



**Government
of South Australia**

Department for Education
and Child Development

Department for Education and Child Development

2017 Annual Report

Department for Education and Child Development

Education Centre, 31 Flinders Street, Adelaide 5000

Postal address: GPO Box 1152, Adelaide SA 5001

www.decd.sa.gov.au

Contact phone number (08) 8226 1000

Free call: 1800 088 158

Contact email decd.customers@sa.gov.au

ISSN 1835-1530

Date presented to Minister: 5 April 2018

To:

The Hon John Gardner

Minister for Education

This annual report is presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Finance and Audit Act 1987*, and the *Education Act 1972* and meets 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.

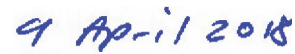
Submitted on behalf of the former Department for Education and Child Development by:

Rick Persse

Chief Executive



Signature



Date

Contents

Contents	3
Section A: Reporting required under the Public Sector Act 2009, the Public Sector Regulations 2010 and the Public Finance and Audit Act 1987	4
Agency purpose or role	4
Objectives	5
Key strategies and their relationship to SA Government objectives	6
Agency programs and initiatives and their effectiveness and efficiency	7
Legislation administered by the agency	14
Organisation of the agency.....	14
Other agencies related to this agency (within the Minister’s area/s of responsibility)	14
Employment opportunity programs	15
Agency performance management and development systems.....	15
Occupational health, safety and rehabilitation programs of the agency and their effectiveness	16
Fraud detected in the agency	17
Strategies implemented to control and prevent fraud.....	17
Whistle-blowers’ disclosure	17
Executive employment in the agency.....	18
Consultants	19
Financial performance of the agency	20
Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions.....	21
Section B: Reporting required under any other act or regulation	22
Reporting required under the <i>Carers’ Recognition Act 2005</i>	22
Section C: Reporting of public complaints as requested by the Ombudsman	23
Summary of complaints by subject	23
Complaint outcomes.....	24
Appendix: Audited financial statements 2016-17	25

Section A: Reporting required under the Public Sector Act 2009, the Public Sector Regulations 2010 and the Public Finance and Audit Act 1987

Agency purpose or role

The Department for Education and Child Development brings together high-quality education, early childhood and child health services that support children and young people from the day they are born, in all South Australian communities.

A strong and vibrant public education and child development system delivers benefits to all South Australians. Our key stakeholders are:

- more than 190,000 children and young people who attend some 900 public schools and early childhood services
- their parents and caregivers
- the approximately 20,000 babies born in South Australia each year and children up to 4 years old who access the Women's and Children's Health Network
- close to 30,000 staff including teachers, school-based staff, early childhood educators and staff in corporate support roles.

About sites and students: <https://www.decd.sa.gov.au/department/about-department/statistics-and-reports-about-sites-students-and-staff>

Objectives

The department's Strategic Plan outlines the vision, values and desired characteristics of the South Australian public education and care system. All stem from the shared vision to build a stronger future for our children by making our state's education and child development system world class.

Our 5 key priorities for South Australia's children and young people are:

- Great start: Children have a strong, supportive start to life and learning.
- High achievement: We have high standards and support all children and young people to achieve their best.
- Fairness for all: All children receive a quality education, whatever their circumstances. We want to close the gap in outcomes for children and young people.
- Learning in partnership: We will work towards partnerships with families, in the community and across the world to support our children and young people.
- Better futures: Young people are prepared for work and life in a transforming economy.

We will achieve our vision and deliver on these priorities by building capability in the 6 fundamental areas that have created impact in successful education systems around the world:

- expert teaching – goal: expert teachers have the skills, knowledge and support they need to perform at their highest level every day
- quality leadership – goal: quality leadership to drive better results and improved professional practice
- engaged parents and communities – goal: partnerships with parents and carers to support children's learning and development
- stronger services – goal: a robust service base to support child health, development and education outcomes
- resourcing and investment – goal: resources deployed where they are most needed and strategic investments to ensure the quality and sustainability of our system
- improvement and accountability – goal: professional collaboration and a consistent approach to accountability to improve the system as a whole.

DECD Strategic Plan <https://www.decd.sa.gov.au/department/about-department/strategic-plan>

Key strategies and their relationship to SA Government objectives

Key priority	SA Government objective
Great start	<ul style="list-style-type: none"> • South Australian Government 7 strategic priorities: Every chance for every child • South Australia's Strategic Plan Target 12: <ul style="list-style-type: none"> ○ Early Childhood – AEDC – Increase the proportion of children developing well
High achievement	<ul style="list-style-type: none"> • South Australia's Strategic Plan Target 87: <ul style="list-style-type: none"> ○ By 2020, for reading, writing and numeracy, increase by 5 percentage points the proportion of South Australian students who achieve above the national minimum standard in the higher proficiency bands
Fairness for all	<ul style="list-style-type: none"> • South Australian Government 7 strategic priorities: Every chance for every child • South Australia's Strategic Plan Target 14: <ul style="list-style-type: none"> ○ Early Childhood – Year 1 Literacy – by 2014 achieve a 10% improvement in the number of children reading at an age-appropriate level by the end of year 1 and maintain thereafter • South Australian Strategic Plan Target 15: <ul style="list-style-type: none"> ○ Aboriginal Education – Early Years – Increase yearly the proportion of Aboriginal children reading at age-appropriate levels at the end of year 1
Learning in partnership	<ul style="list-style-type: none"> • South Australian Strategic Plan Target 27: • Understanding of Aboriginal Culture – Aboriginal cultural studies included in school curriculum by 2016 with involvement of Aboriginal people in design and delivery (achieved 2014)
Better futures	<ul style="list-style-type: none"> • South Australian Strategic Plan Target 88: <ul style="list-style-type: none"> ○ Science and Maths – by 2020, increase by 15% the number of students receiving a Tertiary Entrance Rank (TER) or equivalent with at least 1 of the following subjects: mathematics, physics or chemistry • South Australian Strategic Plan Target 89: <ul style="list-style-type: none"> ○ SACE or equivalent – Increase yearly the proportion of 15 to 19 year olds who achieve the SACE or comparable senior secondary qualification

Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Comments
Giving our children a head start		
Improving service integration in children's centres	<p>44 children's centres were operational as at the end of 2017, with 47 to be in place by the end of 2018.</p> <p>The Children's Centres Family Support program expanded to 47.7 FTE.</p>	Children's centres and family centres bring together care, education, health, community development activities and family services to achieve the best possible learning, health and wellbeing outcomes in a universal setting.
Quality of our early childhood services	As at 31 December 2017, 80% of public preschools assessed exceeded the National Quality Standard compared with 59% of preschools/kindergartens nationally.	To ensure quality in early childhood education.
Child and Family Assessment and Referral Networks (CFARNS)	<p>3 pilot CFARNS established:</p> <ul style="list-style-type: none"> Northern Adelaide (Elizabeth Grove Children's Centre) Southern CFARN (Taikurrendi Children and Family Centre) Western Adelaide (Relationships Australia, South Australia). 	A coordinated, targeted and culturally appropriate early intervention for children and their families to improve their safety, health, development and education outcomes where risk factors exist.
Preschool educator ratios	<p>At least 1 educator for every 10 children in public preschools in areas of greatest need, and 1 educator for every 11 children in other public preschools.</p> <p>Preschool directors assisted by centralisation of utility bills and modernisation of preschool websites.</p>	To ensure quality in early childhood education.
Preschool outdoor learning areas	15 of the 20 preschool outdoor learning areas to be developed between 2014 and 2018 are complete. This is a \$6 million program.	Positive and healthy attitudes lead to behaviours that can be maintained over a lifetime.

<p>Engage with parents early</p>	<p>A number of initiatives are underway:</p> <ul style="list-style-type: none"> • early learning resources for parents • Learning Together • Parent Engagement initiative • connecting parents with preschool/early childhood programs • Parenting SA • governing council portal 	<p>Parents play the most important role as a child's first teacher.</p>
<p>A focus on literacy and numeracy to put the basics first</p>		
<p>Literacy and Numeracy</p>	<p>The statewide Literacy and Numeracy Results Plus professional development program supported preschool leaders, principals, leadership teams and education directors in leading literacy and numeracy improvement.</p> <p>1,200 leaders across the state participated in the Results Plus professional learning program and \$5.6 million was provided directly to preschools and schools for literacy and numeracy improvement.</p> <p>11 Best Advice Literacy and Numeracy papers were published for preschool and school leaders.</p> <p>Progressive Achievement Test professional learning workshops were delivered to approximately 1,900 teachers and leaders across the state.</p> <p>The Aboriginal Reading project supported one third of Aboriginal preschool enrolments statewide.</p>	<p>To help all young people leave school able to:</p> <ul style="list-style-type: none"> • apply mathematical understandings • communicate effectively in a range of contexts • use their literacy and numeracy capabilities as skilful problem solvers.
<p>Learning design, assessment and moderation</p>	<p>Collaborative moderation and reflective practice was undertaken by every public preschool and school in 2017.</p> <p>The first of 3 levels of schooling professional learning programs commenced with 124 primary teachers (including STEM 500 teachers).</p>	<p>Collaborative moderation and reflective practice that leads to improved student achievement.</p> <p>Teachers working together to develop consistency of professional judgement of learner progress and assessment, and high quality learning experiences for all children and students.</p>

<p>External school reviews and partnership-level performance tracking</p>	<p>28 education partnership reviews took place, covering 134 preschools and 230 schools.</p> <p>128 schools were externally reviewed, providing each school with directions to support further improvement.</p>	<p>Greater support for schools to raise student achievement and sustain high performance.</p>
<p>Educating students for the jobs of tomorrow</p>		
<p>STEM learning strategy</p>	<ul style="list-style-type: none"> • 7 STEM lead learning schools delivered statewide STEM Expos. • 20 preschools partnered with the Adelaide Botanic Gardens for educators to co-design STEM learning programs. • 124 primary teachers (including learning design teachers) participated in professional development to develop and integrate discipline depth in science, technology or mathematics. • 130 teachers (years 6 to 9) deepened their understanding of mathematical content and concepts related to primary/secondary transition. • 5 school networks (37 primary and secondary schools) engaged with industry and academic partners to design, trial and evaluate innovative approaches for STEM learning across years 7 and 8. • 93 Aboriginal students, accompanied by over 60 teachers, parents and Aboriginal educators participated in the 2017 Aboriginal Learners in STEM Congress event. • 54 students and 25 mentor teachers participated in the STEM Ambassadors program. • 40 schools received grants and professional support to develop a whole-of-school STEM Career strategy. • 30 STEM scholarships were announced in December 2017 for students starting SACE Stage 1 in 2018. 	<p>To engage students at all year levels, and to develop system-wide excellence in STEM education.</p>

<p>STEM Works program</p>	<p>9 projects completed, with a further 62 under construction. In total 139 schools will be provided with new and contemporary facilities.</p> <p>Work is scheduled for completion in late 2018.</p>	<p>To engage students at all year levels, and to develop system-wide excellence in STEM education.</p>
<p>South Australian Certificate of Education (SACE) completion</p>	<p>A record 15,280 South Australian students completed the SACE (up from 15,107 in 2016), with 7,957 students in public schools (up from 7,777 in 2016).</p>	<p>Partnerships between industry, enterprises, unions and schools help better prepare students for transition to work.</p>
<p>Expanding the teaching of languages</p>	<p>The French Bilingual program began at Highgate School with a reception class and a year 1 class.</p> <p>Plympton International College became the state's first Chinese bilingual public school with half of the curriculum being offered in Mandarin.</p> <p>The Languages Strategy for Public Education 2018-2021 was released November 2017.</p>	<p>Improved student participation and retention in language education.</p>
<p>Expanding the teaching of music education</p>	<p>A new music strategy is in development to expand on 19 music focus schools and local music partnerships.</p> <p>Instrumental music is taught across the state through these music focus schools and network schools. In May 2017 there were 7,769* students who accessed instrumental music.</p> <p>* This may include students accessing more than 1 lesson or ensemble.</p>	<p>Expanded teaching of music education.</p>
<p>State-of-the-art new city school and school upgrades</p>	<p>Construction underway on the \$100 million Adelaide Botanic High School, due to open from term 1, 2019.</p> <p>Planning began on delivering 2 new birth to year 12 schools in Adelaide's northern and southern suburbs, and a new secondary school in Whyalla under a public/private partnership arrangement.</p> <p>\$13 million is being invested in upgrading 110 public schools across the state through the provision of new floor coverings, external painting and paving.</p> <p>As at December 2017, the department was in the process of delivering infrastructure projects worth over \$1 billion.</p>	<p>Adelaide Botanic High School and the new northern and southern schools will increase capacity in the inner and outer suburbs.</p>

<p>Career development through Student Pathways strategy</p>	<p>Partnerships between schools, business and tertiary sectors continued in 2017. Whole-school career development strategies were developed in sites.</p>	<p>To improve students' transitions into further education, training and work.</p>
<p>Help for every student to achieve their best</p>		
<p>Aboriginal education</p>	<p>More Aboriginal children are attending preschool and staying in school to year 12.</p> <ul style="list-style-type: none"> • 386 Aboriginal students completed the SACE (up from 322 in 2016), with 296 Aboriginal students in public schools (up from 232 in 2016). • Over a quarter of the Aboriginal SACE completers were participants in the South Australian Aboriginal Sports Training Academy (SAASTA) program. • There were 1,907 Aboriginal preschool enrolments in public schools in 2017 (an increase of 27% since 2013). • There were 11,045 FTE Aboriginal school enrolments in public schools in 2017 (an increase of 17% since 2013). • The year 8 to 12 apparent retention rate for Aboriginal students was 96.2% in 2017 (an increase from 79.2% in 2013). 	<p>Closing the gap in educational attainment for Aboriginal students.</p>
<p>Keeping safe and trauma-trained staff</p>	<p>800 educators and 400 pre-service teachers were trained to deliver the mandated Keeping Safe: Child Protection Curriculum in public preschool and school sites.</p> <p>A trauma-informed approach initiative was developed in 2017 to build local capacity in supporting children with trauma.</p> <p>Over 980 staff were engaged in trauma-informed practice professional development or training. Staff accessed this through the SMART program delivered by the Australian Childhood Foundation or through participation in the inaugural Trauma Informed Practice in Education conference hosted by the department.</p>	<p>To ensure the safety and wellbeing of children, young people and educators.</p>

Attendance	School attendance rates improved in South Australia from 89.9% in 2011 to 90.7% in 2016. In 2017 the rate has decreased by 0.1% to 90.6%.	To engage and support our children and young people to attend school.
Flexible learning options (FLO)	In term 1, 2017 there were 4,611 FLO-enrolled students, down from 4,814 in term 1, 2016. Qualified case managers are assigned to students who have disengaged from secondary school with complex social and emotional barriers to their engagement in learning.	To plan a future pathway to further education, training or employment.
More options for children with disability	22 new special options with 216 places commenced in 2017 for children with a disability. One Child, One Plan initiative was announced for graduated implementation from term 1, 2018, to be embedded into all public schools and preschools by the end of 2021.	Integrated learning plans for children and students with identified needs.
Supporting our teachers to deliver great results		
Advancing the careers of our best teachers	62 scholarships worth up to \$20,000 each were offered in 2017 for teachers to complete a Masters qualification. As at 31 December 2017, 164 teachers have accepted scholarships through this initiative. 86 teachers participated in the national certification learning program in 2017, with 38 achieving national certification at the highly accomplished or lead teacher career stage. Support was provided to over 850 beginning teachers and their mentors in 2017 through the Early Career Teacher Development Program.	Support for teachers to be their best.
Teaching for Effective Learning (TfEL)	Resources accessed in 2017: <ul style="list-style-type: none"> Leading Learning – Making the Australian Curriculum Work for Us online resource (67,540 users; SA 45, 314) Compass Online Feedback Tool (110 site reports, 6,030 teachers, 22,803 students and 36 education partnerships) TfEL Teachers’ Companion (7,200 teachers). 	Teaching and learning practices that lead to improved student engagement and achievement.

<p>Identifying and developing leaders</p>	<p>Principals are being developed through the Future Leaders program, and 142 site leaders were supported to complete the Graduate Diploma of Strategic Leadership in 2017.</p>	<p>Support and development of principals and leaders.</p>
<p>Building Better Schools initiative and other infrastructure</p>	<p>Work underway on 91 projects as part of Phase 1 of the \$692.2 million Building Better Schools program, with the development of high-level scoping plans and drawings.</p> <p>13 transportable buildings were delivered to address an increase in demand.</p>	<p>Building Better Schools upgrades are tailored to the needs of each school and include removal of ageing classrooms, provision of new buildings, and refurbishing of classrooms and buildings.</p>
<p>ICT initiatives</p>	<p>Delivering Digital Initiative 2016-2020: work on the 4 strategic priorities to meet the current and future needs of schools, preschools, care and protection services continued.</p> <p>Work on specifications for a new electronic records system continued in 2017.</p>	<p>Integrated, secure and flexible digital solutions for public education and care in South Australia.</p>

Legislation administered by the agency

Children's Services Act 1985

Children's Services (Appeals) Regulations 2008

Children's Services (Registered Children's Services Centres) Regulations 2003

Education Act 1972

Education Regulations 2012

Organisation of the agency

Office of the Chief Executive

Early Years and Child Development

Finance and Funding

ICT

Infrastructure

Learning Improvement

Partnerships, Schools and Preschools

People and Culture

Strategic Policy and External Relations

System Performance

www.decd.sa.gov.au/department/about-department/corporate-office-structure

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

Child Death and Serious Injury Review Committee

Child Development Council

Commissioner for Children and Young People

Dame Roma Mitchell Trust Funds Board of Advice

Education and Early Childhood Services Registration and Standards Board of South Australia (Education Standards Board)

Ministerial Advisory Committee: Children and Students with Disability

Multicultural Education and Languages Committee

SACE Board of South Australia

Teachers Registration Board of South Australia

The Guardian for Children and Young People

Employment opportunity programs

Program name	Result of the program
Flexibility for the Future	In 2017, the department exceeded its 2017-2018 financial year target of more than 41 additional part-time employees.
Traineeships and Graduates – Jobs4Youth program	In 2017, 22 young people were recruited into traineeship positions and 2 graduates were appointed to various positions. Of those, 22 completed their placements and were appointed to ongoing and temporary positions. 68% of trainees were of Aboriginal descent.
Amy Levai Aboriginal Teaching Scholarships	32 Aboriginal people were supported throughout 2017 with 6 graduating to begin teaching at the start of 2018.

Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
<p>The department has a clear, well-defined, principle-based performance and development policy that connects the work of all employees to strategic priorities, improvement plans and performance indicators. Individualised planning, learning and review are features of the annual cycle.</p> <p>During 2017, the policy was reviewed as part of the broader improvement and accountability framework. It also responded to the Premier's Direction (5 May 2016) requiring the department to implement performance management and development reviews with all employees (including executives) at least biannually.</p> <p>Changes to the policy and associated practices were designed to:</p> <ul style="list-style-type: none"> • provide high accountability and high support for individuals • build stronger connections with the department's broader improvement and accountability framework • simplify the processes to enable improvement • provide a consistent focus and approach, as well as flexibility to respond to local needs and context. 	<p>As at 28 December 2017, 48% of employees had completed a performance and development review within the previous 6 months.</p> <p>Qualitative feedback will be sought on the effectiveness and efficiency of the new performance and development policy and supporting material in 2018.</p>

Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
<p>Work Health Safety (WHS) Risk Review program.</p> <p>Senior Executive Group (SEG) identified 7 key health and safety risk events for review.</p>	<p>For each risk event, a review team was established, comprising of operational and corporate stakeholders who have knowledge of or experience with the risk, or who play a role in setting policy to manage the risk.</p> <p>The risk review team held workshops to identify the potential improvement strategies to manage the risk.</p>
<p>Employee Psychological Health and Wellbeing program</p> <p>This targets the wellbeing needs of all employees, raises awareness of mental health issues in the workplace, and builds competency in the prevention, early intervention and management of employee psychological health.</p>	<p>Following a review and assessment of employee psychological health across the organisation, the department started a number of evidence-based psychological health and wellbeing initiatives to target those at higher risk of psychological compromise.</p> <p>Additional programs for all department employees have been developed and are currently in pilot phase.</p>
<p>Injury Management Early Intervention program</p>	<p>Early and targeted intervention is provided as soon as an injury is reported and before a compensation claim being lodged. It facilitates an early and sustainable return to work, and helps prevent and manage the risks associated with incidents and injuries.</p>
<p>Return to Work program</p>	<p>All work-injured employees are provided with early and tailored assistance to recover and return to work.</p>

Fraud detected in the agency

Category/nature of fraud	Number of instances
Potential misappropriation of funds	1
Inappropriate financial processes	2
Fraudulent behaviour or misrepresentation by an employee	2

Strategies implemented to control and prevent fraud

The department is committed to maintaining a working environment free of fraud and corrupt behaviour and does so through its fraud and corruption control policy and framework. These articulate the department's prevention, detection and response strategies and provide the processes for managing suspected and/or actual fraud or corruption.

Any instances of misconduct are treated seriously by the department, and where these occur, prompt action is taken to ensure that they are thoroughly investigated and that those responsible are held to account.

Data for the past 5 years is available at: <https://data.sa.gov.au/data/dataset/fraud-detection-reporting-by-the-department-for-education-and-child-development>

Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 1

Data for the past 5 years is available at: <https://data.sa.gov.au/data/dataset/whistleblower-reporting-by-the-department-for-education-and-child-development>

Executive employment in the agency

As at the last pay day in June 2017

Executive classification	Number of executives
PS Act Executive F - Untenured	1
Commissioner	1
SA Executive Service Level 1 - Untenured	27
SA Executive Service Level 2 - Untenured	6
Principal Band A-4	99
Principal Band A-5	89
Principal Band A-6	51
Principal Band A-7	33
Principal Band A-8	18
Principal Band A-9	27
Education Director	19
ED Act negotiated conditions	139

Notes: Profile includes employees who were actively employed or on paid leave. Executives are defined as employees who receive a total salary equivalent to \$115,938 per annum or more (equating to EL1 minimum under the public service structure). Deputy Principals at Leader Band B-5 and above classification level meet the executive salary threshold but are excluded as they are not considered part of the 'executive' group

Source: DECD VALEO system and CHRIS system, DPC Workforce Information Collection as at the last pay day in June 2017.

Data for the past 5 years is available at: <https://data.sa.gov.au/data/dataset/executive-employment-reporting-by-the-department-for-education-and-child-development>

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) on the breakdown of executive gender, salary and tenure by agency.

Consultants

The following is a summary of external consultants that have been engaged by the department, the nature of work undertaken and the total cost of the work undertaken in 2016-17.

Consultants	Purpose	Value
All consultancies below \$10,000 each	N/A	N/A
Consultancies above \$10,000 each		
The Boston Consulting Group	Development of a new operating model for the new child protection system.	\$955,000.00
KPMG	Assurance services relating to the Education Management System project.	\$129,000.00
Ernst & Young	Development of a risk strategy for the Education Management System project.	\$80,000.00
PricewaterhouseCoopers Australia	Business continuity management development including a review of emergency responses.	\$25,500.00
BDO Advisory (SA) Pty Ltd	Probity services for the Education Management System procurement process.	\$12,588.29
Total all consultancies		\$1,202,088.29

Data for the past 5 years is available at: <https://data.sa.gov.au/data/dataset/consultants-reporting-by-the-department-for-education-and-child-development>

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

Our income – where it comes from

As a result of 'machinery of government' changes announced in June 2016, the Department for Child Protection was formed and the child protection functions of the agency were transferred to the new agency from 1 November 2016. The total income received by the department and schools from controlled operations for the 2016-17 financial year, excluding care and protection activities, was \$3.12 billion. An increase of \$107.9 million from the previous financial year.

Revenue from the State Government increased by \$47.6 million. This includes funding for the science, technology, engineering and mathematics (STEM) capital initiative and increased funding for public schools and preschools.

Revenue from the Australian Government also increased by \$19.9 million, mainly relating to increases associated with the National Education Reform Agreement totalling \$28.2 million.

There were benefits recognised associated with the disposal of non-current assets totalling \$11.5 million, and increases in school related revenue including student enrolment fees and charges totalling \$6.8 million.

Our expenditure – how our funds were spent

Total operating expenses of the department and schools for controlled activities, excluding care and protection activities, increased by \$96.9 million to \$3.06 billion compared with the previous financial year.

Employee benefit related expenses increased by \$68.3 million. This relates to a range of factors including increases in remuneration rates paid under enterprise bargaining agreements and awards and increases in total staffing numbers, offset by a revaluation of long service leave entitlements associated with actuarial assessments.

Supplies and Services expenses increased by \$27.9 million, of which school expenditure totalled \$12.6 million.

During the 2015-16 financial year, the department also made a payment to the State Government totalling \$60.9 million pursuant to the cash alignment policy. No similar payment was made in the 2016-17 financial year.

Summary of our assets – what we own

The value of assets for department and schools (excluding care and protection activities) totalled \$5.5 billion as at 30 June 2017, which represented an increase of \$696 million compared with the previous financial year.

The value of land, building and improvements, and other property was revalued in the 2016-17 financial year. This resulted in an increase of \$585 million. Most of the revaluation increase related to buildings and improvements.

Cash balances also increased by \$122.4 million, including increases in cash held by schools in SA School Investment Fund accounts, and an increase in at-call deposits with the Treasurer.

Summary of our liabilities – what we owe

The value of liabilities for the department and schools (excluding care and protection activities) totalled \$1.1 billion as at 30 June 2017, an increase of \$8 million compared with the previous financial year.

Materials and services charges

The materials and services charge set by each governing/school council is intended to cover the costs of those essential materials and services used or consumed by individual students during the course of their study and must reflect the actual cost of the materials and services provided.

For 2017, the standard sum that schools were able to recover was \$231 for primary students and \$305 for secondary students. Governing/school councils may also poll their school communities to seek majority support to legally recover an amount greater than the standard sum.

In 2017, the total materials and services charge invoiced by schools is estimated to be around \$64.9 million, and includes an estimated \$12.3 million of 'school card' assistance for low-income families.

Other financial information

Nil to report

Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions

Audit and Risk Committee Report

The Audit and Risk Committee (ARC) provides independent assurance and advice to the Chief Executive and the Senior Executive Group on the department's risk, control and compliance framework, and its external accountability responsibilities.

The ARC comprises 4 members of senior management and three independent external members, including the chair. Representatives of the Auditor-General's Department attend as observers. The committee met on 5 occasions during 2017.

The committee's role is to review processes, timelines and business procedures and provide advice on audit, risk management and business assurance activities across the department.

During 2017, the ARC focused on the following matters:

- corporate governance and risk management frameworks
- external accountabilities and financial legislative compliance
- internal audit coverage and review of significant issues identified in audit reports and actions taken
- external audit - oversight of implementation and actions taken to address issues raised in Auditor General's audit reports.

Section B: Reporting required under any other act or regulation

Reporting required under the *Carers' Recognition Act 2005*

The Carers' Recognition Act is deemed applicable for the following: Department for Communities and Social Inclusion, Department for Education and Child Development, Department for Health and Ageing, Department of State Development, Department of Planning, Transport and Infrastructure, South Australia Police and TAFE SA.

Section 7: Compliance or non-compliance with section 6 of the Carers Recognition Act 2005 and (b) if a person or body provides relevant services under a contract with the organisation (other than a contract of employment), that person's or body's compliance or non-compliance with section 6.

Awareness: There is a system to ensure all management, staff and volunteers have an understanding of the Act and Carers Charter.

Consultation: There is a system to ensure consultation with carers, or persons or bodies that represent carers, in the development and review of human resource plans, policies and procedures.

Practice: There is a system to ensure the principles of the Carers Charter are reflected in human resource practice.

Section C: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

Public complaints received by Education Complaint unit	
Category of complaints by subject	Number of instances
Other	375
Bullying/Harassment Student	236
Enrolment	233
Behaviour Management General	148
Staff Performance	146
Behaviour Management-Suspension	115
Staff Misconduct	102
Family Law Dispute	81
Communication	80
Attendance	66
Government/Departmental Policy	64
Child Protection	63
Bullying/Harassment Staff	62
Special Education-Funding/Support	62
Safety Issue/Accident	58
Finance	55
Duty of Care	54
School Policy-General	50
Special Education-General	49
School Facilities Access/Use	43
Class Placement	42
Behaviour Management-Exclusion	34
Unethical Treatment	31
Behaviour Third Party	28
Teaching/Curriculum-Government Policy	27
Transport	24
School Policy-Uniform	23
Zoning	21
Teaching/Curriculum-Standards and Performance	15
Special Education-Behaviour Management	13
Unethical Behaviour/Conflict	7
Home Education	3
Prohibition	3

Data for the past 5 years is available at: <https://data.sa.gov.au/data/dataset/public-complaints-received-by-the-department-for-education-and-child-development>

Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Training for basic complaint management for site staff	Training developed for online learning
Assistance for site staff to manage ongoing difficult complainants	Education Complaint unit assessment and resolution staff providing some targeted face-to-face mediation
Training for staff on managing aggressive and difficult complainants	Targeted face-to-face training

Appendix: Audited financial statements 2016-17



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

To the Chief Executive Department for Education and Child Development

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Education and Child Development for the financial year ended 30 June 2017.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Education and Child Development as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2017
- Disaggregated Disclosures – Assets and Liabilities as at 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2017
- a Statement of Administered Financial Position as at 30 June 2017
- a Statement of Administered Changes in Equity for the year ended 30 June 2017
- a Statement of Administered Cash Flows for the year ended 30 June 2017
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2017
- a Schedule of Assets and Liabilities attributable to administered activities as at 30 June 2017
- notes, comprising a summary of significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Financial Officer.

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 for Education and Child Development. 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 have been met.

I believe that the audit evidence 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 the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as 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

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.

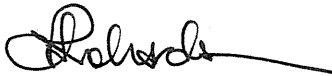
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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

- 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 regarding, 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

21 September 2017

Department for Education and Child Development

Financial Statements

for the year ended 30 June 2017

Department for Education and Child Development
Statement of Comprehensive Income
For the year ended 30 June 2017

	Note	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Expenses					
Employee benefits expenses	5	2 270 333	2 311 802	2 230 780	2 277 590
Supplies and services	6	674 556	674 124	337 677	362 949
Grants and subsidies	7	164 130	248 145	399 768	472 290
Depreciation and amortisation expense	8	109 112	111 477	102 803	105 104
Borrowing costs	9	22 439	22 651	22 289	22 591
Other expenses	10	7 015	14 235	5 063	11 615
Total expenses		3 247 585	3 382 434	3 098 380	3 252 139
Income					
Commonwealth revenues	11	498 403	479 126	498 403	479 126
Student and other fees and charges	12	160 511	150 179	23 219	19 505
Other grants and contributions	13	39 300	28 748	14 184	13 824
Interest revenues	14	9 514	8 971	7 569	7 806
Net (loss)/gain from disposal of non-current assets	15	5 466	(6 277)	5 570	(6 412)
Other revenues	16	65 098	63 746	21 375	26 787
Total income		778 292	724 493	570 320	540 636
Net cost of providing services		2 469 293	2 657 941	2 528 060	2 711 503
Revenues from/(payments) to SA Government					
Revenues from SA Government	17	2 524 087	2 682 345	2 524 087	2 682 345
Payments to SA Government	17	-	(60 899)	-	(60 899)
Net result		54 794	(36 495)	(3 973)	(90 057)
Other comprehensive income					
<i>Items that will not be reclassified to net result</i>					
Changes in revaluation surplus	23	626 892	41 689	626 892	41 689
Total comprehensive result		681 686	5 194	622 919	(48 368)

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

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

Department for Education and Child Development
Statement of Financial Position
As at 30 June 2017

	Note	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Current assets					
Cash and cash equivalents	18	949 153	838 296	481 988	437 869
Receivables	19	48 756	56 184	35 450	45 219
Inventories	20	6 735	5 870	6	147
Other financial assets	21	2 255	2 016	-	-
		1 006 899	902 366	517 444	483 235
Non-current assets classified as held for sale	22	9 309	11 719	9 309	11 719
Total current assets		1 016 208	914 085	526 753	494 954
Non-current assets					
Receivables	19	533	885	4 091	5 335
Other financial assets	21	84	98	-	-
Property, plant and equipment	23	4 513 528	3 973 456	4 483 911	3 944 559
Intangible assets	24	18 749	22 118	18 749	22 118
Total non-current assets		4 532 894	3 996 557	4 506 751	3 972 012
Total assets		5 549 102	4 910 642	5 033 504	4 466 966
Current liabilities					
Payables	26	109 223	97 872	110 924	114 491
Borrowings	27	1 865	1 667	1 821	1 628
Employee benefits	28	201 319	207 755	199 538	206 063
Provisions	29	20 585	30 626	20 823	31 139
Other liabilities	30	29 593	31 130	15 911	15 331
Total current liabilities		362 585	369 050	349 017	368 652
Non-current liabilities					
Payables	26	60 046	64 722	60 046	64 722
Borrowings	27	167 550	169 683	167 502	169 608
Employee benefits	28	444 517	492 283	441 317	489 205
Provisions	29	55 263	67 691	55 263	67 691
Other liabilities	30	22 611	23 157	21 934	22 370
Total non-current liabilities		749 987	817 536	746 062	813 596
Total liabilities		1 112 572	1 186 586	1 095 079	1 182 248
Net assets		4 436 530	3 724 056	3 938 425	3 284 718
Equity					
Retained earnings	31	2 342 727	2 247 172	1 844 809	1 808 021
Revaluation surplus	31	2 093 803	1 476 884	2 093 616	1 476 697
Total equity		4 436 530	3 724 056	3 938 425	3 284 718

Total equity is attributable to the SA Government as owner

Unrecognised contractual commitments 32

Contingent assets and liabilities 33

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

Department for Education and Child Development
Statement of Changes in Equity
For the year ended 30 June 2017

Consolidated				
	Note	Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2015		1 451 149	2 267 713	3 718 862
Net result for 2015-16		-	(36 495)	(36 495)
Changes on revaluation of property during 2015-16	23	41 689	-	41 689
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(15 954)	15 954	-
Total comprehensive result for 2015-16		25 735	(20 541)	5 194
Balance at 30 June 2016	31	1 476 884	2 247 172	3 724 056
Net result for 2016-17		-	54 794	54 794
Changes on revaluation of property during 2016-17	23	626 892	-	626 892
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(9 973)	9 973	-
Total comprehensive result for 2016-17		616 919	64 767	681 686
Net liabilities transferred out as result of restructure	34	-	30 788	30 788
Balance at 30 June 2017	31	2 093 803	2 342 727	4 436 530

DECD				
	Note	Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2015		1 450 962	1 882 124	3 333 086
Net result for 2015-16		-	(90 057)	(90 057)
Changes on revaluation of property during 2015-16	23	41 689	-	41 689
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(15 954)	15 954	-
Total comprehensive result for 2015-16		25 735	(74 103)	(48 368)
Balance at 30 June 2016	31	1 476 697	1 808 021	3 284 718
Net result for 2016-17		-	(3 973)	(3 973)
Changes on revaluation of property during 2016-17	23	626 892	-	626 892
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(9 973)	9 973	-
Total comprehensive result for 2016-17		616 919	6 000	622 919
Net liabilities transferred out as result of restructure	34	-	30 788	30 788
Balance at 30 June 2017	31	2 093 616	1 844 809	3 938 425

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

The above statement should be read in conjunction with the accompanying notes

Department for Education and Child Development
Statement of Cash Flows
For the year ended 30 June 2017

		2017	2016	2017	2016
		Consolidated	Consolidated	DECD	DECD
		\$'000	\$'000	\$'000	\$'000
	Note	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities					
Cash outflows					
Employee benefit payments		(2 277 476)	(2 353 682)	(2 238 108)	(2 319 484)
Payments for supplies and services		(712 637)	(767 462)	(344 772)	(426 655)
Payments of grants and subsidies		(173 883)	(266 860)	(422 944)	(475 844)
Interest paid		(21 072)	(20 833)	(20 673)	(20 773)
Other payments		(2 509)	(8 071)	(2 481)	(8 013)
Cash used in operations		(3 187 577)	(3 416 908)	(3 028 978)	(3 250 769)
Cash inflows					
Receipts from Commonwealth		498 420	479 139	498 420	479 139
Student and other fees and charges		160 871	156 038	23 615	23 107
Other grants and contributions received		41 984	27 359	14 441	14 178
Interest received		8 910	8 157	7 319	7 806
GST recovered from the ATO		59 731	80 884	36 260	53 170
Other receipts		60 263	59 208	16 540	22 249
Cash generated from operations		830 179	810 785	596 595	599 649
Cash flows from SA Government					
Receipts from SA Government		2 524 087	2 682 345	2 524 087	2 682 345
Payments to SA Government		-	(60 899)	-	(60 899)
Cash generated from SA Government		2 524 087	2 621 446	2 524 087	2 621 446
Net cash provided by operating activities	37	166 689	15 323	91 704	(29 674)
Cash flows from investing activities					
Cash outflows					
Purchase of property, plant and equipment		(54 636)	(49 849)	(47 320)	(42 769)
Purchase of investments		(246)	(8)	-	-
Cash used in investing activities		(54 882)	(49 857)	(47 320)	(42 769)
Cash inflows					
Proceeds from the sale of property, plant and equipment		17 533	12 066	17 352	11 825
Proceeds from Maturing Term Deposits		21	24	-	-
Receipt of loan repayments		-	40	867	703
Cash generated from investing activities		17 554	12 130	18 219	12 528
Net cash used in investing activities		(37 328)	(37 727)	(29 101)	(30 241)
Cash flows from financing activities					
Cash outflows					
Repayment of finance leases		(1 632)	(1 452)	(1 628)	(1 452)
Cash transferred as a result of restructure	34	(16 324)	-	(16 324)	-
Repayment of borrowings		(568)	(588)	(532)	(569)
Cash used in financing activities		(18 524)	(2 040)	(18 484)	(2 021)
Cash inflows					
Loans received		20	-	-	-
Cash generated from financing activities		20	-	-	-
Net cash used in financing activities		(18 504)	(2 040)	(18 484)	(2 021)
Net increase/(decrease) in cash and cash equivalents		110 857	(24 444)	44 119	(61 936)
Cash and cash equivalents at the beginning of the period		838 296	862 740	437 869	499 805
Cash and cash equivalents at the end of the period	18	949 153	838 296	481 988	437 869

The above statement should be read in conjunction with the accompanying notes

**Department for Education and Child Development
Disaggregated Disclosures – Expenses and Income**

For the year ended 30 June 2017

CONSOLIDATED

(Activities - refer note 4)	Early Childhood Development		School Education		Care and Protection		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses								
Employee benefits expenses	177 819	171 895	2 039 010	1 976 641	53 504	163 266	2 270 333	2 311 802
Supplies and services	33 726	31 853	624 597	598 617	16 233	43 654	674 556	674 124
Grants and subsidies	31 485	27 906	18 809	13 196	113 836	207 043	164 130	248 145
Depreciation and amortisation expense	3 828	3 876	104 683	105 713	601	1 888	109 112	111 477
Borrowing costs	1 783	1 807	20 656	20 844	-	-	22 439	22 651
Other expenses	1 924	1 388	5 074	12 720	17	127	7 015	14 235
Total expenses	250 565	238 725	2 812 829	2 727 731	184 191	415 978	3 247 585	3 382 434
Income								
Commonwealth revenues	52 138	53 013	446 101	425 298	164	815	498 403	479 126
Student and other fees and charges	5 590	4 918	154 869	144 940	52	321	160 511	150 179
Other grants and contributions	1 898	1 516	36 763	25 591	639	1 641	39 300	28 748
Interest revenues	587	570	8 925	8 392	2	9	9 514	8 971
Net (loss)/gain from disposal of non-current assets	(989)	(1 362)	6 455	(4 649)	-	(266)	5 466	(6 277)
Other revenues	1 212	2 471	63 068	55 564	818	5 711	65 098	63 746
Total income	60 436	61 126	716 181	655 136	1 675	8 231	778 292	724 493
Net cost of providing services	190 129	177 599	2 096 648	2 072 595	182 516	407 747	2 469 293	2 657 941
Revenues from/(Payments to) SA Government								
Revenues from SA Government	186 344	177 331	2 161 482	2 122 936	176 261	382 078	2 524 087	2 682 345
Payments to SA Government	-	(4 689)	-	(56 136)	-	(74)	-	(60 899)
Net result	(3 785)	(4 957)	64 834	(5 795)	(6 255)	(25 743)	54 794	(36 495)

Department for Education and Child Development
Disaggregated Disclosures – Expenses and Income

For the year ended 30 June 2017

DECD

(Activities - refer note 4)	Early Childhood Development		School Education		Care and Protection		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses								
Employee benefits expenses	177 819	171 895	1 999 457	1 942 429	53 504	163 266	2 230 780	2 277 590
Supplies and services	19 371	19 263	302 073	300 034	16 233	43 652	337 677	362 949
Grants and subsidies	45 842	40 496	239 678	224 749	114 248	207 045	399 768	472 290
Depreciation and amortisation expense	3 828	3 876	98 374	99 340	601	1 888	102 803	105 104
Borrowing costs	1 783	1 807	20 506	20 784	-	-	22 289	22 591
Other expenses	1 924	1 388	3 122	10 100	17	127	5 063	11 615
Total expenses	250 567	238 725	2 663 210	2 597 436	184 603	415 978	3 098 380	3 252 139
Income								
Commonwealth revenues	52 138	53 013	446 101	425 298	164	815	498 403	479 126
Student and other fees and charges	5 590	4 918	17 577	14 266	52	321	23 219	19 505
Other grants and contributions	1 898	1 516	11 647	10 667	639	1 641	14 184	13 824
Interest revenues	587	570	6 980	7 227	2	9	7 569	7 806
Net (loss)/gain from disposal of non-current assets	(989)	(1 362)	6 559	(4 784)	-	(266)	5 570	(6 412)
Other revenues	1 212	2 471	19 345	18 605	818	5 711	21 375	26 787
Total income	60 436	61 126	508 209	471 279	1 675	8 231	570 320	540 636
Net cost of providing services	190 131	177 599	2 155 001	2 126 157	182 928	407 747	2 528 060	2 711 503
Revenues from/(Payments to) SA Government								
Revenues from SA Government	186 344	177 331	2 161 482	2 122 936	176 261	382 078	2 524 087	2 682 345
Payments to SA Government	-	(4 689)	-	(56 136)	-	(74)	-	(60 899)
Net result	(3 787)	(4 957)	6 481	(59 357)	(6 667)	(25 743)	(3 973)	(90 057)

Department for Education and Child Development
Disaggregated Disclosures – Assets and Liabilities
For the year ended 30 June 2017
CONSOLIDATED

(Activities - refer note 4)	Early Childhood Development		School Education		Care and Protection		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Assets								
Cash and cash equivalents	43 900	38 330	905 253	788 431	-	11 535	949 153	838 296
Receivables	3 695	4 066	45 594	46 901	-	6 102	49 289	57 069
Inventories	-	13	6 735	5 857	-	-	6 735	5 870
Other financial assets	-	-	2 339	2 114	-	-	2 339	2 114
Non-current assets classified as held for sale	467	347	8 842	11 372	-	-	9 309	11 719
Property, plant and equipment	191 163	171 426	4 322 365	3 764 566	-	37 464	4 513 528	3 973 456
Intangible assets	1 500	1 570	17 249	18 052	-	2 496	18 749	22 118
Total assets	240 725	215 752	5 308 377	4 637 293	-	57 597	5 549 102	4 910 642
Liabilities								
Payables	10 666	10 115	158 603	134 045	-	18 434	169 269	162 594
Borrowings	13 546	13 676	155 869	157 389	-	285	169 415	171 350
Employee benefits	52 209	53 297	593 627	601 837	-	44 904	645 836	700 038
Provisions	6 178	6 575	69 670	73 363	-	18 379	75 848	98 317
Other liabilities	1 914	1 874	50 290	52 401	-	12	52 204	54 287
Total liabilities	84 513	85 537	1 028 059	1 019 035	-	82 014	1 112 572	1 186 586

**Department for Education and Child Development
Disaggregated Disclosures – Assets and Liabilities**

For the year ended 30 June 2017

DECD

(Activities - refer note 4)	Early Childhood Development		School Education		Care and Protection		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Assets								
Cash and cash equivalents	43 900	38 330	438 088	388 004	-	11 535	481 988	437 869
Receivables	3 695	4 066	35 846	40 386	-	6 102	39 541	50 554
Inventories	-	13	6	134	-	-	6	147
Non-current assets classified as held for sale	467	347	8 842	11 372	-	-	9 309	11 719
Property, plant and equipment	191 163	171 426	4 292 748	3 735 669	-	37 464	4 483 911	3 944 559
Intangible assets	1 500	1 570	17 249	18 052	-	2 496	18 749	22 118
Total assets	240 725	215 752	4 792 779	4 193 617	-	57 597	5 033 504	4 466 966
Liabilities								
Payables	10 666	10 115	160 304	150 664	-	18 434	170 970	179 213
Borrowings	13 546	13 676	155 777	157 275	-	285	169 323	171 236
Employee benefits	52 209	53 297	588 646	597 067	-	44 904	640 855	695 268
Provisions	6 178	6 575	69 908	73 876	-	18 379	76 086	98 830
Other liabilities	1 914	1 874	35 931	35 815	-	12	37 845	37 701
Total liabilities	84 513	85 537	1 010 566	1 014 697	-	82 014	1 095 079	1 182 248

The above statement should be read in conjunction with the accompanying notes

Department for Education and Child Development

Notes to and forming part of the financial statements

1 Objectives of the Department for Education and Child Development

The Department for Education and Child Development (the department) operates within the:

- *Children's Services Act 1985;*
- *Education Act 1972;*
- *Public Sector Act 2009.*

Purpose

The department was established to provide a range of integrated education, health and child development services for the benefit of children, young people and families.

The department's focus is to improve children and young people's education, safety and developmental outcomes from birth through their transition to adulthood.

Public education is at the core of the department and we recognise that the success of public education depends on mutually beneficial partnerships with parents and families, community, tertiary providers, industry, government and non-government organisations.

The department's other critical functions are child protection through the Office for Child Safety and Families SA (up to 1 November 2016), and health and wellbeing services through the Women's and Children's Health Network, which are aimed at all newborn babies and children up to four years old.

Our Role

To oversee early childhood care and development services for South Australian families

The department oversees the provision of local family day care, preschool education, children's centres, out of school hours care programs, plus health and wellbeing services that support parents, carers and children. We partner with the Australian Government as well as the community sector and local government to integrate all services, with a focus on providing high quality care, teaching and learning.

To provide services that benefit children and families

The department works with all families early in their journey to support parents and ensure the individual needs of each child are met, fostering the best development and learning outcomes for each child to maximise their potential.

To lead and manage South Australia's education system

The department manages South Australia's public education system, with the goal of delivering world-class primary and secondary education in all areas of the curriculum. At the local level, we want every child to achieve their potential, and we see families as our partners to ensure each and every child leaves school with strong skills and a positive outlook.

To provide the State's statutory child protection service (up to 1 November 2016)

The department works with families to keep children safe from harm and to build parents' capacity to care safely for their children. If children and young people are not able to remain safely in the care of their birth family, we are responsible for the care and support of these children as they enter out-of-home care, and for children under the Guardianship of the Minister. Note that a separate department for child protection was formed on 1 November 2016. Refer to note 34 for further information.

Vision

A high performing system that improves the educational attainment and wellbeing of South Australia's children and young people.

Our Strategic Intent

The department's Strategic Plan 2014-2017, released in July 2014, outlines six priority areas for improvement to be delivered to the South Australian community.

- Higher standards of learning achievement
- Improve health and wellbeing
- Improve and integrate child safety
- Engage children, families and communities
- Right service at the right time
- Build a better system

Department for Education and Child Development

Notes to and forming part of the financial statements

Our Strategic Intent (continued)

The department is guided in our work by the strategic plan and includes working collaboratively with our partners to provide a safe environment for the wellbeing of children and young people. In addition, the department will continue to publish performance data and report on the progress toward our strategic commitments.

The department's key objective is to create a stronger future for South Australian children through education, child health and early childhood services. The focus is on giving every single child and young person the best possible education and support within a safe environment, so they can lead happy and fulfilling lives.

The department works to improve outcomes for all children and young people by harnessing collaborative relationships with families, communities, government and non-government agencies responsible for children, young people and families.

2 Significant accounting policies

(a) Statement of compliance

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

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

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

(b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the department's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- that accounting policies be selected and applied in a manner which ensures the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature
 - b) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income);
 - c) employee targeted voluntary separation package information;
 - d) employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those employees; and
 - e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

(c) Reporting entity

The department is a government department of the State of South Australia established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of the department (refer to the disaggregated schedule for details of the department's controlled activities).

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

Department for Education and Child Development Notes to and forming part of the financial statements

(c) Reporting entity (continued)

Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to the department's overall financial performance and position, they are disclosed in the administered financial statements at the back of the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

Transactions within DECD columns

The values in the DECD columns in the financial statements incorporate the activities of the corporate department.

Corporate department activities include transactions that relate to the operations of government controlled schools and preschools including:

- expenses such as salaries and wages, salary related on-costs and some utilities expenses;
- infrastructure assets including land, buildings and major improvements; and
- liabilities recorded in the corporate department's financial systems such as employee benefits.

Income earned and expenses incurred directly by government controlled schools and preschools which are accounted for locally in their general ledgers are excluded from the DECD column.

Transactions within Consolidated column

The values in the Consolidated columns in the financial statements incorporate the activities of the corporate department as discussed above and government controlled schools. All material transactions between the corporate department and government controlled schools have been eliminated as required by Australian Accounting Standards.

Financial data was collected from government schools for the school year ended 31 December 2016 for the purpose of consolidating it with data from the corporate department. Where material, adjustments have been made to the consolidated figures to take into account the effect of schools having a different reporting period to the corporate department.

Administered items

The department is responsible for the administration of specific funds on behalf of the Minister for Education and Child Development. The department does not have control over how these funds are to be spent and operates in the capacity as an agent responsible for the administration of the transfer process to third parties. The Administered Financial Statements include the income, expenses, assets and liabilities of these funds.

The main administered funds are:

- *Minister for Education and Child Development*
Funds are appropriated to the Minister for Education and Child Development and are disbursed at the discretion of the Minister. The principal payments are:
 - the State Government contribution to the operation of the SACE Board of South Australia
 - the State and Commonwealth Government contributions to the operation of the Education and Early Childhood Services Registration and Standards Board of South Australia
 - payments to the Department of Planning, Transport and Infrastructure for the purposes of student travel
 - the State Government contribution to the operation of non-government schools, organisations and services to students with disabilities
 - the Commonwealth Government contribution to the operation of non-government schools, some pre-schools, organisations and services to students with disabilities.
 - payments related to Ministerial committees.
- *Commissioner for Children and Young People*
- *Guardian for Children and Young People*
- *Minister's salary and allowances*
The Minister's salary and allowances are funded by specific legislation and the department has no control over this part of the annual appropriation.

Department for Education and Child Development Notes to and forming part of the financial statements

(d) Transferred functions

On 21 June 2016, the government announced that it would establish a separate department to undertake functions related to the care for and protection of children and young people. This was in response to an interim recommendation of the Child Protection Systems Royal Commission.

The *Public Sector (Department for Child Protection) Proclamation 2016* (dated 27 October 2016) declared that:

- A new department is established and assigned the title Department for Child Protection; and.
- The Minister for Education and Child Development is designated as the department's Minister with responsibility for the department.

The Department for Child Protection (DCP) commenced operations on 1 November 2016. The expenditure and income for the former Families SA (FSA) for the period 1 July 2016 to 31 October 2016 are included in the financial statements that follow. However, the financial transactions for DCP for the period 1 November 2016 to 30 June 2017 are included in the financial statements of DCP. Any relevant assets and liabilities were transferred to DCP effective 1 November 2016. Refer to note 34 for further information.

(e) Comparative information

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

(f) Rounding

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

(g) Taxation

The department is not subject to income tax. The department is liable for payroll tax, fringe benefits tax, goods and services tax (GST) and emergency services levy.

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 (ATO), 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.

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

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(h) Events after the reporting period

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

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

(i) Current and non-current classification

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date 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 for Education and Child Development
Notes to and forming part of the financial statements

(j) Non-current assets

Acquisition and recognition

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

Where assets are acquired at no value or minimal value, they are recorded at fair value in the Statement of Financial Position.

All non-current tangible assets with a value equal to or in excess of \$5 000 are capitalised.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is equal to or in excess of \$5 million for infrastructure assets and \$1 million for other assets.

Depreciation and amortisation

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.

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, which is a change in accounting estimate.

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

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

Class of asset	Useful life (years)
Buildings and improvements	10-170
Residential Accommodation Housing	30-50
Leasehold improvements	Life of lease
Buildings under finance lease	45-60
Buses / Motor vehicles	12-20
Computing, communications, furniture and equipment	3-20
Intangible assets	3-30
Other assets	5-10

Computing, communications, furniture and equipment and other assets

Items are recorded at historical cost (deemed fair value) less accumulated depreciation.

Revaluation of non-current assets

All non-current tangible assets are valued at fair value and revaluation of non-current assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

The department revalues its buildings and improvements, buildings under finance lease and bus fleet at least every three years. However if at any time, management considers 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. Land is revalued annually if the revaluation is considered to be material in nature.

Non-current tangible 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.

Impairment of non-current assets

The department holds its property, plant and equipment and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value.

Department for Education and Child Development Notes to and forming part of the financial statements

Impairment of non-current assets (continued)

The department also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable amount will be close to or greater than fair value.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of internally developed software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$10,000.

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

Fair value measurement

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

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 valuation.

Level 1: traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities the entity can access at measurement date.

Level 2: not traded in an active market and are derived from inputs (input 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.

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

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

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years is deemed to approximate fair value.

Refer to notes 23 and 25 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

(k) Liabilities

Leases

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

The department has entered into finance leases and operating leases.

Finance leases

Finance leases which transfer to the department substantially all the risks and benefits/rewards incidental to ownership of the leased assets, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Minimum lease payments are allocated between interest expense/borrowing costs and reduction of the lease liability to each period during the lease term, so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Where there is no reasonable assurance the department will obtain ownership of the capitalised asset at the end of the lease term, the asset is amortised over the shorter of the lease term and its useful life.

Finance leases (continued)

Department for Education and Child Development

Notes to and forming part of the financial statements

In July 2009 the State of South Australia entered into a 30 year agreement under the Partnership's SA policy for the financing, design, construction and maintenance of six schools that opened during the 2010-11 financial year. At the completion of construction for each school a commitment in regard to these assets was recognised as a finance lease with related finance lease assets.

Operating Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Employee benefits

These benefits accrue for employees 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, country incentive leave, skills and experience retention leave and sick leave

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

The annual leave liability, country incentive leave and the skills and experience retention leave liability are expected to be payable within 12 months and are 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.

The estimated liability for long service is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the education sector across government. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

(l) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating and capital arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

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.

(m) Public Private Partnership

In July 2009 the State of South Australia entered into a 30 year agreement with Pinnacle Education SA2 Pty Ltd, under the Partnerships SA policy, for the financing, design, construction, and maintenance of six schools. This agreement includes the provision of operational and maintenance services by the operator for a specified period of time, and is referred to as a Public Private Partnership (PPP).

Under the PPP agreement, the department pays the operator over the period of the arrangement, subject to specified performance criteria being met. These estimated periodic payments are allocated between:

- a component related to the design and construction that is accounted for as a finance lease payment;
- a component for the provision and replacement of equipment and infrastructure accounted for as a service right liability payment; and
- a component related to the ongoing operation and maintenance of the facilities accounted for as operating costs which are expensed in the Statement of Comprehensive Income.

The construction of all six schools was completed during the 2010-11 financial year and the State assumed responsibility for education provision, staffing, curriculum and teacher practice. On completion of construction, a finance leased asset was recognised for the facility assets and an intangible asset was recognised for the service right relating to the supply and use of equipment.

(m) Public Private Partnership (continued)

Applicable liability and future commitment disclosures relating to the components of the arrangements are provided in notes 26, 30 and 32.

Department for Education and Child Development
Notes to and forming part of the financial statements

3 New or revised accounting standards and policies

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the department for the period ending 30 June 2017.

AASB 16 *Leases* will apply for the first time for the year to reporting periods beginning on or after 1 Jan 2019. The amended standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease payments will no longer be expensed in the Statement of Comprehensive Income on a straight line basis. Rather, they will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

It is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.

The classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows and recorded as commitments, which are not captured in the Statement of Financial Position.

The department has not yet quantified the impact of applying AASB 16 *Leases* to its operating lease arrangements and the resulting impact on the Statement of Comprehensive Income, the Statement of Financial Position and the Commitments disclosure in the Notes to the Financial Statements.

AASB 15 *Revenue from Contracts with Customers* will replace the existing AASB 118 *Revenue* and applies to reporting periods beginning on or after 1 January 2019. AASB 15 *Revenue from Contracts with Customers* introduces a five step process for revenue recognition with the core principle being to recognise revenue 'when control of a good or service transfers to a customer'. This is effectively when performance obligations have been met, rather than the former model of 'where the risk and rewards of ownership reside'. AASB 15 *Revenue from Contracts with Customers* will generally result in increased disclosures.

AASB 1058 *Income of Not-for-Profit Entities* will replace a number of income recognition requirements under AASB 1004 *Contributions* and applies to reporting periods beginning on or after 1 January 2019. The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Where there is no liability to be recognised under another standard, or the liability is less than the fair value of the asset received then revenue is recognised.

The department has not yet quantified the impact of applying AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* and the resulting impact on the statement of comprehensive income.

The department has adopted AASB 124 *Related Party Disclosures* (AASB 124) in the 2016-17 financial statements. The department is complying with the new disclosure requirements and has implemented processes and/or mechanisms to capture relevant related party information including information on Key Management Personnel (KMP).

In the current financial year the department has also adopted AASB 101 *Presentation of Financial Statements* (and the corresponding amendments from AASB 2014-6 and AASB 2015-2). This standard provides clarification regarding the disclosure requirements within AASB 101 and ensures that judgement can be applied when determining what information is to be disclosed. The amendments will reduce the current note disclosure accompanying the department's financial statements and will ensure that material information is not obscured with immaterial information.

Department for Education and Child Development
Notes to and forming part of the financial statements

4 Activities of the department

In achieving its objectives, the department provides a range of services classified into the following activities:

Activity 1: *Early Childhood Development*

The department is responsible for the delivery of early childhood education and care, child protection, health and wellbeing services for children, young people and families. The program recognises the importance of the parent's role in their child's development and builds upon establishing relationships with families to support every child to grow, learn and develop. The implementation of national and state early childhood reform agendas to improve outcomes for all South Australian children and families underpins the program.

There is a key focus on ensuring that the most vulnerable children and young people at risk of disadvantage are supported. The establishment of children's centres across the state in areas of highest need, the provision of preschool for all four-year olds, continued collaboration across agencies and the delivery of targeted family support programs contribute to achieving this goal. The provision of quality integrated early childhood education and care services that are accessible and support each child to develop and learn to their capacity are at the core of the program.

Activity 2 *School Education*

The department is responsible for the delivery of high quality primary and secondary public education across the state to all children and young people of school age. Through a focus on high achievement, growth, challenge, engagement and equity the department seeks to maximise every child and young person's learning and help them to become successful learners, confident and creative individuals and informed citizens.

The department maintains high expectations of schools to increase student performance and reduce the gap between the highest and lower achievers. The department's work is strengthened by the involvement of parents and local communities in the education of children.

Activity 3 *Care and Protection (up to 31 October 2016)*

The department is focused on ensuring that the most vulnerable children and young people at risk of abuse, neglect and disadvantage are protected from harm. This is a significant responsibility, which the department undertakes in partnership with families, other government partners, the non-government sector and communities. By providing family support and child safety responses to vulnerable families, children's safety is enhanced, which addresses the risk of harm and builds on parents' capacity to care for their children.

Where children and young people are not able to safely remain in the care of their birth family, the department facilitates out-of-home care arrangements. Where this involves placing a child under the Guardianship of the Minister, the department also provides out-of-home care services and support as well as case management

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2017 and 30 June 2016.

Department for Education and Child Development
Notes to and forming part of the financial statements

5 Employee benefits expenses

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including annual leave)	1 896 702	1 865 310	1 860 927	1 834 884
Employment on-costs - superannuation *	192 171	196 435	189 138	193 484
Employment on-costs - payroll tax	103 804	106 387	103 804	106 387
Long service leave	32 124	98 147	31 499	97 442
Workers Compensation	20 625	23 973	20 625	23 973
Skills and experience retention leave	11 522	11 978	11 522	11 978
Targeted voluntary separation payments	10 140	6 559	10 140	6 559
Other employee related expenses	2 988	2 611	2 868	2 481
Country incentive leave	218	373	218	373
Board and committee fees	39	29	39	29
Total employee benefits expenses	2 270 333	2 311 802	2 230 780	2 277 590

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

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Targeted voluntary separation packages (TVSPs)				
Amounts paid or payable to separated employees:				
TVSPs	10 140	6 559	10 140	6 559
Annual leave and Long Service Leave Paid	1 055	3 076	1 055	3 076
Total amount paid	11 195	9 635	11 195	9 635

Number of employees who were paid TVSPs during the reporting period	201	78	201	78
---	-----	----	-----	----

The TVSP disclosure above includes both targeted voluntary and teacher renewal separation payments.

Annual leave and long service leave paid are leave paid at the time of separation payments. All leave entitlements are reported on an accrual basis in the employee benefits expenses note.

Department for Education and Child Development
Notes to and forming part of the financial statements

Remuneration of employees	2017	2017	2016	2016
The number of employees whose remuneration received or receivable falls within the following bands:	Consolidated	Consolidated	Consolidated	Consolidated
	Number of	Number of	Number of	Number of
	Executives ²	Employees ³	Executives ²	Employees ³
\$145 000 to \$147 000 ¹	na	na	-	36
\$147 001 to \$157 000	1	172	1	160
\$157 001 to \$167 000	5	82	2	99
\$167 001 to \$177 000	1	38	3	42
\$177 001 to \$187 000	4	37	2	30
\$187 001 to \$197 000	1	20	4	27
\$197 001 to \$207 000	4	20	1	19
\$207 001 to \$217 000	4	14	9	15
\$217 001 to \$227 000	4	7	5	11
\$227 001 to \$237 000	1	3	1	4
\$237 001 to \$247 000	1	2	1	1
\$247 001 to \$257 000	3	3	3	4
\$257 001 to \$267 000	-	2	2	5
\$267 001 to \$277 000	-	3	4	5
\$277 001 to \$287 000	1	2	-	1
\$287 001 to \$297 000	-	1	-	1
\$297 001 to \$307 000	-	1	-	2
\$307 001 to \$317 000	-	2	-	-
\$317 001 to \$327 000	-	1	1	1
\$337 001 to \$347 000	1	1	1	2
\$347 001 to \$357 000	-	-	1	2
\$367 001 to \$377 000	-	-	-	1
\$387 001 to \$397 000	-	-	-	1
\$407 001 to \$417 000	-	-	-	1
\$417 001 to \$427 000	-	-	-	1
\$437 001 to \$447 000	-	1	-	-
\$457 001 to \$467 000	-	-	-	1
\$477 001 to \$487 000	1	1	-	1
\$657 001 to \$667 000	-	1	-	-
\$667 001 to \$677 000	-	1	-	-
Total number of executives / employees	32	415	41	473

¹ This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2015-16.

² The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 2017 and 30 June 2016 respectively. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2017 and 2016.

³ Includes resigned and retired executives not included in the executive column.

The table includes all employees who received remuneration equal to or greater than the base remuneration level during the year.

Remuneration of these employees reflect all costs of employment including salary and wages, payments in lieu of leave, employer's superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of these benefits.

Of the employees that were remunerated over the base executive remuneration level, 44 (58) received country incentive payments. There were 33 (29) individuals that ceased employment with the SA Government and received payments for unused leave entitlements with a further 5 (12) receiving an amount under the TVSP scheme. All of these individuals are included in the Consolidated number of employees column.

Department for Education and Child Development
Notes to and forming part of the financial statements

Remuneration of employees (continued)

Remuneration received or due and receivable by the above employees was \$72.8 million (\$83 million), which is included in employee benefits expenses. Salary rates during 2016-17 increased by 2.5 percent for *Education Act 1972 employees*, 2.5 percent for *Public Sector Act 2009 employees* effective from the first pay period on or after 1 October 2016 and 1.5 percent for Executive Officers effective 1 July 2016.

Number of employees as at the reporting date

As at 30 June, the department employed 23 189 (24 112) full-time equivalents.

6 Supplies and services

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Minor works, maintenance and equipment	135 852	142 556	104 149	105 684
Printing, postage and consumables	83 375	77 082	5 367	5 652
Other supplies and services	82 102	75 621	8 439	7 893
Utilities	40 756	42 330	5 260	20 380
Cleaning	38 617	37 803	5 632	6 028
Contractors and other outsourced services	34 231	27 242	34 782	27 521
Vehicle and travelling expenses	32 513	35 579	30 570	33 619
Student learning materials	29 316	29 035	-	-
Rentals and leases	26 374	34 509	23 955	31 708
Bus contractors	25 800	25 107	25 806	25 109
Excursions and camps	22 720	22 227	-	-
Computer communications	20 564	20 125	13 171	14 693
Management fees and charges	17 417	18 003	19 649	20 757
Telecommunications	15 165	18 195	12 945	16 134
Cost of goods sold	15 000	14 895	-	-
Shared Services SA charges	13 438	15 085	13 438	15 085
Training and development	12 113	10 916	5 620	5 350
Insurance (including self-insurance)	7 886	5 995	8 009	6 023
Security	6 579	6 115	6 149	5 611
PPP Service Fee	5 615	5 841	5 615	5 841
Copyright	4 296	4 124	4 292	4 120
Legal costs	3 697	2 916	3 697	2 916
Residential and client related costs	1 130	2 823	1 132	2 825
Total supplies and services	674 556	674 124	337 677	362 949

The total supplies and services amount disclosed includes GST amounts not recoverable from the ATO due to the department not holding a valid tax invoice or payments relating to third party arrangements.

Consultancy fees	2017	2017	2016	2016
The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:	Consolidated	Consolidated	Consolidated	Consolidated
	No.	\$'000	No.	\$'000
Above \$10 000	5	1 202	4	171
Total paid/payable to consultants engaged	5	1 202	4	171

Department for Education and Child Development
Notes to and forming part of the financial statements

7 Grants and subsidies

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Recurrent grants paid to other organisations	159 496	242 220	159 496	242 220
Recurrent grants paid to preschools	4 634	5 925	4 634	5 925
Recurrent grants paid to schools and units	-	-	235 638	220 828
Capital grants paid to schools and units	-	-	-	3 317
Total grants and subsidies	164 130	248 145	399 768	472 290

Grants and subsidies paid by the department are contributions with unconditional stipulations attached.

8 Depreciation and amortisation expense

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Depreciation and amortisation				
Buildings and improvements	94 601	95 225	94 539	95 168
Computing, communication, furniture and equipment	5 287	5 078	376	419
Buildings under finance lease	3 292	3 292	3 292	3 292
Buses and motor vehicles	2 991	2 718	2 173	1 939
Leasehold improvements	996	1 664	996	1 664
Other assets	553	947	35	70
Service right for equipment	846	948	846	948
Residential accommodation housing	268	823	268	822
Internally developed computer software	251	755	251	755
Externally provided software	27	27	27	27
Total depreciation and amortisation expense	109 112	111 477	102 803	105 104

9 Borrowing costs

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Finance lease costs	22 289	22 591	22 289	22 591
Interest paid/payable on short-term and long-term borrowings	150	60	-	-
Total borrowing costs	22 439	22 651	22 289	22 591

Finance lease costs relate to the interest expenses associated with the PPP agreement.

Department for Education and Child Development
Notes to and forming part of the financial statements

10 Other expenses

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Non-current assets written off	2 581	2 202	2 581	2 202
Allowance for doubtful debts and debt write-offs	2 131	2 623	207	61
Emergency Services Levy	1 355	1 341	1 355	1 341
Auditor's remuneration – other	1 004	982	944	912
Auditor's remuneration				
– Auditor-General's Department *	485	559	485	559
Other expenses	197	1 462	197	1 462
Other insurance	(738)	3 466	(706)	3 478
Donated assets	-	1 600	-	1 600
Total other expenses	7 015	14 235	5 063	11 615

* Audit fees paid / payable to the Auditor-General's Department relate to work performed under the Public Finance and Audit Act 1987. No other services were provided by the Auditor-General's Department.

11 Commonwealth revenues

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
National Education Reform Agreement	431 822	403 633	431 822	403 633
National Partnership - Universal Access to Early Childhood Development	27 557	27 111	27 557	27 111
Family Day Care Scheme	20 338	22 245	20 338	22 245
National School Chaplaincy Program	5 867	5 867	5 867	5 867
National Partnership - Teacher Quality	3 267	1 462	3 267	1 462
Independent Public Schools	2 090	2 382	2 090	2 382
Rural Care Worker Program	1 954	1 992	1 954	1 992
Detainee Minors	1 725	1 700	1 725	1 700
Family Day Care Administration	1 004	1 065	1 004	1 065
Connected Beginnings	720	-	720	-
Other specific Commonwealth revenue	495	1 234	495	1 234
National Partnership - More Support for Students with Disabilities	455	1 295	455	1 295
Indigenous Advancement Strategy	440	2 714	440	2 714
National Occasional Care	346	-	346	-
National Partnership - Advanced Technology	300	675	300	675
ESL New Arrivals (Bridging Visa E050)	23	942	23	942
National Partnership - Improving Literacy and Numeracy	-	2 450	-	2 450
Trade Training Centres	-	1 758	-	1 758
Unaccompanied Humanitarian Minors	-	319	-	319
National Partnership - Rewards for Great Teachers	-	282	-	282
Total Commonwealth revenues	498 403	479 126	498 403	479 126

Contributions are recognised as an asset and income when the department obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (ie the amount can be reliably measured and the flow of resources is probable).

Department for Education and Child Development
Notes to and forming part of the financial statements

11 Commonwealth revenues (continued)

Generally, the department has obtained control or the right to receive contributions with unconditional stipulations - this will be when the agreement becomes enforceable ie the earlier of when the receiving entity has formally been advised that the contribution (eg grant application) has been approved; agreement/contract is executed; and/or the contribution is received.

12 Student and other fees and charges

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Student enrolment fees and charges	115 173	107 949	3 861	3 419
Other user fees and charges	15 670	12 764	17 085	13 951
Canteen sales	15 458	15 753	-	-
Sales/fee for service revenue	14 210	13 713	2 273	2 135
Total student and other fees and charges	160 511	150 179	23 219	19 505

13 Other grants and contributions

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Grants and subsidies revenue	38 616	28 014	14 153	13 824
Donations	684	734	31	-
Total other grants and contributions	39 300	28 748	14 184	13 824

14 Interest revenues

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Other interest	9 480	8 905	7 401	7 401
Interest from entities within the SA Government	34	66	168	405
Total interest revenues	9 514	8 971	7 569	7 806

Department for Education and Child Development
Notes to and forming part of the financial statements

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

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Land and buildings				
Proceeds from disposal	220	6 281	220	6 281
Net book value of assets disposed	(726)	(9 970)	(726)	(9 970)
Net gain/(loss) from disposal of land and buildings	(506)	(3 689)	(506)	(3 689)
Vehicles, plant and equipment				
Proceeds from disposal	250	380	69	139
Net book value of assets disposed	(395)	(299)	(110)	(193)
Net gain/(loss) from disposal of vehicles, plant and equipment	(145)	81	(41)	(54)
Residential accommodation housing				
Proceeds from disposal	-	-	-	-
Net book value of assets disposed	-	(780)	-	(780)
Net gain/(loss) from disposal of residential accommodation housing	-	(780)	-	(780)
Non-current assets classified as held for sale				
Proceeds from disposal	17 063	5 405	17 063	5 405
Net book value of assets disposed	(10 946)	(7 294)	(10 946)	(7 294)
Net gain/(loss) from disposal of non-current assets classified as held for sale	6 117	(1 889)	6 117	(1 889)
Total Assets				
Total proceeds from disposal	17 533	12 066	17 352	11 825
Total value of assets disposed	(12 067)	(18 343)	(11 782)	(18 237)
Total net gain/(loss) from disposal of non-current assets	5 466	(6 277)	5 570	(6 412)

Gains/losses on disposal of land, buildings, improvements and buses are recognised at the date the control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time.

When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

16 Other revenues

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Other revenue	46 172	41 824	6 282	6 699
Fundraising revenue	7 526	7 420	-	-
Revaluation increment of buildings under finance lease and leasehold improvement assets	4 221	-	4 221	-
Recoveries - other	3 840	7 488	4 390	9 988
Commission received	1 763	1 203	4 906	4 289
Assets recognised for the first time	1 576	5 808	1 576	5 808
Contributed assets	-	3	-	3
Total other revenues	65 098	63 746	21 375	26 787

Department for Education and Child Development
Notes to and forming part of the financial statements

17 Revenues from / payments to SA Government

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Revenues from SA Government				
Appropriations from the Consolidated Account pursuant to the <i>Appropriation Act</i>	2 524 087	2 679 876	2 524 087	2 679 876
Transfers from contingencies	-	2 469	-	2 469
Total revenues from SA Government	2 524 087	2 682 345	2 524 087	2 682 345

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Payments to SA Government				
Return of surplus cash pursuant to cash alignment policy	-	(60 899)	-	(60 899)
Total payments to SA Government	-	(60 899)	-	(60 899)

Appropriations are recognised as revenues when the department obtains control over the funding. Control over appropriations is normally obtained upon receipt.

The return of surplus cash pursuant to the cash alignment policy is paid directly to Department of Treasury and Finance's Consolidated Account.

18 Cash and cash equivalents

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Deposits with the Treasurer (AAEFA)	440 695	422 439	440 695	422 439
SA School Investment Fund (SASIF)	431 012	368 992	-	-
Deposits with the Treasurer - at call	40 386	14 373	40 386	14 373
Cash at bank and on hand	36 673	32 107	520	672
Section 21 Deposit Accounts	387	385	387	385
Total cash and cash equivalents	949 153	838 296	481 988	437 869

Cash is measured at nominal amounts.

Deposits with the Treasurer

The department has two deposit accounts with the Treasurer, a general operating account and an Accrual Appropriation Excess Funds Account (AAEFA). Although the department controls the money in AAEFA its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

SA School Investment Fund

Represents the amount held in schools SASIF accounts at 31 December 2016, adjusted to account for additional grant revenue and other material movements that occurred between the school's calendar year and the department's financial year.

The physical amount held in schools and units SASIF accounts as at 30 June 2017 was \$457.4 million (\$392.6 million) and does not include \$34.5 million (\$32.3 million) held in the account for preschools and some units as these have been treated as transactions with third parties.

Department for Education and Child Development
Notes to and forming part of the financial statements

19 Receivables

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Current				
Fees, charges and other receivables	33 672	35 654	21 823	22 929
GST recoverable from the ATO	11 349	11 302	7 328	8 726
Prepayments	4 851	11 019	2 725	9 172
Accrued revenues	3 985	2 970	3 157	3 842
Allowance for doubtful debts	(5 101)	(4 761)	(258)	(100)
Loan receivables	-	-	675	650
Total current receivables	48 756	56 184	35 450	45 219
Non-current				
Workers compensation receivable	518	870	518	870
Loan receivables	15	15	3 573	4 465
Total non-current receivables	533	885	4 091	5 335
Total receivables	49 289	57 069	39 541	50 554

Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (ie calculated on past experience and current and expected changes in client rating) that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Movement in the allowance for doubtful debts (impairment loss)	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	4 761	4 210	100	125
Increase in the allowance	2 131	2 623	207	61
Amounts written off	(1 791)	(2 072)	(49)	(86)
Carrying amount at 30 June	5 101	4 761	258	100

Interest rate and credit risk

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 revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the department will not be able to collect the debt. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 38 for further information on risk management.

Department for Education and Child Development
Notes to and forming part of the financial statements

20 Inventories

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Current				
Materials at net realisable value	6 735	5 870	6	147
Total current inventories	6 735	5 870	6	147
Total inventories	6 735	5 870	6	147

The amount of any inventory write-down to net realisable value or inventory losses are recognised in the Statement of Comprehensive Income as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised as an expense.

21 Other financial assets

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Current				
Term deposits	2 255	2 016	-	-
Total current investments	2 255	2 016	-	-
Non-current				
Term deposits	84	98	-	-
Total non-current investments	84	98	-	-
Total other financial assets	2 339	2 114	-	-

The term deposits are carried at cost and are to be held to their maturity.

Department for Education and Child Development
Notes to and forming part of the financial statements

22 Non-current assets classified as held for sale

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Land	7 310	8 940	7 310	8 940
Buildings and improvements	1 907	2 779	1 907	2 779
Buses	92	-	92	-
Total non-current assets classified as held for sale	9 309	11 719	9 309	11 719

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within one year from the date of classification.

As a result of school and pre-school closures and amalgamations, the land and buildings located at these sites are surplus to requirements. It is anticipated the land and buildings will be sold within the next 12 months.

Buses that have reached the end of their useful lives and are no longer economically viable are held for sale at auction.

The following table shows the movement of non-current assets classified as held for sale:

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Land held for Sale				
Carrying amount at the beginning of the period	8 940	2 991	8 940	2 991
Asset disposals	(8 690)	(2 991)	(8 690)	(2 991)
Assets reclassified to/(from) assets held for sale	7 060	8 940	7 060	8 940
Carrying amount at the end of the period	7 310	8 940	7 310	8 940
Buildings and improvements				
Carrying amount at the beginning of the period	2 779	4 305	2 779	4 305
Asset derecognition / disposals	(2 683)	(4 305)	(2 683)	(4 305)
Assets reclassified to/(from) assets held for sale	1 811	2 779	1 811	2 779
Carrying amount at the end of the period	1 907	2 779	1 907	2 779
Buses				
Assets reclassified to/(from) assets held for sale	92	-	92	-
Carrying amount at the end of the period	92	-	92	-
Total non-current assets classified as held for sale	9 309	11 719	9 309	11 719

Department for Education and Child Development
Notes to and forming part of the financial statements

23 Property, plant and equipment

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Land				
Land	1 429 138	1 367 488	1 428 739	1 367 089
Total land	1 429 138	1 367 488	1 428 739	1 367 089
Buildings and improvements				
Buildings and improvements	7 686 088	6 061 652	7 685 200	6 060 840
Accumulated depreciation	(4 894 217)	(3 737 570)	(4 893 860)	(3 737 275)
Total buildings and improvements	2 791 871	2 324 082	2 791 340	2 323 565
Residential accommodation housing				
Residential accommodation housing	-	36 788	-	36 788
Accumulated depreciation	-	(15 584)	-	(15 584)
Total residential accommodation housing	-	21 204	-	21 204
Buildings under finance lease				
Buildings under finance lease	207 986	189 755	207 986	189 755
Accumulated amortisation	(23 829)	(18 382)	(23 829)	(18 382)
Total buildings under finance lease	184 157	171 373	184 157	171 373
Construction work in progress				
Construction work in progress	42 280	21 552	42 280	21 552
Total construction work in progress	42 280	21 552	42 280	21 552
Leasehold improvements				
Leasehold improvements	28 736	39 962	28 736	39 962
Accumulated amortisation	(21 416)	(31 224)	(21 416)	(31 224)
Total leasehold improvements	7 320	8 738	7 320	8 738
Buses / motor vehicles				
Buses / motor vehicles	61 222	64 294	47 533	51 353
Accumulated depreciation	(26 923)	(29 688)	(18 345)	(21 665)
Total buses / motor vehicles	34 299	34 606	29 188	29 688
Computing, communications, furniture and equipment				
Computing, communications, furniture and equipment	59 977	57 565	13 345	14 207
Accumulated depreciation	(38 810)	(36 391)	(12 478)	(12 937)
Total computing, communications, furniture and equipment	21 167	21 174	867	1 270
Other assets				
Other assets	10 963	11 060	3 452	4 138
Accumulated depreciation	(7 667)	(7 821)	(3 432)	(4 058)
Total other assets	3 296	3 239	20	80
Total property, plant and equipment	4 513 528	3 973 456	4 483 911	3 944 559

Department for Education and Child Development
Notes to and forming part of the financial statements

23 Property, plant and equipment (continued)

Valuation of non-current assets

The independent valuation of land held for education related services was performed by the Valuer-General as at 30 June 2017.

Buildings and improvements are valued at current replacement cost less accumulated depreciation. Current replacement cost information on asset holdings was obtained from the Strategic Asset Management Information System (SAMIS) maintained by the Department of Planning, Transport and Infrastructure. Replacement costs have been established by reference to quantity surveyors estimates and updated through the application of a relevant building index. The valuations for buildings are current as at 30 June 2017, paved areas are current as at 30 June 2017 and swimming pools are current as at 30 June 2015. The building data excludes landscaping, infrastructure, pergolas, playground equipment, fencing and some paving, sheds and outdoor learning areas because they either cannot be reliably measured or no information is recorded in SAMIS.

The independent valuation of buildings under finance lease was performed as at 30 June 2017 by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practicing Valuer of Valcorp Australia Pty Ltd. The valuer adopted depreciated replacement cost when valuing the buildings due to there not being an active market for purchasing such buildings. The depreciated replacement cost considered the need for ongoing provision of government services; the specialised nature of the assets including the restricted use of the assets; size, condition, location and current use of the asset. The valuation was based on cost data from construction manuals and projects costs of buildings recently erected.

The independent valuation of leasehold improvements was performed by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practicing Valuer of Valcorp Australia Pty Ltd as at 30 June 2017. The valuer adopted depreciated replacement cost when valuing the assets as quoted prices in an active liquid market was not available.

Bus values are determined on an internal estimate of current depreciated replacement cost for each bus category based on recent acquisitions, a review of useful lives and residual values as at 30 June 2015.

All computing, communications, furniture and equipment and other assets had a fair value at time of acquisition that was less than \$1 million and have not been revalued in accordance with APF III. The carrying values of these assets are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustment to their fair value, except for management assumptions about condition and remaining useful life.

Impairment of non-current assets

Land, buildings and improvements for 11 disused sites were written down to their fair value less cost of disposal. An impairment loss of \$11.1m was recognised. The valuations were provided by independent certified practising valuers and were based on observable market data.

There were no other indications of impairment of property, plant and equipment at 30 June 2017.

Department for Education and Child Development
Notes to and forming part of the financial statements

23 Property, plant and equipment (continued)

The following table shows the movement of property, plant and equipment during 2016-17.

RECONCILIATION OF NON-CURRENT ASSETS										
DECD 2016-17										
DECD 2016-17	Land	Buildings and Improvements	Buildings under Finance Lease	Residential Accommodation Housing	Construction Work In Progress	Leasehold Improvements	Buses / Motor Vehicles	Computing, Communications, Furniture and Equipment	Other Assets	Tangible Assets Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 367 089	2 323 565	171 373	21 204	21 552	8 738	29 688	1 270	80	3 944 559
Additions	4 098	488	-	-	50 838	-	1 890	127	-	57 441
Disposals	(146)	(153)	-	-	-	-	(110)	-	-	(409)
Assets derecognised	-	(2 546)	-	-	-	-	(15)	(2)	(18)	(2 581)
Assets reclassified to assets held for sale	(7 060)	(1 811)	-	-	-	-	(92)	-	-	(8 963)
Transfers (from)/to WIP	-	30 110	-	-	(30 110)	-	-	-	-	-
Revaluation increment/(decrement)	80 809	545 083	11 975	-	-	156	-	-	-	638 023
Reversal of revaluation decrement	-	-	4 101	-	-	120	-	-	-	4 221
Impairment to revaluation surplus	(935)	(10 196)	-	-	-	-	-	-	-	(11 131)
Depreciation and amortisation	-	(94 539)	(3 292)	(268)	-	(996)	(2 173)	(376)	(35)	(101 679)
Assets recognised for the first time	225	1 339	-	-	-	-	-	12	-	1 576
Disposal through administrative restructure	(15 341)	-	-	(20 936)	-	(698)	-	(164)	(7)	(37 146)
Carrying amount at the end of the period	1 428 739	2 791 340	184 157	-	42 280	7 320	29 188	867	20	4 483 911

The above reconciliation of non-current assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Department for Education and Child Development
Notes to and forming part of the financial statements

23 Property, plant and equipment (continued)

The following table shows the movement of property, plant and equipment during 2015-16.

RECONCILIATION OF NON-CURRENT ASSETS										
DECD 2015-16										
DECD 2015-16	Land	Buildings and Improvements	Buildings under Finance Lease	Residential Accommodation Housing	Construction Work In Progress	Leasehold Improvements	Buses / Motor Vehicles	Computing, Communications, Furniture and Equipment	Other Assets	Tangible Assets Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 338 723	2 396 674	174 665	22 806	14 704	10 349	26 254	1 612	150	3 985 937
Additions	-	344	-	-	34 947	-	5 566	107	-	40 964
Disposals	(5 136)	(4 834)	-	(780)	-	-	(193)	-	-	(10 943)
Assets derecognised	-	(2 153)	-	-	-	-	-	(49)	-	(2 202)
Assets reclassified to/(from) assets held for sale	(8 940)	(2 779)	-	-	-	-	-	-	-	(11 719)
Transfers (from)/to WIP	-	28 042	-	4	(28 099)	53	-	-	-	-
Revaluation increment/(decrement)	41 689	-	-	-	-	-	-	-	-	41 689
Depreciation and amortisation	-	(95 168)	(3 292)	(822)	-	(1 664)	(1 939)	(419)	(70)	(103 374)
Assets recognised for the first time	2 353	3 439	-	-	-	-	-	16	-	5 808
Transfers (to)/from third parties	(1 600)	-	-	-	-	-	-	3	-	(1 597)
Other changes	-	-	-	(4)	-	-	-	-	-	(4)
Carrying amount at the end of the period	1 367 089	2 323 565	171 373	21 204	21 552	8 738	29 688	1 270	80	3 944 559

The above reconciliation of non-current assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Department for Education and Child Development
Notes to and forming part of the financial statements

24 Intangible assets

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Internally developed computer software				
Internally developed computer software	4 354	12 668	4 354	12 668
Accumulated amortisation	(4 354)	(10 172)	(4 354)	(10 172)
Total internally developed computer software	-	2 496	-	2 496
Externally provided software				
Externally provided software	139	139	139	139
Accumulated amortisation	(64)	(37)	(64)	(37)
Total externally provided software	75	102	75	102
Service right for the right to use equipment				
Service right for equipment	23 945	23 945	23 945	23 945
Accumulated amortisation	(5 271)	(4 425)	(5 271)	(4 425)
Total service right for the right to use equipment	18 674	19 520	18 674	19 520
Total intangible assets	18 749	22 118	18 749	22 118

The internally developed computer software relates to the department's human resource management system (Valeo) and the Connected Client and Case Management System (C3MS) for case management of children to 31 October 2016.

The service right to use equipment relates to the provision, maintenance and replacement of equipment under the PPP over the period of the agreement. The service right is amortised over the remaining period of the PPP agreement. The PPP arrangements have been detailed in note 2(m).

Impairment

There were no indications of impairment on intangible assets as at 30 June 2017.

The following tables show the movement of intangible assets:

RECONCILIATION OF INTANGIBLE ASSETS				
DECD 2016-17				
DECD 2016-17	Internally Developed Computer Software \$'000	Other Computer Software \$'000	Service Right for Equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	2 496	102	19 520	22 118
Amortisation	(251)	(27)	(846)	(1 124)
Disposal through administrative restructure	(2 245)	-	-	(2 245)
Carrying amount at the end of the period	-	75	18 674	18 749
The above reconciliation of intangible assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.				

Department for Education and Child Development
Notes to and forming part of the financial statements

RECONCILIATION OF INTANGIBLE ASSETS				
DECD 2015-16				
DECD 2015-16	Internally Developed Computer Software \$'000	Other Computer Software \$'000	Service Right for Equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	3 251	129	19 214	22 594
Additions	-	-	1 254	1 254
Amortisation	(755)	(27)	(948)	(1 730)
Carrying amount at the end of the period	2 496	102	19 520	22 118

The above reconciliation of intangible assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

25 Fair value measurement

Fair value hierarchy

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

<i>Fair value measurements at 30 June 2017</i>	DECD Level 2 \$'000	DECD Level 3 \$'000	DECD Total \$'000
Recurring fair value measurements			
Land	1 428 739	-	1 428 739
Buildings and improvements	2 779	2 788 561	2 791 340
Buildings under finance lease	-	184 157	184 157
Leasehold improvements	-	7 320	7 320
Buses/Motor vehicles	-	29 188	29 188
Computing, communications, furniture and equipment	-	867	867
Other assets	-	20	20
Total recurring fair value measurements	1 431 518	3 010 113	4 441 631
Non-recurring fair value measurements			
Land held for sale	7 310	-	7 310
Buildings and improvements held for sale	1 907	-	1 907
Buses held for sale	92	-	92
Total non-recurring fair value measurements	9 309	-	9 309
Total fair value measurements	1 440 827	3 010 113	4 450 940

The above disclosure of fair value measurement is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Department for Education and Child Development
Notes to and forming part of the financial statements

<i>Fair value measurements at 30 June 2016</i>	DECD	DECD	DECD
	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land	1 367 089	-	1 367 089
Buildings and improvements	-	2 323 565	2 323 565
Residential accommodation housing	21 204	-	21 204
Buildings under finance lease	-	171 373	171 373
Leasehold improvements	-	8 738	8 738
Buses/Motor vehicles	-	29 688	29 688
Computing, communications, furniture and equipment	-	1 270	1 270
Other assets	-	80	80
Total recurring fair value measurements	1 388 293	2 534 714	3 923 007
Non-recurring fair value measurements			
Land held for sale	8 940	-	8 940
Buildings and improvements held for sale	2 779	-	2 779
Total non-recurring fair value measurements	11 719	-	11 719
Total fair value measurements	1 400 012	2 534 714	3 934 726

The above disclosure of fair value measurement is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

The department has measured land and buildings held for sale at fair value less costs to sell in accordance with AASB5 because the assets' fair value less costs to sell is lower than its carrying amount. Refer to Note 22.

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive level 2 and 3 fair values are at Note 23.

During 2017 and 2016, 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 following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

Department for Education and Child Development
Notes to and forming part of the financial statements

RECONCILIATION OF RECURRING FAIR VALUE MEASUREMENT - LEVEL 3						
DECD 2016-17						
	Buildings and Improvements	Buildings under Finance Lease	Leasehold Improvements	Buses / Motor Vehicles	Computing, Communications , Furniture and Equipment	Other Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 323 565	171 373	8 738	29 688	1 270	80
Additions	488	-	-	1 890	127	-
Disposals	(153)	-	-	(110)	-	-
Assets derecognised	(2 546)	-	-	(15)	(2)	(18)
Assets reclassified to assets held for sale	(1 811)	-	-	(92)	-	-
Transfers from WIP	30 110	-	-	-	-	-
Assets recognised for the first time	1 339	-	-	-	12	-
Transfer out of level 3 ¹	(2 779)	-	-	-	-	-
Disposal through administrative restructure	-	-	(698)	-	(164)	(7)
Depreciation and amortisation	(94 539)	(3 292)	(996)	(2 173)	(376)	(35)
Revaluation increment/(decrement)	545 083	11 975	156	-	-	-
Reversal of revaluation decrement	-	4 101	120	-	-	-
Impairment to revaluation surplus	(10 196)	-	-	-	-	-
Closing balance at the end of the period	2 788 561	184 157	7 320	29 188	867	20
The above reconciliation of non-current assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.						

¹ In 2017 certain buildings and improvements that were considered to be impaired were transferred from level 3 (existing use basis) to level 2 (market value basis) due to the assets being revalued to market value via an independent valuation based on observable market data.

Department for Education and Child Development
Notes to and forming part of the financial statements

RECONCILIATION OF RECURRING FAIR VALUE MEASUREMENT - LEVEL 3						
DECD 2015-16						
	Buildings and Improvements	Buildings under Finance Lease	Leasehold Improvements	Buses / Motor Vehicles	Computing, Communications , Furniture and Equipment	Other Assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 396 674	174 665	10 349	26 254	1 612	150
Additions	344	-	-	5 566	107	-
Disposals	(4 834)	-	-	(193)	-	-
Assets derecognised	(2 153)	-	-	-	(49)	-
Assets reclassified to assets held for sale	(2 779)	-	-	-	-	-
Transfers from WIP	28 042	-	53	-	-	-
Assets recognised for the first time	3 439	-	-	-	16	-
Transfers from third parties	-	-	-	-	3	-
Depreciation and amortisation	(95 168)	(3 292)	(1 664)	(1 939)	(419)	(70)
Closing balance at the end of the period	2 323 565	171 373	8 738	29 688	1 270	80
The above reconciliation of non-current assets is for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.						

Department for Education and Child Development
Notes to and forming part of the financial statements

26 Payables

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Current				
Creditors	44 986	37 531	56 506	62 436
Employment on-costs	41 787	44 231	41 804	44 223
Accrued expenses	19 216	12 744	9 380	4 466
Accrued interest on PPP finance lease	2 911	2 964	2 911	2 964
Paid Parental Leave Scheme payable	323	402	323	402
Total current payables	109 223	97 872	110 924	114 491
Non-current				
Employment on-costs	50 505	56 850	50 505	56 850
Accrued interest on PPP finance lease	9 541	7 872	9 541	7 872
Total non-current payables	60 046	64 722	60 046	64 722
Total payables	169 269	162 594	170 970	179 213

Creditors include all unpaid invoices received relating to the normal operations of the department.

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, country incentive leave, annual leave and skills and experience retention leave.

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

As a result of an actuarial assessment performed by Department of Treasury and Finance, the percentage of long service leave taken as leave changed from the 2016 rate (62%) to 61% and the average factor for the calculation of employer superannuation has also changed from the 2016 rate (10.2%) to 10.1%. These rates are used in the employment on-cost calculation.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

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

Interest rate and credit risk

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

For further information on risk management refer to note 38.

Department for Education and Child Development
Notes to and forming part of the financial statements

27 Borrowings

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Current				
Obligations under finance leases - PPP ¹	1 821	1 628	1 821	1 628
Obligations under finance leases - other	-	2	-	-
Borrowings	44	37	-	-
Total current borrowings	1 865	1 667	1 821	1 628
Non-current				
Obligations under finance leases - PPP ¹	167 502	169 323	167 502	169 323
Obligations under finance leases - other	-	4	-	-
Borrowings	48	71	-	-
Advance account ²	-	285	-	285
Total non-current borrowings	167 550	169 683	167 502	169 608
Total borrowings	169 415	171 350	169 323	171 236

¹ This finance lease is related to the public private partnership agreement and is interest bearing.

² The advance was to establish the FSA imprest account and is non-interest bearing. The liability has been transferred to DCP as part of the administrative restructure as at 1 November 2016.

The department measures financial liabilities including borrowings/debt at historical cost.

The interest rate implied, based on the total payments due over the life of the PPP Finance lease, is 11.26%. Refer to note 32(a)(ii).

For further information on risk management refer to note 38.

28 Employee benefits

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Current				
Annual leave	110 768	116 106	109 707	115 031
Long service leave	56 989	62 121	56 929	62 073
Skills and experience retention leave	20 758	20 402	20 758	20 402
Accrued salaries and wages	12 553	8 768	11 893	8 199
Country incentive leave	251	358	251	358
Total current employee benefits	201 319	207 755	199 538	206 063
Non-current				
Long service leave	441 663	489 443	438 463	486 365
Country incentive leave	2 854	2 840	2 854	2 840
Total non-current employee benefits	444 517	492 283	441 317	489 205
Total employee benefits	645 836	700 038	640 855	695 268

Department for Education and Child Development
Notes to and forming part of the financial statements

28 Employee benefits (continued)

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 2016 (1.75%) to 2017 (2.5%).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease of \$28.6 million in total long service leave liability and a decrease of \$31.9 million in the total employee benefits expense (which includes on-costs). The impact on future periods is impracticable to estimate as long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by Department for Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result there is no net financial effect resulting from changes in the salary inflation rate.

29 Provisions

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Current				
Provision for workers compensation	19 879	29 715	19 879	29 715
Provision for legal claims	706	911	706	911
Provision for fire claims	-	-	238	513
Total current provisions	20 585	30 626	20 823	31 139
Non-current				
Provision for workers compensation	52 317	62 785	52 317	62 785
Provision for legal claims	2 946	4 906	2 946	4 906
Total non-current provisions	55 263	67 691	55 263	67 691
Total provisions	75 848	98 317	76 086	98 830

Movements in provisions

Provision for workers compensation

Carrying amount at 1 July	92 500	101 397	92 500	101 397
Reductions arising from payments	(20 710)	(30 407)	(20 710)	(30 407)
Additional provision recognised	18 657	21 510	18 657	21 510
Transfer out due to restructure	(18 251)	-	(18 251)	-
Carrying amount at 30 June	72 196	92 500	72 196	92 500

A liability 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 2017 provided by a consulting actuary engaged through the Office for the Public Sector. 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.

Department for Education and Child Development
Notes to and forming part of the financial statements

29 Provisions (continued)

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Movements in provisions				
Provision for legal claims				
Carrying amount at 1 July	5 817	4 485	5 817	4 485
Reductions arising from payments	(1 067)	(612)	(1 067)	(612)
Reversal of over provision	(3 119)	(1 242)	(3 119)	(1 242)
Additional provision recognised	2 116	3 186	2 116	3 186
Transfer out due to restructure	(95)	-	(95)	-
Carrying amount at 30 June	3 652	5 817	3 652	5 817
Provision for fire claims				
Carrying amount at 1 July	-	-	513	351
Reductions arising from payments	-	-	(73)	(38)
Reversal of over provision	-	-	(403)	(91)
Additional provision recognised	-	-	201	291
Carrying amount at 30 June	-	-	238	513

30 Other liabilities

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Current				
Unearned revenue	11 677	13 531	281	822
Deposits	15 382	14 072	14 925	13 527
Other liabilities	2 098	2 995	269	450
Equipment service right	436	532	436	532
Total current other liabilities	29 593	31 130	15 911	15 331
Non-current				
Equipment service right	21 464	21 900	21 464	21 900
Other liabilities	638	730	470	470
Deposits	509	527	-	-
Total non-current other liabilities	22 611	23 157	21 934	22 370
Total other liabilities	52 204	54 287	37 845	37 701

31 Equity

	2017	2016	2017	2016
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Retained earnings	2 342 727	2 247 172	1 844 809	1 808 021
Revaluation surplus	2 093 803	1 476 884	2 093 616	1 476 697
Total equity	4 436 530	3 724 056	3 938 425	3 284 718

The revaluation surplus is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent they offset one another within each asset class. Relevant amounts are transferred to retained earnings when an asset is disposed.

Department for Education and Child Development
Notes to and forming part of the financial statements

32 Unrecognised contractual commitments

(a) Public private partnership related commitments

In July 2009 the State of South Australia entered into a 30 year agreement with Pinnacle Education SA2 Pty Ltd under the Partnerships SA policy, for the financing, design, construction and maintenance of six schools.

The construction of all six schools was completed and achieved commercial acceptance during the 2010-11 financial year, at which point the State assumed responsibility for education provision, staffing, curriculum and teacher practice.

(i) PPP operations and maintenance commitments

Future operations and maintenance commitments are payable in nominal terms as follows:

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Within one year	5 731	5 623	5 731	5 623
Later than one year but not later than five years	24 395	23 932	24 395	23 932
Later than five years	135 700	142 815	135 700	142 815
Total PPP operations and maintenance commitments	165 826	172 370	165 826	172 370

(ii) PPP Finance lease commitments

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	2017 Minimum lease payments \$'000	2017 Present value of lease payments \$'000	2016 Minimum lease payments \$'000	2016 Present value of lease payments \$'000
Within one year	21 009	18 892	21 011	18 891
Later than one year but not later than five years	83 998	58 331	84 014	58 312
Later than five years	358 808	92 100	379 801	93 748
Total minimum lease payments	463 815	169 323	484 826	170 951
Less amounts representing finance charges	294 492	-	313 875	-
Present value of minimum lease payments	169 323	169 323	170 951	170 951

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Included in the financial statements as:				
Current borrowings (note 27)	1 821	1 628	1 821	1 628
Non-current borrowings (note 27)	167 502	169 323	167 502	169 323
Total included in borrowings	169 323	170 951	169 323	170 951

The PPP arrangements have been detailed in note 2(m) above. The weighted average interest rate implicit in the leases is 11.26%.

Department for Education and Child Development
Notes to and forming part of the financial statements

(b) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements are payable as follows:

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Within one year	84 024	11 564	84 024	11 564
Later than one year but not later than five years	38 700	-	38 700	-
Total capital commitments	122 724	11 564	122 724	11 564

The department's capital commitments are for commitments under the investing program.

(c) Operating lease commitments for vehicles

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

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Within one year	3 203	5 769	3 203	5 769
Later than one year but not later than five years	1 572	4 409	1 572	4 409
Total operating lease commitments for vehicles	4 775	10 178	4 775	10 178

The department has non-cancellable operating lease commitments for the provision of vehicles to senior executive officers or sections (ie pool vehicles) with SAFA through their agent LeasePlan Australia Ltd. There are no purchase options available to the department.

(d) Operating lease commitments for facilities

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

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Within one year	9 736	16 605	9 736	16 605
Later than one year but not later than five years	33 978	33 574	33 978	33 574
Later than five years	336	5 852	336	5 852
Total operating lease commitments for facilities	44 050	56 031	44 050	56 031

The department has entered into a number of operating leases for the provision of office accommodation and facilities used for the provision of educational services. Office accommodation is leased from DPTI. The property leases include both cancellable and non-cancellable leases and are for varied terms. Contingent rentals are based upon changes in market rental rates, the CPI or a specified rate of increase in the rental payments. Options exist to renew the leases at the end of the lease term. Some leases have no option to renew.

33 Contingent assets and liabilities

On 29 February 2012 the High Court of Australia determined that contract teachers and temporary relieving teachers in the period 1972 to 2005 should have been appointed under the same section of the Education Act as permanent teachers. The State Government has allocated a capped \$15 million for once-off discretionary payments to teachers who would be affected by amendments to the Education Act 1972. The application process for claims closed in December 2016. A sufficiently reliable estimate of the potential liability has not been made as it is dependent on completion of the calculations for each of the eligible claimants.

Department for Education and Child Development
Notes to and forming part of the financial statements

34 Transferred Functions

Transferred out

On 27 October 2016 the Governor established the Department for Child Protection and designated the Minister for Education and Child Development as the Minister responsible for the new Agency.

The proclamation came into effect on 1 November 2016.

On creation of the new Agency, the following assets and liabilities were transferred:

	2017	2017
	Consolidated	DECD
	\$'000	\$'000
Current assets		
Cash	16 324	16 324
Receivables	5 577	5 577
Property plant and equipment	37 146	37 146
Intangible assets	2 245	2 245
Total assets	61 292	61 292
Current liabilities		
Payables	29 506	29 506
Borrowings	285	285
Employee benefits	43 940	43 940
Provisions	18 346	18 346
Other liabilities	3	3
Total liabilities	92 080	92 080
Total net liabilities transferred	(30 788)	(30 788)

Assets transferred by the department as a result of the administrative restructure are the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to transfer.

35 Remuneration of board and committee members

	2017	2016
	Number	Number
The number of members whose remuneration received/receivable falls within the following bands:		
\$0	47	63
\$1 - \$9 999	23	13
\$10 000 - \$19 999	1	1
Total number of members	71	77

Members of the boards and committees during the 2016-17 financial year were:

Animal Ethics Committee

Mr John Hatch	Ms Linda Olifent ¹
Mr Manfred Heide	Ms Patricia Sprague
Dr David Mason	Mr Ross Templeman ¹
Ms Kay McGrath	Ms Margy Wright
Mr Matthew Mercorella ¹	Ms Sally Nance (appointed 1 July 2017)
Dr Denise Noonan	

Department for Education and Child Development
Notes to and forming part of the financial statements

35 Remuneration of board and committee members (continued)

Child Death and Serious Injury Review Committee (1 July to 31 October 2016)*

Mr Michael Ahern ² (appointed 14 July 2016)	Dr Deepa Jeyaseelan ²
Ms Angela Davis	Dr Margaret Kyrkou ²
Ms Dymphna Eszenyi	Mr Thomas Osborn ¹
Dr Mark Fuller ²	Mr Philip Robinson ¹ (appointed 1 July 2016)
Ms Diane Gursanksy	Ms Kerrie Sellen (appointed 6 October 2016)
Ms Ann-Marie Hayes ¹ (appointed 1 July 2016)	Dr Nigel Stewart ²
Ms Pamela Hemphill ¹ (appointed 1 July 2016)	Ms Barbara Tiffin ¹

DECD Audit and Risk Committee

Ms Angela Allison (resigned 30 December 2016)	Mr Etienne Scheepers ¹ (resigned 30 November 2016)
Ms Jayne Johnston ¹ (resigned 30 December 2016)	Dr Tom Stubbs (appointed 1 July 2016)
Ms Julieann Riedstra ¹	Mr Ben Temperly ¹
Mr Coenraad Robberts ¹	Ms Ann Millard ¹ (appointed 1 January 2017)
Ms Ruth Blenkiron (appointed 1 January 2017)	Ms Audra Cooper ¹ (appointed 1 January 2017)
Ms Ann-Marie Hayes ¹ (appointed 1 January 2017)	

Council for the Care of Children Committee (1 July to 31 October 2016)*

Ms Sonja Brown (resigned 9 October 2016)	Mr Rick Persse ¹
Ms Elisabeth Burtnik	Ms Kelly Ryan
Ms Barbara (Jane) Chapman	Ms Nerida Saunders ¹
Ms Jesse Frick	Mr Simon Schrapel
Ms Gerardine Mulhearn	Professor Phillip Slee
Mr Anthony Harrison ¹	Mr David Swan ¹ (resigned 1 September 2016)
Ms Vickie Kaminski ¹ (appointed 1 October 2016)	Mr Roland Wilson
Mr Thomas Manning	

SA Institute for Education Leadership – Board dissolved as at 31 March 2017

Ms Asha Crozier ¹	Mr David Tonkin
Ms Vonnie Dolling ¹	Ms Penny Tranter ¹
Mr John Hill	Dr Niki Vincent ¹
Ms Pam Kent ¹	Ms Tammy Williams ¹
Mr Tim McLeod ¹	

All board tenures expired 31 March 2017

SA Teacher Certification Committee

Mr Michael Kenny (resigned 30 June 2016)	Dr Janette Patterson
Dr Lynda MacLeod (resigned 30 June 2016)	Ms Lynda Seacombe
Ms Susan Miels ¹	Mr Bruno Vieceli (resigned 31 December 2016)
Ms Monica Conway (appointed 31 December 2016)	Mr Adrian Dilger (appointed 31 December 2016)
Mrs Belinda Raddcliffe ¹ (appointed 31 December 2016)	Ms Elizabeth Sexton (appointed 31 December 2016)

* These committees are now reported in administered items.

¹ Government employee who did not receive any remuneration for board/committee duties during the financial year in accordance with DPC Circular 16.

² Part-time government employee who gained approval to receive remuneration for board/committee duties during the financial year.

Department for Education and Child Development
Notes to and forming part of the financial statements

35 Remuneration of board and committee members (continued)

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration, including employer superannuation contributions, received or receivable by members was \$41 721 (\$31 238).

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

36 Related party transactions

The department is a government administrative unit and is wholly owned and controlled by the Crown.

Related parties of the department include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Significant transactions with government related entities

There were no significant transactions with government related entities with exception of the restructure disclosed in note 34. All transactions have been adequately disclosed elsewhere in the financial statements.

Collectively, but not individually, significant transactions with government related entities.

Quantitative information about transactions and balances between the department and other SA Government controlled entities are disclosed at notes 40 and 41.

Key Management Personnel

Key management personnel of the department include the Minister, the Chief Executive Officer and the other members of the Senior Executive Team who have responsibility for the strategic direction and management of the department.

The compensation detailed below excludes salaries and other benefits the Minister for Education and Child Development receives. The Minister's 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 the *Parliamentary Remuneration Act 1990*.

	2017
	\$'000
Salaries and other short term employee benefits	3 574
Post-employment benefits (employer contributed superannuation)	323
Other long-term employment benefits	191
Termination benefits	307
Total compensation	4 395

Transactions with Key Management Personnel and other related parties

There are no transactions to disclose for key management personnel and related parties.

Department for Education and Child Development
Notes to and forming part of the financial statements

37 Cash flow reconciliation

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:				
Cash and cash equivalents disclosed in the Statement of Financial Position	949 153	838 296	481 988	437 869
Balance as per Statement of Cash Flows	949 153	838 296	481 988	437 869
Reconciliation of net cash provided by/(used in) operating activities to net cost of providing services				
Net cash provided by operating activities	166 689	15 323	91 704	(29 674)
Revenues from SA Government	(2 524 087)	(2 682 345)	(2 524 087)	(2 682 345)
Payments to SA Government	-	60 899	-	60 899
Non-cash items				
Depreciation and amortisation expense	(109 112)	(111 477)	(102 803)	(105 104)
Bad and doubtful debts	(2 131)	(2 623)	(207)	(61)
Non-current assets derecognised/written off	(2 581)	(2 202)	(2 581)	(2 202)
Donated assets	-	(1 600)	-	(1 600)
Assets recognised for the first time	5 797	5 808	5 797	5 808
Net gain from disposal of non-current assets	5 466	(6 277)	5 570	(6 412)
Adjustment on restructure	(86 218)	-	(86 218)	-
Contributed assets	-	3	-	3
Movements in assets and liabilities				
Increase/(decrease) in receivables	(5 649)	14 292	(9 939)	8 327
Increase/(decrease) in inventories	865	124	(141)	(24)
(Increase)/decrease in payables	3 446	19 751	18 364	8 336
(Increase)/decrease in employee benefits	54 202	27 502	54 413	27 540
(Increase)/decrease in provisions	22 469	7 565	22 744	7 403
(Increase)/decrease in other liabilities	1 551	(2 684)	(676)	(2 397)
Net cost of providing services	(2 469 293)	(2 657 941)	(2 528 060)	(2 711 503)

38 Financial risk management / financial instruments

38.1 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 market risk) is low due to the nature of the financial instruments held.

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

Liquidity risk

The department is funded principally from appropriation 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 the SA Government budgetary processes to meet the expected cash flows.

Refer to note 26 and 27 for further information.

Department for Education and Child Development
Notes to and forming part of the financial statements

Credit risk and market risk

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

The department does not trade foreign currency, 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 TI23 Management of Foreign Currency Exposures.

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

Refer notes 18, 19 and 21 for further information.

Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. The department's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

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

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer note 19 for information on the allowance for impairment in relation to receivables.

The following table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets.

Table 38.1 Ageing analysis of financial assets (DECD)

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			Impaired financial assets \$'000
			Overdue for less than 30 days \$'000	Overdue for 30 - 60 days \$'000	Overdue for more than 60 days \$'000	
2017						
Receivables ⁽¹⁾	28 970	21 807	5 866	106	1 449	(258)
Total financial assets	28 970	21 807	5 866	106	1 449	(258)
2016						
Receivables ⁽¹⁾	31 786	19 530	10 097	92	2 167	(100)
Total financial assets	31 786	19 530	10 097	92	2 167	(100)

⁽¹⁾ Receivable amounts disclosed here exclude amounts relating to statutory receivables (amounts owing to Government). They are carried at cost.

38.2 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 note 2 or the respective financial asset/financial liability note.

Refer Table 38.2 for the carrying amounts of each of the following categories of financial assets and liabilities: Cash and cash equivalents; receivables; and financial liabilities measured at cost.

Department for Education and Child Development
Notes to and forming part of the financial statements

38.2 Categorisation of financial instruments (continued)

The department does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 2,19 and 26).
- Borrowings are initially recognised at fair value, plus any transaction cost directly attributable to the borrowings, then subsequently held at amortised cost. The fair value of borrowings approximates the carrying amount, as the impact of discounting is not significant (refer notes 2 and 27).

The following tables are for the DECD entity only. Information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Table 38.2 Categorisation and maturity analysis of financial assets and liabilities (DECD)

Category of financial asset and financial liability	Notes	2017 Carrying amount/fair value \$'000	2016 Carrying amount/fair value \$'000	2017 Contractual maturities		
				Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalent						
- Cash and cash equivalent	18	481 988	437 869	-	-	-
Loans and receivables						
- Receivables ⁽¹⁾⁽²⁾	19	28 970	31 786	25 397	2 686	887
Total financial assets		510 958	469 655	25 397	2 686	887
Financial liabilities						
Financial liabilities held at cost						
- Payables ⁽¹⁾	26	78 176	77 563	68 635	9 541	-
- Borrowings	27	169 323	171 236	1 821	9 717	157 785
- Other liabilities	30	37 845	37 701	15 911	4 866	17 068
Total financial liabilities		285 344	286 500	86 367	24 124	174 853

⁽¹⁾ Receivables and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc 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).

⁽²⁾ Receivables amounts disclosed here exclude prepayments. Prepayments are presented in note 19 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

39 Budgetary reporting and explanations of major variances between budget and actual amounts

Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

Department for Education and Child Development
Notes to and forming part of the financial statements

39 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)

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

		Original Budget *	Consolidated Actual	Variance
		2017	2017	2017
		\$'000	\$'000	\$'000
Statement of Comprehensive Income				
Expenses				
Employee benefits expenses	a	2 519 996	2 270 333	(249 663)
Supplies and services		673 743	674 556	813
Grants and subsidies		197 980	164 130	(33 850)
Depreciation and amortisation expense		109 148	109 112	(36)
Borrowing costs		22 514	22 439	(75)
Other expenses		4 597	7 015	2 418
Total Expenses		3 527 978	3 247 585	(280 393)
Income				
Commonwealth revenues		500 675	498 403	(2 272)
Student and other fees and charges		145 653	160 511	14 858
Other revenues		50 111	65 098	14 987
Other grants and contributions		8 158	39 300	31 142
Interest revenues		(1 650)	9 514	11 164
Net (loss)/gain from disposal of non-current assets		48 749	5 466	(43 283)
Total Income		751 696	778 292	26 596
Net cost of providing services	a	2 776 282	2 469 293	(306 989)
Revenues from / (Payments to) SA Government				
Revenues from SA Government		2 778 732	2 524 087	(254 645)
Payments to SA Government		-	-	-
Net Revenues from / (payments to) SA Government		2 778 732	2 524 087	(254 645)
Net result		2 450	54 794	52 344
Other Comprehensive Income				
Changes in revaluation surplus	b	-	626 892	626 892
Total comprehensive result	c	2 450	681 686	679 236

* The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

- a. The variation in employee benefits expenses and in net cost of providing services is predominantly due to the transfer of the former Families SA budget from 1 November 2016 to the new Department for Child Protection and movement in long service leave and worker's compensation liabilities based on actuarial calculations.
- b. Variance reflects the outcome of the valuation of assets undertaken in 2016-17.
- c. Variance mainly reflects the outcome of the valuation of assets undertaken 2016-17 and the impact of employee related expenses.

Department for Education and Child Development
Notes to and forming part of the financial statements

39 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)

		Original Budget * 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000
Investing expenditure summary				
Total new projects	d	38 400	13 038	(25 362)
Total existing projects	e	74 047	32 385	(41 662)
Total annual programs	f	7 869	19 333	11 464
Total investing expenditure		120 316	64 756	(55 560)

* The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

d. The variation is predominantly due to timing of expenditure for the Science, Technology, Engineering and Maths (STEM) project. A timing adjustment has been approved as part of the 2017/18 budget process.

e. The variation is predominantly due to timing of expenditure for various investing projects.

f. Additional expenditure on annual programs primarily relates to expenditure in relation to the provision of transportable buildings.

Department for Education and Child Development
Notes to and forming part of the financial statements

40 Transactions with SA Government – Consolidated

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty / transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

	Note	SA Government		Non-SA Government		Total	
		2017 Consolidated \$'000	2016 Consolidated \$'000	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 Consolidated \$'000	2016 Consolidated \$'000
Expenses							
Employee benefits expenses	5						
Salaries and wages (including annual leave)		-	-	1 896 702	1 865 310	1 896 702	1 865 310
Employment on-costs - superannuation		-	-	192 171	196 435	192 171	196 435
Employment on-costs - payroll tax		103 804	106 387	-	-	103 804	106 387
Long service leave		-	-	32 124	98 147	32 124	98 147
Workers Compensation		1 968	2 462	18 657	21 511	20 625	23 973
Skills and experience retention leave		-	-	11 522	11 978	11 522	11 978
Targeted voluntary separation payments		-	-	10 140	6 559	10 140	6 559
Other employee related expenses		-	-	2 988	2 611	2 988	2 611
Country incentive leave		-	-	218	373	218	373
Board and committee fees		-	-	39	29	39	29
Supplies and services	6						
Minor works maintenance and equipment		96 777	96 668	39 075	45 888	135 852	142 556
Printing postage and consumables		18	9	83 357	77 073	83 375	77 082
Other supplies and services		1 503	1 686	80 599	73 935	82 102	75 621
Utilities		12 679	16 701	28 077	25 629	40 756	42 330
Cleaning		242	485	38 375	37 318	38 617	37 803
Vehicle and travelling expenses		6 003	9 293	26 510	26 286	32 513	35 579
Rentals and leases		21 457	29 301	4 917	5 208	26 374	34 509
Student learning materials		-	-	29 316	29 035	29 316	29 035
Contractors and other outsourced services		908	1 049	33 323	26 193	34 231	27 242
Bus contractors		14	14	25 786	25 093	25 800	25 107
Excursions and camps		-	-	22 720	22 227	22 720	22 227

Department for Education and Child Development
Notes to and forming part of the financial statements

40 Transactions with SA Government - Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2017	2016	2017	2016	2017	2016
		Consolidated \$'000	Consolidated \$'000	Consolidated \$'000	Consolidated \$'000	Consolidated \$'000	Consolidated \$'000
Supplies and services (continued)	6						
Computer communications		435	472	20 129	19 653	20 564	20 125
Telecommunications		2 608	2 911	12 557	15 284	15 165	18 195
Management fees and charges		12 862	14 969	4 555	3 034	17 417	18 003
Shared Services SA charges		13 438	15 085	-	-	13 438	15 085
Cost of goods sold		-	-	15 000	14 895	15 000	14 895
Training and development		289	264	11 824	10 652	12 113	10 916
Security		5 065	4 283	1 514	1 832	6 579	6 115
Insurance (including self insurance)		7 886	5 995	-	-	7 886	5 995
PPP Service Fee		-	-	5 615	5 841	5 615	5 841
Copyright		-	-	4 296	4 124	4 296	4 124
Legal costs		2 098	1 635	1 599	1 281	3 697	2 916
Residential and client related costs		(92)	241	1 222	2 582	1 130	2 823
Grants and subsidies	7						
Recurrent grants paid to other organisations		6 990	2 889	152 506	239 331	159 496	242 220
Recurrent grants paid to preschools		4 634	5 925	-	-	4 634	5 925
Depreciation and amortisation expense	8						
Buildings and improvements		-	-	94 601	95 225	94 601	95 225
Computing, communication, furniture and equipment		-	-	5 287	5 078	5 287	5 078
Buildings under finance lease		-	-	3 292	3 292	3 292	3 292
Buses and motor vehicles		-	-	2 991	2 718	2 991	2 718
Leasehold improvements		-	-	996	1 664	996	1 664
Other depreciation		-	-	553	947	553	947
Service right for equipment		-	-	846	948	846	948

Department for Education and Child Development
Notes to and forming part of the financial statements

40 Transactions with SA Government - Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2017	2016	2017	2016	2017	2016
		Consolidated \$'000	Consolidated \$'000	Consolidated \$'000	Consolidated \$'000	Consolidated \$'000	Consolidated \$'000
Depreciation and amortisation expense (continued)	8						
Residential accommodation housing		-	-	268	823	268	823
Internally developed computer software		-	-	251	755	251	755
Externally provided software		-	-	27	27	27	27
Borrowing costs	9						
Finance lease costs		-	-	22 289	22 591	22 289	22 591
Interest paid/payable on short-term and long-term borrowings		-	-	150	60	150	60
Other expenses	10						
Non-current assets written off		-	-	2 581	2 202	2 581	2 202
Allowance for doubtful debts and debt write-offs		-	-	2 131	2 623	2 131	2 623
Emergency Services Levy		1 355	1 341	-	-	1 355	1 341
Auditor's remuneration – other		-	-	1 004	982	1 004	982
Auditor's remuneration – Auditor-General's Department *		485	559	-	-	485	559
Other expenses		50	1 462	147	-	197	1 462
Other insurance		800	1 056	(1 538)	2 410	(738)	3 466
Donated assets		-	1 600	-	-	-	1 600
Total expenses		304 276	324 742	2 943 309	3 057 692	3 247 585	3 382 434
Income							
Commonwealth revenues	11	-	-	498 403	479 126	498 403	479 126
Student and other fees and charges	12						
Student enrolment fees and charges		-	-	115 173	107 949	115 173	107 949
Other user fees and charges		106	171	15 564	12 593	15 670	12 764
Canteen sales		-	-	15 458	15 753	15 458	15 753
Sales/fee for service revenue		365	409	13 845	13 304	14 210	13 713

Department for Education and Child Development
Notes to and forming part of the financial statements

40 Transactions with SA Government - Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2017 Consolidated \$'000	2016 Consolidated \$'000	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 Consolidated \$'000	2016 Consolidated \$'000
Other grants and contributions	13						
Grants and subsidies revenue		12 899	12 338	25 717	15 676	38 616	28 014
Donations		-	-	684	734	684	734
Interest revenues	14						
Other interest		-	-	9 480	8 905	9 480	8 905
Interest from entities within the SA Government		34	66	-	-	34	66
Net (loss)/gain from disposal of non-current and other assets	15						
Total proceeds from disposal		-	-	17 533	12 066	17 533	12 066
Total value of assets disposed		-	-	(12 067)	(18 343)	(12 067)	(18 343)
Other revenues	16						
Other revenue		1 266	2 353	44 906	39 471	46 172	41 824
Fundraising revenue		-	-	7 526	7 420	7 526	7 420
Revaluation increment of buildings under finance lease and leasehold improvement assets		-	-	4 221	-	4 221	-
Recoveries - other		25	197	3 815	7 291	3 840	7 488
Commission received		-	-	1 763	1 203	1 763	1 203
Assets recognised for the first time		-	-	1 576	5 808	1 576	5 808
Contributed assets		-	3	-	-	-	3
Revenues from / payments to SA Government	17						
Revenues from SA Government		2 524 087	2 682 345	-	-	2 524 087	2 682 345
Payments to SA Government		-	(60 899)	-	-	-	(60 899)
Total income		2 538 782	2 636 983	763 597	708 956	3 302 379	3 345 939
Net result		2 234 506	2 312 241	(2 179 712)	(2 348 736)	54 794	(36 495)

Department for Education and Child Development
Notes to and forming part of the financial statements

40 Transactions with SA Government – Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2017 Consolidated \$'000	2016 Consolidated \$'000	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 Consolidated \$'000	2016 Consolidated \$'000
Financial assets							
Cash and cash equivalents	18						
Deposits with the Treasurer (AAEFA)		440 695	422 439	-	-	440 695	422 439
SA School Investment Fund (SASIF)		-	-	431 012	368 992	431 012	368 992
Deposits with the Treasurer - at call		40 386	14 373	-	-	40 386	14 373
Cash at bank and on hand		-	-	36 673	32 107	36 673	32 107
Section 21 Deposit Accounts		387	385	-	-	387	385
Receivables	19						
Fees, charges and other receivables		2 749	2 150	30 923	33 504	33 672	35 654
GST recoverable from the ATO		-	-	11 349	11 302	11 349	11 302
Prepayments		2	5 858	4 849	5 161	4 851	11 019
Accrued revenues		56	104	3 929	2 866	3 985	2 970
Allowance for doubtful debts		(83)	(83)	(5 018)	(4 678)	(5 101)	(4 761)
Workers compensation receivable		-	-	518	870	518	870
Loan receivable		-	-	15	15	15	15
Other financial assets	21						
Term deposits		-	-	2 339	2 114	2 339	2 114
Total financial assets		484 192	445 226	516 589	452 253	1 000 781	897 479

Department for Education and Child Development
Notes to and forming part of the financial statements

40 Transactions with SA Government – Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2017 Consolidated \$'000	2016 Consolidated \$'000	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 Consolidated \$'000	2016 Consolidated \$'000
Financial liabilities							
Payables	26						
Creditors		28 703	16 625	16 283	20 906	44 986	37 531
Employment on-costs		46 787	51 236	45 505	49 845	92 292	101 081
Accrued expenses		2 965	3 733	16 251	9 011	19 216	12 744
Accrued interest on PPP finance lease		-	-	12 452	10 836	12 452	10 836
Paid Parental Leave Scheme payable		-	-	323	402	323	402
Borrowings	27						
Obligations under finance leases - PPP		-	-	169 323	170 951	169 323	170 951
Obligations under finance leases - other		-	-	-	6	-	6
Borrowings		-	-	92	108	92	108
Advance account		-	285	-	-	-	285
Other liabilities	30						
Unearned revenue		100	1	11 577	13 530	11 677	13 531
Deposits		-	-	15 891	14 599	15 891	14 599
Other liabilities		-	-	2 736	3 725	2 736	3 725
Equipment service right		-	-	21 900	22 432	21 900	22 432
Total financial liabilities		78 555	71 880	312 333	316 351	390 888	388 231

Department for Education and Child Development
Notes to and forming part of the financial statements

41 Transactions with SA Government - DECD

	Note	SA Government		Non-SA Government		Total	
		2017 DECD \$'000	2016 DECD \$'000	2017 DECD \$'000	2016 DECD \$'000	2017 DECD \$'000	2016 DECD \$'000
Expenses							
Employee benefits expenses	5						
Salaries and wages (including annual leave)		-	-	1 860 927	1 834 884	1 860 927	1 834 884
Employment on-costs - superannuation		-	-	189 138	193 484	189 138	193 484
Employment on-costs - payroll tax		103 804	106 387	-	-	103 804	106 387
Long service leave		-	-	31 499	97 442	31 499	97 442
Workers Compensation		1 968	2 462	18 657	21 511	20 625	23 973
Skills and experience retention leave		-	-	11 522	11 978	11 522	11 978
Targeted voluntary separation payments		-	-	10 140	6 559	10 140	6 559
Other employee related expenses		-	-	2 868	2 481	2 868	2 481
Country incentive leave		-	-	218	373	218	373
Board and committee fees		-	-	39	29	39	29
Supplies and services	6						
Minor works maintenance and equipment		97 304	97 333	6 845	8 351	104 149	105 684
Printing postage and consumables		72	25	5 295	5 627	5 367	5 652
Other supplies and services		2 046	1 903	6 393	5 990	8 439	7 893
Utilities		(1 757)	16 544	7 017	3 836	5 260	20 380
Cleaning		302	597	5 330	5 431	5 632	6 028
Vehicle and travelling expenses		6 282	9 522	24 288	24 097	30 570	33 619
Rentals and leases		21 467	29 304	2 488	2 404	23 955	31 708
Contractors and other outsourced services		4 521	4 213	30 261	23 308	34 782	27 521
Bus contractors		20	16	25 786	25 093	25 806	25 109
Computer communications		457	489	12 714	14 204	13 171	14 693
Telecommunications		2 612	2 914	10 333	13 220	12 945	16 134

Department for Education and Child Development
Notes to and forming part of the financial statements

41 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2017 DECD \$'000	2016 DECD \$'000	2017 DECD \$'000	2016 DECD \$'000	2017 DECD \$'000	2016 DECD \$'000
Supplies and services (continued)	6						
Management fees and charges		15 094	17 723	4 555	3 034	19 649	20 757
Shared Services SA charges		13 438	15 085	-	-	13 438	15 085
Training and development		1 131	920	4 489	4 430	5 620	5 350
Security		5 065	4 283	1 084	1 328	6 149	5 611
Insurance (including self insurance)		8 009	6 023	-	-	8 009	6 023
PPP Service Fee		-	-	5 615	5 841	5 615	5 841
Copyright		-	-	4 292	4 120	4 292	4 120
Legal costs		2 098	1 635	1 599	1 281	3 697	2 916
Residential and client related costs		(91)	243	1 223	2 582	1 132	2 825
Grants and subsidies	7						
Recurrent grants paid to other organisations		6 990	2 889	152 506	239 331	159 496	242 220
Recurrent grants paid to preschools		4 634	5 925	-	-	4 634	5 925
Recurrent grants paid to schools and units		235 638	220 828	-	-	235 638	220 828
Capital grants paid to schools and units		-	3 317	-	-	-	3 317
Depreciation and amortisation expense	8						
Buildings and improvements		-	-	94 539	95 168	94 539	95 168
Computing, communication, furniture and equipment		-	-	376	419	376	419
Buildings under finance lease		-	-	3 292	3 292	3 292	3 292
Buses and motor vehicles		-	-	2 173	1 939	2 173	1 939
Leasehold improvements		-	-	996	1 664	996	1 664
Other depreciation		-	-	35	70	35	70
Service right for equipment		-	-	846	948	846	948
Residential accommodation housing		-	-	268	822	268	822
Internally developed computer software		-	-	251	755	251	755
Externally provided software		-	-	27	27	27	27

Department for Education and Child Development
Notes to and forming part of the financial statements

41 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2017 DECD \$'000	2016 DECD \$'000	2017 DECD \$'000	2016 DECD \$'000	2017 DECD \$'000	2016 DECD \$'000
Borrowing costs	9						
Finance lease costs		-	-	22 289	22 591	22 289	22 591
Other expenses	10						
Non-current assets written off		-	-	2 581	2 202	2 581	2 202
Allowance for doubtful debts and debt write-offs		-	-	207	61	207	61
Emergency Services Levy		1 355	1 341	-	-	1 355	1 341
Auditor's remuneration – other		-	-	944	912	944	912
Auditor's remuneration – Auditor-General's Department *		485	559	-	-	485	559
Other expenses		50	1 462	147	-	197	1 462
Other insurance		832	1 068	(1 538)	2 410	(706)	3 478
Donated assets		-	1 600	-	-	-	1 600
Total expenses		533 826	556 610	2 564 554	2 695 529	3 098 380	3 252 139
Income							
Commonwealth revenues	11	-	-	498 403	479 126	498 403	479 126
Student and other fees and charges	12						
Student enrolment fees and charges		-	-	3 861	3 419	3 861	3 419
Other user fees and charges		1 521	1 358	15 564	12 593	17 085	13 951
Sales/fee for service revenue		594	688	1 679	1 447	2 273	2 135
Other grants and contributions	13						
Grants and subsidies revenue		12 896	12 339	1 257	1 485	14 153	13 824
Donations		-	-	31	-	31	-
Interest revenues	14						
Other interest		-	-	7 401	7 401	7 401	7 401
Interest from entities within the SA Government		168	405	-	-	168	405

Department for Education and Child Development
Notes to and forming part of the financial statements

41 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2017 DECD \$'000	2016 DECD \$'000	2017 DECD \$'000	2016 DECD \$'000	2017 DECD \$'000	2016 DECD \$'000
Net (loss)/gain from disposal of non-current and other assets	15						
Total proceeds from disposal		-	-	17 352	11 825	17 352	11 825
Total value of assets disposed		-	-	(11 782)	(18 237)	(11 782)	(18 237)
Other revenues	16						
Other revenue		4 144	3 536	2 138	3 163	6 282	6 699
Revaluation increment of buildings under finance lease and leasehold improvement assets		-	-	4 221	-	4 221	-
Recoveries - other		575	2 697	3 815	7 291	4 390	9 988
Commission received		3 740	3 613	1 166	676	4 906	4 289
Assets recognised for the first time		-	-	1 576	5 808	1 576	5 808
Contributed assets		-	3	-	-	-	3
Revenues from / payments to SA Government	17						
Revenues from SA Government		2 524 087	2 682 345	-	-	2 524 087	2 682 345
Payments to SA Government		-	(60 899)	-	-	-	(60 899)
Total income		2 547 725	2 646 085	546 682	515 997	3 094 407	3 162 082
Net result		2 013 899	2 089 475	(2 017 872)	(2 179 532)	(3 973)	(90 057)
Financial assets							
Cash and cash equivalents	18						
Deposits with the Treasurer (AAEFA)		440 695	422 439	-	-	440 695	422 439
Deposits with the Treasurer - at call		40 386	14 373	-	-	40 386	14 373
Cash at bank and on hand		-	-	520	672	520	672
Section 21 Deposit Accounts		387	385	-	-	387	385

Department for Education and Child Development
Notes to and forming part of the financial statements

41 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2017 DECD \$'000	2016 DECD \$'000	2017 DECD \$'000	2016 DECD \$'000	2017 DECD \$'000	2016 DECD \$'000
Receivables	19						
Fees, charges and other receivables		15 550	9 773	6 273	13 156	21 823	22 929
GST recoverable from the ATO		-	-	7 328	8 726	7 328	8 726
Prepayments		2	5 858	2 723	3 314	2 725	9 172
Accrued revenues		2 912	3 543	245	299	3 157	3 842
Allowance for doubtful debts		(83)	(83)	(175)	(17)	(258)	(100)
Loan receivables		4 233	5 100	15	15	4 248	5 115
Workers compensation receivable		-	-	518	870	518	870
Total financial assets		504 082	461 388	17 447	27 035	521 529	488 423
Financial liabilities							
Payables	26						
Creditors		43 588	45 049	12 918	17 387	56 506	62 436
Employment on-costs		46 787	51 236	45 522	49 837	92 309	101 073
Accrued expenses		524	3 733	8 856	733	9 380	4 466
Accrued interest on PPP finance lease		-	-	12 452	10 836	12 452	10 836
Paid Parental Leave Scheme payable		-	-	323	402	323	402
Borrowings	27						
Obligations under finance leases - PPP		-	-	169 323	170 951	169 323	170 951
Advance account		-	285	-	-	-	285
Other liabilities	30						
Unearned revenue		100	1	181	821	281	822
Deposits		-	-	14 925	13 527	14 925	13 527
Other liabilities		-	-	739	920	739	920
Equipment service right		-	-	21 900	22 432	21 900	22 432
Total financial liabilities		90 999	100 304	287 139	287 846	378 138	388 150

Department for Education and Child Development

Administered Financial Statements

for the year ended 30 June 2017

Department for Education and Child Development
Statement of Administered Comprehensive Income
for the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Expenses			
Employee benefits expenses	A3	1 533	1 634
Supplies and services	A4	328	227
Transfer payments	A5	1 079 599	1 044 615
Other expenses	A6	-	3
Total expenses		1 081 460	1 046 479
Income			
Revenues from SA Government	A7	250 982	244 929
Commonwealth revenue	A8	832 798	805 046
Other revenues	A9	1 485	94
Total income		1 085 265	1 050 069
Net result		3 805	3 590
Total comprehensive result		3 805	3 590

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

Department for Education and Child Development
Statement of Administered Financial Position
as at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	A10	35 373	31 597
Receivables	A11	197	234
Total current assets		35 570	31 831
Non-current assets			
Plant and equipment	A12	1	-
Total non-current assets		1	-
Total assets		35 571	31 831
Current Liabilities			
Payables	A13	698	641
Employee benefits	A14	174	183
Total current liabilities		872	824
Non-current liabilities			
Payables	A13	30	42
Employee benefits	A14	261	362
Total non-current liabilities		291	404
Total liabilities		1 163	1 228
Net assets		34 408	30 603
Equity			
Accumulated surplus	A15	34 408	30 603
Total equity		34 408	30 603

Total equity is attributable to the SA Government as owner

Contingent assets and liabilities A16

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

Department for Education and Child Development
Statement of Administered Changes in Equity
for the year ended 30 June 2017

	Note	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2015		27 013	27 013
Net result for 2015-16		3 590	3 590
Total comprehensive result for 2015-16		3 590	3 590
Balance at 30 June 2016		30 603	30 603
Net result for 2016-17		3 805	3 805
Total Comprehensive Result for 2016-17		3 805	3 805
Balance at 30 June 2017	A15	34 408	34 408

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

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

Department for Education and Child Development
Statement of Administered Cash Flows
for the year ended 30 June 2017

		2017 \$'000	2016 \$'000
	Note	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(1 658)	(1 766)
Supplies and services		(324)	(306)
Transfer payments		(1 100 165)	(1 065 359)
Cash used in operations		(1 102 147)	(1 067 431)
Cash inflows			
Receipts from SA Government		250 982	244 929
Receipts from Commonwealth		832 798	805 046
GST recovered from the ATO		20 650	20 495
Other receipts		1 493	87
Cash generated from operations		1 105 923	1 070 557
Net cash provided by / (used in) operating activities	A18	3 776	3 126
Net increase / (decrease) in cash and cash equivalents		3 776	3 126
Cash and cash equivalents at the beginning of the period		31 597	28 471
Cash and cash equivalents at the end of the period	A10	35 373	31 597

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

Department for Education and Child Development
Schedule of Expenses and Income
attributable to Administered Activities
for the year ended 30 June 2017

	Minister's Payments and Advocacy Bodies		Minister's Salary and Allowances		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses						
Employee benefits expenses	1 189	1 317	344	317	1 533	1 634
Supplies and services	328	227	-	-	328	227
Transfer payments	1 079 599	1 044 615	-	-	1 079 599	1 044 615
Other expenses	-	3	-	-	-	3
Total expenses	1 081 116	1 046 162	344	317	1 081 460	1 046 479
Income						
Revenues from SA Government	250 638	244 616	344	313	250 982	244 929
Commonwealth revenue	832 798	805 046	-	-	832 798	805 046
Other revenues	1 485	94	-	-	1 485	94
Total income	1 084 921	1 049 756	344	313	1 085 265	1 050 069
Net result	3 805	3 594	-	(4)	3 805	3 590

Department for Education and Child Development
Schedule of Assets and Liabilities
attributable to Administered Activities
for the year ended 30 June 2017

	Minister's Payments and Advocacy Bodies		Minister's Salary and Allowances		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Assets						
Cash and cash equivalents	35 373	31 597	-	-	35 373	31 597
Receivables	197	234	-	-	197	234
Plant and equipment	1	-	-	-	1	-
Total assets	35 571	31 831	-	-	35 571	31 831
Liabilities						
Payables	728	683	-	-	728	683
Employee benefits	435	545	-	-	435	545
Total liabilities	1 163	1 228	-	-	1 163	1 228

Department for Education and Child Development

Notes to and forming part of the administered financial statements

A1 Summary of significant accounting policies

All Department for Education and Child Development (the department) accounting policies are contained in note 2. The policies outlined in note 2 apply to both the department and administered financial statements.

Reporting Entity

The department is responsible for the administration of specific funds on behalf of the Minister for Education and Child Development. The department does not have control over how these funds are to be spent and operates in the capacity as an agent responsible for the administration of the transfer process to third parties. The Administered Financial Statements include the income, expenses, assets and liabilities of these funds.

As a result of the establishment of the Department for Child Protection on the 1 November 2016 and recommendations from the *Child Protection Systems Royal Commission: "The life they deserve"*, some ministerial committees and advocacy bodies are now reported as Administered Items.

From the 1 July 2016 a number of staff were transferred from Administered Items to the DECD controlled entity as a result of new governance arrangements.

The main administered funds are:

Minister for Education and Child Development

Funds are appropriated to the Minister for Education and Child Development and are disbursed at the discretion of the Minister. The principal payments are:

- the State Government contribution to the operation of the SACE Board of South Australia;
- the State and Commonwealth Government contributions to the operation of the Education and Early Childhood Services Registration and Standards Board of South Australia;
- payments to the Department of Planning, Transport and Infrastructure for the purposes of student travel;
- payments to Ministerial committees;
- payments to the Commissioner for Children and Young People;
- payments to the Guardian for Children and Young People;
- the State Government contribution to the operation of non-government schools, some non-government preschools, organisations and services to students with disabilities; and
- the Commonwealth Government contribution to the operation of non-government schools, organisations and services to students with disabilities.

Minister's salary and allowances

The Minister's salary and allowances are funded by specific legislation and the department has no control over this part of the annual appropriation.

A2 Changes in accounting policies

All department changes in accounting policies are contained in note 3. Any changes outlined in note 3 apply to both the department and administered financial statements.

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A3 Employee benefits expenses

	2017	2016
	\$'000	\$'000
Salaries and wages	1 222	1 318
Employment on-costs - superannuation *	101	115
Annual leave	71	90
Board and committee fees	61	29
Employment on-costs - payroll tax	51	61
Long service leave	16	13
Skills and experience retention leave	10	7
Workers compensation	1	1
Total employee benefits expenses	1 533	1 634

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

Targeted Voluntary Separation Packages

No employees were paid TVSPs during the reporting period.

Remuneration of employees	2017	2017	2016	2016
	Number of Executives ¹	Number of Employees	Number of Executives ¹	Number of Employees
The number of employees whose remuneration received or receivable falls within the following bands:				
\$147 000 to \$157 000	-	-	-	1
\$167 001 to \$177 000	-	-	1	1
Total number of executives / employees	-	-	1	2

¹ The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 2017 and 30 June 2016 respectively. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2017 and 2016.

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, fringe benefits and any fringe benefit tax paid or payable in respect of these benefits.

In 2016 one non-executive employee received payment for unused leave entitlements paid on retirement increasing their total remuneration to above the base executive remuneration level.

Remuneration received or due and receivable by the above employees was \$nil (\$327 000) which is included in employee benefits expenses.

Number of employees as at the reporting date

As at 30 June 2017, 21 (12) full time equivalents were employed to manage the department's administered items. Refer to note A1 for further information.

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A4 Supplies and services

	2017	2016
	\$'000	\$'000
Contractors and other outsourced services	163	156
Minor equipment and maintenance	50	2
Other supplies and services	43	44
Printing, postage and consumables	35	22
Vehicle and travelling expenses	29	3
Computer communications	4	-
Conference expenses	3	-
Fees and charges	1	-
Total supplies and services	328	227

The total supplies and services amount disclosed includes GST amounts not recoverable from the ATO due to the department not holding a valid tax invoice or payments relating to third party arrangements.

There were no consultancy fees incurred in the 2016-17 or 2015-16 financial years.

A5 Transfer payments

	2017	2016
	\$'000	\$'000
Non-government schools	1 029 077	995 845
SACE Board of South Australia	20 285	19 447
Transport concessions	12 941	12 705
Special Schools and Education	7 726	7 601
Education and Early Childhood Services Registration and Standards Board of SA	4 794	4 876
Other organisations	2 966	1 946
Multicultural grants	1 768	1 522
Government schools	36	515
Government pre-schools	6	158
Total transfer payments	1 079 599	1 044 615

A6 Other expenses

	2017	2016
	\$'000	\$'000
Donated asset	-	3
Total other expenses	-	3

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A7 Revenues from SA Government

	2017	2016
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	250 638	244 596
Appropriations under other Acts	344	313
Transfers from contingencies	-	20
Total Revenues from SA Government	250 982	244 929

A8 Commonwealth revenues

	2017	2016
	\$'000	\$'000
Recurrent grants	832 798	805 046
Total Commonwealth revenues	832 798	805 046

Contributions are recognised as an asset and income when the department obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

A9 Other revenues

	2017	2016
	\$'000	\$'000
Grants and subsidies revenue	1 447	-
Recoveries	13	45
Contributed asset	1	-
Sundry revenue	24	49
Total other revenues	1 485	94

A10 Cash and cash equivalents

	2017	2016
	\$'000	\$'000
Deposits with the Treasurer - at call	35 373	31 597
Total cash and cash equivalents	35 373	31 597

Cash is measured at nominal amounts.

The department does not earn interest on deposits with the Treasurer.

A11 Receivables

	2017	2016
	\$'000	\$'000
Current		
GST recoverable from ATO	197	225
Accrued revenues	-	9
Total current receivables	197	234
Total receivables	197	234

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A12 Plant and equipment

	2017	2016
	\$'000	\$'000
Computing, furniture and equipment		
Computing, furniture and equipment at cost	13	31
Accumulated depreciation	(12)	(31)
Total computing, furniture and equipment	1	-
Total plant and equipment	1	-

Valuation of non-current assets

Valuations of computing, furniture and equipment are based on depreciated cost (a proxy for fair value).

Fair Value

All valuations are considered to be level 3 valuations based on historical cost, useful life and condition assessments.

Reconciliation of plant and equipment

The following table shows the movement of plant and equipment

	Plant and equipment	
	2017	2016
	\$'000	\$'000
Carrying amount at 1 July	-	3
Donated asset	-	(3)
Contributed asset	1	-
Carrying amount at 30 June	1	-

A13 Payables

	2017	2016
	\$'000	\$'000
Current		
Creditors	670	606
Employment on-costs	24	27
Accrued expenses	4	8
Total current payables	698	641
Non-Current		
Employment on-costs	30	42
Total non-current payables	30	42
Total payables	728	683

Creditors include all unpaid invoices received relating to the normal operations of the administered activities.

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions in respect of outstanding liabilities for salaries and wages, long service leave, country incentive leave, annual leave and skills and experience retention leave.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A13 Payables (continued)

Interest rate and credit risk

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. Employment on-costs are settled when the respective employee benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

For further information on risk management refer to note A19.

A14 Employee benefits

	2017	2016
	\$'000	\$'000
Current		
Annual leave	102	122
Long service leave	58	34
Accrued salaries and wages	8	-
Skills and experience retention leave	6	27
Total current employee benefits	174	183
Non-current		
Long service leave	261	362
Total non-current employee benefits	261	362
Total employee benefits	435	545

A15 Equity

	2017	2016
	\$'000	\$'000
Accumulated surplus	34 408	30 603
Total equity	34 408	30 603
Accumulated Surplus		
Balance at 1 July	30 603	27 013
Net result for the year	3 805	3 590
Balance at 30 June	34 408	30 603

A16 Contingent assets and liabilities

The department is not aware of any contingent assets or liabilities and has made no guarantees in relation to its administered activities.

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A17 Remuneration of board and committee members

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

	2017	2016
	Number	Number
\$0	24	26
\$1 - \$9 999	30	10
\$10 000 - \$19 999	2	1
Total number of members	56	37

Members of the boards and committees during the 2016-17 financial year were:

Ministerial Advisory Committee: Children and Students with Disability

Ms Susan Bailey	Ms Cathy Leane ¹
Dr Kerry Bissaker	Ms Deidre Le Maistre ¹
Ms Mary Carmody	Ms Deborah McInnes ¹
Ms Alice Duffield	Ms Jocelyn Neumuller
Ms Jacqui Jones ² (appointed 1 January 2017)	Ms Kerri Vowles ² (resigned 29 September 2016)
Ms Gael Little ¹	Ms Margaret Wallace

Multicultural Education and Languages Committee

Mr Edgar Bliss	Associate Professor Angela Scarino
Ms Susan Cameron ¹	Mr Mohammad Shabibi
Ms Jessica Dubois ¹	Ms Renee Singh (resigned 7 June 2017)
Ms Jacqueline Habayimana	Ms Sumeja Skaka
Mr Sean Keenihan	Ms Lia Tedesco ¹
Ms Stephanie Kosmetos (resigned 24 August 2016)	Professor John West-Sooby
Ms Binh Nguyen ¹	Mr Mark Williams ¹
Mr Hiep Nguyen	Ms Deb Dalwood (appointed 1 December 2016)
Ms Julie Presser ¹	

Council for the Care of Children Committee (from 1 November 2016 to 30 June 2017)*

Ms Elisabeth Burtnik	Mr Rick Persse ¹
Ms Barbara (Jane) Chapman	Ms Kelly Ryan
Ms Jesse Frick	Ms Nerida Saunders ¹
Mr Anthony Harrison ¹	Mr Simon Schrapel
Ms Vickie Kaminski ¹	Professor Phillip Slee
Mr Thomas Manning	Mr Roland Wilson
Ms Gerardine Mulhearn	

Department of Education and Child Development
Notes to and forming part of the administered financial statements

A17 Remuneration of board and committee members (continued)

Child Death and Serious Injury Review Committee (from 1 November 2016 to 30 June 2017)*

Mr Michael Ahern ²	Dr Deepa Jeyaseelan ²
Ms Angela Davis	Dr Margaret Kyrkou ²
Ms Dymphna Eszenyi	Mr Thomas Osborn ¹
Dr Mark Fuller ²	Mr Philip Robinson ¹
Ms Dianne Gursansky	Ms Kerrie Sellen
Ms Ann-Marie Hayes ¹	Dr Nigel Stewart ²
Ms Pamela Hemphill ¹	Ms Barbara Tiffin ¹

¹ Government employee who did not receive any remuneration for board/committee duties during the financial year in accordance with DPC Circular 16.

² Part-time government employee who gained approval to receive remuneration for board/committee duties during the financial year.

* These committees were previously reported in the department's controlled entity.

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, out of hours fees, retention fees, superannuation contributions, FBT and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$64 272 (\$31 164).

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

A18 Cash flow reconciliation

	2017	2016
	\$'000	\$'000
Reconciliation of cash and cash equivalents		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	35 373	31 597
Balance as per the Statement of Administered Cash Flows	35 373	31 597
<i>Reconciliation of net cash provided by / (used in) operating activities to net result:</i>		
Net cash provided by / (used in) operating activities	3 776	3 126
Non-cash Items		
Donated asset	-	(3)
Contributed asset	1	-
Movements in assets and liabilities		
Increase / (decrease) in receivables	(37)	(61)
(Increase) / decrease in payables	(45)	412
(Increase) / decrease in employee benefits	110	116
Net result	3 805	3 590

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A19 Financial risk management / financial instruments

A19.1 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 administered activities exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

A19.2 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 note 2 or the respective financial asset/financial liability note.

Refer Table A19.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Cash and cash equivalents and financial liabilities measured at cost.

The department does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

The carrying value less impairment provisions of payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes A1 and A13).

Table A19.3 Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Note	2017 Carrying amount / Fair value \$'000	2016 Carrying amount / Fair value \$'000	2017 Contractual maturities			
				Current \$'000	Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
Financial assets							
Cash and equivalent							
- Cash and cash equivalents	A10	35 373	31 597				
Total financial assets		35 373	31 597	-	-	-	-
Financial liabilities							
Financial liabilities at cost							
- Payables ¹	A13	670	606	670	670	-	-
Total financial liabilities		670	606	670	670	-	-

¹ Payable amounts disclosed here exclude amounts relating to statutory payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. 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).

A20 Budgetary reporting and explanations of major variances between budget and actual amounts

Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements.

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A20 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)

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

	Original Budget ⁽¹⁾ 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000
Statement of Comprehensive Income			
Expenses			
Employee benefits expenses	2 043	1 533	(510)
Supplies and services	264	328	64
Transfer payments	1 094 980	1 079 599	(15 381)
Total expenses	1 097 287	1 081 460	(15 827)
Income			
Revenues from SA Government	252 637	250 982	(1 655)
Commonwealth revenue	844 632	832 798	(11 834)
Other revenues	-	1 485	1 485
Total income	1 097 269	1 085 265	(12 004)
Net result	(18)	3 805	3 823
Total comprehensive result	(18)	3 805	3 823

⁽¹⁾ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

No variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

A21 Events after the end of the reporting period

There were no events occurring after the end of the reporting period that have material financial implications on these financial statements.

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A22 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature:

	Note	SA Government		Non-SA Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses							
Employee benefits expenses	A3						
Salaries and wages		-	-	1 222	1 318	1 222	1 318
Annual leave		-	-	71	90	71	90
Long service leave		-	-	16	13	16	13
Skills and experience retention leave		-	-	10	7	10	7
Superannuation expense		-	-	101	115	101	115
Payroll tax expense		51	61	-	-	51	61
Workers compensation		1	1	-	-	1	1
Board and committee fees		-	-	61	29	61	29
Supplies and services	A4						
Contractors and other outsourced services		-	1	163	155	163	156
Fees and Charges		-	-	1	-	1	-
Printing postage and consumables		-	-	35	22	35	22
Minor equipment and maintenance		-	-	50	2	50	2
Computer Communications		-	-	4	-	4	-
Vehicle and travelling expenses		6	1	23	2	29	3
Conference expenses		-	-	3	-	3	-
Other supplies and services		13	-	30	44	43	44

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A22 Transactions with SA Government (continued)

	Note	SA Government		Non-SA Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Transfer payments	A5						
SACE Board of South Australia		20 285	19 447	-	-	20 285	19 447
Transport concessions		12 941	12 705	-	-	12 941	12 705
Special Schools and Education		4 701	2 950	3 025	4 651	7 726	7 601
Education and Early Childhood Services Registration and Standards Board of SA		4 794	4 876	-	-	4 794	4 876
Government schools		36	515	-	-	36	515
Government pre-schools		6	158	-	-	6	158
Non-government schools		-	-	1 029 077	995 845	1 029 077	995 845
Multicultural grants		-	-	1 768	1 522	1 768	1 522
Other organisations		-	220	2 966	1 726	2 966	1 946
Other expenses	A6						
Donated asset		-	3	-	-	-	3
Total Expenses		42 834	40 938	1 038 626	1 005 541	1 081 460	1 046 479
Income							
Revenues from SA Government	A7						
Appropriations from Consolidated Account pursuant to the Appropriation Act		250 638	244 596	-	-	250 638	244 596
Appropriations under other Acts		344	313	-	-	344	313
Transfers from contingencies		-	20	-	-	-	20
Commonwealth revenues	A8						
Recurrent grants		-	-	832 798	805 046	832 798	805 046

Department for Education and Child Development
Notes to and forming part of the administered financial statements

A22 Transactions with SA Government (continued)

	Note	SA Government		Non-SA Government		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Other revenues	A9						
Grants and subsidies revenue		1 447	-	-	-	1 447	-
Recoveries		-	-	13	45	13	45
Contributed asset		1	-	-	-	1	-
Sundry revenue		-	-	24	49	24	49
Total Income		252 430	244 929	832 835	805 140	1 085 265	1 050 069
Net Result		209 596	203 991	(205 791)	(200 401)	3 805	3 590
Financial Assets							
Cash and cash equivalents	A10						
Deposits with the Treasurer - at call		35 373	31 597	-	-	35 373	31 597
Receivables	A11						
GST recoverable from ATO		-	-	197	225	197	225
Accrued revenues		-	-	-	9	-	9
Total Financial Assets		35 373	31 597	197	234	35 570	31 831
Financial Liabilities							
Payables	A13						
Creditors		624	342	46	264	670	606
Employment on-costs		22	29	32	40	54	69
Accrued expenses		4	8	-	-	4	8
Total Financial Liabilities		650	379	78	304	728	683

Certification of the Financial Report

We certify that the attached General Purpose Financial Statements for the Department for Education and Child Development:

- 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 2017 and the results of its operation and cash flows for the financial year.

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



Rick Persse
CHIEF EXECUTIVE

15.9/2017



Chris Bernardi
CHIEF FINANCIAL OFFICER

15.9/2017