



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

## To the Chief Executive Department for Education and Child Development

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

### Opinion

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

The financial report comprises:

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

## **Basis for opinion**

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Department for Education and Child Development. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

## **Responsibilities of the Chief Executive for the financial report**

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

## **Auditor's responsibilities for the audit of the financial report**

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

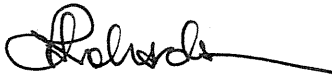
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

**Auditor-General**

21 September 2017

**Department for Education and Child Development**

**Financial Statements**

*for the year ended 30 June 2017*

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

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

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

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

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

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

**Total equity is attributable to the SA Government as owner**

Unrecognised contractual commitments 32

Contingent assets and liabilities 33

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

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

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

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

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

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

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

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

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



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

*For the year ended 30 June 2017*

**CONSOLIDATED**

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

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

*For the year ended 30 June 2017*

**DECD**

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

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

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

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

*For the year ended 30 June 2017*

**DECD**

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

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

# Department for Education and Child Development

## Notes to and forming part of the financial statements

---

### 1 Objectives of the Department for Education and Child Development

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

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

#### **Purpose**

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

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

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

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

#### **Our Role**

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

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

##### ***To provide services that benefit children and families***

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

##### ***To lead and manage South Australia's education system***

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

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

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

#### **Vision**

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

#### **Our Strategic Intent**

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

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

# Department for Education and Child Development

## Notes to and forming part of the financial statements

---

### **Our Strategic Intent (continued)**

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

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

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

## **2 Significant accounting policies**

### **(a) Statement of compliance**

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

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

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

### **(b) Basis of preparation**

The preparation of the financial statements requires:

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

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

### **(c) Reporting entity**

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

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

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

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

---

### **(c) Reporting entity (continued)**

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

### **Transactions within DECD columns**

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

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

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

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

### **Transactions within Consolidated column**

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

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

### **Administered items**

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

The main administered funds are:

- *Minister for Education and Child Development*  
Funds are appropriated to the Minister for Education and Child Development and are disbursed at the discretion of the Minister. The principal payments are:
  - the State Government contribution to the operation of the SACE Board of South Australia
  - the State and Commonwealth Government contributions to the operation of the Education and Early Childhood Services Registration and Standards Board of South Australia
  - payments to the Department of Planning, Transport and Infrastructure for the purposes of student travel
  - the State Government contribution to the operation of non-government schools, organisations and services to students with disabilities
  - the Commonwealth Government contribution to the operation of non-government schools, some pre-schools, organisations and services to students with disabilities.
  - payments related to Ministerial committees.
- *Commissioner for Children and Young People*
- *Guardian for Children and Young People*
- *Minister's salary and allowances*

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

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

---

### **(d) Transferred functions**

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

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

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

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

### **(e) Comparative information**

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

### **(f) Rounding**

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

### **(g) Taxation**

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

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

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

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

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

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

### **(h) Events after the reporting period**

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

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

### **(i) Current and non-current classification**

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

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



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

---

**(j) Non-current assets**

Acquisition and recognition

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

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

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

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

Depreciation and amortisation

All non-current assets having a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted if appropriate on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

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

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

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

Computing, communications, furniture and equipment and other assets

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

Revaluation of non-current assets

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

The department revalues its buildings and improvements, buildings under finance lease and bus fleet at least every three years. However if at any time, management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Land is revalued annually if the revaluation is considered to be material in nature.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation where they are revalued to fair value.

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

Impairment of non-current assets

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

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

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

---

### Impairment of non-current assets (continued)

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

### **Intangible assets**

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

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

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

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

### **Fair value measurement**

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

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

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

Level 2: not traded in an active market and are derived from inputs (input other than quoted prices included within level 1) that are observable for the asset either directly or indirectly.

Level 3: not traded in an active market and are derived from unobservable inputs.

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

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

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

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

## **(k) Liabilities**

### **Leases**

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

The department has entered into finance leases and operating leases.

#### Finance leases

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

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

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

#### Finance leases (continued)

## Department for Education and Child Development

### Notes to and forming part of the financial statements

---

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

#### Operating Leases

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

#### **Employee benefits**

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

#### Salaries and wages, annual leave, country incentive leave, skills and experience retention leave and sick leave

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

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

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

#### Long service leave

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

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

#### **(l) Unrecognised contractual commitments and contingent assets and liabilities**

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

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

#### **(m) Public Private Partnership**

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

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

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

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

#### **(m) Public Private Partnership (continued)**

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

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

---

### **3 New or revised accounting standards and policies**

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

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

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

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

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

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

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

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

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

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

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

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

---

#### **4 Activities of the department**

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

**Activity 1: *Early Childhood Development***

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

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

**Activity 2 *School Education***

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

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

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

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

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

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

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

**5 Employee benefits expenses**

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

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

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

Number of employees who were paid TVSPs during the reporting period	<b>201</b>	<b>78</b>	<b>201</b>	<b>78</b>
---	------------	-----------	------------	-----------

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

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

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

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

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

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

<sup>3</sup> Includes resigned and retired executives not included in the executive column.

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

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

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

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

**Remuneration of employees (continued)**

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

**Number of employees as at the reporting date**

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

**6 Supplies and services**

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

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.

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



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

**7 Grants and subsidies**

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

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

**8 Depreciation and amortisation expense**

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

**9 Borrowing costs**

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

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**

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

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

**11 Commonwealth revenues**

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

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

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

**11 Commonwealth revenues (continued)**

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

**12 Student and other fees and charges**

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

**13 Other grants and contributions**

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

**14 Interest revenues**

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

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

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

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

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

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

**16 Other revenues**

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

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

**17 Revenues from / payments to SA Government**

	2017 Consolidated \$'000	2016 Consolidated \$'000	2017 DECD \$'000	2016 DECD \$'000
<b>Revenues from SA Government</b>				
Appropriations from the Consolidated Account pursuant to the <i>Appropriation Act</i>	2 524 087	2 679 876	2 524 087	2 679 876
Transfers from contingencies	-	2 469	-	2 469
<b>Total revenues from SA Government</b>	<b>2 524 087</b>	<b>2 682 345</b>	<b>2 524 087</b>	<b>2 682 345</b>
<b>Payments to SA Government</b>				
Return of surplus cash pursuant to cash alignment policy	-	(60 899)	-	(60 899)
<b>Total payments to SA Government</b>	<b>-</b>	<b>(60 899)</b>	<b>-</b>	<b>(60 899)</b>

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

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

**18 Cash and cash equivalents**

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

Cash is measured at nominal amounts.

***Deposits with the Treasurer***

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

***SA School Investment Fund***

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

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

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

**19 Receivables**

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

***Movement in the allowance for doubtful debts***

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

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

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

***Interest rate and credit risk***

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

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

Refer to note 38 for further information on risk management.

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

**20 Inventories**

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

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

**21 Other financial assets**

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

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

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

**22 Non-current assets classified as held for sale**

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

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

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

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

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

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



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

**23 Property, plant and equipment**

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

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

---

## **23 Property, plant and equipment (continued)**

### ***Valuation of non-current assets***

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

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

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

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

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

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

### ***Impairment of non-current assets***

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

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

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

**23 Property, plant and equipment (continued)**

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

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

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

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

**23 Property, plant and equipment (continued)**

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

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

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

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

**24 Intangible assets**

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

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

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

**Impairment**

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

The following tables show the movement of intangible assets:

<b>RECONCILIATION OF INTANGIBLE ASSETS</b>				
<b>DECD 2016-17</b>				
<b>DECD 2016-17</b>	<b>Internally Developed Computer Software \$'000</b>	<b>Other Computer Software \$'000</b>	<b>Service Right for Equipment \$'000</b>	<b>Total \$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>2 496</b>	<b>102</b>	<b>19 520</b>	<b>22 118</b>
Amortisation	(251)	(27)	(846)	(1 124)
Disposal through administrative restructure	(2 245)	-	-	(2 245)
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>75</b>	<b>18 674</b>	<b>18 749</b>

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

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

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

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

## 25 Fair value measurement

### *Fair value hierarchy*

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

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

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

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

<i>Fair value measurements at 30 June 2016</i>	DECD	DECD	DECD
	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>			
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
<b>Total recurring fair value measurements</b>	<b>1 388 293</b>	<b>2 534 714</b>	<b>3 923 007</b>
<b>Non-recurring fair value measurements</b>			
Land held for sale	8 940	-	8 940
Buildings and improvements held for sale	2 779	-	2 779
<b>Total non-recurring fair value measurements</b>	<b>11 719</b>	<b>-</b>	<b>11 719</b>
<b>Total fair value measurements</b>	<b>1 400 012</b>	<b>2 534 714</b>	<b>3 934 726</b>

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

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

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

During 2017 and 2016, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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

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

<b>RECONCILIATION OF RECURRING FAIR VALUE MEASUREMENT - LEVEL 3</b>						
<b>DECD 2016-17</b>						
	<b>Buildings and Improvements</b>	<b>Buildings under Finance Lease</b>	<b>Leasehold Improvements</b>	<b>Buses / Motor Vehicles</b>	<b>Computing, Communications , Furniture and Equipment</b>	<b>Other Assets</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Opening balance at the beginning of the period</b>	2 323 565	171 373	8 738	29 688	1 270	80
Additions	488	-	-	1 890	127	-
Disposals	(153)	-	-	(110)	-	-
Assets derecognised	(2 546)	-	-	(15)	(2)	(18)
Assets reclassified to assets held for sale	(1 811)	-	-	(92)	-	-
Transfers from WIP	30 110	-	-	-	-	-
Assets recognised for the first time	1 339	-	-	-	12	-
Transfer out of level 3 <sup>1</sup>	(2 779)	-	-	-	-	-
Disposal through administrative restructure	-	-	(698)	-	(164)	(7)
Depreciation and amortisation	(94 539)	(3 292)	(996)	(2 173)	(376)	(35)
Revaluation increment/(decrement)	545 083	11 975	156	-	-	-
Reversal of revaluation decrement	-	4 101	120	-	-	-
Impairment to revaluation surplus	(10 196)	-	-	-	-	-
<b>Closing balance at the end of the period</b>	<b>2 788 561</b>	<b>184 157</b>	<b>7 320</b>	<b>29 188</b>	<b>867</b>	<b>20</b>
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.						

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



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

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

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

**26 Payables**

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

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

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

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

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

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

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

***Interest rate and credit risk***

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

For further information on risk management refer to note 38.

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

**27 Borrowings**

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

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

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

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

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

For further information on risk management refer to note 38.

**28 Employee benefits**

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

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

**28 Employee benefits (continued)**

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

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

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

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

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

**29 Provisions**

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

***Movements in provisions***

**Provision for workers compensation**

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

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2017 provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

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

**29 Provisions (continued)**

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

**30 Other liabilities**

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

**31 Equity**

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

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

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

**32 Unrecognised contractual commitments**

**(a) Public private partnership related commitments**

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

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

*(i) PPP operations and maintenance commitments*

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

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

*(ii) PPP Finance lease commitments*

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

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

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

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

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

**(b) Capital commitments**

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

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

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

**(c) Operating lease commitments for vehicles**

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

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

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

**(d) Operating lease commitments for facilities**

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

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

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

**33 Contingent assets and liabilities**

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

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

**34 Transferred Functions**

Transferred out

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

The proclamation came into effect on 1 November 2016.

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

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

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

**35 Remuneration of board and committee members**

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

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

***Animal Ethics Committee***

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



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

---

**35 Remuneration of board and committee members (continued)**

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

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

***DECD Audit and Risk Committee***

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

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

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

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

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

All board tenures expired 31 March 2017

***SA Teacher Certification Committee***

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

\* These committees are now reported in administered items.

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

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

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

---

**35 Remuneration of board and committee members (continued)**

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

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

**36 Related party transactions**

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

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

***Significant transactions with government related entities***

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

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

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

***Key Management Personnel***

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

The compensation detailed below excludes salaries and other benefits the Minister for Education and Child Development receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

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

***Transactions with Key Management Personnel and other related parties***

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

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

**37 Cash flow reconciliation**

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

**38 Financial risk management / financial instruments**

**38.1 Financial risk management**

Risk management is managed by the department's corporate services section and Departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The department's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

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

**Liquidity risk**

The department is funded principally from appropriation by the SA Government. The department works with the Department of Treasury and Finance to determine the cash flows associated with its government approved program of work and to ensure funding is provided through the SA Government budgetary processes to meet the expected cash flows.

Refer to note 26 and 27 for further information.

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

**Credit risk and market risk**

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

The department does not trade foreign currency, enter into transactions for speculative purposes, nor for hedging. The department does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the Government's risk management strategy articulated in TI23 Management of Foreign Currency Exposures.

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

Refer notes 18, 19 and 21 for further information.

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

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

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

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

**Table 38.1 Ageing analysis of financial assets (DECD)**

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

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

**38.2 Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2 or the respective financial asset/financial liability note.

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

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

**38.2 Categorisation of financial instruments (continued)**

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

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

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

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

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

<sup>(1)</sup> 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).

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

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

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

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

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

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

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

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

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

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

---

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

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

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

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

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

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

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

**40 Transactions with SA Government – Consolidated**

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

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



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

**40 Transactions with SA Government - Consolidated (continued)**

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

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

**40 Transactions with SA Government - Consolidated (continued)**

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

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

**40 Transactions with SA Government - Consolidated (continued)**

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

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

**40 Transactions with SA Government – Consolidated (continued)**

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

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

**40 Transactions with SA Government – Consolidated (continued)**

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

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

**41 Transactions with SA Government - DECD**

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

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

**41 Transactions with SA Government – DECD (continued)**

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

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

**41 Transactions with SA Government – DECD (continued)**

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



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

**41 Transactions with SA Government – DECD (continued)**

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

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

**41 Transactions with SA Government – DECD (continued)**

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

**Department for Education and Child Development**

**Administered Financial Statements**

*for the year ended 30 June 2017*

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

---

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

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

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

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

**Total equity is attributable to the SA Government as owner**

Contingent assets and liabilities A16

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

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

---

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

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

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

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

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

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

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

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

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

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



## **Department for Education and Child Development**

### **Notes to and forming part of the administered financial statements**

---

#### **A1 Summary of significant accounting policies**

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

#### ***Reporting Entity***

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

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

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

The main administered funds are:

#### ***Minister for Education and Child Development***

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

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

#### ***Minister's salary and allowances***

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

#### **A2 Changes in accounting policies**

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

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

**A3 Employee benefits expenses**

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

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

**Targeted Voluntary Separation Packages**

No employees were paid TVSPs during the reporting period.

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

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

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

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

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

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

**Number of employees as at the reporting date**

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

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

---

**A4 Supplies and services**

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

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

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

**A5 Transfer payments**

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

**A6 Other expenses**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Donated asset	-	3
<b>Total other expenses</b>	<b>-</b>	<b>3</b>

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

**A7 Revenues from SA Government**

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

**A8 Commonwealth revenues**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent grants	832 798	805 046
<b>Total Commonwealth revenues</b>	<b>832 798</b>	<b>805 046</b>

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

**A9 Other revenues**

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

**A10 Cash and cash equivalents**

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

Cash is measured at nominal amounts.

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

**A11 Receivables**

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

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

**A12 Plant and equipment**

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

**Valuation of non-current assets**

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

**Fair Value**

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

**Reconciliation of plant and equipment**

The following table shows the movement of plant and equipment

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

**A13 Payables**

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

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

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

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

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

---

**A13 Payables (continued)**

***Interest rate and credit risk***

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

For further information on risk management refer to note A19.

**A14 Employee benefits**

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

**A15 Equity**

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

**A16 Contingent assets and liabilities**

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

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

---

**A17 Remuneration of board and committee members**

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

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

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

***Ministerial Advisory Committee: Children and Students with Disability***

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

***Multicultural Education and Languages Committee***

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

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

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

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

---

**A17 Remuneration of board and committee members (continued)**

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

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

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

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

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

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

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

**A18 Cash flow reconciliation**

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



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

**A19 Financial risk management / financial instruments**

**A19.1 Financial risk management**

Risk management is managed by the department's corporate services section and departmental risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

**A19.2 Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2 or the respective financial asset/financial liability note.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**A21 Events after the end of the reporting period**

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

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

**A22 Transactions with SA Government**

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

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

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

**A22 Transactions with SA Government (continued)**

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

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

**A22 Transactions with SA Government (continued)**

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

## Certification of the Financial Report

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

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the department; and
- present a true and fair view of the financial position of the department as at 30 June 2017 and the results of its operation and cash flows for the financial year.

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



Rick Persse  
CHIEF EXECUTIVE

15.9/2017



Chris Bernardi  
CHIEF FINANCIAL OFFICER

15.9/2017