

Department for Education
and Child Development
Financial Statements 2015-16



**Government
of South Australia**

Department for Education
and Child Development

Department for Education and Child Development
Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Expenses					
Employee benefits expenses	5	2 311 802	2 226 791	2 277 590	2 196 283
Supplies and services	6	674 124	652 418	362 949	365 784
Grants and subsidies	7	248 145	204 701	472 290	345 510
Depreciation and amortisation expense	8	111 477	108 865	105 104	103 311
Borrowing costs	9	22 651	22 388	22 591	22 332
Other expenses	10	14 235	22 086	11 615	19 978
Total expenses		3 382 434	3 237 249	3 252 139	3 053 198
Income					
Commonwealth revenues	11	479 126	454 567	479 126	454 567
Student and other fees and charges	12	150 179	143 752	19 505	18 018
Other grants and contributions	13	28 748	22 249	13 824	14 444
Interest revenues	14	8 971	11 955	7 806	7 897
Net (loss)/gain from disposal of non-current assets	15	(6 277)	8 004	(6 412)	8 132
Other revenues	16	63 746	54 394	26 787	29 458
Total income		724 493	694 921	540 636	532 516
Net cost of providing services		2 657 941	2 542 328	2 711 503	2 520 682
Revenues from/(Payments) to SA Government					
Revenues from SA Government	17	2 682 345	2 610 414	2 682 345	2 610 414
Payments to SA Government	17	(60 899)	(17 172)	(60 899)	(17 172)
Net result		(36 495)	50 914	(90 057)	72 560
Other comprehensive income					
<i>Items that will not be reclassified to net result</i>					
Changes in revaluation surplus	23	41 689	35 172	41 689	35 172
Total comprehensive result		5 194	86 086	(48 368)	107 732

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 2016

	Note	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Current assets					
Cash and cash equivalents	18	838 296	862 740	437 869	499 805
Receivables	19	56 184	44 534	45 219	36 993
Inventories	20	5 870	5 746	147	171
Other financial assets	21	2 016	2 050	-	-
		902 366	915 070	483 235	536 969
Non-current assets classified as held for sale	22	11 719	7 296	11 719	7 296
Total current assets		914 085	922 366	494 954	544 265
Non-current assets					
Receivables	19	885	865	5 335	5 998
Other financial assets	21	98	80	-	-
Property, plant and equipment	23	3 973 456	4 014 233	3 944 559	3 985 937
Intangible assets	24	22 118	22 594	22 118	22 594
Total non-current assets		3 996 557	4 037 772	3 972 012	4 014 529
Total assets		4 910 642	4 960 138	4 466 966	4 558 794
Current liabilities					
Payables	26	97 872	124 724	114 491	129 928
Borrowings	27	1 667	1 464	1 628	1 453
Employee benefits	28	207 755	273 192	206 063	271 539
Provisions	29	30 626	26 389	31 139	26 740
Other liabilities	30	31 130	28 443	15 331	12 750
Total current liabilities		369 050	454 212	368 652	442 410
Non-current liabilities					
Payables	26	64 722	59 431	64 722	59 431
Borrowings	27	169 683	171 316	169 608	171 235
Employee benefits	28	492 283	454 348	489 205	451 269
Provisions	29	67 691	79 493	67 691	79 493
Other liabilities	30	23 157	22 476	22 370	21 870
Total non-current liabilities		817 536	787 064	813 596	783 298
Total liabilities		1 186 586	1 241 276	1 182 248	1 225 708
Net assets		3 724 056	3 718 862	3 284 718	3 333 086
Equity					
Retained earnings	31	2 247 172	2 267 713	1 808 021	1 882 124
Revaluation surplus	31	1 476 884	1 451 149	1 476 697	1 450 962
Total equity		3 724 056	3 718 862	3 284 718	3 333 086

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 2016

Consolidated				
	Note	Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2014		1 437 799	2 194 977	3 632 776
Net result for 2014-15		-	50 914	50 914
Changes on revaluation of property during 2014-15	23	35 172	-	35 172
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(21 822)	21 822	-
Total comprehensive result for 2014-15		13 350	72 736	86 086
Balance at 30 June 2015	31	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

DECD				
	Note	Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2014		1 437 612	1 787 742	3 225 354
Net result for 2014-15		-	72 560	72 560
Changes on revaluation of property during 2014-15	23	35 172	-	35 172
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(21 822)	21 822	-
Total comprehensive result for 2014-15		13 350	94 382	107 732
Balance at 30 June 2015	31	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

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 2016

		2016	2015	2016	2015
		Consolidated	Consolidated	DECD	DECD
		\$'000	\$'000	\$'000	\$'000
		Inflows	Inflows	Inflows	Inflows
	Note	(Outflows)	(Outflows)	(Outflows)	(Outflows)
Cash flows from operating activities					
Cash outflows					
Employee benefit payments		(2 353 682)	(2 193 498)	(2 319 484)	(2 163 387)
Payments for supplies and services		(767 462)	(696 986)	(426 655)	(400 335)
Payments of grants and subsidies		(266 860)	(222 955)	(475 844)	(351 986)
Interest paid		(20 833)	(20 959)	(20 773)	(20 903)
Other payments		(8 071)	(4 808)	(8 013)	(4 784)
Cash used in operations		(3 416 908)	(3 139 206)	(3 250 769)	(2 941 395)
Cash inflows					
Receipts from Commonwealth		479 139	454 567	479 139	454 567
Student and other fees and charges		156 038	138 543	23 107	16 530
Other grants and contributions received		27 359	22 257	14 178	14 452
Interest received		8 157	11 987	7 806	7 929
GST recovered from the ATO		80 884	78 672	53 170	51 661
Other receipts		59 208	49 484	22 249	24 548
Cash generated from operations		810 785	755 510	599 649	569 687
Cash flows from SA Government					
Receipts from SA Government		2 682 345	2 610 414	2 682 345	2 610 414
Payments to SA Government		(60 899)	(17 172)	(60 899)	(17 172)
Cash generated from SA Government		2 621 446	2 593 242	2 621 446	2 593 242
Net cash provided by operating activities	35	15 323	209 546	(29 674)	221 534
Cash flows from investing activities					
Cash outflows					
Purchase of property, plant and equipment		(49 849)	(88 086)	(42 769)	(81 027)
Purchase of investments		(8)	(34)	-	-
Cash used in investing activities		(49 857)	(88 120)	(42 769)	(81 027)
Cash inflows					
Proceeds from the sale of property, plant and equipment		12 066	27 543	11 825	27 244
Proceeds from Maturing Term Deposits		24	-	-	-
Receipt of loan repayments		40	1	703	655
Cash generated from investing activities		12 130	27 544	12 528	27 899
Net cash used in investing activities		(37 727)	(60 576)	(30 241)	(53 128)
Cash flows from financing activities					
Cash outflows					
Repayment of finance leases		(1 452)	(1 299)	(1 452)	(1 301)
Repayment of borrowings		(588)	(513)	(569)	(478)
Cash used in financing activities		(2 040)	(1 812)	(2 021)	(1 779)
Net cash used in financing activities		(2 040)	(1 812)	(2 021)	(1 779)
Net increase/(decrease) in cash and cash equivalents		(24 444)	147 158	(61 936)	166 627
Cash and cash equivalents at the beginning of the period		862 740	715 582	499 805	333 178
Cash and cash equivalents at the end of the period	18	838 296	862 740	437 869	499 805

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 2016
CONSOLIDATED

	Early Childhood Development		School Education		Care and Protection		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(Activities - refer note 4)								
Expenses								
Employee benefits expenses	171 895	166 950	1 976 641	1 907 179	163 266	152 662	2 311 802	2 226 791
Supplies and services	31 853	28 039	598 617	586 672	43 654	37 707	674 124	652 418
Grants and subsidies	27 906	30 720	13 196	12 786	207 043	161 195	248 145	204 701
Depreciation and amortisation expense	3 876	3 865	105 713	102 903	1 888	2 097	111 477	108 865
Borrowing costs	1 807	1 787	20 844	20 601	-	-	22 651	22 388
Other expenses	1 388	2 255	12 720	19 883	127	(52)	14 235	22 086
Total expenses	238 725	233 616	2 727 731	2 650 024	415 978	353 609	3 382 434	3 237 249
Income								
Commonwealth revenues	53 013	57 524	425 298	396 555	815	488	479 126	454 567
Student and other fees and charges	4 918	2 671	144 940	140 884	321	197	150 179	143 752
Other grants and contributions	1 516	1 363	25 591	19 217	1 641	1 669	28 748	22 249
Interest revenues	570	641	8 392	11 306	9	8	8 971	11 955
Net (loss)/gain from disposal of non-current assets	(1 362)	225	(4 649)	7 779	(266)	-	(6 277)	8 004
Other revenues	2 471	694	55 564	47 603	5 711	6 097	63 746	54 394
Total income	61 126	63 118	655 136	623 344	8 231	8 459	724 493	694 921
Net cost of providing services	177 599	170 498	2 072 595	2 026 680	407 747	345 150	2 657 941	2 542 328
Revenues from/(Payments to) SA Government								
Revenues from SA Government	177 331	177 734	2122 936	2 089 356	382078	343 324	2 682 345	2 610 414
Payments to SA Government	(4 689)	(1 344)	(56 136)	(15 804)	(74)	(24)	(60 899)	(17 172)
Net result	(4 957)	5 892	(5 795)	46 872	(25 743)	(1 850)	(36 495)	50 914

Department for Education and Child Development
Disaggregated Disclosures – Expenses and Income
for the year ended 30 June 2016
DECD

	Early Childhood Development		School Education		Care and Protection		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(Activities - refer note 4)								
Expenses								
Employee benefits expenses	171 895	166 950	1 942 429	1 876 671	163 266	152 662	2 277 590	2 196 283
Supplies and services	19 263	19 750	300 034	308 327	43 652	37 707	362 949	365 784
Grants and subsidies	40 496	39 066	224 749	145 246	207 045	161 198	472 290	345 510
Depreciation and amortisation expense	3 876	3 865	99 340	97 349	1 888	2 097	105 104	103 311
Borrowing costs	1 807	1 787	20 784	20 545	-	-	22 591	22 332
Other expenses	1 388	2 255	10 100	17 775	127	(52)	11 615	19 978
Total expenses	238 725	233 673	2 597 436	2 465 913	415 978	353 612	3 252 139	3 053 198
Income								
Commonwealth revenues	53 013	57 524	425 298	396 555	815	488	479 126	454 567
Student and other fees and charges	4 918	2 671	14 266	15 150	321	197	19 505	18 018
Other grants and contributions	1 516	1 363	10 667	11 412	1 641	1 669	13 824	14 444
Interest revenues	570	641	7 227	7 248	9	8	7 806	7 897
Net (loss)/gain from disposal of non-current assets	(1 362)	225	(4 784)	7 907	(266)	-	(6 412)	8 132
Other revenues	2 471	694	18 605	22 667	5 711	6 097	26 787	29 458
Total income	61 126	63 118	471 279	460 939	8 231	8 459	540 636	532 516
Net cost of providing services	177 599	170 555	2 126 157	2 004 974	407 747	345 153	2 711 503	2 520 682
Revenues from/(Payments to) SA Government								
Revenues from SA Government	177 331	177 734	2 122 936	2 089 356	382 078	343 324	2 682 345	2 610 414
Payments to SA Government	(4 689)	(1 344)	(56 136)	(15 804)	(74)	(24)	(60 899)	(17 172)
Net result	(4 957)	5 835	(59 357)	68 578	(25 743)	(1 853)	(90 057)	72 560

Department for Education and Child Development
Disaggregated Disclosures – Assets and Liabilities
as at 30 June 2016
CONSOLIDATED

	Early Childhood Development		School Education		Care and Protection		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(Activities - refer note 4)								
Assets								
Cash and cash equivalents	38 330	42 588	788 431	793 145	11 535	27 007	838 296	862 740
Receivables	4 066	1 924	46 901	35 656	6 102	7 819	57 069	45 399
Inventories	13	15	5 857	5 731	-	-	5 870	5 746
Other financial assets	-	-	2 114	2 130	-	-	2 114	2 130
Non-current assets classified as held for sale	347	-	11 372	7 296	-	-	11 719	7 296
Property, plant and equipment	171 426	165 930	3 764 566	3 807 997	37 464	40 306	3 973 456	4 014 233
Intangible assets	1 570	1 548	18 052	17 795	2 496	3 251	22 118	22 594
Total assets	215 752	212 005	4 637 293	4 669 750	57 597	78 383	4 910 642	4 960 138
Liabilities								
Payables	10 115	12 755	134 045	149 130	18 434	22 270	162 594	184 155
Borrowings	13 676	13 792	157 389	158 703	285	285	171 350	172 780
Employee benefits	53 297	53 811	601 837	634 239	44 904	39 490	700 038	727 540
Provisions	6 575	7 171	73 363	83 452	18 379	15 259	98 317	105 882
Other liabilities	1 874	1 808	52 401	48 942	12	169	54 287	50 919
Total liabilities	85 537	89 337	1 019 035	1 074 466	82 014	77 473	1 186 586	1 241 276

Department for Education and Child Development
Disaggregated Disclosures – Assets and Liabilities
for the year ended 30 June 2016
DECD

	Early Childhood Development		School Education		Care and Protection		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
(Activities - refer note 4)								
Assets								
Cash and cash equivalents	38 330	42 588	388 004	430 210	11 535	27 007	437 869	499 805
Receivables	4 066	1 924	40 386	33 248	6 102	7 819	50 554	42 991
Inventories	13	15	134	156	-	-	147	171
Non-current assets classified as held for sale	347	-	11 372	7 296	-	-	11 719	7 296
Property, plant and equipment	171 426	165 930	3 735 669	3 779 701	37 464	40 306	3 944 559	3 985 937
Intangible assets	1 570	1 548	18 052	17 795	2 496	3 251	22 118	22 594
Total assets	215 752	212 005	4 193 617	4 268 406	57 597	78 383	4 466 966	4 558 794
Liabilities								
Payables	10 115	12 755	150 664	154 334	18 434	22 270	179 213	189 359
Borrowings	13 676	13 792	157 275	158 611	285	285	171 236	172 688
Employee benefits	53 297	53 811	597 067	629 507	44 904	39 490	695 268	722 808
Provisions	6 575	7 171	73 876	83 803	18 379	15 259	98 830	106 233
Other liabilities	1 874	1 808	35 815	32 643	12	169	37 701	34 620
Total liabilities	85 537	89 337	1 014 697	1 058 898	82 014	77 473	1 182 248	1 225 708

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

Legislation

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

- *Children's Protection Act 1993*;
- *Children's Services Act 1985*;
- *Commission of Inquiry (Children in State Care and Children on APY Lands) Act 2004*;
- *Education Act 1972*;
- *Family and Community Services Act 1972*;
- *Public Sector Act 2009*.

Purpose

The Department was established to provide a range of integrated education, health and child protection 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, 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 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

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.

Vision

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

Department for Education and Child Development

Notes to and forming part of the financial statements

Our Strategic Intent

The Department's strategic plan outlines six priority areas for improvement that will 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

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 strategic plan is supported by two detailed companion documents. *Building a High Performing System* is a business improvement plan that sets out critical short-term priorities for lifting the capability, performance, integrity and effectiveness of South Australia's public education and care system.

The *Families SA Service Plan* outlines the changes to the delivery of child protection services aimed at providing practical assistance to families that focus on their strengths, supports and protective factors to ensure that contact with the child protection system adds value to children, young people and their families.

These three core documents signal new ways of working together and taking Individual and collective responsibility for improving outcomes for children, young people and families.

2 Summary of 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.

Except for AASB 2015-7 'Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities' which the Department has early adopted, Australian Accounting Standards and interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2016. Refer to note 3.

(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

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

(b) Basis of preparation (continued)

- 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 Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets that were valued in accordance with the applicable valuation policy.

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

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

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

(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.

In making this assessment, the Department considered its power over the entity, its exposure of rights (eg protective and substantive rights) to variable returns from its involvement with the entity and the ability to use its power to affect return amounts (eg ability to direct relevant major activities).

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

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.

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

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 2015 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; 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.

(d) Budgeted amounts

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

(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.

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

(f) Rounding

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

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

(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. If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

(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) Income

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

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

The following are specific recognition criteria:

Fees and charges

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

Contributions received

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).

Generally, the Department has obtained control or the right to receive for:

- 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.
- Contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

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

Department for Education and Child Development

Notes to and forming part of the financial statements

Resources received free of charge

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

Revenues from SA Government

Appropriation for program funding is recognised as revenue when the Department obtains control over the funding. Control over appropriation is obtained upon receipt.

Gain from disposal of non-current assets

Income from the disposal of non-current assets is recognised when the control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Gains 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.

Other income

Other income consists of fundraising and donations, assets recognised for the first time, and recoveries.

(j) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Department will occur and can be reliably measured.

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

The following are specific recognition criteria:

Employee benefits expenses

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

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the Department to the superannuation plan in respect of current service of current departmental staff. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

Depreciation and amortisation of non-current assets

All non-current assets having a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

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.

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

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

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

Depreciation and amortisation of non-current assets (continued)

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

Grants and Subsidies

For contributions payable, the contribution will be recognised as a liability and expense when the entity has a present obligation to pay the contribution and the expense recognition criteria are met.

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

Resources provided free of charge

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

Borrowing costs

All borrowing costs are recognised as expenses.

Payments to SA Government

Payments to the SA Government include the return of surplus cash pursuant to the cash alignment policy and are paid directly to the Consolidated Account.

(k) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. 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.

(l) Assets

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

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash at bank and on hand and in other short-term, highly liquid investments with maturities of three months or less that are readily converted to cash and which are subject to insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Cash is measured at nominal value.

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

Receivables

Receivables include amounts receivable from goods and services, GST input tax credits recoverable, prepayments and other accruals.

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are generally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Loan receivables are recorded at historical cost.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence the Department will not be able to collect the debt. Bad debts are written off when identified.

Other financial assets

The Department measures financial assets and debt at historical cost.

Inventories

Inventories include goods and other property held either for sale or distribution at no or nominal cost in the ordinary course of business.

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Bases used in assessing the loss of service potential for inventory held for distribution at no or minimal cost include current replacement cost and technological or functional obsolescence.

Cost for all other inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

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 in the Statement of Comprehensive Income.

Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less 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.

Non-current assets classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

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 cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

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

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.

Land

Land is valued at fair value as at 30 June 2016. Refer to note 23.

Department for Education and Child Development

Notes to and forming part of the financial statements

Buildings and improvements

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 2014, paved areas are current as at 30 June 2014 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.

Buildings under construction are reported as work in progress and are valued at cost.

Where buildings and improvements are destroyed by fire during the year, the written down value of the buildings and improvements is treated as an expense in the Statement of Comprehensive Income.

Buildings under finance lease

Buildings under finance lease are valued at fair value as at 30 June 2014.

Leasehold improvements

Leasehold improvements are valued at fair value as at 30 June 2014.

Residential accommodation

Residential accommodation is valued at fair value as at 30 June 2015. Refer to note 23 for further details.

Buses

Buses are recorded at current replacement cost (deemed fair value) less accumulated depreciation as at 30 June 2015.

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, residential accommodation 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.

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

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

Impairment

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

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

Department for Education and Child Development

Notes to and forming part of the financial statements

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. 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.

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

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.

Non-financial assets

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.

Financial assets/liabilities

The Department does not recognise any financial assets or financial liabilities at fair value.

(m) Liabilities

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

Department for Education and Child Development

Notes to and forming part of the financial statements

Payables

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

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

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

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefit 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.

Borrowings / Financial liabilities

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

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.

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.

Department for Education and Child Development

Notes to and forming part of the financial statements

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 using the projected unit credit method.

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.

Provisions

Provisions are recognised when the Department has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Department expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2016 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.

(n) Insurance

The Department has insured for risks through SAICORP, a division of the South Australian Government Finance Authority. Under these insurance arrangements the Department will meet the relevant deductible of a loss or claim arising from property damage or civil liability (including public liability, products liability, professional indemnity and Directors' and Officers' liability).

For the Families SA division of the Department, the deductible amount is \$10 000 and for the rest of the Department the deductible amount is \$200 000 (except for fire claims \$1 million).

(o) 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.

Department for Education and Child Development

Notes to and forming part of the financial statements

(p) 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.

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

3 New or revised accounting standards and policies

The Department did not voluntarily change any of its accounting policies during 2015-16.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Department for the period ending 30 June 2016 with the exception of AASB 2015-7 'Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities' which the Department has early adopted. The Department has assessed the impact of all other new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Department.

AASB 16 'Leases' will apply for the first time to the 30 June 2020 financial report. This standard will require the Department to recognise all leased items in the statement of financial position as assets representing the value of items leased and as liabilities representing the expected future lease payments.

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 early childhood education and care services that are accessible, integrated and build effective relationships with children and families is 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 continues to build the capability of our teachers and leaders and maintains high expectations of schools to raise standards of achievement for all students. The Department's work is strengthened by the involvement of parents and local communities in the education of children.

Activity 3: *Care and Protection*

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 2015 and 30 June 2016.

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

5 Employee benefits expenses

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including annual leave)	1 865 310	1 819 051	1 834 884	1 792 168
Employment on-costs - superannuation	196 435	193 823	193 484	191 012
Employment on-costs - payroll tax	106 387	102 580	106 387	102 580
Long service leave	98 147	74 178	97 442	73 503
Workers Compensation	23 973	16 716	23 973	16 716
Skills and experience retention leave	11 978	11 535	11 978	11 535
Targeted voluntary separation payments	6 559	5 751	6 559	5 751
Other employee related expenses	2 611	2 674	2 481	2 535
Country incentive leave	373	457	373	457
Board and committee fees	29	26	29	26
Total employee benefits expenses	2 311 802	2 226 791	2 277 590	2 196 283

Targeted voluntary separation packages (TVSPs)

Amounts paid to separated employees:

TVSPs	9 486	6 738	9 486	6 738
Annual leave and Long Service Leave Paid	4 550	2 186	4 550	2 186
Total amount paid	14 036	8 924	14 036	8 924

Recovery from the Department of Treasury and Finance

	-	-	-	-
Net cost to the department	14 036	8 924	14 036	8 924

Number of employees who were paid TVSPs during the reporting period

	122	49	122	49
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TVSP amounts paid to separated employees are disclosed on a cash basis above (\$9.5 million), where the TVSP expense recorded within the note is recognised on an accrual basis (\$6.6 million).

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

5 Employee benefits expenses (continued)

Remuneration of employees	2016	2016	2015	2015
The number of employees whose remuneration received or receivable falls within the following bands:	Consolidated Number of Executives²	Consolidated Number of Employees³	Consolidated Number of Executives²	Consolidated Number of Employees³
\$141 500 to \$145 000 ¹	n/a	n/a	-	32
\$145 001 to \$155 000	1	173	-	106
\$155 001 to \$165 000	2	106	2	64
\$165 001 to \$175 000	3	54	3	45
\$175 001 to \$185 000	-	31	2	33
\$185 001 to \$195 000	5	26	4	17
\$195 001 to \$205 000	2	21	6	19
\$205 001 to \$215 000	7	14	3	8
\$215 001 to \$225 000	7	13	3	4
\$225 001 to \$235 000	1	5	1	3
\$235 001 to \$245 000	-	-	2	4
\$245 001 to \$255 000	3	4	2	3
\$255 001 to \$265 000	2	3	2	2
\$265 001 to \$275 000	4	7	1	3
\$275 001 to \$285 000	1	1	1	1
\$285 001 to \$295 000	-	1	-	1
\$295 001 to \$305 000	-	2	-	-
\$305 001 to \$315 000	-	1	2	4
\$315 001 to \$325 000	1	1	-	-
\$335 001 to \$345 000	1	2	-	-
\$345 001 to \$355 000	1	2	-	-
\$375 001 to \$385 000	-	1	-	-
\$385 001 to \$395 000	-	1	-	-
\$395 001 to \$405 000	-	-	1	1
\$415 001 to \$425 000	-	2	-	-
\$445 001 to \$455 000	-	-	-	1
\$455 001 to \$465 000	-	1	-	-
\$475 001 to \$485 000	-	1	-	-
\$505 001 to \$515 000	-	-	-	1
\$615 001 to \$625 000	-	-	-	1
Total number of executives / employees	41	473	35	353

¹ This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2014-15.

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 2016 and 30 June 2015 respectively. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2016 and 2015.

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

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

5 Employee benefits expenses (continued)

The table includes all employees who received remuneration equal to, or greater than, the base executive 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, 58 (39) received country incentive payments. There were 29 (39) individuals that ceased employment with the SA Government and received payments for unused leave entitlements with a further 12 (5) receiving an amount under the TVSP scheme. All individuals in reference are included in the above employee numbers.

Remuneration received or due and receivable by the above employees was \$83 million (\$61.5 million), which is included in employee benefits expenses. Salary rates during 2015-16 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 2015 and 2.5 percent for executives effective 1 July 2015.

Number of employees as at the reporting date

As at 30 June, the Department employed 24 112 (23 538) full-time equivalents.

6 Supplies and services

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Minor works, maintenance and equipment	142 556	130 824	105 684	95 081
Printing, postage and consumables	77 082	77 926	5 652	5 468
Other supplies and services	75 621	78 789	7 893	8 724
Utilities	42 330	45 851	20 380	44 909
Cleaning	37 803	36 656	6 028	5 304
Vehicle and travelling expenses	35 579	35 734	33 619	33 690
Rentals and leases	34 509	30 198	31 708	28 166
Student learning materials	29 035	28 919	-	-
Contractors and other outsourced services	27 242	24 941	27 521	25 660
Bus contractors	25 107	24 727	25 109	24 727
Excursions and camps	22 227	21 006	-	-
Computer communications	20 125	16 567	14 693	13 402
Telecommunications	18 195	16 957	16 134	15 191
Management fees and charges	18 003	14 705	20 757	17 728
Shared Services SA charges	15 085	14 793	15 085	14 793
Cost of goods sold	14 895	14 559	-	-
Training and development	10 916	11 064	5 350	4 912
Security	6 115	7 165	5 611	6 719
Insurance (including self-insurance)	5 995	5 720	6 023	5 985
PPP Service Fee	5 841	5 262	5 841	5 262
Copyright	4 124	4 360	4 120	4 355
Legal costs	2 916	3 024	2 916	3 031
Residential and client related costs	2 823	2 671	2 825	2 677
Total supplies and services	674 124	652 418	362 949	365 784

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.

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

6 Supplies and services (continued)

Consultancy fees	2016	2016	2015	2015
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
Below \$10 000	-	-	2	12
Above \$10 000	4	171	3	380
Total paid/payable to consultants engaged	4	171	5	392

7 Grants and subsidies

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Recurrent grants paid to other organisations	242 220	199 612	242 220	199 612
Recurrent grants paid to preschools	5 925	5 089	5 925	5 089
Recurrent grants paid to schools and units	-	-	220 828	138 037
Capital grants paid to schools and units	-	-	3 317	2 772
Total grants and subsidies	248 145	204 701	472 290	345 510

8 Depreciation and amortisation expense

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Depreciation and amortisation				
Buildings and improvements	95 225	93 214	95 168	93 136
Computing, communication, furniture and equipment	5 078	4 518	419	407
Buildings under finance lease	3 292	3 293	3 292	3 293
Buses and motor vehicles	2 718	3 361	1 939	2 521
Leasehold improvements	1 664	1 230	1 664	1 230
Other depreciation	947	654	70	129
Service right for equipment	948	799	948	799
Residential accommodation housing	823	825	822	825
Internally developed computer software	755	961	755	961
Externally provided software	27	10	27	10
Total depreciation and amortisation expense	111 477	108 865	105 104	103 311

9 Borrowing costs

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Finance lease costs	22 591	22 332	22 591	22 332
Interest paid/payable on short-term and long-term borrowings	60	56	-	-
Total borrowing costs	22 651	22 388	22 591	22 332

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

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Auditor's remuneration				
– Auditor-General's Department *	559	527	559	527
Auditor's remuneration – other	982	970	912	918
Other insurance	3 466	2 039	3 478	2 067
Allowance for doubtful debts and debt write-offs	2 623	2 150	61	66
Non-current assets written off	2 202	15 128	2 202	15 128
Other expenses	1 462	-	1 462	-
Donated assets	1 600	-	1 600	-
Emergency Services Levy	1 341	1 272	1 341	1 272
Total other expenses	14 235	22 086	11 615	19 978

* Audit fees paid / payable to the Auditor-General's Department relate to the audit of the financial statements. No other services were provided by the Auditor-General's Department.

11 Commonwealth revenues

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
National Education Reform Agenda	403 633	371 819	403 633	371 819
National Partnership - Universal Access to Early Childhood Development	27 111	24 890	27 111	24 890
Family Day Care Scheme	22 245	24 733	22 245	24 733
National School Chaplaincy Program	5 867	2 934	5 867	2 934
Indigenous Advancement Strategy	2 714	-	2 714	-
National Partnership - Improving Literacy and Numeracy	2 450	2 450	2 450	2 450
Independent Public Schools	2 382	401	2 382	401
Rural Care Worker Program	1 992	1 369	1 992	1 369
Trade Training Centres	1 758	3 363	1 758	3 363
Detainee Minors	1 700	2 730	1 700	2 730
National Partnership - Teacher Quality	1 462	2 089	1 462	2 089
Other specific Commonwealth revenue	1 234	2 422	1 234	2 422
National Partnership - More Support for Students with Disabilities	1 295	4 600	1 295	4 600
Family Day Care Administration	1 065	4 177	1 065	4 177
ESL New Arrivals (Bridging Visa E050)	942	1 452	942	1 452
National Partnership - Advanced Technology	675	947	675	947
Unaccompanied Humanitarian Minors	319	487	319	487
National Partnership - Rewards for Great Teachers	282	1 371	282	1 371
National Partnership - Aboriginal Children and Family Centres	-	2 093	-	2 093
Supplementary Recurrent Assistance Scheme	-	240	-	240
Total Commonwealth revenues	479 126	454 567	479 126	454 567

Department for Education and Child Development

Notes to and forming part of the financial statements

Commitments

The National Education Reform Agreement received \$403.6 million (\$371.8 million) of Commonwealth revenue via the Treasury in 2015-16 which was fully spent as at 30 June 2016.

The Universal Access to Early Childhood Development program received \$27.1 million (\$24.9 million) of Commonwealth revenue in 2015-16 of which \$1.3 million (\$0.8 million) was unspent as at 30 June 2016. The funds are aimed at providing additional hours of access to early childhood education.

The Family Day Care Scheme received \$22.2 million (\$24.7 million) of Commonwealth revenue in 2015-16 of which \$1.2 million (\$0.5 million) was unspent as at 30 June 2016. The funding is provided on behalf of parents to childcare providers as a Commonwealth subsidy toward childcare services.

The National School Chaplaincy Program received \$5.9 million (\$2.9 million) of Commonwealth revenue in 2015-16 of which \$0.2million (\$0.2 million) was unspent as at 30 June 2016. The objective of this Program is to provide chaplaincy services in Australian schools, to support the emotional wellbeing of students by providing pastoral care services; and strategies that support the emotional wellbeing of the broader school community.

The Indigenous Advancement Strategy program received \$2.7 million (\$nil) of Commonwealth Revenue in 2015-16 of which \$1.0 million was unspent as at 30 June 2016. The funding is for meeting outcomes of getting children to school, improving education outcomes including year 12 attainment, improving youth transition to vocational and higher education and work, and supporting families to give children a good start in life through improved early childhood development, care, education and school readiness.

The Improving Literacy and Numeracy program received \$2.5 million (\$2.5 million) of Commonwealth revenue in 2015-16 which was fully spent (2014-15 was also fully spent) as at 30 June 2016. The funding is to improve literacy and numeracy in schools and improving teaching capability and effectiveness.

The Independent Public Schools program received \$2.4 million (\$0.4 million) of Commonwealth revenue in 2015-16 of which \$0.3 million (\$0.4 million) was unspent as at 30 June 2016. The Agreement supports the increased autonomy in government schools across Australia through greater engagement of parents and local communities in school decision making and the provision of professional development for principals, school leaders and school communities through: (a) focus on local governance; (b) increased accountability to the local community; (c) the use of streamlined or one-line budgets; (d) local management of school facilities; and (e) increased delegation over staffing for school principals.

The Rural Care Worker program received \$2.0 million (\$1.4 million) of Commonwealth revenue in 2015-16 of which \$1.3 million (\$0.3 million) was unspent as at 30 June 2016. The funding is provided to enable child care centres to provide quality child care services that meet the needs of families and the communities of rural South Australia.

The Trade Training Centres program received \$1.8 million (\$3.4 million) of Commonwealth revenue in 2015-16 which was fully spent (\$1.2 million) as at 30 June 2016. The funds are for the provision and development of training centres assisting young South Australians to pursue vocational pathways.

The Detainee Minors program received \$1.7 million (\$2.7 million) of Commonwealth revenue in 2015-16 of which \$0.2 million (2014-15 was fully spent) was unspent as at 30 June 2016. The Commonwealth (Department of Immigration and Border Protection) provides funding for Community Detention and Bridging Visa E school age students attending South Australian government schools.

The Teacher Quality program received \$1.5 million (\$2.1 million) of Commonwealth revenue in 2015-16 of which \$0.9 million (\$1.3 million) was unspent as at 30 June 2016. The funding is for schools to improve the quality of teaching and leadership, with a specific focus on principals in Australian schools, and maintaining a quality teaching workforce.

Other specific Commonwealth programs received \$1.2 million (\$2.4 million) of which \$0.5 million (\$0.6 million) was unspent as at 30 June 2016.

The More Support for Students with Disabilities program received \$1.3 million (\$4.6 million) of Commonwealth revenue in 2015-16 of which \$0.5 million (\$2.4 million) was unspent as at 30 June 2016. The funding assists schools through a range of initiatives including professional support of teachers and school support staff to build their capacity to deliver special education programs through support and use of assistive learning technology and a range of other learning modes.

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

Commitments (continued)

The Family Day Care Administration program received \$1.1 million (\$4.2 million) of Commonwealth revenue in 2015-16 which was fully spent (2014-15 was also fully spent). The funding is provided to assist the Family Day Care Administration program to administer the State wide family day care centres in South Australia.

The ESL New Arrivals program received \$0.9 million (\$1.5 million) of Commonwealth revenue in 2015-16 which was fully spent (2014-15 was also fully spent). This funding is providing access to education, counselling and language services to refugee students on bridging visas.

The Advanced Technology program received \$0.7 million (\$0.9 million) of Commonwealth revenue in 2015-16 of which \$0.2 million (\$0.4 million) was unspent as at 30 June 2016. The funding is for schools to achieve sustained improvements for pathways for young people into the defence industry sector in educational outcomes in participating schools/school communities that align with those in the National Education Agreement.

The Unaccompanied Humanitarian Minors program received \$0.3 million (\$0.5 million) of Commonwealth revenue in 2015-16 which was fully spent (2014-15 was also fully spent). The funding is for Families SA to provide appropriate care and supervision services to the unaccompanied humanitarian minors who are referred to it by the Commonwealth.

The Rewards for Great Teachers program received \$0.3 million (\$1.4 million) of Commonwealth revenue in 2015-16 of which \$0.2 million (\$1.0 million) was unspent as at 30 June 2016. The purpose of this funding is to provide Teacher Reward Payments to teachers who achieve certification at the Highly Accomplished and Lead Levels of the National Professional Standards for Teachers from 2014 to 2018.

The Aboriginal Children & Family Centres program received no Commonwealth revenue in 2015-16 compared to \$2.1 million of Commonwealth revenue in 2014-15 of which \$0.5 million was unspent as at 30 June 2015. The funding is for increased support for Aboriginal children with the establishment of four Aboriginal Children & Family centres.

The Supplementary Recurrent Assistance Scheme (Indigenous Education (Targeted Assistance) Act 2000) received no Commonwealth revenue in 2015-16 compared to \$0.2 million in 2014-15 which was fully spent as at 30 June 2015. The funding is provided to support indigenous preschool students improve attendance, literacy and numeracy awareness prior to primary school.

12 Student and other fees and charges

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Student enrolment fees and charges	107 949	102 977	3 419	3 434
Canteen sales	15 753	15 978	-	-
Sales/fee for service revenue	13 713	13 597	2 135	2 702
Other user fees and charges	12 764	11 200	13 951	11 882
Total student and other fees and charges	150 179	143 752	19 505	18 018

13 Other grants and contributions

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Grants and subsidies revenue	28 014	21 571	13 824	14 444
Donations	734	678	-	-
Total other grants and contributions	28 748	22 249	13 824	14 444

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

14 Interest revenues

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Interest from entities within the SA Government	66	116	405	496
Other interest	8 905	11 839	7 401	7 401
Total interest revenues	8 971	11 955	7 806	7 897

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

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Land and buildings				
Proceeds from disposal	6 281	14 438	6 281	14 438
Net book value of assets disposed	(9 970)	(11 812)	(9 970)	(11 812)
Net (loss)/gain from disposal of land and buildings	(3 689)	2 626	(3 689)	2 626
Vehicles, plant and equipment				
Proceeds from disposal	380	369	139	70
Net book value of assets disposed	(299)	(511)	(193)	(84)
Net gain/(loss) from disposal of vehicles, plant and equipment	81	(142)	(54)	(14)
Residential accommodation housing				
Net book value of assets disposed	(780)	-	(780)	-
Net (loss) from disposal of residential accommodation housing	(780)	-	(780)	-
Non-current assets classified as held for sale				
Proceeds from disposal	5 405	12 736	5 405	12 736
Net book value of assets disposed	(7 294)	(7 216)	(7 294)	(7 216)
Net (loss)/gain from disposal of non-current assets classified as held for sale	(1 889)	5 520	(1 889)	5 520
Total Assets				
Total proceeds from disposal	12 066	27 543	11 825	27 244
Total value of assets disposed	(18 343)	(19 539)	(18 237)	(19 112)
Total net (loss)/gain from disposal of non-current assets	(6 277)	8 004	(6 412)	8 132

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

16 Other revenues

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Other revenue	41 824	31 270	6 699	7 136
Recoveries - other	7 488	9 398	9 988	13 751
Fundraising revenue	7 420	7 553	-	-
Assets recognised for the first time	5 808	4 900	5 808	4 900
Commission received	1 203	1 273	4 289	3 671
Contributed assets	3	-	3	-
Total other revenues	63 746	54 394	26 787	29 458

17 Revenues from / payments to SA Government

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Revenues from SA Government				
Appropriations from the Consolidated Account pursuant to the <i>Appropriation Act</i>	2 679 876	2 609 531	2 679 876	2 609 531
Transfers from contingencies	2 469	883	2 469	883
Total revenues from SA Government	2 682 345	2 610 414	2 682 345	2 610 414

Payments to SA Government

Return of surplus cash pursuant to cash alignment policy	(60 899)	(17 172)	(60 899)	(17 172)
Total Payments to SA Government	(60 899)	(17 172)	(60 899)	(17 172)

18 Cash and cash equivalents

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Deposits with the Treasurer (AAEFA)	422 439	354 021	422 439	354 021
SA School Investment Fund (SASIF)	368 992	335 118	-	-
Cash at bank and on hand	32 107	28 596	672	779
Deposits with the Treasurer - at call	14 373	144 624	14 373	144 624
Section 21 Deposit Accounts	385	381	385	381
Total cash and cash equivalents	838 296	862 740	437 869	499 805

Deposits with the Treasurer

Funds held in the Accrual Appropriation Excess Funds Account (AAEFA) are not available for general use, ie the funds can only be used in accordance with the Treasurer's/Under Treasurer's approval.

SA School Investment Fund

Represents the amount held in schools SASIF accounts at 31 December 2015, 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 2016 was \$392.6 million (\$357.2 million) and does not include \$32.3 million (\$26.4 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

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Current				
Fees, charges and other receivables	35 654	32 564	22 929	23 948
Allowance for doubtful debts	(4 761)	(4 210)	(100)	(125)
GST recoverable from the ATO	11 302	9 684	8 726	7 321
Prepayments	11 019	4 413	9 172	2 840
Accrued revenues	2 970	2 083	3 842	2 338
Loan receivables	-	-	650	671
Total current receivables	56 184	44 534	45 219	36 993
Non-current				
Workers compensation receivable	870	851	870	851
Loan receivables	15	14	4 465	5 147
Total non-current receivables	885	865	5 335	5 998
Total receivables	57 069	45 399	50 554	42 991

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

Movement in the allowance for doubtful debts (impairment loss)	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Carrying amount at 1 July	4 210	4 083	125	107
Increase in the allowance	2 623	2 150	61	66
Amounts written off	(2 072)	(2 023)	(86)	(48)
Carrying amount at 30 June	4 761	4 210	100	125

Interest rate and credit risk

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables and accrued revenues are non-interest bearing.

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.

- a) Categorisation and maturity analysis of financial instruments – refer table 36.3 in note 36
- b) Ageing analysis of financial assets – refer table 36.4 in note 36
- c) Risk exposure information – refer note 36

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

20 Inventories

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Current				
Materials at net realisable value	5 870	5 746	147	171
Total current inventories	5 870	5 746	147	171
Total inventories	5 870	5 746	147	171

21 Other financial assets

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Current				
Term deposits	2 016	2 050	-	-
Total current investments	2 016	2 050	-	-
Non-current				
Term deposits	98	80	-	-
Total non-current investments	98	80	-	-
Total other financial assets	2 114	2 130	-	-

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

22 Non-current assets classified as held for sale

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Land	8 940	2 991	8 940	2 991
Buildings and improvements	2 779	4 305	2 779	4 305
Total non-current assets classified as held for sale	11 719	7 296	11 719	7 296

As a result of 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. There were no indications of impairment of the land and buildings transferred to held for sale.

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

22 Non-current assets classified as held for sale (continued)

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

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Land held for Sale				
Carrying amount at the beginning of the period	2 991	4 695	2 991	4 695
Asset disposals	(2 991)	(4 695)	(2 991)	(4 695)
Assets reclassified to/(from) assets held for sale	8 940	2 991	8 940	2 991
Carrying amount at the end of the period	8 940	2 991	8 940	2 991
Buildings and improvements				
Carrying amount at the beginning of the period	4 305	2 362	4 305	2 362
Asset derecognition / disposals	(4 305)	(2 361)	(4 305)	(2 361)
Assets reclassified to/(from) assets held for sale	2 779	4 304	2 779	4 304
Carrying amount at the end of the period	2 779	4 305	2 779	4 305
Buses				
Carrying amount at the beginning of the period	-	160	-	160
Asset disposals	-	(160)	-	(160)
Carrying amount at the end of the period	-	-	-	-
Total non-current assets classified as held for sale	11 719	7 296	11 719	7 296

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

23 Property, plant and equipment

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Land				
Land	1 367 488	1 339 122	1 367 089	1 338 723
Total land	1 367 488	1 339 122	1 367 089	1 338 723
Buildings and improvements				
Buildings and improvements	6 061 652	6 095 058	6 060 840	6 094 354
Accumulated depreciation	(3 737 570)	(3 697 930)	(3 737 275)	(3 697 680)
Total buildings and improvements	2 324 082	2 397 128	2 323 565	2 396 674
Residential accommodation housing				
Residential accommodation housing	36 788	38 395	36 788	38 395
Accumulated depreciation	(15 584)	(15 589)	(15 584)	(15 589)
Total Residential accommodation housing	21 204	22 806	21 204	22 806
Buildings under finance lease				
Buildings under finance lease	189 755	189 756	189 755	189 756
Accumulated amortisation	(18 382)	(15 091)	(18 382)	(15 091)
Total buildings under finance lease	171 373	174 665	171 373	174 665
Construction work in progress				
Construction work in progress	21 552	14 704	21 552	14 704
Total construction work in progress	21 552	14 704	21 552	14 704
Leasehold improvements				
Leasehold improvements	39 962	39 910	39 962	39 910
Accumulated amortisation	(31 224)	(29 561)	(31 224)	(29 561)
Total leasehold improvements	8 738	10 349	8 738	10 349
Buses / motor vehicles				
Buses / motor vehicles	64 294	68 028	51 353	55 415
Accumulated depreciation	(29 688)	(36 684)	(21 665)	(29 161)
Total buses / motor vehicles	34 606	31 344	29 688	26 254
Computing, communications, furniture and equipment				
Computing, communications, furniture and equipment	57 565	55 302	14 207	14 707
Accumulated depreciation	(36 391)	(34 296)	(12 937)	(13 095)
Total computing, communications, furniture and equipment	21 174	21 006	1 270	1 612
Other assets				
Other assets	11 060	10 468	4 138	4 138
Accumulated depreciation	(7 821)	(7 359)	(4 058)	(3 988)
Total other assets	3 239	3 109	80	150
Total property, plant and equipment	3 973 456	4 014 233	3 944 559	3 985 937

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 2016.

Buildings, pavings and swimming pools used for the provision of education related services are valued through reference to SAMIS which is maintained by the DPTI. These building and paving valuations were valued as at 30 June 2014 and the swimming pools were valued as at 30 June 2015.

The independent valuation of residential accommodation was performed as at 30 June 2015 by Fred Taormina, B.App.Sc. (Val), A.A.P.I. Certified Practicing Valuer of Valcorp Australia Pty Ltd. The valuation was performed by reference to market selling price utilising comparable sales evidence.

The independent valuation of buildings under finance lease was performed as at 30 June 2014 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 2014. 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.

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

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

**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 \$'000	Buildings and Improvements \$'000	Buildings under Finance Lease \$'000	Residential Accommodation Housing \$'000	Constructio n Work In Progress \$'000	Leasehold Improvements \$'000	Buses / Motor Vehicles \$'000	Computing, Communica tions, Furniture and Equipment \$'000	Other Assets \$'000	Tangible Assets Total \$'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 assets held for sale	(8940)	(2779)	-	-	-	-	-	-	-	(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**

23 Property, plant and equipment (continued)

The following table shows the movement of property, plant and equipment during 2014-15.

RECONCILIATION OF NON-CURRENT ASSETS DECD 2014-15										
DECD 2014-15	Land \$'000	Buildings and Improvements \$'000	Buildings under Finance Lease \$'000	Residential Accommodation Housing \$'000	Constructio n Work In Progress \$'000	Leasehold Improvements \$'000	Buses / Motor Vehicles \$'000	Computing, Communica tions, Furniture and Equipment \$'000	Other Assets \$'000	Tangible Assets Total \$'000
Carrying amount at the beginning of the period	1 315 293	2 281 757	177 958	18 036	181 700	3 089	19 803	1 024	279	3 998 939
Additions	16	176	-	-	75 680	-	6 086	828	-	82 786
Disposals	(4 983)	(6 829)	-	-	-	-	(84)	-	-	(11 896)
Assets derecognised	(121)	(14 921)	-	-	-	-	(60)	(26)	-	(15 128)
Assets reclassified to assets held for sale	(2 991)	(4 304)	-	-	-	-	-	-	-	(7 295)
Transfers (from)/to WIP	-	229 952	-	4 207	(242 676)	8 490	-	27	-	-
Revaluation increment/(decrement)	30 622	473	-	1 388	-	-	2 689	-	-	35 172
Depreciation and amortisation	-	(93 136)	(3 293)	(825)	-	(1 230)	(2 521)	(407)	(129)	(101 541)
Assets recognised for the first time	887	3 506	-	-	-	-	341	166	-	4 900
Carrying amount at the end 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

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

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Internally developed computer software				
Internally developed computer software	12 668	12 668	12 668	12 668
Accumulated amortisation	(10 172)	(9 417)	(10 172)	(9 417)
Total internally developed computer software	2 496	3 251	2 496	3 251
Externally provided software				
Externally provided software	139	256	139	256
Accumulated amortisation	(37)	(127)	(37)	(127)
Total externally provided software	102	129	102	129
Service right for the right to use equipment				
Service right for equipment	23 945	22 691	23 945	22 691
Accumulated amortisation	(4 425)	(3 477)	(4 425)	(3 477)
Total service right for the right to use equipment	19 520	19 214	19 520	19 214
Total intangible assets	22 118	22 594	22 118	22 594

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.

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(p).

Impairment

There were no indications of impairment on intangible assets as at 30 June 2016.

The following tables show the movement of intangible assets:

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.				

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RECONCILIATION OF INTANGIBLE ASSETS				
DECD 2014-15				
DECD 2014-15	Internally Developed Computer Software \$'000	Other computer software \$'000	Service Right for Equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	4 212	-	20 013	24 225
Additions	-	139	-	139
Amortisation	(961)	(10)	(799)	(1 770)
Carrying amount at the end of the period	3 251	129	19 214	22 594

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

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 2016</i>	DECD Level 2 \$'000	DECD Level 3 \$'000	DECD Total \$'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.

Department for Education and Child Development
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<i>Fair value measurements at 30 June 2015</i>	DECD	DECD	DECD
	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land	1 338 723	-	1 338 723
Buildings and improvements	-	2 396 674	2 396 674
Residential accommodation housing	22 806	-	22 806
Buildings under finance lease	-	174 665	174 665
Leasehold improvements	-	10 349	10 349
Buses/Motor vehicles	-	26 254	26 254
Computing, communications, furniture and equipment	-	1 612	1 612
Other assets	-	150	150
Total recurring fair value measurements	1 361 529	2 609 704	3 971 233
Non-recurring fair value measurements			
Land held for sale	2 991	-	2 991
Buildings and improvements held for sale	4 305	-	4 305
Total non-recurring fair value measurements	7 296	-	7 296
Total fair value measurements	1 368 825	2 609 704	3 978 529

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 2016 and 2015, 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).

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RECONCILIATION OF RECURRING FAIR VALUE MEASUREMENT - LEVEL 3						
DECD 2015-16						
DECD 2015-16	\$'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	(2779)	-	-	-	-	-
Transfers from WIP	28 042	-	53	-	-	-
Assets recognised for the first time	3 439	-	-	-	16	-
Transfers from third parties	-	-	-	-	3	-
Losses for the period recognised in net result						
Depreciation and amortisation	(95 168)	(3 292)	(1 664)	(1 939)	(419)	(70)
Total losses recognised in net result	(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.

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RECONCILIATION OF RECURRING FAIR VALUE MEASUREMENT - LEVEL 3						
DECD 2014-15						
DECD 2014-15	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Buildings and Improvements	Buildings under Finance Lease	Leasehold Improvements	Buses / Motor Vehicles	Computing, Communications, Furniture and Equipment	Other Assets
Opening balance at the beginning of the period	2 281 757	177 958	3 089	19 803	1 024	279
Additions	176	-	-	6 086	828	-
Disposals	(6 829)	-	-	(84)	-	-
Assets derecognised	(14 921)	-	-	(60)	(26)	-
Assets reclassified to assets held for sale	(4 304)	-	-	-	-	-
Transfers from WIP	229 952	-	8 490	-	27	-
Assets recognised for the first time	3 506	-	-	341	166	-
Losses for the period recognised in net result						
Depreciation and amortisation	(93 136)	(3 293)	(1 230)	(2 521)	(407)	(129)
Total losses recognised in net result	(93 136)	(3 293)	(1 230)	(2 521)	(407)	(129)
Gains for the period in other comprehensive income (OCI)						
Revaluation increment	473	-	-	2 689	-	-
Total gains recognised in OCI	473	-	-	2 689	-	-
Closing balance at the end of the period	2 396 674	174 665	10 349	26 254	1 612	150

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
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26 Payables

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors	37 933	49 597	62 838	61 318
Employment on-costs	44 249	53 202	44 241	53 170
Accrued expenses	12 726	19 109	4 448	12 624
Accrued interest on PPP finance lease	2 964	2 816	2 964	2 816
Total current payables	97 872	124 724	114 491	129 928
Non-current				
Employment on-costs	56 850	53 229	56 850	53 229
Accrued interest on PPP finance lease	7 872	6 202	7 872	6 202
Total non-current payables	64 722	59 431	64 722	59 431
Total payables	162 594	184 155	179 213	189 359

As a result of an actuarial assessment performed by DTF, the percentage of the proportion of long service leave taken as leave changed from the 2015 rate (63%) to 62% and the average factor for the calculation of employer superannuation has also changed from the 2015 rate (10.3%) to 10.2%. These rates are used in the employment on-cost calculation.

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee 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.

- a) Categorisation of financial instruments and maturity analysis of payables – refer Table 36.3 in note 36
- b) Risk exposure information – refer note 36

Department for Education and Child Development
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27 Borrowings

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Current				
Obligations under finance leases - PPP ⁽¹⁾	1 628	1 453	1 628	1 453
Obligations under finance leases - other	2	4	-	-
Borrowings	37	7	-	-
Total current borrowings	1 667	1 464	1 628	1 453
Non-current				
Obligations under finance leases - PPP ⁽¹⁾	169 323	170 950	169 323	170 950
Obligations under finance leases - other	4	2	-	-
Borrowings	71	79	-	-
Advance ⁽²⁾	285	285	285	285
Total non-current borrowings	169 683	171 316	169 608	171 235
Total borrowings	171 350	172 780	171 236	172 688

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

⁽²⁾ The advance was to establish the imprest account and is non-interest bearing.

Finance leases are recognised at cost, and 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).

a) Categorisation of financial instruments and maturity analysis of borrowings – refer Table 36.3 in note 36

b) Risk exposure information – refer note 36

c) Defaults and breaches – There were no defaults or breaches on any of the above liabilities throughout the year.

28 Employee benefits

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Current				
Annual leave	116 106	130 630	115 031	129 632
Long service leave	62 121	62 587	62 073	62 519
Skills and experience retention leave	20 402	18 253	20 402	18 253
Accrued salaries and wages	8 768	61 110	8 199	60 523
Country incentive leave	358	612	358	612
Total current employee benefits	207 755	273 192	206 063	271 539
Non-current				
Long service leave	489 443	451 706	486 365	448 627
Country incentive leave	2 840	2 642	2 840	2 642
Total non-current employee benefits	492 283	454 348	489 205	451 269
Total employee benefits	700 038	727 540	695 268	722 808

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28 Employee benefits (continued)

AASB 119 contains the calculation methodology for long service leave liability. The actuarial assessment performed by DTF 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 decreased from 2015 (3.0%) to 2016 (2.0%) for Families SA employees and from 2015 (2.75%) to 2016 (1.75%) for all other employees due to differing profiles of employee leave usage.

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

The net financial effect of the changes in the current financial year is an increase of \$34.3 million in total long service leave liability and an increase of \$38.3 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 assumptions - a key assumption is the long-term discount rate.

The actuarial assessment performed by DTF 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

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Current				
Provision for workers compensation	29 715	25 470	29 715	25 470
Provision for legal claims	911	919	911	919
Provision for fire claims	-	-	513	351
Total current provisions	30 626	26 389	31 139	26 740
Non-current				
Provision for workers compensation	62 785	75 927	62 785	75 927
Provision for legal claims	4 906	3 566	4 906	3 566
Total non-current provisions	67 691	79 493	67 691	79 493
Total provisions	98 317	105 882	98 830	106 233

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Movements in provisions				
Provision for workers compensation				
Carrying amount at 1 July	101 397	117 142	101 397	117 142
Reductions arising from payments	(30 407)	(30 948)	(30 407)	(30 948)
Additional provision recognised	21 510	15 203	21 510	15 203
Carrying amount at 30 June	92 500	101 397	92 500	101 397

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector (a division of the Department of the Premier and Cabinet).

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29 Provisions (continued)

	2016	2015	2016	2015
<i>Movements in provisions</i>	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Provision for legal claims				
Carrying amount at 1 July	4 485	4 530	4 485	4 530
Reductions arising from payments	(612)	(45)	(612)	(45)
Reversal of over provision	(1 242)	-	(1 242)	-
Additional provision recognised	3 186	-	3 186	-
Carrying amount at 30 June	5 817	4 485	5 817	4 485
Provision for fire claims				
Carrying amount at 1 July	-	-	351	80
Reductions arising from payments	-	-	(38)	(102)
Reversal of over provision	-	-	(91)	-
Additional provision recognised	-	-	291	373
Carrying amount at 30 June	-	-	513	351

30 Other liabilities

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Current				
Deposits	14 072	12 467	13 527	11 788
Unearned revenue	13 531	11 143	822	347
Other liabilities	2 995	4 487	450	269
Equipment service right	532	346	532	346
Total current other liabilities	31 130	28 443	15 331	12 750
Non-current				
Equipment service right	21 900	21 402	21 900	21 402
Other liabilities	730	628	470	468
Deposits	527	446	-	-
Total non-current other liabilities	23 157	22 476	22 370	21 870
Total other liabilities	54 287	50 919	37 701	34 620

Department for Education and Child Development
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31 Equity

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Retained earnings	2 247 172	2 267 713	1 808 021	1 882 124
Revaluation surplus	1 476 884	1 451 149	1 476 697	1 450 962
Total equity	3 724 056	3 718 862	3 284 718	3 333 086

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.

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:

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 DECD \$'000
Within one year	5 623	5 402	5 623	5 402
Later than one year but not later than five years	23 932	22 985	23 932	22 985
Later than five years	142 815	146 702	142 815	146 702
Total PPP operations and maintenance commitments	172 370	175 089	172 370	175 089

(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:

	2016 Minimum lease payments \$'000	2016 Present value of lease payments \$'000	2015 Minimum lease payments \$'000	2015 Present value of lease payments \$'000
Within one year	21 011	18 891	21 014	18 891
Later than one year but not later than five years	84 014	58 312	84 027	58 293
Later than five years	379 801	93 748	400 798	95 219
Total minimum lease payments	484 826	170 951	505 839	172 403
Less amounts representing finance charges	313 875	-	333 436	-
Present value of minimum lease payments	170 951	170 951	172 403	172 403

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(ii) PPP Finance lease commitments (continued)

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
Included in the financial statements as:	\$'000	\$'000	\$'000	\$'000
Current borrowings (note 27)	1 628	1 453	1 628	1 453
Non-current borrowings (note 27)	169 323	170 950	169 323	170 950
Total included in borrowings	170 951	172 403	170 951	172 403

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

(b) Capital commitments

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

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Within one year	11 564	7 417	11 564	7 417
Total capital commitments	11 564	7 417	11 564	7 417

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:

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Within one year	5 769	5 501	5 769	5 501
Later than one year but not later than five years	4 409	4 329	4 409	4 329
Total operating lease commitments for vehicles	10 178	9 830	10 178	9 830

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:

	2016	2015	2016	2015
	Consolidated	Consolidated	DECD	DECD
	\$'000	\$'000	\$'000	\$'000
Within one year	16 605	16 106	16 605	16 106
Later than one year but not later than five years	33 574	39 711	33 574	39 711
Later than five years	5 852	9 194	5 852	9 194
Total operating lease commitments for facilities	56 031	65 011	56 031	65 011

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

(d) Operating lease commitments for facilities (continued)

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 contingent 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. A sufficiently reliable estimate of the potential liability has not been made as it is dependent on claimants lodging valid proof of debt for consideration and ratification. The application process for claims will commence in 2016-17.

34 Remuneration of board and committee members

Members of the boards and committees during the 2015-16 financial year were:

Animal Ethics Committee

Ms Jana Algra-Cramond¹ (appointed 1 July 2015,
resigned 1 February 2016)

Ms Jan Brooks¹ (resigned 31 December 2015)

Mr Stefan Demianyk¹ (appointed 1 July 2015,
resigned 1 January 2016)

Mr John Hatch

Mr Manfred Heide

Dr David Mason

Ms Kay McGrath

Mr Matthew Mercorella¹ (appointed 1 May 2016)

Dr Denise Noonan

Ms Linda Olifent¹ (appointed 1 February 2016)

Ms Patricia Sprague

Mr Ross Templeman¹

Ms Amanda Vishnich¹ (resigned 1 July 2015)

Ms Kymberly Warren¹ (resigned 1 July 2015)

Ms Margy Wright¹ (appointed 1 December 2015)

Child Death and Serious Injury Review Committee

Mr Alwin Chong (resigned 30 June 2016)

Ms Lynne Cowan¹ (resigned 30 June 2016)

Ms Angela Davis

Ms Dymphna Eszenyi

Dr Mark Fuller

Ms Diane Gursanksy

Ms Michelle Hasani² (resigned 30 June 2016)

Mr Barry Jennings QC (resigned 30 June 2016)

Dr Deepa Jeyaseelan

Dr Margaret Kyrkou²

Mr Thomas Osborn¹

Ms Nicole Stasiak¹ (resigned 30 June 2016)

Dr Nigel Stewart²

Ms Patricia Strachan¹ (resigned 29 April 2016)

Ms Barbara Tiffin¹

DECD Audit and Risk Committee

Ms Angela Allison

Ms Jayne Johnston¹

Ms Julieann Riedstra¹

Mr Coenraad Robberts¹

Mr Etienne Scheepers¹

Ms Patricia Strachan¹ (resigned 29 April 2016)

Mr Ben Temperly¹ (appointed 1 June 2016)

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

34 Remuneration of board and committee members (continued)

Council for the Care of Children Committee

Ms Fiona Arney (resigned 4 September 2015)	Mr Rick Persse ¹ (appointed 21 June 2016)
Ms Sonja Brown	Ms Catherine Ryan (resigned 11 February 2016)
Ms Elisabeth Burtnik	Ms Kelly Ryan (appointed 26 November 2015)
Ms Barbara Chapman	Ms Nerida Saunders ¹
Ms Jesse Frick	Mr Simon Schrapel
Mr Anthony Harrison ¹ (resigned 21 June 2016)	Professor Phillip Slee
Mr Thomas Manning ¹ (resigned 10 June 2016)	Mr David Swan ¹
Ms Joslene Mazel ¹ (resigned 21 June 2016)	Mr Roland Wilson (appointed 4 February 2016)
Ms Gerardine Mulhearn (appointed 31 March 2016)	

SA Institute for Education Leadership

Ms Sam Bradley ¹ (appointed 13 July 2015, resigned 4 February 2016)	Mr Tim McLeod ¹ (appointed 9 February 2016)
Ms Susan Cameron ¹ (resigned 4 February 2016)	Mr Phil O'Loughlin ¹ (resigned 12 July 2015)
Ms Asha Crozier ¹ (appointed 8 February 2016)	Ms Kate Ryan ¹ (resigned 8 February 2016)
Ms Vonnie Dolling ¹ (appointed 11 February 2016)	Ms Patricia Strachan ¹ (resigned 4 February 2016)
Mr John Hill	Mr David Tonkin
Ms Jayne Johnston ¹ (resigned 4 February 2016)	Ms Penny Tranter ¹ (appointed 11 February 2016)
Ms Pam Kent ¹	Dr Niki Vincent
	Ms Tammy Williams ¹

SA Teacher Certification Committee

Dr Kerry Ann Kavanagh ¹ (resigned 31 December 2015)	Dr Janette Patterson
Mr Michael Kenny	Ms Lynda Seacombe
Dr Lynda MacLeod	Mr Bruno Viececi
Ms Susan Miels (appointed 1 January 2016)	Ms Erica Womersley ¹ (resigned 24 June 2016)

The number of members whose remuneration received/receivable falls within the following bands:	2016	2015
	Number	Number
\$0	63	50
\$1 - \$9 999	13	19
\$10 000 - \$19 999	1	1
Total number of members	77	70

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 \$31 238 (\$35 409).

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.

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 Cash flow reconciliation

	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 DECD \$'000	2015 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	838 296	862 740	437 869	499 805
Balance as per Statement of Cash Flows	838 296	862 740	437 869	499 805

Reconciliation of net cash provided by/(used in) operating activities to net cost of providing services

Net cash provided by operating activities	15 323	209 546	(29 674)	221 534
Revenues from SA Government	(2 682 345)	(2 610 414)	(2 682 345)	(2 610 414)
Payments to SA Government	60 899	17 172	60 899	17 172

Non-cash items

Depreciation and amortisation expense	(111 477)	(108 865)	(105 104)	(103 311)
Bad and doubtful debts	(2 623)	(2 150)	(61)	(66)
Non-current assets derecognised/written off	(2 202)	(15 128)	(2 202)	(15 128)
Donated assets	(1 600)	-	(1 600)	-
Assets recognised for the first time	5 808	4 900	5 808	4 900
Net gain from disposal of non-current assets	(6 277)	8 004	(6 412)	8 132
Contributed assets	3	-	3	-

Movements in assets and liabilities

Increase/(decrease) in receivables	14 292	8 682	8 327	(166)
Increase/(decrease) in inventories	124	357	(24)	32
(Increase)/decrease in payables	19 751	(18 298)	8 336	(12 008)
(Increase)/decrease in employee benefits	27 502	(44 482)	27 540	(44 113)
(Increase)/decrease in provisions	7 565	15 790	7 403	15 519
(Increase)/decrease in other liabilities	(2 684)	(7 442)	(2 397)	(2 765)
Net cost of providing services	(2 657 941)	(2 542 328)	(2 711 503)	(2 520 682)

36 Financial risk management / financial instruments

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.

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

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

36.2 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 Summary of Significant Accounting Policies.

Refer Table 36.3 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.

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).

36.3 Liquidity risk

Liquidity risk arises from the possibility the Department is unable to meet its financial obligations as they fall due. The Department is funded principally from appropriation by the SA Government. The Department works with DTF 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.

The Department settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made within 30 days from resolution.

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

The carrying amount recorded in table 36.3 represents the Department's maximum exposure.

The following table discloses the carrying amount of each category of financial instrument held by the Department including the contractual maturity analysis for financial assets and liabilities (ie liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

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

36 Financial risk management / financial instruments (continued)

Table 36.3 Categorisation and maturity analysis of financial assets and liabilities (DECD)

Category of financial asset and financial liability	Notes	2016 Carrying amount/fair value \$'000	2016 Contractual Maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalent						
- Cash and cash equivalent	18	437 869	437 869	-	-	-
Loans and receivables						
- Receivables ⁽¹⁾⁽²⁾	19	31 786	-	27 321	2 723	1 742
Total financial assets		469 655	437 869	27 321	2 723	1 742
Financial liabilities						
Financial liabilities held at cost						
- Payables ⁽¹⁾	26	78 122	-	70 250	7 872	-
- Borrowings	27	171 236	-	1 628	8 685	160 923
- Other liabilities	30	37 701	-	15 331	4 225	18 145
Total financial liabilities		287 059	-	87 209	20 782	179 068

Category of financial asset and financial liability	Notes	2015 Carrying amount/fair value \$'000	2015 Contractual Maturities			
			Current \$'000	Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalent						
- Cash and cash equivalent	18	499 805	499 805	-	-	-
Loans and receivables						
- Receivables ⁽¹⁾⁽²⁾	19	31 979	-	26 832	2 716	2 431
Total financial assets		531 784	499 805	26 832	2 716	2 431
Financial liabilities						
Financial liabilities held at cost						
- Payables ⁽¹⁾	26	82 960	-	76 758	6 202	-
- Borrowings	27	172 688	-	1 453	7 763	163 472
- Other liabilities	30	34 620	-	12 750	3 488	18 382
Total financial liabilities		290 268	-	90 961	17 453	181 854

⁽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.

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

36 Financial risk management / financial instruments (continued)

36.4 Credit risk

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

The Department has minimal concentration of credit risk. The Department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Department does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the Department.

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 carrying amount of financial assets as detailed in note 36.3 represents the department's maximum exposure to credit risk.

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

Table 36.4 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	
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)
2015						
Receivables ⁽¹⁾	31 979	27 434	1 788	106	2 776	(125)
Total financial assets	31 979	27 434	1 788	106	2 776	(125)

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

36.5 Market risk

Market risk for the Department is primarily through interest rate risk. 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.

Sensitivity disclosure analysis

A sensitivity disclosure analysis has not been undertaken for the interest rate risk of the Department as it has been determined that the possible impact on the net result or total equity from fluctuations in interest rates is immaterial.

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

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

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.

Statement of Comprehensive Income	Note	Original Budget ¹ 2016 \$'000	Consolidated Actual 2016 \$'000	Variance 2016 \$'000
Expenses				
Employee benefits expenses		2 380 152	2 311 802	(68 350)
Supplies and services		664 217	674 124	9 907
Grants and subsidies		173 832	248 145	74 313
Depreciation and amortisation expense		108 746	111 477	2731
Borrowing costs		22 467	22 651	184
Other expenses		4 140	14 235	10 095
Total Expenses		3 353 554	3 382 434	28 880
Income				
Commonwealth revenues		472 199	479 126	6 927
Student and other fees and charges		137 772	150 179	12 407
Other revenues		47 488	63 746	16 258
Other grants and contributions		46 938	28 748	(18 190)
Interest revenues		8 158	8 971	813
Net (loss)/gain from disposal of non-current assets		(4 417)	(6 277)	(1 860)
Total Income		708 138	724 493	16 355
Net cost of providing services		2 645 416	2 657 941	12 525
Revenues from / (Payments to) SA Government				
Revenues from SA Government		2 654 287	2 682 345	28 058
Payments to SA Government		-	(60 899)	(60 899)
Net Revenues from / (payments to) SA Government		2 654 287	2 621 446	(32 841)
Net result		8 871	(36 495)	(45 366)
Other Comprehensive Income				
Changes in revaluation surplus		-	41 689	41 689
Total comprehensive result		8 871	5 194	(3 677)

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 (2015-16 Budget Paper 4, Vol 2). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

No variances exceed the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

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

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

	Original Budget ¹ 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000
Note			
Investing Expenditure Summary			
Total new projects	1	16 000	709 (15 291)
Total existing projects		31 798	30 101 (1 697)
Total annual programs	2	8 371	19 039 10 668
Total investing expenditure		56 169	49 849 (6 320)

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 (2015-16 Budget Paper 4, Vol 2). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

- 1 Once the scope and project plans were developed for the new projects it was identified that significant expenditure was to occur in the second year of the projects resulting in less expenditure in 2015-16.
- 2 Additional expenditure on annual programs primarily relates to expenditure in relation to remediation works of a significant fire at Lameroo Regional Community school, expenditure in relation to the provision of transportable buildings to address capacity issues at a number of schools and general investing expenditure by schools on equipment and building improvements.

38 Events after the end of the reporting period

On 21 June 2016, the Government announced its intention to transfer the Office for Child Protection (Families SA) from the Department for Education and Child Development to a new Department for Child Protection. The movement of the Office is a result of a recommendation from the Child Protection Systems Royal Commission. The financial effect of this machinery of government change has not been reflected in the financial statements.

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

39 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	
		2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000
Expenses							
Employee benefits expenses	5						
Salaries and wages (including annual leave)		-	-	1 865 310	1 819 051	1 865 310	1 819 051
Employment on-costs - superannuation		-	-	196 435	193 823	196 435	193 823
Employment on-costs - payroll tax		106 387	102 580	-	-	106 387	102 580
Long service leave		-	-	98 147	74 178	98 147	74 178
Workers Compensation		2 462	1 512	21 511	15 204	23 973	16 716
Targeted voluntary separation payments		-	-	6 559	5 751	6 559	5 751
Country incentive leave		-	-	373	457	373	457
Board and committee fees		-	-	29	26	29	26
Skills and experience retention leave		-	-	11 978	11 535	11 978	11 535
Other employee related expenses		-	-	2 611	2 674	2 611	2 674
Supplies and services	6						
Minor works, maintenance and equipment		96 668	78 674	45 888	52 150	142 556	130 824
Rentals and leases		29 301	27 883	5 208	2 315	34 509	30 198
Management fees and charges		14 969	10 691	3 034	4 014	18 003	14 705
Utilities		16 539	15 893	25 791	29 958	42 330	45 851
Cleaning		485	281	37 318	36 375	37 803	36 656
Printing, postage and consumables		9	17	77 073	77 909	77 082	77 926
Training and development		264	427	10 652	10 637	10 916	11 064
Shared Services SA charges		15 085	14 793	-	-	15 085	14 793
Vehicle and travelling expenses		9 293	8 341	26 286	27 393	35 579	35 734
Security		4 283	5 700	1 832	1 465	6 115	7 165
Insurance (including self-insurance)		5 995	5 702	-	18	5 995	5 720

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

39 Transactions with SA Government - Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000
Supplies and services (continued)	6						
Contractors and other outsourced services		1 049	1 446	26 193	23 495	27 242	24 941
Telecommunications		2 911	2 522	15 284	14 435	18 195	16 957
Legal costs		1 635	2 448	1 281	576	2 916	3 024
Residential and client related costs		241	11	2 582	2 660	2 823	2 671
Computer communications		472	2 959	19 653	13 608	20 125	16 567
Copyright		-	-	4 124	4 360	4 124	4 360
Bus contractors		14	8	25 093	24 719	25 107	24 727
Excursions and camps		-	-	22 227	21 006	22 227	21 006
Cost of goods sold		-	-	14 895	14 559	14 895	14 559
Student learning materials		-	-	29 035	28 919	29 035	28 919
PPP Service Fee		-	-	5 841	5 262	5 841	5 262
Other		1 686	(1 881)	73 935	80 670	75 621	78 789
Grants and subsidies	7						
Recurrent grants paid to preschools		5 925	5 089	-	-	5 925	5 089
Recurrent grants paid to other organisations		2 889	2 881	239 331	196 731	242 220	199 612
Depreciation and amortisation expense	8						
Buildings and improvements		-	-	95 225	93 214	95 225	93 214
Residential accommodation housing		-	-	823	825	823	825
Computing, communication, furniture and equipment		-	-	5 078	4 518	5 078	4 518
Buses and motor vehicles		-	-	2 718	3 361	2 718	3 361
Leasehold improvements		-	-	1 664	1 230	1 664	1 230
Buildings under finance lease		-	-	3 292	3 293	3 292	3 293
Internally developed computer software		-	-	755	961	755	961

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

39 Transactions with SA Government - Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000
Depreciation and amortisation expense (continued)	8						
Externally provided software		-	-	27	10	27	10
Service right for equipment		-	-	948	799	948	799
Other		-	-	947	654	947	654
Borrowing costs	9						
Interest paid/payable on short-term and long-term borrowings		-	-	60	56	60	56
Finance lease costs		-	-	22 591	22 332	22 591	22 332
Other expenses	10						
Auditor's remuneration – Auditor-General's Department *		559	527	-	-	559	527
Auditor's remuneration – other		-	-	982	970	982	970
Allowance for doubtful debts and debt write-offs		-	-	2 623	2 150	2 623	2 150
Other insurance		1 056	939	2 410	1 100	3 466	2 039
Emergency Services Levy		1 341	1 272	-	-	1 341	1 272
Non-current assets written off		-	-	2 202	15 128	2 202	15 128
Donated assets		1 600	-	-	-	1 600	-
Other expenses		1 462	-	-	-	1 462	-
Total expenses		324 580	290 715	3 057 854	2 946 534	3 382 434	3 237 249
Income							
Commonwealth revenues	11			479 126	454 567	479 126	454 567
Student and other fees and charges	12						
Sales/fee for service revenue		409	368	13 304	13 229	13 713	13 597
Student enrolment fees and charges		-	-	107 949	102 977	107 949	102 977
Other user fees and charges		171	63	12 593	11 137	12 764	11 200
Canteen sales		-	-	15 753	15 978	15 753	15 978

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

39 Transactions with SA Government - Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000
Other grants and contributions	13						
Grants and subsidies revenue		12 338	(6 752)	15 676	28 323	28 014	21 571
Donations		-	-	734	678	734	678
Interest revenues	14						
Interest		66	116	-	-	66	116
Other		-	-	8 905	11 839	8 905	11 839
Net (loss)/gain from disposal of non-current and other assets	15						
Total proceeds from disposal		-	-	12 066	27 543	12 066	27 543
Total value of assets disposed		-	-	(18 343)	(19 539)	(18 343)	(19 539)
Other revenues	16						
Commission received		-	-	1 203	1 273	1 203	1 273
Fundraising revenue		-	-	7 420	7 553	7 420	7 553
Assets recognised for the first time		-	-	5 808	4 900	5 808	4 900
Recoveries - other		197	314	7 291	9 084	7 488	9 398
Contributed assets		3	-	-	-	3	-
Other revenue		2 353	11	39 471	31 259	41 824	31 270
Revenues from / payments to SA Government	17						
Revenues from SA Government		2 682 345	2 610 414	-	-	2 682 345	2 610 414
Payments to SA Government		(60 899)	(17 172)	-	-	(60 899)	(17 172)
Total income		2 636 933	2 587 362	708 956	700 801	3 345 939	3 288 163
Net result		2 312 403	2 296 647	(2 348 898)	(2 245 733)	(36 495)	50 914

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

39 Transactions with SA Government – Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000
Financial assets							
Cash and cash equivalents	18						
Deposits with the Treasurer - at call		14 373	144 624	-	-	14 373	144 624
Deposits with the Treasurer - Accrual Appropriation Excess Funds Account		422 439	354 021	-	-	422 439	354 021
SA School Investment Fund (SASIF)		-	-	368 992	335 118	368 992	335 118
Cash at bank and on hand		-	-	32 107	28 596	32 107	28 596
Section 21 Deposit Accounts		385	381	-	-	385	381
Receivables	19						
Fees, charges and other receivables		2 150	1 840	33 504	30 724	35 654	32 564
Allowance for doubtful debts		(83)	(85)	(4 678)	(4 125)	(4 761)	(4 210)
GST recoverable from the ATO		-	-	11 302	9 684	11 302	9 684
Prepayments		5 858	3	5 161	4 410	11 019	4 413
Accrued revenues		104	37	2 866	2 046	2 970	2 083
Loan receivables		-	-	15	14	15	14
Workers compensation receivable		-	-	870	851	870	851
Other financial assets	21						
Term deposits		-	-	2 114	2 130	2 114	2 130
Total financial assets		445 226	500 821	452 253	409 448	897 479	910 269

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

39 Transactions with SA Government – Consolidated (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000	2016 Consolidated \$'000	2015 Consolidated \$'000
Financial liabilities							
Payables	26						
Creditors		16 625	21 924	21 308	27 673	37 933	49 597
Employment on-costs		51 236	46 971	49 863	59 460	101 099	106 431
Accrued expenses		3 733	4 783	8 993	14 326	12 726	19 109
Accrued interest on PPP finance lease		-	-	10 836	9 018	10 836	9 018
Borrowings	27						
Obligations under finance leases - PPP		-	-	170 951	172 403	170 951	172 403
Obligations under finance leases - other		-	-	6	6	6	6
Borrowings		-	-	108	86	108	86
Advance		285	285	-	-	285	285
Other liabilities	30						
Deposits		-	-	14 599	12 913	14 599	12 913
Unearned revenue		1	15	13 530	11 128	13 531	11 143
Equipment service right		-	-	22 432	21 748	22 432	21 748
Other liabilities		-	-	3 725	5 115	3 725	5 115
Total financial liabilities		71 880	73 978	316 351	333 876	388 231	407 854

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

40 Transactions with SA Government - DECD

	Note	SA Government		Non-SA Government		Total	
		2016 DECD \$'000	2015 DECD \$'000	2016 DECD \$'000	2015 DECD \$'000	2016 DECD \$'000	2015 DECD \$'000
Expenses							
Employee benefits expenses	5						
Salaries and wages (including annual leave)		-	-	1 834 884	1 792 168	1 834 884	1 792 168
Employment on-costs - superannuation		-	-	193 484	191 012	193 484	191 012
Employment on-costs - payroll tax		106 387	102 580	-	-	106 387	102 580
Long service leave		-	-	97 442	73 503	97 442	73 503
Workers Compensation		2 462	1 512	21 511	15 204	23 973	16 716
Targeted voluntary separation payments		-	-	6 559	5 751	6 559	5 751
Country incentive leave		-	-	373	457	373	457
Board and committee fees		-	-	29	26	29	26
Skills and experience retention leave		-	-	11 978	11 535	11 978	11 535
Other employee related expenses		-	-	2 481	2 535	2 481	2 535
Supplies and services	6						
Minor works, maintenance and equipment		97 333	88 544	8 351	6 537	105 684	95 081
Rentals and leases		29 304	27 886	2 404	280	31 708	28 166
Management fees and charges		17 723	13 714	3 034	4 014	20 757	17 728
Utilities		16 544	15 924	3 836	28 985	20 380	44 909
Cleaning		597	427	5 431	4 877	6 028	5 304
Printing, postage and consumables		25	40	5 627	5 428	5 652	5 468
Training and development		920	1 688	4 430	3 224	5 350	4 912
Shared Services SA charges		15 085	14 793	-	-	15 085	14 793
Vehicle and travelling expenses		9 522	8 658	24 097	25 032	33 619	33 690
Security		4 283	5 700	1 328	1 019	5 611	6 719
Insurance (including self-insurance)		6 023	5 967	-	18	6 023	5 985
Contractors and other outsourced services		4 213	4 718	23 308	20 942	27 521	25 660
Telecommunications		2 914	2 529	13 220	12 662	16 134	15 191

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

40 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 DECD \$'000	2015 DECD \$'000	2016 DECD \$'000	2015 DECD \$'000	2016 DECD \$'000	2015 DECD \$'000
Supplies and services (continued)	6						
Legal costs		1 635	2 455	1 281	576	2 916	3 031
Residential and client related costs		243	16	2 582	2 661	2 825	2 677
Computer communications		489	2 973	14 204	10 429	14 693	13 402
Copyright		-	-	4 120	4 355	4 120	4 355
Bus contractors		16	8	25 093	24 719	25 109	24 727
PPP Service Fee		-	-	5 841	5 262	5 841	5 262
Other		1 903	2 288	5 990	6 436	7 893	8 724
Grants and subsidies	7						
Recurrent grants paid to schools and units		220 828	138 037	-	-	220 828	138 037
Capital grants paid to schools and units		3 317	2 772	-	-	3 317	2 772
Recurrent grants paid to preschools		5 925	5 089	-	-	5 925	5 089
Recurrent grants paid to other organisations		2 889	2 881	239 331	196 731	242 220	199 612
Depreciation and amortisation expense	8						
Buildings and improvements		-	-	95 168	93 136	95 168	93 136
Residential accommodation housing		-	-	822	825	822	825
Computing, communication, furniture and equipment		-	-	419	407	419	407
Buses and motor vehicles		-	-	1 939	2 521	1 939	2 521
Leasehold improvements		-	-	1 664	1 230	1 664	1 230
Buildings under finance lease		-	-	3 292	3 293	3 292	3 293
Internally developed computer software		-	-	755	961	755	961
Externally provided software		-	-	27	10	27	10
Service right for equipment		-	-	948	799	948	799
Other		-	-	70	129	70	129

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

40 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 DECD \$'000	2015 DECD \$'000	2016 DECD \$'000	2015 DECD \$'000	2016 DECD \$'000	2015 DECD \$'000
Borrowing costs	9						
Finance lease costs		-	-	22 591	22 332	22 591	22 332
Other expenses	10						
Auditor's remuneration – Auditor-General's Department *		559	527	-	-	559	527
Auditor's remuneration – other		-	-	912	918	912	918
Allowance for doubtful debts and debt write-offs		-	-	61	66	61	66
Other insurance		1 068	967	2 410	1 100	3 478	2 067
Emergency Services Levy		1 341	1 272	-	-	1 341	1 272
Non-current assets written off		-	-	2 202	15 128	2 202	15 128
Donated assets		1 600	-	-	-	1 600	-
Other expenses		1 462	-	-	-	1 462	-
Total expenses		556 610	453 965	2 695 529	2 599 233	3 252 139	3 053 198
Income							
Commonwealth revenues	11	-	-	479 126	454 567	479 126	454 567
Student and other fees and charges	12						
Sales/fee for service revenue		688	759	1 447	1 943	2 135	2 702
Student enrolment fees and charges		-	-	3 419	3 434	3 419	3 434
Other user fees and charges		1 358	745	12 593	11 137	13 951	11 882
Other grants and contributions	13						
Grants and subsidies revenue		12 339	12 923	1 485	1 521	13 824	14 444
Interest revenues	14						
Interest		405	496	-	-	405	496
Other		-	-	7 401	7 401	7 401	7 401

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

40 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 DECD \$'000	2015 DECD \$'000	2016 DECD \$'000	2015 DECD \$'000	2016 DECD \$'000	2015 DECD \$'000
Net (loss)/gain from disposal of non-current and other assets	15						
Total proceeds from disposal		-	-	11 825	27 244	11 825	27 244
Total value of assets disposed		-	-	(18 237)	(19 112)	(18 237)	(19 112)
Other revenues	16						
Commission received		3 613	2 903	676	768	4 289	3 671
Assets recognised for the first time		-	-	5 808	4 900	5 808	4 900
Recoveries - other		2 697	4 667	7 291	9 084	9 988	13 751
Contributed assets		3	-	-	-	3	-
Other revenue		3 536	4 736	3 163	2 400	6 699	7 136
Revenues from / payments to SA Government	17						
Revenues from SA Government		2 682 345	2 610 414	-	-	2 682 345	2 610 414
Payments to SA Government		(60 899)	(17 172)	-	-	(60 899)	(17 172)
Total income		2 646 035	2 620 471	515 997	505 287	3 162 082	3 125 758
Net result		2 089 475	2 166 506	(2 179 532)	(2 093 946)	(90 057)	72 560
Financial assets							
Cash and cash equivalents	18						
Deposits with the Treasurer - at call		14 373	144 624	-	-	14 373	144 624
Deposits with the Treasurer - Accrual							
Appropriation Excess Funds Account		422 439	354 021	-	-	422 439	354 021
Cash at bank and on hand		-	-	672	779	672	779
Section 21 Deposit Accounts		385	381	-	-	385	381

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

40 Transactions with SA Government – DECD (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 DECD \$'000	2015 DECD \$'000	2016 DECD \$'000	2015 DECD \$'000	2016 DECD \$'000	2015 DECD \$'000
Receivables	19						
Fees, charges and other receivables		9 773	12 627	13 156	11 321	22 929	23 948
Allowance for doubtful debts		(83)	(85)	(17)	(40)	(100)	(125)
GST recoverable from the ATO		-	-	8 726	7 321	8 726	7 321
Prepayments		5 858	3	3 314	2 837	9 172	2 840
Accrued revenues		3 543	2 124	299	214	3 842	2 338
Loan receivables		5 100	5 804	15	14	5 115	5 818
Workers compensation receivable		-	-	870	851	870	851
Total financial assets		461 388	519 499	27 035	23 297	488 423	542 796
Financial liabilities							
Payables	26						
Creditors		45 049	36 516	17 789	24 802	62 838	61 318
Employment on-costs		51 236	46 971	49 855	59 428	101 091	106 399
Accrued expenses		3 733	4 783	715	7 841	4 448	12 624
Accrued Interest on PPP finance lease		-	-	10 836	9 018	10 836	9 018
Borrowings	27						
Obligations under finance leases - PPP		-	-	170 951	172 403	170 951	172 403
Advance		285	285	-	-	285	285
Other liabilities	30						
Deposits		-	-	13 527	11 788	13 527	11 788
Unearned revenue		1	15	821	332	822	347
Equipment service right		-	-	22 432	21 748	22 432	21 748
Other liabilities		-	-	920	737	920	737
Total financial liabilities		100 304	88 570	287 846	308 097	388 150	396 667

Department for Education and Child Development
Statement of Administered Comprehensive Income
for the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Expenses			
Employee benefits expenses	A3	1 634	1 715
Supplies and services	A4	227	314
Transfer payments	A5	1 044 615	1 012 856
Depreciation expense	A6	-	1
Other expenses	A7	3	-
Total expenses		1 046 479	1 014 886
Income			
Revenues from SA Government	A8	244 929	241 047
Commonwealth revenue	A9	805 046	776 867
Other revenues	A10	94	209
Total income		1 050 069	1 018 123
Net result		3 590	3 237
Total comprehensive result		3 590	3 237

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 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash and cash equivalents	A11	31 597	28 471
Receivables	A12	234	295
Total current assets		31 831	28 766
Non-current assets			
Plant and equipment	A13	-	3
Total non-current assets		-	3
Total assets		31 831	28 769
Current Liabilities			
Payables	A14	641	1 043
Employee benefits	A15	183	217
Total current liabilities		824	1 260
Non-current liabilities			
Payables	A14	42	52
Employee benefits	A15	362	444
Total non-current liabilities		404	496
Total liabilities		1 228	1 756
Net assets		30 603	27 013
Equity			
Accumulated surplus	A16	30 603	27 013
Total equity		30 603	27 013

Total equity is attributable to the SA Government as owner

Contingent assets and liabilities A17

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 2016

	Note	Retained earnings \$'000	Total \$'000
Balance at 30 June 2014		23 776	23 776
Net result for 2014-15		3 237	3 237
Total comprehensive result for 2014-15		3 237	3 237
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	A16	30 603	30 603

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 2016

	2016	2015
	\$'000	\$'000
	Inflows (Outflows)	Inflows (Outflows)
Note		
Cash flows from operating activities		
Cash outflows		
Employee benefits payments	(1 766)	(1 657)
Supplies and services	(306)	(230)
Transfer payments	(1 065 359)	(1 041 278)
Cash used in operations	(1 067 431)	(1 043 165)
Cash inflows		
Receipts from SA Government	244 929	241 047
Receipts from Commonwealth	805 046	776 867
GST recovered from the ATO	20 495	20 121
Other receipts	87	209
Cash generated from operations	1 070 557	1 038 244
Net cash provided by / (used in) operating activities	3 126	(4 921)
A19		
Net increase / (decrease) in cash and cash equivalents	3 126	(4 921)
Cash and cash equivalents at the beginning of the period	28 471	33 392
Cash and cash equivalents at the end of the period	31 597	28 471
A11		

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 2016

	Minister's Other Payments		Minister's Salary and Allowances		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses						
Employee benefits expenses	1 317	1 425	317	290	1 634	1 715
Supplies and services	227	314	-	-	227	314
Transfer payments	1 044 615	1 012 856	-	-	1 044 615	1 012 856
Depreciation expense	-	1	-	-	-	1
Other expenses	3	-	-	-	3	-
Total expenses	1 046 162	1 014 596	317	290	1 046 479	1 014 886
Income						
Revenues from SA						
Government	244 616	240 757	313	290	244 929	241 047
Commonwealth revenue	805 046	776 867	-	-	805 046	776 867
Other revenue	94	209	-	-	94	209
Total income	1 049 756	1 017 833	313	290	1 050 069	1 018 123
Net result	3 594	3 237	(4)	-	3 590	3 237

Department for Education and Child Development
Schedule of Assets and Liabilities
attributable to Administered Activities
for the year ended 30 June 2016

	Minister's Other Payments		Minister's Salary and Allowances		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Assets						
Cash and cash equivalents	31 597	28 471	-	-	31 597	28 471
Receivables	234	295	-	-	234	295
Plant and equipment	-	3	-	-	-	3
Total assets	31 831	28 769	-	-	31 831	28 769
Liabilities						
Payables	683	1 095	-	-	683	1 095
Employee benefits	545	661	-	-	545	661
Total liabilities	1 228	1 756	-	-	1 228	1 756

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.

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, 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.

A3 Employee benefits expenses

	2016	2015
	\$'000	\$'000
Salaries and wages	1 318	1 333
Long service leave	13	59
Annual leave	90	92
Skills and experience retention leave	7	13
Superannuation expense	115	120
Payroll tax expense	61	61
Workers compensation	1	4
Board and committee fees	29	33
Total employee benefits expenses	1 634	1 715

Targeted Voluntary Separation Packages

No employees were paid TVSPs during the reporting period.

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

Remuneration of employees	2016	2016	2015	2015
The number of employees whose remuneration received or receivable falls within the following bands:	Number of Executives ¹	Number of Employees	Number of Executives ¹	Number of Employees
\$145 001 to \$155 000	-	1	-	-
\$155 001 to \$165 000	-	-	1	1
\$165 001 to \$175 000	1	1	-	-
Total number of executives / employees	1	2	1	1

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 2016 and 30 June 2015 respectively. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2016 and 2015.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any fringe benefit tax associated with those benefits. One non-executive employee received payment in 2016 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 \$327 000 (\$160 000) which is included in employee benefits expenses. Salary rates during 2015-16 increased by 2.5 percent for the *Education Act 1972 employees*, 2.5 percent for *Public Sector Act 2009 employees* effective the first pay period on or after 1 October 2015 and 2.5 percent for executives effective 1 July 2015.

Number of employees as at the reporting date

As at 30 June 2016, 12 (13) full time equivalents were employed to manage the Department's administered items.

A4 Supplies and services

	2016	2015
	\$'000	\$'000
Contractors and other outsourced services	156	232
Printing, postage and consumables	22	15
Minor equipment and maintenance	2	1
Vehicle and travelling expenses	3	6
Conference expenses	-	2
Other supplies and services	44	58
Total supplies and services	227	314

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 2015-16 or 2014-15 financial years.

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

A5 Transfer payments

	2016	2015
	\$'000	\$'000
Non-government schools	995 845	962 070
SACE Board of South Australia	19 447	18 932
Transport concessions	12 705	16 212
Special Schools and Education	7 601	7 229
Education and Early Childhood Services Registration and Standards Board of SA	4 876	5 205
Other organisations	1 946	1 583
Multicultural grants	1 522	1 475
Government schools	515	89
Government pre-schools	158	61
Total transfer payments	1 044 615	1 012 856

A6 Depreciation

	2016	2015
	\$'000	\$'000
Computing, furniture and equipment	-	1
Total depreciation	-	1

A7 Other expenses

	2016	2015
	\$'000	\$'000
Donated asset	3	-
Total other expenses	3	-

A8 Revenues from SA Government

	2016	2015
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	244 596	240 710
Appropriations under other Acts	313	290
Transfers from contingencies	20	47
Total Revenues from SA Government	244 929	241 047

A9 Commonwealth revenues

	2016	2015
	\$'000	\$'000
Recurrent grants	805 046	776 867
Total Commonwealth revenues	805 046	776 867

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

A10 Other revenues

	2016	2015
	\$'000	\$'000
Grants and subsidies revenue	-	209
Recoveries	45	-
Sundry revenue	49	-
Total other revenues	94	209

A11 Cash and cash equivalents

	2016	2015
	\$'000	\$'000
Deposits with the Treasurer - at call	31 597	28 471
Total cash and cash equivalents	31 597	28 471

A12 Receivables

	2016	2015
	\$'000	\$'000
Current		
GST recoverable from ATO	225	295
Accrued revenues	9	-
Total current receivables	234	295
Total receivables	234	295

A13 Plant and equipment

	2016	2015
	\$'000	\$'000
Computing, furniture and equipment		
Computing, furniture and equipment at cost	31	48
Accumulated depreciation	(31)	(45)
Total computing, furniture and equipment	-	3
Total plant and equipment	-	3

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.

Impairment

There were no indications of impairment of plant and equipment at 30 June 2016.

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

	Computer, furniture and equipment	
	2016	2015
	\$'000	\$'000
Reconciliation of plant and equipment		
The following table shows the movement of plant and equipment		
Carrying amount at 1 July	3	4
Donated asset	(3)	-
Depreciation	-	(1)
Carrying amount at 30 June	-	3

A14 Payables

	2016	2015
	\$'000	\$'000
Current		
Creditors	606	1 006
Employment on-costs	27	33
Accrued expenses	8	4
Total current payables	641	1 043
Non-Current		
Employment on-costs	42	52
Total non-current payables	42	52
Total payables	683	1 095

A15 Employee benefits

	2016	2015
	\$'000	\$'000
Current		
Accrued salaries and wages	-	28
Annual leave	122	107
Long service leave	34	55
Skills and experience retention leave	27	27
Total current employee benefits	183	217
Non-current		
Long service leave	362	444
Total non-current employee benefits	362	444
Total employee benefits	545	661

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

A16 Equity

	2016	2015
	\$'000	\$'000
Accumulated surplus	30 603	27 013
Total equity	30 603	27 013
Accumulated Surplus		
Balance at 1 July	27 013	23 776
Net result for the year	3 590	3 237
Balance at 30 June	30 603	27 013

A17 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.

A18 Remuneration of board and committee members

Members of the boards and committees during the 2015-16 financial year were:

Ministerial Advisory Committee: Children and Students with Disability

Ms Jacqueline Ah Kit ¹ (resigned 17 August 2015)	Ms Nicole Kyrkou ¹ (resigned 31 December 2015)
Ms Susan Bailey	Ms Pamela Linke (resigned 31 December 2015)
Ms Mary Bambacas (resigned 31 December 2015)	Ms Gael Little ¹ (appointed 28 April 2016)
Dr Kerry Bissaker	Ms Cathy Leane ¹ (appointed 28 April 2016)
Ms Vivian Cagliuso (resigned 31 December 2015)	Ms Deidre Le Maistre ¹
Ms Mary Carmody (appointed 28 April 2016)	Ms Deborah McInnes ¹
Ms Elizabeth Cohen (resigned 31 December 2015)	Ms Jocelyn Neumuller (appointed 28 April 2016)
Ms Jillian Denys ¹ (resigned 31 December 2015)	Ms Rennie Strawbridge ¹ (resigned 31 December 2015)
Ms Alice Duffield	Ms Kerri Vowles (appointed 28 April 2016)
Ms Stephanie Grant (resigned 31 December 2015)	Ms Margaret Wallace
Ms Aimee Harwood (resigned 31 December 2015)	

Multicultural Education and Languages Committee

(Committee commenced on 1 July 2015)

Mr Edgar Bliss (appointed 1 January 2016)	Associate Professor Angela Scarino (appointed 1 January 2016)
Ms Susan Cameron ¹ (appointed 1 January 2016)	Mr Mohammad Shabibi (appointed 1 January 2016)
Ms Jessica Dubois (appointed 1 January 2016)	Ms Renee Singh (appointed 1 January 2016)
Ms Jacqueline Habayimana (appointed 1 January 2016)	Ms Sumeja Skaka (appointed 1 January 2016)
Mr Sean Keenihan (appointed 1 January 2016)	Ms Lia Tedesco ¹ (appointed 1 January 2016)
Ms Stephanie Kosmetos (appointed 1 January 2016)	Professor John West-Sooby (appointed 1 January 2016)
Ms Binh Nguyen ¹ (appointed 1 January 2016)	Mr Mark Williams ¹ (appointed 21 December 2015)
Mr Hiep Nguyen (appointed 1 January 2016)	
Ms Julie Presser (appointed 1 January 2016)	

The Multicultural Education Coordination Committee and the Ethnic Schools Board concluded on 30 June 2015.

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

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

A18 Remuneration of board and committee members

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

	2016	2015
\$0	26	33
\$1 - \$9 999	10	33
\$10 000 - \$19 999	1	1
Total number of members	37	67

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 \$31 164 (\$34 228). This includes \$3,641 in relation to payment of late Member sitting fees that relate to 2014-15.

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.

A19 Cash flow reconciliation

	2016	2015
	\$'000	\$'000
Reconciliation of cash and cash equivalents		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	31 597	28 471
Balance as per the Statement of Administered Cash Flows	31 597	28 471

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

Net cash provided by / (used in) operating activities	3 126	(4 921)
Non-cash Items		
Depreciation	-	(1)
Donated asset	(3)	-
Movements in assets and liabilities		
Increase / (decrease) in receivables	(61)	175
(Increase) / decrease in payables	412	8 037
(Increase) / decrease in employee benefits	116	(53)
Net result	3 590	3 237

A20 Financial risk management / financial instruments

A20.1 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 is exposed to financial risk – liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

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

A20.2 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. The policies outlined in note 2 apply to both the Department and administered financial statements.

Refer Table A20.3 for the carrying amounts of each of the following categories of financial assets and liabilities: Cash and cash equivalents; loans and receivables; 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 receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 2, A12 and A14).

A20.3 Liquidity risk

Liquidity risk arises from the possibility the Department is unable to meet its financial obligations as they fall due. 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.

The Department settles undisputed accounts within 30 days from the date of the invoice or date the invoice is first received. In the event of a dispute, payment is made within 30 days from resolution.

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

The carrying amount recorded in Table A20.3 represents the Department's maximum exposure.

The following table discloses the carrying amount of each category of financial instrument held by the Department including the contractual maturity analysis for financial assets and liabilities (ie liquidity risk).

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Table A20.3 Categorisation and maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Note	2016 Carrying amount / Fair value \$'000	2016 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	A11	31 597	31 597	-	-	-
Loans and receivables						
- Receivables ⁽¹⁾	A12	9	9	-	-	-
Total financial assets		31 606	31 606	-	-	-
Financial liabilities						
Financial liabilities at cost						
- Payables ⁽¹⁾	A14	606	-	606	-	-
Total financial liabilities		606	-	606	-	-

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

Table A20.3 Categorisation and maturity analysis of financial assets and liabilities (continued)

Category of financial asset and financial liability	Note	2015 Carrying amount / Fair value \$'000	2015 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	A11	28 471	28 471	-	-	-
Total financial assets		28 471	28 471	-	-	-
Financial liabilities						
Financial liabilities at cost						
- Payables ⁽¹⁾	A14	1 006	-	1 006	-	-
Total financial liabilities		1 006	-	1 006	-	-

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

A20.4 Credit risk

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

The Department has minimal concentration of credit risk. The Department has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Department does not engage in high risk hedging for its financial assets. No collateral is held as security and no credit enhancements relate to financial assets held by the Department.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. There is no evidence to indicate that financial assets are impaired.

The carrying amount of financial assets recorded in Table A20.3 represents the Department's maximum exposure to credit risk.

A20.5 Market risk

Sensitivity disclosure analysis

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

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

A21 Budgetary reporting and explanations of major variances between budget and actual amounts

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⁾ 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000
Statement of Comprehensive Income			
Expenses			
Employee benefits expenses	1 920	1 634	(286)
Supplies and services	271	227	(44)
Transfer payments	1 059 387	1 044 615	(14 772)
Donated asset	-	3	3
Total expenses	1 061 578	1 046 479	(15 099)
Income			
Revenues from SA Government	244 893	244 929	36
Commonwealth revenue	816 692	805 046	(11 646)
Other revenues	-	94	94
Total income	1 061 585	1 050 069	(11 516)
Net result	7	3 590	3 583
Total comprehensive result	7	3 590	3 583

⁽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 (2015-16 Budget Paper 4, Vol 2). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

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

A22 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

A23 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	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses							
Employee benefits expenses	A3						
Salaries and wages		-	-	1 318	1 333	1 318	1 333
Annual leave		-	-	90	92	90	92
Long service leave		-	-	13	59	13	59
Skills and experience retention leave		-	-	7	13	7	13
Superannuation expense		-	-	115	120	115	120
Payroll tax expense		61	61	-	-	61	61
Workers compensation		1	4	-	-	1	4
Board and committee fees		-	-	29	33	29	33
Supplies and services	A4						
Contractors and other outsourced services		-	1	156	231	156	232
Printing, postage and consumables		-	-	22	15	22	15
Minor equipment and maintenance		-	-	2	1	2	1
Vehicle and travelling expenses		1	1	2	5	3	6
Conference expenses		-	-	-	2	-	2
Other supplies and services		-	19	44	39	44	58

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

A23 Transactions with SA Government (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Transfer payments	A5						
SACE Board of South Australia		19 447	18 932	-	-	19 447	18 932
Transport concessions		12 705	16 212	-	-	12 705	16 212
Special Schools and Education		2 950	2 956	4 651	4 273	7 601	7 229
Education and Early Childhood Services Registration and Standards Board of SA		4 876	5 205	-	-	4 876	5 205
Government schools		515	89	-	-	515	89
Government pre-schools		158	61	-	-	158	61
Non-government schools		-	-	995 845	962 070	995 845	962 070
Multicultural grants		-	3	1 522	1 472	1 522	1 475
Other organisations		220	52	1 726	1 531	1 946	1 583
Depreciation	A6						
Computing, furniture and equipment		-	-	-	1	-	1
Other expenses	A7						
Donated asset		3	-	-	-	3	-
Total Expenses		40 937	43 596	1 005 542	971 290	1 046 479	1 014 886
Income							
Revenues from SA Government	A8						
Appropriations from Consolidated Account pursuant to the Appropriation Act		244 596	240 710	-	-	244 596	240 710
Appropriations under other Acts		313	290	-	-	313	290
Transfers from contingencies		20	47	-	-	20	47
Commonwealth revenues	A9						
Recurrent grants		-	-	805 046	776 867	805 046	776 867

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

A23 Transactions with SA Government (continued)

	Note	SA Government		Non-SA Government		Total	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Other revenues	A10						
Grants and subsidies revenue		-	209	-	-	-	209
Recoveries		-	-	45	-	45	-
Sundry revenue		-	-	49	-	49	-
Total Income		244 929	241 256	805 140	776 867	1 050 069	1 018 123
Net Result		203 992	197 660	(200 402)	(194 423)	3 590	3 237
Financial Assets							
Cash and cash equivalents	A11						
Deposits with the Treasurer - at call		31 597	28 471	-	-	31 597	28 471
Receivables	A12						
GST recoverable from ATO		-	-	225	295	225	295
Accrued revenues		-	-	9	-	9	-
Total Financial Assets		31 597	28 471	234	295	31 831	28 766
Financial Liabilities							
Payables	A14						
Creditors		342	293	264	713	606	1 006
Employment on-costs		69	85	-	-	69	85
Accrued expenses		8	4	-	-	8	4
Total Financial Liabilities		419	382	264	713	683	1 095

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 2016 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 Perse
CHIEF EXECUTIVE

16.9/2016



Chris Bernardi
CHIEF FINANCIAL OFFICER

16.9/2016

INDEPENDENT AUDITOR'S REPORT

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Auditor-General's Department

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**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 accompanying financial report of the Department for Education and Child Development for the financial year ended 30 June 2016. The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2016
- a Statement of Financial Position as at 30 June 2016
- a Statement of Changes in Equity for the year ended 30 June 2016
- a Statement of Cash Flows for the year ended 30 June 2016
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2016
- Disaggregated Disclosures – Assets and Liabilities as at 30 June 2016
- notes, comprising a summary of significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2016
- a Statement of Administered Financial Position as at 30 June 2016
- a Statement of Administered Changes in Equity for the year ended 30 June 2016
- a Statement of Administered Cash Flows for the year ended 30 June 2016
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2016
- a Schedule of Assets and Liabilities attributable to administered activities as at 30 June 2016
- 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.

The Chief Executive's responsibility for the financial report

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

Auditor's responsibility

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

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

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

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

Opinion

In my opinion, the financial report gives a true and fair view of the financial position of the Department for Education and Child Development as at 30 June 2016, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.



Andrew Richardson

Auditor-General

22 September 2016



**Government
of South Australia**

Department for Education
and Child Development