier, the Chief Executive and the Executive Leadership Team who have responsibility for the strategic direction and management of the department.

Total compensation for key management personnel was \$2.677 million in 2019-20 and \$1.921 million in 2018-19.

The compensation disclosed in this note excludes salaries and other benefits the Premier and Ministers receive. The Premier's and Ministers' remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

	2020	2019
	\$'000	\$'000
Salaries and other short term employee benefits	2 445	1 754
Post-employment benefits	232	167
Total	2 677	1 921

Transactions with key management personnel and other related parties

There were no significant related party transactions.

3.2. Board and committee members

Members during the 2019-2020 financial year were:

Risk and Performance Committee

Yvonne Sneddon (Chair) (resigned February 2020)

Virginia Hickey (Chair) (appointed April 2020)

Ruth Ambler*

Colin Dunsford

Eva Balan-Vnuk*

David Goodman* (resigned April 2020)

Alison Lloyd-Wright* (appointed February 2020)

Steven Woolhouse* (appointed July 2019)

South Australian Multicultural and Ethnic Affairs Commission

Norman Schueler (Chair)

Antonietta Cocchiario (Deputy Chair)

Laura Adzanku

George Chin

Adriana Christopoulos

Maria Maglieri

Neni Nannapaneni

Thuy Phan

Valdis Tomanis

Muhama Yotham

Ning Zhang

Ahmed Zreika

Department of the Premier and Cabinet
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3.2. Board and committee members (continued)

South Australian Aboriginal Advisory Council

Sharron Williams (Chair)
Joel Bayliss*
Rick Callaghan
Glenise Coulthard
Arrin Hazelbane*
Tracy Rigney*
Aileen Shannon
Dean Walker*

State Aboriginal Heritage Committee

Syd Sparrow (Chair)
Yvonne Agius (Vice Chair)
Robyn Campbell
Ian Crombie* (resigned October 2019)
Suzanne Haseldine
Ian Johnson (appointed July 2019)
Mark Koolmatrie
Cheryl Saunders (appointed July 2019)
Fiona Singer
Glen Wingfield
Loralee Wright (appointed July 2019)

* 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.

Board and committee remuneration

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

	2020	2019
\$0 - \$19 999	38	55
\$20 000 - \$39 999	1	3
Total number of members	39	58

The total remuneration received or receivable by members was \$132 000 (2019: \$149 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

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3.3. Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	38 081	41 531
Long service leave	384	1 794
Annual leave	3 546	3 885
Skills and experience retention leave	231	281
Employment on-costs - superannuation	4 730	5 405
Employment on-costs - other	2 368	2 697
Targeted voluntary separation packages	559	1 771
Workers compensation	694	420
Board and committee fees	120	137
Other employee related expenses	626	1 224
Total employee benefits	51 339	59 145

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the department's contributions to superannuation plans in respect of current services of current employees.

Executive remuneration

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

	2020	2019
	Number	Number
\$154 001 - \$174 000	9	9
\$174 001 - \$194 000	4	9
\$194 001 - \$214 000	8	3
\$214 001 - \$234 000	3	4
\$234 001 - \$254 000	4	2
\$254 001 - \$274 000	1	4
\$274 001 - \$294 000	3	3
\$294 001 - \$314 000	2	3
\$334 001 - \$354 000	2	1
\$354 001 - \$374 000*	1	-
\$374 001 - \$394 000	-	1
\$394 001 - \$414 000	-	1
\$414 001 - \$434 000#	1	-
\$474 001 - \$494 000	-	2
\$594 001 - \$614 000	1	-
Total	39	42

The table above includes current year payments in lieu of leave and termination benefits for an employee who left the department during the previous financial year.

* The table above includes a targeted voluntary separation payment for an employee who left the department during the year.

This table includes all employees who received normal remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits, and any FBT paid or payable in respect of those benefits.

The total remuneration received by employees for the year, listed above, was \$9.3 million (2019: \$10.1 million).

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3.3 Employee benefits expenses (continued)

Targeted voluntary separation packages

The number of employees who received a TVSP during the reporting period was 6 (21).

	2020	2019
	\$'000	\$'000
Amount paid to separated employees:		
Targeted Voluntary Separation Packages	559	1 771
Leave paid to separated employees	377	765
Recovery from the Department of Treasury and Finance	(336)	(1 376)
Net cost to the department	600	1 160

3.4. Employee benefits liability

	2020	2019
	\$'000	\$'000
Current		
Annual leave	3 891	3 646
Long service leave	1 172	1 298
Accrued salaries and wages	1 169	806
Skills and experience retention leave	342	266
Total current employee benefits	6 574	6 016
Non-current		
Long service leave	11 018	11 900
Total non-current employee benefits	11 018	11 900
Total employee benefits	17 592	17 916

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

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 11.1.

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4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Information technology and communication charges	21 338	20 793
Intra government transfers	1 702	8 529
Accommodation	8 119	8 776
Managed network services	4 716	4 601
Operating lease payments	-	114
Temporary staff	2 641	2 712
Repairs, maintenance and minor equipment purchases	2 778	2 638
General administration and consumables	2 759	2 170
Promotion and marketing	3 515	2 067
Consultants	1 281	1 700
Contractors	3 085	1 648
Microsoft licence and support	1 326	1 347
Shared Services SA	730	867
Staff development and recruitment	695	791
Sponsorships and external contributions	478	631
Projects	571	261
Other supplies and services	2 843	2 446
Total supplies and services	58 577	62 091

Accommodation

Most of the department's accommodation is provided by the Department of Planning, Transport and Infrastructure under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of lease set out in AASB 16.

Operating lease payments

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term. Operating lease payments do not include payments associated with accommodation MoAA. This information is provided for 2018-19 only, as AASB 16 Leases does not distinguish between operating and finance leases for lessees.

	2020	2019
	\$'000	\$'000
Operating lease minimum payments	-	114
Total operating lease payments	-	114

Consultants

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

	No	2020	No	2019
		\$'000		\$'000
Below \$10 000	7	23	11	46
\$10 000 or above	23	1 258	27	1 654
Total	30	1 281	38	1 700

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4.2. Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Buildings and improvements	7 429	7 340
Plant and equipment	4 136	4 207
Intangibles assets	2 445	2 130
Right-of-use vehicles	76	-
Right-of-use buildings	21	-
Total depreciation and amortisation	14 107	13 677

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.

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

Review of accounting estimates

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

The department revalued its buildings downward at 30 June 2020. It is estimated that the depreciation expense for 2020-21 will increase by \$1.007 million as a result of the revaluation, due to a reassessment of the asset useful lives.

Useful life

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

Class of asset	Useful life (years)
Buildings and Improvements	1-100
Plant and equipment	1-40
Computer software	3-6
Other intangibles	3-25
Right-of-use buildings	4
Right-of-use motor vehicles	1-3

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

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

4.3. Borrowing costs

	2020	2019
	\$'000	\$'000
Interest expense on lease liabilities	3	-
Total borrowing costs	3	-

The department does not capitalise borrowing costs.

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4.4. Grants and subsidies

	2020	2019
	\$'000	\$'000
Grants and subsidies	142 735	153 355
Total grants and subsidies	142 735	153 355

Grants and subsidies consists of the following

Libraries Board of South Australia operating funding	36 120	35 940
Adelaide Festival Centre Trust operating funding	19 283	24 302
Museum Board operating funding	14 812	11 792
Art Gallery Board operating and capital funding	13 335	13 452
Adelaide Festival Corporation operating funding	9 077	9 011
Minor Arts Organisations operating funding	5 852	3 829
Aboriginal Affairs and Reconciliation grants	5 227	5 197
Local Government grants	5 000	5 000
Country Arts SA operating funding	4 831	8 052
Independent Makers and Presenters	3 361	1 772
Adelaide City Deal - Heysen Gallery	3 000	-
Multicultural grants	2 919	2 511
Ageing Well Initiative	2 722	3 161
Adelaide Symphony Orchestra operating funding	2 589	2 577
State Theatre Company of South Australia operating funding	2 485	2 702
Carrick Hill Trust operating funding	2 419	1 181
Adelaide Fringe operating funding	2 326	2 319
State Opera of South Australia operating funding	1 553	1 559
Australian Dance Theatre operating funding	1 227	1 310
Tandanya operating funding	843	844
History Trust of South Australia operating funding	-	6 131
Carclew Incorporated operating funding	-	2 580
The Australian Children's Performing Arts Company operating funding	-	1 078
Veterans grants	-	341
Fund My Neighbourhood	-	150
Promotion of the State	-	1 106
Other arts and cultural grants	2 244	2 801
Other grants and subsidies	1 510	2 657
Total grants and subsidies	142 735	153 355

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4.5. Net loss from the disposal of property, plant and equipment

	2020	2019
	\$'000	\$'000
Buildings and improvements		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(64)	(114)
Net loss from disposal of buildings and improvements	(64)	(114)
Plant and equipment		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(344)	(119)
Net loss from disposal of plant and equipment	(344)	(119)
Intangible assets		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(3)	(11)
Net loss from disposal of intangible assets	(3)	(11)
Total property, plant and equipment		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	(411)	(244)
Total net loss from disposal of non-current assets	(411)	(244)

4.6. Other expenses

	2020	2019
	\$'000	\$'000
Derecognition of assets	797	(20)
Impairment loss on receivables (note 6.2)	(8)	(46)
Other	667	887
Total other expenses	1 456	821

Derecognition of assets includes ICT infrastructure assets which no longer satisfy the definition of an asset.

Other

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$330 000 (2019: \$327 000). No other services were provided by the Auditor-General's Department.

4.7. Resources provided free of charge

	2020	2019
	\$'000	\$'000
Artlab conservation services	1 821	2 023
Other donated services	-	1
Donated assets	116	32
Total resources provided free of charge	1 937	2 056

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5. Non-Financial assets

5.1. Property, plant and equipment by asset class

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

	2020	2019
	\$'000	\$'000
Land, buildings and improvements		
Land at fair value	93 625	24 955
Buildings & improvements at fair value	328 349	142 245
Accumulated depreciation at the end of the period	(229 460)	(12 861)
Total land, buildings and improvements	192 514	154 339
Plant and equipment		
Plant and equipment at cost (deemed fair value)	60 806	59 160
Accumulated depreciation at the end of the period	(47 452)	(45 157)
Total plant and equipment	13 354	14 003
Work in progress		
Work in progress at cost	20 485	21 650
Total work in progress	20 485	21 650
Works of art		
Works of art at fair value	4 145	4 053
Total works of art	4 145	4 053
Right-of-use buildings		
Right-of-use buildings (deemed fair value)	385	-
Accumulated depreciation	(21)	-
Total right-of-use buildings	364	-
Right-of-use vehicles		
Right-of-use vehicles (deemed fair value)	168	-
Accumulated depreciation	(53)	-
Total right-of-use vehicles	115	-
Total property, plant and equipment	230 977	194 045

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5.2. Property, plant and equipment owned by the department

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about the department's approach to fair value is set out in note 11.2.

Details of property, plant and equipment leased by the department are shown in note 5.3.

Impairment

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

Reconciliation 2019-20

	Land, buildings and improvements	Plant and equipment	Work in progress	Works of art	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	154 339	14 003	21 650	4 053	194 045
Acquisitions	90	276	7 934	-	8 300
Transfers between asset classes	5 400	3 699	(9 099)	-	-
Disposals	(180)	(344)	-	-	(524)
Revaluation increment	40 559	-	-	92	40 651
Depreciation	(7 429)	(4 136)	-	-	(11 565)
(Disposal) through administrative restructuring	-	(106)	-	-	(106)
Other movements	(265)	(38)	-	-	(303)
Carrying amount at end of the period	192 514	13 354	20 485	4 145	230 498

Reconciliation 2018-19

	Land, buildings and improvements	Plant and equipment	Work in progress	Works of art	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	42 781	22 509	4 129	71	69 490
Acquisitions	17	-	10 002	-	10 019
Transfers between asset classes	62	3 342	(3 404)	-	-
Disposals	(114)	(119)	-	-	(233)
Depreciation	(7 340)	(4 207)	-	-	(11 547)
Acquisition/ (disposal) through administrative restructuring	118 933	(7 522)	10 979	3 982	126 372
Other movements	-	-	(56)	-	(56)
Carrying amount at end of the period	154 339	14 003	21 650	4 053	194 045

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5.3. Property, plant and equipment leased by the department

Property, plant and equipment leased by the department is recorded at cost. Additions to leased property, plant and equipment during 2019-20 were \$498 000.

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

The department has a limited number of leases:

- 9 motor vehicle leases with the South Australian Government Financing Authority (SAFA). 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.
- Accommodation lease with Urban Renewal Authority (Renewal SA). Accommodation lease is non-cancellable, with rental payments monthly in advance. No contingent rental provisions exist within the lease agreement and no options exist to renew the lease at the end of its term.

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

Impairment

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

5.4. Intangible assets

	2020	2019
	\$'000	\$'000
Computer software		
Computer software	4 729	2 786
Accumulated amortisation	(2 334)	(1 280)
Total computer software	2 395	1 506
Other		
Other intangibles	10 754	11 615
Accumulated amortisation	(6 003)	(4 507)
Total other	4 751	7 108
Work in progress		
Work in progress at cost	2 905	1 669
Total work in progress	2 905	1 669
Total intangibles	10 051	10 283

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5.4. Intangible assets (continued)

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Reconciliation 2019-20

	Computer software	Other intangibles	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	1 506	7 108	1 669	10 283
Acquisitions	124	-	2 266	2 390
Transfers between asset classes	1 524	(684)	(840)	-
Disposals	-	(3)	-	(3)
Amortisation	(762)	(1 683)	-	(2 445)
Other movements	3	13	(190)	(174)
Carrying amount at 30 June 2020	2 395	4 751	2 905	10 051

Reconciliation 2018-19

	Computer software	Other intangibles	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	1 026	3 247	6 811	11 084
Acquisitions	-	-	4 187	4 187
Transfers between asset classes	1 309	6 449	(7 758)	-
Disposals	-	(11)	-	(11)
Amortisation	(347)	(1 783)	-	(2 130)
Disposal through administrative restructuring	(482)	(794)	(1 602)	(2 878)
Other movements	-	-	31	31
Carrying amount at 30 June 2019	1 506	7 108	1 669	10 283

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5.5. Non-current assets classified as held for sale

	2020	2019
	\$'000	\$'000
Land	635	492
Total non-current assets classified as held for sale	635	492

The parcel of land identified as held for sale is anticipated to be sold during 2020-21. An independent valuation was undertaken by a Certified Practising Valuer in January 2020 during the finalisation of the contract of sale. The valuation was based on a direct cost comparison of similar properties with adjustments made for points of difference as required and reflects a value on a highest and best use basis.

6. Financial assets

6.1. Cash

	2020	2019
	\$'000	\$'000
Department of the Premier and Cabinet Operating Account	38 951	58 818
Accrual Appropriation Excess Funds	6 499	6 976
Total cash	45 450	65 794

Deposits with the Treasurer

The department has deposit accounts with the Treasurer:

- general operating accounts and
- an Accrual Appropriation Excess Funds Account.

Although the department controls the money in the Accrual Appropriation Account, its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

6.2. Receivables

	2020	2019
	\$'000	\$'000
Current		
Trade receivables	4 992	10 962
Less impairment loss on receivables	(5)	(18)
Prepayments	1 797	1 440
GST input tax recoverable	3 938	2 445
Accrued revenues	5	6
Total current receivables	10 727	14 835
Non-current		
Prepayments	55	50
Trade receivables	35	15
Total non-current receivables	90	65
Total receivables	10 817	14 900

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6.2 Receivables (continued)

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

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

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to note 11.3 for further information on risk management

Allowance for impairment loss on receivables

	2020	2019
	\$'000	\$'000
Carrying amount at the beginning of the period	18	104
Decrease in the allowance	(13)	(46)
Decrease in allowance (Machinery of Government transfer)	-	(40)
Carrying amount at the end of the period	5	18

All the above impairment losses are from receivables arising from contracts with customers.

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

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7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2020	2019
	\$'000	\$'000
Current		
Trade payables	11 969	11 683
Employment on-costs	953	853
Accrued expenses	325	424
Paid Parental Leave Scheme payable	24	12
Total current payables	13 271	12 972
Non-current		
Employment on-costs	1 021	1 091
Total non-current payables	1 021	1 091
Total payables	14 292	14 063

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

Employment on-costs

Employment on-costs include payroll tax, ReturntoWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has increased to 42% (2019: 41%) and the average factor for the calculation of employer superannuation cost on-costs has remained at the 2019 rate of 9.8%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$91 000 and employee benefits expense of \$978 000.

Paid parental leave scheme

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.

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7.2. Financial liabilities

	2020	2019
	\$'000	\$'000
Current		
Lease liability	133	-
Total current provisions	<u>133</u>	<u>-</u>
Non-current		
Lease liability	348	-
Total non-current provisions	<u>348</u>	<u>-</u>
Total Financial liabilities	<u>481</u>	<u>-</u>

All material cash outflows are reflected in the lease liabilities disclosed above.

7.3. Contract liabilities

	2020	2019
	\$'000	\$'000
Aboriginal Entrepreneur Hub at Lot Fourteen	1 169	-
Artlab restoration services	2	-
Total contract liabilities	<u>1 171</u>	<u>-</u>

Contract liabilities primarily relate to the advance consideration received from Commonwealth for the Aboriginal Entrepreneur Hub at Lot Fourteen, for which revenue is recognised as performance obligations are met.

Revenue totalling \$299 000 was recognised in 2019-20 that was included in contract liabilities at 1 July 2019. No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods.

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7.4. Provisions

	2020	2019
	\$'000	\$'000
Current		
Provision for workers compensation	585	572
Total current provisions	585	572
Non-current		
Provision for workers compensation	1 285	910
Total non-current provisions	1 285	910
Total provisions	1 870	1 482

Movement in provisions

	2020	2019
	\$'000	\$'000
Carrying amount at the beginning of the period	1 482	5 682
Additional provisions recognised	388	162
Net transfer from administrative restructures	-	(4 362)
Carrying amount at the end of the period	1 870	1 482

Provision for workers compensation

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The department is responsible for the payment of workers compensation claims.

7.5. Other liabilities

	2020	2019
	\$'000	\$'000
Current		
Unearned revenue	-	135
Total current other liabilities	-	135
Total other liabilities	-	135

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8. Other disclosures

8.1. Equity

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

8.2. Cash flow reconciliation

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.

	2020	2019
	\$'000	\$'000
Leases		
Buildings	19	-
Vehicles	75	-
Total cash outflow for leases	<u>94</u>	<u>-</u>

	2020	2019
	\$'000	\$'000
Reconciliation of cash at the end of the reporting period		
Cash disclosed in the Statement of Financial Position	45 450	65 794
Balance as per the Statement of Cash Flows	<u>45 450</u>	<u>65 794</u>

Reconciliation of net cash provided by / (used in) operating activities to net result

Net cash used in operating activities	(9 567)	(22 056)
Add / (less) non-cash items		
Depreciation and amortisation	(14 107)	(13 677)
Resources received free of charge	98	-
Loss on disposal of non-current assets	(411)	(244)
Adoption of AASB 15 at 1 July 2019	968	-
Other expenses	(125)	66
Movement in assets and liabilities		
Decrease in receivables	(3 684)	(9 186)
Increase/(decrease) in inventories	143	(30)
Decrease in payables	790	16 958
Increase in financial liabilities	(575)	-
(Increase)/decrease in employee benefits	(166)	336
Increase in contract balances	(1 171)	-
(Increase)/decrease in provisions	(388)	264
Decrease in other liabilities	135	455
Net result	<u>(28 060)</u>	<u>(27 114)</u>

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9. Changes in accounting policy

9.1. AASB 16 Leases

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 Leases replaces AASB 117 Leases and related interpretations.

The adoption of AASB 16 Leases from 1 July 2019 resulted adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 Leases only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 Leases applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position
- AASB 117 Leases resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 Leases largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

Impact on retained earnings

The total impact on the Department's retained earnings as at 1 July 2019 is as follows:

	\$'000
Closing retained earnings 30 June 2019 - AASB 117	194 047
<u>Assets</u>	
Property, Plant and Equipment	157
<u>Liabilities</u>	
Financial liabilities	(157)
Opening retained earnings 1 July 2019 - AASB 16	194 047

The department disclosed in its 2018-19 financial report total undiscounted operating lease commitments under AASB 117 of \$1.631 million.

The department has accommodation services provided by the Department of Planning, Transport and Infrastructure under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies.

These MoAA do not meet the definition of lease set out either in AASB 16 or in the former standard AASB 117. Accordingly, the 2018-19 undiscounted operating lease commitments should have been disclosed as \$166 000 under AASB 117. There is no material difference between the revised operating lease commitments when discounted and the financial liabilities recognised as at 1 July 2019.

Commitments related to accommodation services provided by DPTI are included in Note 10.1.

The misclassification did not impact on the Statement of Comprehensive Income or the Statement of Financial Position in prior years. This misclassification impacted items within the supplies and services expenses line. Note 4.1 applies the correct classification for both the current and comparative years.

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9.1. AASB 16 Leases (continued)

Accounting policies on transition

AASB 16 sets out accounting policies on transition in its transitional provisions. The Treasurer's Instructions (Accounting Policy Statements) requires certain choices in those transitional provisions to be taken. The department has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining lease payments discounted using the relevant incremental borrowing published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 1.85%.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments.

Ongoing accounting policies

The Treasurer's Instructions (Accounting Policy Statements) specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the department's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the department, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3.

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9.2. AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 supersedes AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

Impact on retained earnings

The total impact on the department's retained earnings as at 1 July 2019 is as follows:

	\$'000
Closing retained earnings 30 June 2019 - AASB 118	194 047
<u>Liabilities</u>	
Contract liabilities	(968)
Opening retained earnings 1 July 2019 - AASB 15	<u>193 079</u>

Accounting policies on transition

The department has adopted AASB 15 on 1 July 2019. The Treasurer's Instructions (Accounting Policy Statements) require certain choices in those transitional provisions to be taken. The department has on transition:

- recognised the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of retained earnings as at 1 July 2019. Therefore, the comparative information has not been restated.
- not adopted the completed contract expedient, and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former revenue and income accounting standards

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9.2. AASB 15 Revenue from Contracts with Customers (continued)

- elected not to restate retrospectively contracts for modifications that occurred before 1 July 2019. Such contract modifications were minor, so this is expected to have little impact on the financial statements.

Ongoing accounting policies

The *Treasurer's Instructions (Accounting Policy Statements)* specify requirements for public authorities in applying AASB 15. These requirements are reflected in the department's accounting policies as follows:

- AASB 15 is applied to a portfolio contracts with similar characteristics.
- there is no adjustment to the promised amount of consideration for the effects of a significant financing component if the period between the transfer of goods/services and the payment date is one year or less.
- the incremental costs of obtaining a contract are expensed when incurred when the amortisation period of the asset that the department would have recognised is one year or less.
- for measuring progress towards satisfaction of performance obligations when the output method is applied, revenue is recognised in the amount to which there is a right to invoice corresponding directly to the value to the customers of the department's performance completed to date.
- there is no disclosures of certain information relating to remaining performance obligations if the original contract is expected to end within one year or when revenue is recognised in accordance with para. B16.

Significant accounting policies relate to the application of AASB 15 are disclosed under relevant notes.

9.3. Effects on financial statements from AASB 15

The following tables show the effect of adopting AASB 15 on the department's financial statements for the year ending 30 June 2020.

Statement of Comprehensive Income

	As reported	Adjustments AASB 15	Balances without adoption of AASB 15
	\$'000	\$'000	\$'000
Income			
Commonwealth Revenues	3 299	299	3 000
Total income	3 299	299	3 000
Net result	3 299	299	3 000

Statement of Financial Position

	As reported	Adjustments AASB 15	Balances without adoption of AASB 15
	\$'000	\$'000	\$'000
Contract liabilities	1 169	1 169	-
Other liabilities	-	(201)	201
Total liabilities	1 169	968	201

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9.4. Presentation of Financial Statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

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10. Outlook

10.1. Unrecognised contractual commitments

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

Capital commitments

	2020	2019
	\$'000	\$'000
Within one year	17 086	16 298
Later than one year but not longer than five years	-	3 958
Later than five years	-	195
Total capital commitments	17 086	20 451

Commitments include \$15.6 million for the redevelopment of the Adelaide Festival Centre precinct (2019: \$18.9 million).

Operating lease commitments

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

	2020	2019
	\$'000	\$'000
Within one year	-	110
Later than one year but not longer than five years	-	56
Later than five years	-	-
Total operating lease commitments	-	166
Representing:		
Non-cancellable operating leases	-	166
Total operating lease commitments	-	166

Operating lease commitments is provided for the comparative year only as *AASB 16 Leases* does not distinguish between operating and financing leases for the lessee. The comparative amount does not include commitments for memoranda of administrative agreements with the Department of Planning, Transport and Infrastructure for accommodation. This has been reclassified and included under expenditure commitments. For more detail about the reclassification see note 9.1.

Expenditure Commitments

	2020	2019
	\$'000	\$'000
Within one year	39 716	51 432
Later than one year but not longer than five years	21 961	52 853
Later than five years	-	7
Total expenditure commitments	61 677	104 292

Commitments include contracted services for Information and Communication Technology Services (\$17.9 million), arts cultural institutions operational funding (\$13.6 million), North Terrace security (\$10.2 million), Arts and Cultural Policy grants (\$6.2 million), the construction of the Heysen Gallery (\$6.0 million) and Ageing Well funding (\$2.6 million).

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10.2. Expected realisation of contract liabilities as revenue

	2020-21	Total
	\$'000	\$'000
Aboriginal Entrepreneur Hub at Lot Fourteen	1 169	1 169
Artlab restoration services	2	2
Revenue expected to be realised	1 171	1 171

The remaining performance obligations expected to be recognised as revenue in the 2020-21 financial year relate to the delivery of the Aboriginal Entrepreneur Hub at Lot Fourteen and restoration services.

10.3. Contingent assets and liabilities

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

Contingent assets

The department will be seeking to recover costs incurred through the listed workers compensation claim contingent liability. It is anticipated the costs relating to the contingent liability will be fully recovered.

Contingent liabilities

Workers compensation expenditure for an outstanding claim yet to be formally lodged with the department as at 30 June 2020. No provision has been recognised as the costs are yet to be quantified.

10.4. Impact of standards and statements not yet effective

The department has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective and does not expect any material impacts in 2020/21.

10.5. COVID-19 pandemic outlook for the department

The department does not expect any material impacts as a result of the COVID-19 pandemic in 2020-21.

10.6. Events after the reporting period

Transfers In

The State Recovery Office, a function of the Department of Human Services, is transferring to the Department of the Premier and Cabinet, effective 1 July 2020.

The Public Sector Innovation Lab, a function of the Office of the Commissioner for Public Sector Employment, is transferring to the Department of the Premier and Cabinet, effective 1 July 2020.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

11. Measurement and risk

11.1. Long service leave liability - measurement

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

AASB 119 *Employee Benefits* 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 from 2019 (1.25%) to 2020 (0.75%).

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

The actuarial assessment performed by the Department of Treasury and Finance used a salary inflation rate of 2.5% (2019: 4%) for long service leave liability. The net financial effect resulting from changes in the salary inflation rate was a decrease in the liability of \$978 000.

11.2. Fair value

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

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

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

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

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

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

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

11.2 Fair value (continued)

Fair Value Hierarchy

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

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

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. During 2020 and 2019, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique. The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1.5 million or had an estimated useful life that was less than three years is deemed to approximate fair value.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels as at 30 June 2020.

Fair value classification – non-financial assets at 30 June 2020

	Note	Level 2	Level 3	Total
		\$'000	\$'000	\$'000
Recurring fair value measurements				
Land, buildings and improvements	5.2	93 625	98 889	192 514
Plant and equipment	5.2	-	13 354	13 354
Works of art	5.2	4 145	-	4 145
Total recurring fair value measurements		97 770	112 243	210 013
Non-recurring fair value measurements				
Land held for sale	5.5	635	-	635
Total non-recurring fair value measurements		635	-	635
Total		98 405	112 243	210 648

Fair value classification – non-financial assets at 30 June 2019

		Level 2	Level 3	Total
		\$'000	\$'000	\$'000
Recurring fair value measurements				
Land, buildings and improvements	5.2	13 717	140 622	154 339
Plant and equipment	5.2	-	14 003	14 003
Works of art	5.2	4 053	-	4 053
Total recurring fair value measurements		17 770	154 625	172 395
Non-recurring fair value measurements				
Land held for sale	5.5	492	-	492
Total non-recurring fair value measurements		492	-	492
Total		18 262	154 625	172 887

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

11.2 Fair value (continued)

Land and buildings

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

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

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

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life that less than three years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

Reconciliation of level 3 recurring fair value measurements at 30 June 2020

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

	Land, buildings and improvements	Plant and equipment	Works of art
	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	140 622	14 003	-
Acquisitions	90	238	-
Transfers between asset classes	5 135	3 699	-
Disposals	(180)	(344)	-
Transfer out of level 3*	(11 238)	-	-
Disposals through administrative restructures	-	(106)	-
(Losses) for the period recognised in net result:			
Depreciation	(7 429)	(4 136)	-
Total loss recognised in net result	(7 429)	(4 136)	-
(Losses) for the period recognised in other comprehensive income (OCI)			
Revaluation decrement	(28 111)	-	-
Total (losses) recognised in OCI	(28 111)	-	-
Carrying amount at the end of the period	98 889	13 354	-

* The department's policy is to recognise transfers into and out of fair value hierarchy levels at the end of the reporting period. In 2020, land was transferred from level 3 (existing use basis) to level 2 (market value basis) as a result of the revaluation of land and buildings undertaken during the year.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

11.2 Fair value (continued)

Reconciliation of Level 3 recurring fair value measurements at 30 June 2019

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

	Land, buildings and improvements	Plant and equipment	Works of art
	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	37 569	22 509	71
Acquisitions	17	-	-
Transfers between asset classes	62	3 404	-
Acquisitions through administrative restructures	144 920	912	-
Disposals	(114)	(119)	-
Disposals through administrative restructures	(34 371)	(8 496)	(71)
(Losses) for the period recognised in net result:			
Depreciation	(7 461)	(4 207)	-
Total loss recognised in net result	(7 461)	(4 207)	-
Carrying amount at the end of the period	140 622	14 003	-

11.3. Financial instruments

Financial risk management

Risk management is managed by the department's corporate services section and departmental risk management policies are in accordance with the *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's exposure to financial risk (liquidity risk, credit risk and a market risk) is low due to the nature of the financial instruments held.

Liquidity risk

The department is funded principally from appropriations by the SA Government. The department works with 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.

Credit risk

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

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

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

11.3 Financial instruments (continued)

Impairment of financial assets

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

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

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

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

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

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	102	0.05%	-
1 - 30 days past due	57	0.07%	-
31 – 60 days past due	5	0.49%	-
61 – 90 days past due	17	1.74%	-
More than 90 days past due	241	1.81%	5
Loss allowance	422		5

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

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

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

Receivables with a contractual amount of \$1 000 written off during the year are still subject to enforcement activity.

The department considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

All the department's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

11.3 Financial instruments (continued)

Market risk

The department does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The department does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in *TI 23 Management of Foreign Currency Exposures*.

Exposure to interest rate risk and any movement in interest rates are monitored daily. There is minimal exposure to foreign currency or other price risks.

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

Categorisation of financial instruments

Details of the 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 the respective financial asset / financial liability note.

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

11.3 Financial instruments (continued)

Category of financial asset and financial liability	Note	2020 Carrying amount / fair value \$'000	2020 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash	6.1	45 450	45 450	-	-
Receivables	6.2	5 062	5 062	-	-
Total financial assets		50 512	50 512	-	-
Financial liabilities					
Payables	7.1	11 827	11 827	-	-
Total financial liabilities		11 827	11 827	-	-

Category of financial asset and financial liability	Note	2019 Carrying amount / fair value \$'000	Contractual maturities		
			< 1 year \$'000	1-5 years \$'000	< 5 years \$'000
Financial assets					
Cash	6.1	65 794	65 794	-	-
Receivables	6.2	10 951	10 951	-	-
Accrued income	6.2	1	1	-	-
Total financial assets		76 746	76 746	-	-
Financial liabilities					
Payables	7.1	11 624	11 624	-	-
Unearned revenue	7.5	135	135	-	-
Total financial liabilities		11 759	11 759	-	-

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). 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 levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost)

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2

Department of the Premier and Cabinet

Administered Financial Statements

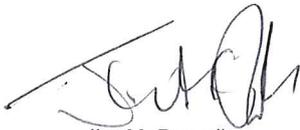
for the year ended 30 June 2020

Department of the Premier and Cabinet
Certification of the Administered Financial Statements
for the year ended 30 June 2020

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

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the department; and
- present a true and fair view of the financial position of the department as at 30 June 2020 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.



Jim McDowell
Chief Executive
17 September 2020



Steven Woolhouse
Executive Director, Communities and Corporate
17 September 2020

Department of the Premier and Cabinet
Statement of Administered Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Administered income			
Appropriations	A2.1	9 658	17 466
Commonwealth revenue	A2.2	1 770	2 633
Interest	A2.3	200	507
Fees and charges		83	203
Other income		-	158
Total administered income		11 711	20 967
Administered expenses			
Employee benefits expenses	A3.1	421	504
Grants and subsidies	A4.1	2 017	2 278
Supplies and services	A4.2	9 464	10 295
Cash returned to the Department of Treasury and Finance		1 991	-
Other expenses	A4.3	35	3 032
Total administered expenses		13 928	16 109
Net result		(2 217)	4 858
Total comprehensive result		(2 217)	4 858

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Department of the Premier and Cabinet
Statement of Administered Financial Position
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Administered current assets			
Cash	A5.1	40 318	43 383
Receivables	A5.2	8	46
Total current assets		<u>40 326</u>	<u>43 429</u>
Total assets		<u>40 326</u>	<u>43 429</u>
Administered current liabilities			
Payables	A6.1	1 524	1 728
Contract liabilities	A6.2	863	-
Employee benefits	A3.2	11	8
Total current liabilities		<u>2 398</u>	<u>1 736</u>
Total liabilities		<u>2 398</u>	<u>1 736</u>
Net assets		<u>37 928</u>	<u>41 693</u>
Administered equity			
Retained earnings		<u>37 928</u>	<u>41 693</u>
Total equity		<u>37 928</u>	<u>41 693</u>

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

Department of the Premier and Cabinet
Statement of Administered Cash Flows
as at 30 June 2020

		2020	2019
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Revenues from appropriations		9 658	17 466
Commonwealth revenue		-	2 633
Interest		242	511
Fees and charges		79	199
Other receipts		-	158
Cash generated from operations		9 979	20 967
Cash outflows			
Employee benefits		(418)	(505)
Grants and subsidies		(2 017)	(1515)
Supplies and services		(9 668)	(10 100)
Cash returned to the Department of Treasury and Finance		(1 991)	-
Other payments		(35)	(3 012)
Cash used in operations		(14 129)	(15 132)
Net cash (used in) / provided by operating activities		(4 150)	5 835
Cash flows from financing activities			
Cash inflows			
Cash transferred as a result of restructuring activities		1 085	5 883
Net cash provided by financing activities		1 085	5 883
Net (decrease) / increase in cash		(3 065)	11 718
Cash at the beginning of the period		43 383	31 665
Cash at the end of the reporting period	A5.1	40 318	43 383

The accompanying notes form part of these financial statements.

Department of the Premier and Cabinet
Schedule of Income and Expenses Attributable to Administered Activities
for the year ended 30 June 2020

	Special Act Salaries and Allowances		Aboriginal Heritage Fund		Bank of Tokyo Cultural and Social Exchange	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Administered income						
Appropriations	597	522	-	-	-	-
Commonwealth revenue	-	-	-	-	-	-
Interest	-	-	6	-	-	1
Fees and charges	-	-	53	-	-	-
Other income	-	-	-	-	-	-
Total administered income	597	522	59	-	-	1
Administered expenses						
Employee benefits expenses	421	504	-	-	-	-
Grants and subsidies	-	-	-	-	-	-
Supplies and services	190	47	-	-	-	-
Cash returned to the Department of Treasury and Finance	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total administered expenses	611	551	-	-	-	-
Net result	(14)	(29)	59	-	-	1

	SA Okayama		Promotion of the State		Aboriginal Affairs and Reconciliation	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Administered income						
Appropriations	-	-	2 077	2 026	6 984	6 813
Commonwealth revenue	-	-	-	-	1 770	2 633
Interest	-	-	-	-	194	505
Fees and charges	-	-	-	-	-	203
Other income	-	-	-	-	-	-
Total administered income	-	-	2 077	2 026	8 948	10 154
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Grants and subsidies	-	-	590	406	1 412	1 780
Supplies and services	-	-	1 474	1 612	7 800	5 531
Cash returned to the Department of Treasury and Finance	-	-	1 991	-	-	-
Other expenses	-	-	-	-	-	-
Total administered expenses	-	-	4 055	2 018	9 212	7 311
Net result	-	-	(1 978)	8	(264)	2 843

Department of the Premier and Cabinet
Schedule of Income and Expenses Attributable to Administered Activities
for the year ended 30 June 2020

	Stolen Generations		Anzac Day		Other	
	Reparations		Commemoration		Administered	
	Scheme		Fund		Items	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriations	-	5 000	-	-	-	3 105
Commonwealth revenue	-	-	-	-	-	-
Interest	-	-	-	1	-	-
Fees and charges	30	-	-	-	-	-
Other income	-	58	-	100	-	-
Total administered income	30	5 058	-	101	-	3 105
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Grants and subsidies	15	-	-	92	-	-
Supplies and services	-	-	-	-	-	3 105
Cash returned to the Department of Treasury and Finance	-	-	-	-	-	-
Other expenses	35	3 032	-	-	-	-
Total administered expenses	50	3 032	-	92	-	3 105
Net result	(20)	2 026	-	9	-	-

	Total	
	2020	2019
	\$'000	\$'000
Administered income		
Appropriations	9 658	17 466
Commonwealth revenue	1 770	2 633
Interest	200	507
Fees and charges	83	203
Other income	-	158
Total administered income	11 711	20 967
Administered expenses		
Employee benefits expenses	421	504
Grants and subsidies	2 017	2 278
Supplies and services	9 464	10 295
Cash returned to the Department of Treasury and Finance	1 991	-
Other expenses	35	3 032
Total administered expenses	13 928	16 109
Net result	(2 217)	4 858

Department of the Premier and Cabinet
Schedule of Assets and Liabilities Attributable to Administered Activities
as at 30 June 2020

	Special Act		Aboriginal Heritage		Bank of Tokyo	
	Salaries and		Fund		Cultural and Social	
	Allowances				Exchange	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets						
Cash	(64)	(22)	1 200	-	95	94
Receivables	-	-	5	-	-	-
Total assets	(64)	(22)	1 205	-	95	94
Administered current liabilities						
Payables	16	47	-	-	-	-
Contract liabilities	-	-	-	-	-	-
Employee benefits	11	8	-	-	-	-
Total liabilities	27	55	-	-	-	-
Net assets	(91)	(77)	1 205	-	95	94

	SA Okayama		Promotion of the		Aboriginal Affairs	
			State		and Reconciliation	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets						
Cash	48	48	1 117	2 849	37 782	40 188
Receivables	-	-	-	-	3	46
Total assets	48	48	1 117	2 849	37 785	40 234
Administered current liabilities						
Payables	-	-	250	3	1 243	1 658
Contract liabilities	-	-	-	-	863	-
Employee benefits	-	-	-	-	-	-
Total liabilities	-	-	250	3	2 106	1 658
Net assets	48	48	867	2 846	35 679	38 576

Department of the Premier and Cabinet
Schedule of Assets and Liabilities Attributable to Administered Activities
as at 30 June 2020

	Stolen Generations Reparations Scheme		Anzac Day Commemoration Fund		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets						
Cash	140	165	-	61	40 318	43 383
Receivables	-	-	-	-	8	46
Total assets	140	165	-	61	40 326	43 429
Administered current liabilities						
Payables	15	20	-	-	1 524	1 728
Contract liabilities	-	-	-	-	863	-
Employee benefits	-	-	-	-	11	8
Total liabilities	15	20	-	-	2 398	1 736
Net assets	125	145	-	61	37 928	41 693

Department of the Premier and Cabinet
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

A1. Basis of preparation and accounting policies

A1.1 Basis of preparation

The basis of preparation for the Administered financial statements is the same as the basis outlined in note 1.1. The department applies the same accounting policies to the Administered financial statements as set out in the notes to the department's financial statements.

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

The following funds were administered by the department as at 30 June 2020. They do not represent controlled transactions of the department. As such, they are not recognised in the financial statements of the department.

Special Act Salaries and Allowances

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

Bank of Tokyo Cultural and Social Exchange

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

SA Okayama

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

Promotion of the State

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

Aboriginal Affairs and Reconciliation

The Anangu Pitjantjatjara Yankunytjatjara (APY) Lands Taskforce is funded through appropriation from the Department of Treasury and Finance for the coordination and delivery of diversionary programs across the APY Lands communities. The department also administers Commonwealth Government funding for projects on the APY Lands and other Aboriginal communities.

Stolen Generations Reparations Scheme

The South Australian Government has established the Stolen Generations Reparations Scheme to recognise the grief, pain and loss experienced by Aboriginal communities, families and individuals; and to also support a range of proposals that can assist in the healing process. The scheme includes \$6.5m appropriation associated with anticipated compensation payments to individual members of the Stolen Generation and \$5 million for individual projects for the affected communities.

The following fund was transferred to other government departments prior to the current year, but is disclosed in the comparative year: Refer to note A1.3.

Anzac Day Commemoration Fund

The department provides funding to assist and support educational and commemorative activities to honour Australia's war and service history, recognising the men and women who have served in war, defence and peacekeeping over the last 100 years.

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A1.3 Changes to the department

Transfers Out

As a result of administrative arrangements outlined in the Chief Executive Agreement dated 24 May 2019, the department relinquished responsibility for Veterans SA, a business unit of the department. Assets and liabilities relating to the administered Anzac Day Commemoration Fund were transferred to Defence SA effective 1 July 2019.

Transferred out

The following assets and liabilities transferred to other government departments during the year:

	Defence SA \$'000	Total \$'000
Cash	61	61
Total assets	61	61
Total net assets transferred	61	61

A1.4 Budget performance

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

Statement of Administered Comprehensive Income	Note	Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
Administered income				
Appropriations		9 856	9 658	(198)
Commonwealth revenue	a	-	1 770	1 770
Interest		2	200	198
Fees and charges		-	83	83
Total administered income		9 858	11 711	1 853
Administered expenses				
Employee benefits expenses		413	421	(8)
Grants and subsidies	b	5 495	2 017	3 478
Supplies and services	c	1 870	9 464	(7 594)
Cash returned to the Department of Treasury and Finance	d	-	1 991	(1 991)
Other expenses	e	2 078	35	2 043
Total administered expenses		9 856	13 928	(4 072)
Net result		2	(2 217)	(2 219)
Total comprehensive result		2	(2 217)	(2 219)

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A1.4 Budget performance (continued)

The following are brief explanations of variances between original budget and actual amounts:

- a The favourable variance is due to Commonwealth funding received for asbestos removal, demolition and construction work on Wardang Island (\$1.77 million). Funding was received in 2018-19, however, in accordance with the new AASB 15 was re-recognised in 2019-20.
- b The unfavourable variance is primarily due to a reclassification issue of intra government transfers, where budgeted expenditure is classified as Grants and Subsidies but actual expenditure incurred is reported as Supplies and Services.
- c The unfavourable variance is primarily due to a reclassification issue of intra government transfers, where budgeted expenditure is classified as Grants and Subsidies and Other Expenses, but actual expenditure incurred is reported as Supplies and Services.
- d Surplus cash returned to the Consolidated Account in accordance with the Cash Alignment Policy.
- e The unfavourable variance is primarily due to a reclassification issue, where budgeted expenditure is classified as Other Expenses but actual expenditure incurred is reported as Supplies and Services.

A2. Income

A2.1 Appropriations

	2020	2019
	\$'000	\$'000
Revenues from Appropriations		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	9 061	16 944
Special Acts	597	522
Total revenues from Appropriations	9 658	17 466

Appropriations are recognised on receipt.

The original amount appropriated to the department under the annual *Appropriation Act* was not varied in the current or previous financial year.

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

A2.2 Commonwealth revenue

	2020	2019
	\$'000	\$'000
Commonwealth revenue	1 770	2 633
Total Commonwealth revenue	1 770	2 633

A2.3 Interest

	2020	2019
	\$'000	\$'000
Cash	200	507
Total interest	200	507

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A3. Employees

A3.1 Employee benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	421	494
Other employment related expenses	-	10
Total employee benefits expenses	421	504

Executive remuneration

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

	2020	2019
	Number	Number
\$514 001 to \$534 000	1	1
Total	1	1

The employee on-costs of the Premier are included in the department's controlled financial statements.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

A3.2 Employee benefits liability

	2020	2019
	\$'000	\$'000
Current		
Accrued salaries and wages	11	8
Total current employee benefits	11	8
Total employee benefits	11	8

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

A4. Expenses

Employee benefits expenses are disclosed in note A3.1.

A4.1 Grants and subsidies

	2020	2019
	\$'000	\$'000
Grants and subsidies	2 017	2 278
Total grants and subsidies	2 017	2 278

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A4.2 Supplies and services

	2020	2019
	\$'000	\$'000
Marketing	808	1 134
Intra-government transfers	8 563	9 109
Other	93	52
Total supplies and services	9 464	10 295

A4.3 Other Expenses

	2020	2019
	\$'000	\$'000
Ex gratia payments	35	3 032
Total other expenses	35	3 032

Ex gratia payments were made in association with the Stolen Generations Reparations Scheme.

A5. Financial assets

A5.1 Cash

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	40 318	43 383
Total cash	40 318	43 383

A5.2 Receivables

	2020	2019
	\$'000	\$'000
Current		
Trade receivables	5	1
Accrued revenues	3	45
Total receivables	8	46

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

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

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A6. Liabilities

A6.1 Payables

	2020	2019
	\$'000	\$'000
Current		
Trade creditors	-	1
Accrued expenses	1 524	1 727
Total current payables	1 524	1 728
Total payables	1 524	1 728

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

A6.2 Contract liabilities

	2020	2019
	\$'000	\$'000
Wardang Island Revitalisation Project	863	-
Total contract liabilities	863	-

Contract liabilities relate to the advance consideration received from the Commonwealth for the Wardang Island Revitalisation Project, for which revenue is recognised when performance obligations are met.

Revenue totalling \$1.770 million was recognised in 2019-20 that was included in contract liabilities at 1 July 2019. No revenue related to adjustments of prices for performance obligations satisfied or partially satisfied in prior periods.

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A7. Other Disclosures

A7.1 Cash flow

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.

	2020	2019
	\$'000	\$'000
Reconciliation of cash at the end of the reporting period		
Cash disclosed in the Statement of Financial Position	40 318	43 383
Balance as per the Statement of Cash Flows	40 318	43 383
Reconciliation of net cash (used in) / provided by operating activities to net result of administered items		
Net cash provided by operating activities	(4 150)	5 835
Add non-cash Items		
Adoption of AASB 15 as at 1 July 2019	2,633	-
Movement in assets and liabilities		
Decrease in receivables	(38)	(3)
Decrease/(increase) in payables	204	(975)
Increase in contract liabilities	(863)	-
(Increase)/decrease in employee benefits	(3)	1
Net result	(2 217)	4 858

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A8. Changes in accounting policy

A8.1 AASB 15 – Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 supersedes AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

Impact on retained earnings

The total impact on the department's retained earnings as at 1 July 2019 is as follows:

	\$'000
Closing retained earnings 30 June 2019 – AASB 118	41 693
Liabilities	
Contract liabilities	2 633
Opening retained earnings 1 July 2019 – AASB 15	39 060

A9. Outlook

A9.1 Unrecognised contractual commitments

Expenditure commitments

	2020	2019
	\$'000	\$'000
Within one year	374	2 889
Later than one year but not longer than five years	60	256
Total other commitments	434	3 145

Expenditure commitments mainly relate to Promotion of State funding agreements.

A9.2 Contingent assets and liabilities

Contingent assets

No contingent assets have been identified.

Contingent liabilities

Stolen Generations Reparations Scheme

The Stolen Generations Reparations Scheme was established by the former government to acknowledge the trauma experienced by many Aboriginal people due to government policies that enabled the widespread removal of Aboriginal children from their families. A number of ex gratia payments are yet to be finalised as the department is experiencing difficulties in identifying the whereabouts of some of the eligible applicants as well as complexities associated with deceased estates.