



**Government  
of South Australia**

Department for Education

# DEPARTMENT FOR EDUCATION

## 2018 Annual Report

### DEPARTMENT FOR EDUCATION

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To:

The Hon John Gardner

Minister for Education

This annual report is to be presented to Parliament to meet the statutory reporting requirements of *Public Sector Act 2009*, the *Public Finance and Audit Act 1987*, and the *Education Act 1972* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the DEPARTMENT FOR EDUCATION by:

Rick Persse

Chief Executive



20th March 2019

Signature

Date

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

### **Agency purpose or role**

The Department for Education provides integrated, high-quality education, training, early childhood and child health services that support children and young people from the day they are born through to transition to adulthood, in all South Australian communities.

The department also provides oversight of TAFE SA and higher education support for the state's three universities.

### **Objectives**

To build a stronger future for our children by making our state's education and child development system world class.

For 2018, our 5 key priorities for South Australia's children and young people were:

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

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

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

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

## Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Great start	Better services: Parental engagement in school education.
High achievement	Better services: Languages in school, Skilling South Australia, Starting at school, Improving SACE.
Fairness for all	Better services: Stopping bullying, Literacy guarantee, Improving SACE, Year 7 to high school.
Learning in partnership	More jobs: Skilling South Australia, International education, Starting at school Better services: Literacy guarantee, Parental engagement in school education.
Better futures	More jobs: Skilling South Australia, Year 7 to high school, International education, Starting at school, Investing in infrastructure and Support for TAFE.

## Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
<b>Great Start</b>		
Languages Alive holiday program	School of Languages commissioned to expand the Languages Alive holiday program for early primary students.	Improved student participation and retention in language education.
Literacy and Numeracy: <ul style="list-style-type: none"> <li>• Phonics checks</li> <li>• Support from literacy coaches</li> <li>• Literacy Guarantee conferences</li> </ul>	<p>All year 1 students undertook phonic checks in August 2018.</p> <p>Support from literacy coaches (13 new positions) with experience in phonics and teaching students with dyslexia and other learning difficulties. Literacy coaches provided support to schools to analyse phonics data and teach phonics. Identified schools receive intensive support in the systematic, explicit teaching of phonics.</p> <p>Literacy coaches built capacity in teachers to more effectively support students with learning difficulties and dyslexia through quality differentiated teaching.</p> <p>Literacy Guarantee conferences focused on a whole-school approach to professional development for teachers about strategies, interventions, adjustments and resources that support literacy development for all students, particularly those with learning difficulties.</p>	To ensure all students have the best possible start in reading, which means improving literacy and numeracy for all students.
Parent engagement programs	The department worked with key internal and external stakeholders to develop a Parent Engagement framework that will: <ul style="list-style-type: none"> <li>• encourage a shared understanding of the benefits of parent engagement in children's learning</li> <li>• establish a foundation of the core elements of parent engagement</li> <li>• identify effective parent engagement practices.</li> </ul>	Parents play the most important role as their child's first teacher.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Working with non-government organisations	The department partnered with non-government organisations, Raising Literacy Australia and The Smith Family, to deliver evidence-based literacy and numeracy programs targeting children in their early years before they start school.	Better support for disadvantaged children in learning the foundational skills of numeracy and literacy.
<b>High achievement</b>		
School Improvement Model	The School Improvement Model was launched in September 2018 and integrates the 4 key elements of the 'stages of improvement': the Improvement Dashboard, the literacy and numeracy guidebooks, and the school improvement planning materials supporting the pivotal school improvement planning cycle. Schools will implement their plans with the support of education directors and local education teams in early 2019.	To become a world-class education system.
SACE Improvement	<p>Quality teaching and learning support for school leaders was provided to help improve SACE achievement, retention and completion.</p> <p>The department provided responses to the review into Stage 2 requirements of SACE.</p> <p>The department also provided data analysis resources and strategies to support ongoing identification, tracking and monitoring of SACE students to improve SACE achievement.</p>	Provision of a suite of SACE improvement professional learning resources and tools.
Language Study	The department contributed to expanding options for high school languages, including through the Ethnic Schools Association, an expanded range of Open Access College language options, and commissioning the School of Languages to deliver intensive language courses to secondary students during school holidays.	Expanded teaching of language education.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
International Baccalaureate	In 2018, 4 new public schools began pursuing a decision to offer the International Baccalaureate option to their students.	To provide more opportunities for students to gain the internationally recognised and highly regarded International Baccalaureate certificate.
Language program grants	Innovative grants as part of the Language program for primary schools were offered in 2018.	Improved student participation and retention in language education.
Scholarships for language teachers	In 2018, scholarships were set up for language teachers and students to improve their language skills.	Enhanced teaching and learning of languages.
NAPLAN Online	100 schools delivered NAPLAN Online in 2018, with students in years 5, 7, and 9 completing all testing domains online and students in year 3 completing some domains online.	To provide better assessment, more precise results and faster turnaround of information to support schools to tailor teaching and learning to student needs.
Learning design, assessment and moderation	<p>Every public school and preschool had 2 pupil-free days in 2018 for teachers to engage in collaborative moderation and reflective practice, and to design more effective learning. Resources were provided to guide this work.</p> <p>The strategy focused on formative assessment as this has been identified in current research as a practice with strong impact on student learning.</p> <p>Full-year professional learning programs were developed and provided to:</p> <ul style="list-style-type: none"> <li>• 200 early years directors/educators (145 preschools with at least 1 participant each)</li> <li>• 420 primary years teachers (215 schools with 1 to 2 participants each)</li> <li>• 170 secondary years leaders and teachers (47 schools with 2 to 4 participants each).</li> </ul> <p>Resources on learning design were developed for sites to use for school improvement work.</p>	<p>Teachers gain a more precise and consistent understanding about the curriculum, and quality learning and assessment.</p> <p>Site-based learning improvement work undertaken by participants as part of the professional learning programs.</p>



Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Professional and Leadership Development Academy	<p>A review of current leadership and professional development was completed and a report delivered in January 2018.</p> <p>Approval was granted for a public tender process for the 5 launch courses in August 2018.</p> <p>Approval was granted for a public tender process for the refurbishment of the Education Development Centre in November 2018.</p>	Building the capabilities of teachers and leaders to provide high-quality learning experiences in literacy and numeracy for South Australian students.
<b>Fairness for all</b>		
Tackle bullying in our schools	<p>The results of an audit of all school's anti-bullying policies in May 2018 will be used to develop a template to support schools to implement the department's policy and procedural requirements for tackling school-age bullying.</p> <p>Funding to the Safe Schools Anti-bullying Initiative (SSAI) ceased, and interim support arrangements were in place while the department initiated further work to support inclusion and support for all students.</p> <p>Initial training, resources and support began in 2018, with further scoping and co-design of initiatives for 2019 underway.</p> <p>Funding agreements for the delivery of bullying prevention education in South Australian schools were finalised with 2 providers. Grants will support teachers to deliver bullying prevention programs.</p>	A safe and inclusive environment for all students.
Free dyslexia workshops	Free dyslexia workshops were offered to parents in identified regional areas to support children with learning difficulties and dyslexia.	Children and young people within SA government schools and preschools have access to specialist support.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
School Breakfast program	<p>Criteria to assess relative levels of need were established in 2018.</p> <p>A schools survey assessing 'felt-need' was released and the existing level of school breakfast program usage was analysed.</p> <p>Two non-government organisations with expertise and capacity to deliver state-wide programs were identified (Foodbank and Kickstart for Kids). Contract negotiations with program providers began in 2018.</p>	<p>Schools and students in need identified.</p> <p>Schools and children in need provided with opportunity to participate in the program.</p> <p>Opportunity for school and student performance to improve via program participation.</p>
Auditing all public schools' compliance with departmental policy requirements	<p>The department's Attendance Matters (2018 to 2021) strategy was released in 2018.</p> <p>An audit of all government schools' compliance with the department's attendance policy was completed.</p> <p>An audit was also completed into children under guardianship orders who are on reduced hours of attendance at school. Action plans to re-engage children on reduced hours were implemented.</p>	To engage and support our children and young people to attend school.
School buses in regional areas	A working group, consisting of senior officers from the Department of Treasury and Finance (DTF), Department of Planning, Transport and Infrastructure and the Department for Education, began a review of school buses in regional areas.	School students have fair access to school buses in regional areas.
Commissioner for Aboriginal Children and Young People	A Commissioner for Aboriginal Children and Young People was appointed.	Promotion of the safety and wellbeing of Aboriginal children and young people at a systemic level, specifically in the areas of education, health, child protection and justice.
Aboriginal education strategy	A new Aboriginal education strategy was launched to lift learning and life outcomes for Aboriginal children and young people to help them to succeed in preschool, school and post school.	Each Aboriginal child and young person is a proud and confident learner, achieving at their highest potential.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
The Walk Along initiative	<p>The initiative supported Anangu children and young people at several South Australian metropolitan schools by:</p> <ul style="list-style-type: none"> <li>• implementing early childhood education programs in 3 children's centres</li> <li>• establishing an Elders art program</li> <li>• continuing to provide bilingual student support officers to Anangu children.</li> </ul>	<p>Create employment for Anangu community members living in Adelaide.</p> <p>Increase educator's knowledge of Anangu families and solidify cultural connections.</p>
South Australian Aboriginal Sports Training Academy (SAASTA)	<p>Sport and recreation has been used as a key driver for creating quality educational outcomes for Aboriginal students.</p> <p>SAASTA is available to students in years 10, 11 and 12 who are studying the SACE. In 2018, there were 577 total enrolments; 97 were year 12 students with 87 receiving their SACE.</p>	<p>Increased retention and numbers of Aboriginal young people enrolled in and achieving their SACE.</p>
Workabout Centre	<p>In 2018, 2 centres located in northern Adelaide and Port Augusta engaged with 300 students and supported 225 training outcomes and 48 employment outcomes.</p>	<p>Supporting Aboriginal students to make a successful transition from school to work, higher education or further training.</p>
Student Support Services reform	<p>The Student Support Services delivery model and the referral process were refined. Specific discipline catalogues of services were developed in 2018.</p>	<p>A professional service that supports children and young people to achieve best outcomes for their wellbeing, health, development and educational achievement in partnership with preschools, schools and families.</p>
Disability funding reform	<p>Modelling and planning was completed in 2018 for a simpler approach to support mainstream preschoolers and school students with disability, which will be phased in during 2019.</p>	<p>Children and young people are provided with the help and support they need.</p>
<b>Learning in partnership</b>		
Professional development of teachers	<p>In 2018, procurement began for improved professional development opportunities in place for language teachers.</p>	<p>More expert language workforce.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Passive alert drug detection dogs have greater access to schools.	<p>A protocol for passive alert drug detection dogs in schools' was developed and will become operational in term 1 of 2019.</p> <p>The protocol is a joint agreement between SA Police and the education department. It creates a process to invite police to conduct a proactive search at a school using detection dogs and describes how to manage an operation.</p>	Police can be invited to conduct a proactive search at a school using passive alert drug detection dogs.
Prevention programs for school children	Funding agreements for the delivery of alcohol and other drug education in South Australian schools were finalised with 3 providers. Non-government schools can also access these funded programs.	Healthy living and alcohol and other drug prevention programs are made available to all school children.
<b>Better futures</b>		
Entrepreneurial subjects and schools	In November 2018, the Entrepreneurial Learning strategy was launched and 5 entrepreneurial specialist secondary schools were announced. Specialist entrepreneurial programs and the new Business Innovation SACE subject will be delivered by these schools.	Young South Australians will develop the entrepreneurial skills, knowledge and attitudes that will create and contribute to the evolving global economy.
Year 7 to high school	<p>The department developed enrolment projection methodology and conducted forecasting to determine future demands on secondary schools and resulting school capacity.</p> <p>Established areas of demand will inform future infrastructure works.</p> <p>Year 7 public school students will be taught in high school from term 1, 2022.</p>	<p>South Australia's public schools alignment with the Australian Curriculum taught in high schools.</p> <p>Access to specialist facilities, resources and exposure to different teaching styles will give year 7 students opportunities for deeper learning, greater peer interactions, and greater independence and responsibility.</p>
Changing attitudes towards skilled careers	Criteria were developed for a new VET Innovation award for schools to be introduced in the 2019 SA Training Awards.	More young people will consider skilled careers in vocational areas and trades, supporting skills shortages in these areas.

<b>Program name</b>	<b>Indicators of performance/effectiveness/efficiency</b>	<b>Outcome for South Australia</b>
Establish a new technical college	Expressions of interest were sought in 2018 from interested parties including existing schools keen to expand their offering through a new campus or converting an existing campus to a technical college.	The new college will support young South Australians to develop skills so they are well equipped for careers in defence, shipbuilding and other maritime industries.
Improved internet services for schools	<p>The Connectivity to Schools project aims to give all schools, regardless of location, quality internet services with the capacity needed to meet modern education requirements.</p> <p>Improved performance for current school internet connections has been achieved for 514 school sites. In December 2018, the department signed an \$80 million partnership with Telstra to deliver high-speed, fibre optic-based internet services to 99% of South Australian public schools by June 2020.</p>	Every public school, teacher, and student will have access to high-speed, reliable internet.
More flexible apprenticeship pathways	A model for flexible apprenticeships was developed in 2018, which incorporates a structured curriculum, recognition of SACE progression and a set pattern of school and work attendance.	Increased numbers of students undertake Australian school-based apprenticeships via the flexible apprenticeships model.
Creating a focus on music education	In November 2018, the Music Education Strategy 2019 to 2029 was launched setting out a long-term vision for access to high-quality music education for children and young people.	To provide students access to the numerous benefits of music education.
Capital investments	In February 2018, each school receiving upgrades had draft plans and illustrations completed. High school upgrades will begin first to ensure infrastructure is completed for year 7 students to transition to high school.	Delivering modern, new, improved and expanded learning areas to support student learning.
Supporting national reform priorities	In November 2018, the National School Reform Agreement and supporting bilateral agreement was signed to secure \$20.4 billion of Australian Government funding for schools through to 2029.	Working across jurisdictions to promote and deliver continuous improvement for our schools.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Education Management System (EMS)	<p>In July 2018, the department finalised the procurement to select a vendor for a new commercial-off-the-shelf finance and administrative management reporting suite.</p> <p>In September 2018, a contract was executed with Civica Pty Ltd for the EMS, which was approved by Cabinet.</p> <p>In November 2018, a project plan was approved to conduct a pilot of the EMS at 10 schools and preschools across terms 1 and 2 in 2019, in parallel to existing systems and process.</p>	<p>Better supported schools, teachers and students.</p> <p>Better management of student enrolments and transitions through schooling within the public education sector.</p>

### Legislation administered by the Department for Education

*Children's Services Act 1985*

Children's Services (Appeals) Regulations 2008

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

*Education Act 1972*

Education Regulations 2012

### Organisation of the agency

Office of the Chief Executive

Early Years and Child Development

Finance and Funding

Information and Communications Technology Services

Infrastructure

Learning Improvement

Partnerships, Schools and Preschools

People and Culture

Strategic Policy and External Relations

System Performance

<https://www.education.sa.gov.au/department/about-department/corporate-office-structure>

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

- Child Death and Serious Injury Review Committee
- Child Development Council
- Commissioner for Children and Young People
- Dame Roma Mitchell Trust Funds Board of Advice
- Education and Early Childhood Services Registration and Standards Board of South Australia (Education Standards Board)
- Ministerial Advisory Committee: Children and Students with Disability
- Multicultural Education and Languages Committee
- SACE Board of South Australia
- Teachers Registration Board of South Australia
- The Guardian for Children and Young People

The department also has relationships with numerous independent agencies and entities. The nature of these relationships vary according to the individual agency or entity but may involve the department providing administrative, tactical or secretariat support, working in strategic partnership, managing registration and compliance, administering funding directly or on-passing funds such as state and Australian Government grants to non-government school authorities (also refer to page 9 in the ‘Notes to and forming part of the administered financial statements’).

**Employment opportunity programs**

<b>Program name</b>	<b>Result of the program</b>
Traineeship and Graduate program	22 trainees and 4 graduates were appointed from 1 July 2017 to 30 June 2018. 45% of trainees appointed identify as Aboriginal.  85.7% of the trainees and graduates that completed placements were appointed into ongoing or temporary positions in the agency.
Amy Levai Aboriginal teaching scholarships	29 Aboriginal people were supported, including 27 pre-service teachers (15 of 27 are agency staff) and 2 secondary students.  4 of the 27 pre-service teachers have graduated and will commence teaching in government schools in 2019.

## Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
<p>The department's performance and development policy and guideline requires performance management and development reviews with all employees (including executives) biannually.</p> <p>Compliance is measured via Human Resources System (HRS) data. Poor user experience with HRS may be contributing to a compliance rate that underestimates actual implementation. Improved functionality through an alternative system is currently being reviewed with potential implementation in 2020.</p>	<p>As at 31 December 2018, HRS recorded that 62% of employees had completed a performance and development review within the previous 6 months.</p> <p>'Perspective' and 'I Work for SA' climate survey results indicate that some 60% of employees received valuable feedback, enabling improved performance and development.</p>

## Work health, safety and return to work programs and their effectiveness

Program name and brief description	Effectiveness
Safety management system	The department has an effective safety management system to manage and control education specific health and safety risks.
Risk review program	The department regularly reviews health and safety risks with a likelihood of causing a significant and serious injury.
Injury Management Early Intervention program	Early and targeted intervention occurs as soon as an injury is reported, and wherever possible, before a claim for compensation is lodged. This enables sustainable return to work as quickly as possible, and helps prevent and manage the risks associated with incidents and injuries.
Return to Work program	All work-injured employees are provided tailored assistance to recover from injury and return to work.



Program name and brief description	Effectiveness
<p>Employee Psychological Health and Wellbeing program</p> <p>Targets the wellbeing needs of all employees, raises awareness of mental health issues in the workplace, and builds competency in the prevention, early intervention and management of employee psychological health</p>	<p>In 2018:</p> <ul style="list-style-type: none"> <li>• 1055 employees accessed the EAP, with the most frequent issue cited as ‘work relationships/conflicts’</li> <li>• 173 sites, involving 2111 employees, received on-site trauma assistance following a critical incident</li> <li>• 117 principals, preschool directors, site leaders and managers were provided consultancy services by the Employee Psychology and Wellbeing team to support them manage mental health issues.</li> </ul> <p>A new ‘employee mental health and wellbeing procedure’ was developed and a psychosocial risk survey was piloted with a high level of participation and positive feedback.</p> <p>Following implementation of the Wellbeing Planning program on the APY Lands, there has been 100% retention for the employees who have undertaken psychological assessment and wellbeing preparation planning. Furthermore, there have been no mental stress claims under the workers compensation legislation (<i>Return to Work Act 2014</i>) from employees who have completed this program before placement on the APY Lands. This program was a finalist in the Australian Psychological Society’s 2018 Workplace Excellence Awards.</p> <p>Further initiatives to develop proactive, preventative and appropriately responsiveness strategies for mental health were piloted in 2018. These will be formally evaluated for cost, feasibility and broader implementation in 2019.</p> <p>An external risk-based audit of the department’s management of psychological risk resulted in a ‘safety leader’ assessment (highest rating).</p>

### Work health and safety and return to work performance

	2017-18	2016-17	% Change
<b>Workplace injury claims</b>			
Total new workplace injury claims	744	779	-0.6%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	14.27	14.56	-2%

<b>Work health and safety regulation</b>			
Number of notifiable incidents ( <i>WHS Act 2012, Part 3</i> )	87	80	+8%
Number of provisional improvement, improvement and prohibition notices ( <i>WHS Act 2012 Sections 90, 191 and 195</i> )	17	12	+30%
<b>Return to work costs**</b>			
Total gross workers compensation expenditure (\$)	19,078,816	20,549,126	-7.2%
Income support payments – gross (\$)	10,163,562	10,481,977	-3.0%

Workers compensation expenditure data is sourced from the worker's compensation system (SIMS) and is based on transactions authorised within the 2017–18 financial year.

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

\*\*before third party recovery.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/work-health-and-safety-and-return-to-work-performance-reporting-by-the-department-for-education>

### **Fraud detected in the agency**

<b>Category/nature of fraud</b>	<b>Number of instances</b>
Misappropriation/Maladministration	1
Misconduct	7

### **Strategies implemented to control and prevent fraud**

The Department for Education is committed to maintaining a working environment free of fraud and corrupt behaviour and promotes this position through the department's fraud and corruption control policy and framework. The policy and framework articulates the department's prevention, detection and response strategies and provides the processes for managing suspected and/or actual fraud or corruption.

Fraud control risks are reviewed and assessed annually to ensure that processes are in place to adequately manage potential fraud risks.

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

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/fraud-detected-in-the-department-for-education>

## Whistle-blowers' disclosure

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

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/whistle-blowers-disclosure-for-the-department-for-education>

## Executive employment in the agency

Executive classification	Number of executives
PS Act Executive F - Untenured	1
Commissioner	1
SA Executive Service Level 1	37
SA Executive Service Level 2	7
Principal Band A-3	143
Principal Band A-4	105
Principal Band A-5	97
Principal Band A-6	55
Principal Band A-7	30
Principal Band A-8	18
Principal Band A-9	28
Education Director	27
Education Act negotiated conditions	175

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/executive-employment-in-the-department-for-education>

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

## Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
<b>Consultancies below \$10,000 each</b>		
BDO Advisory (SA) Pty Ltd	Probity services for the Education Management System procurement process	\$5,884.01
PricewaterhouseCoopers Australia	Business continuity management development including a review of emergency responses	\$5,100.00
	Subtotal	\$10,984.01
<b>Consultancies above \$10,000 each</b>		
McKinsey Pacific Rim Inc	Establish a differentiated approach to school improvement planning, accountability and support - cohesive tailored approach for student outcomes	\$941,000.00
The Learning First Group Pty Ltd	To work with education directors and school leaders to develop and plan for the implementation of a school improvement planning process	\$483,000.00
Partners in Performance	Undertake a diagnostic review on the Student Services referral model	\$292,977.67
Dandolo Partners	Provide a business plan for the department's 'academy for world-class leadership and professional development'	\$210,325.04
Ernst & Young	Undertake the development of the department's new chart of accounts structure for the EMS project	\$120,065.00
Ernst & Young	The development of a simplified safety management framework for use by all departmental sites	\$111,542.00

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Arc Public Pty Ltd	Provide research and key message development relating to public education communications and publications	\$96,200.00
PricewaterhouseCoopers Australia	Undertake a review and provide a strategic approach for internationalisation of education for South Australian schools	\$95,800.00
PricewaterhouseCoopers Australia	Review and provide a report on potential improvements in family day care case management policies and procedures	\$80,000.00
Dandolo Partners	Undertake a review of leadership and professional development	\$72,518.00
KPMG	Assurance services relating to the Education Management System project	\$60,500.00
Metasec	Privileged account management access, process and environment review and advice	\$29,600.00
Partners in Performance	Independent review of proposed criteria and methodology for funding students with disability	\$29,000.00
BDO Advisory (SA) Pty Ltd	Undertake an organisation review of the Security, Bushfire and Emergency Management team	\$26,301.51
CTG Security Matrix Pty Ltd	Review and update the department's security design standards	\$13,640.00
	Subtotal	\$2,662,469.22
<b>Total all consultancies</b>		<b>\$2,673,453.23</b>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/consultants-engaged-by-the-department-for-education>

See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

## Contractors

Below is a summary of external contractors that have been engaged by the department, the nature of work undertaken and the total cost of the work undertaken.

The information contained is sourced from the department's general ledger and invoices, and it is noted that sampling has occurred for some individual vendors with significant volumes.

The contractor information disclosed relates to departmental expenses only and exclusions include transactions between the department and schools/preschools and transactions where the vendor balance is less than \$10,000 for the financial year.

<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
Hays Specialist Recruitment	Labour resources	\$4,117,965.35
Fuji Xerox Australia Pty Ltd	National Assessment Program Literacy and Numeracy (NAPLAN) testing services	\$1,300,590.00
Randstad Pty Ltd	Labour resources	\$1,130,592.79
Manpower Services Aust Pty Ltd	Labour resources	\$911,218.20
Triple P International Pty Ltd	Positive Parenting Program	\$817,910.91
Talent International (SA) Pty Ltd	Labour resources	\$713,682.23
Hoban Recruitment Pty Ltd	Labour resources	\$708,264.08
Hudson Global Resources (Aus)	Labour resources	\$583,349.56
ACER	Establishment of Australian Council for Educational Research (ACER) online assessment and reporting system for sites	\$581,524.00
Peoplebank Australia Ltd	Labour resources	\$477,928.05
Zed Business Management	Professional services in relation to the National Assessment Program Literacy and Numeracy (NAPLAN)	\$464,034.68
University of South Australia	Payments for various programs such as National Disability Coordination Officer, Chinese Bilingual, and the Teachers and Scholarships programs	\$416,510.00

<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
Connected Self Pty Ltd	Mentoring services	\$335,792.91
Accesshq	Professional services for the Education Management System (EMS) project	\$325,209.45
DFP Recruitment Services	Labour resources	\$289,978.55
Escient Pty Ltd	Education Management System (EMS) planning and delivery	\$245,606.25
Pernix Pty Ltd	School management, learning and reporting capability project	\$243,336.53
Baptist Care Inc	Care Mentoring program	\$240,092.38
OutsideIn Group	Reports and customer content, assessment methodology and educator assessments	\$203,232.43
Flinders University of SA	Professional services to support delivery of departmental programs, evaluation and professional development	\$197,341.37
PricewaterhouseCoopers	Professional, strategic audit and risk services	\$196,985.05
Deloitte Risk Advisory Pty Ltd	Professional services for the Education Management System (EMS) project	\$193,107.00
Shine SA	Conducting the anti-bullying initiative and safe schools program	\$192,683.64
Whitelion Youth Agency Ltd	Mentoring services	\$189,697.46
Chamonix IT Management	Business analysis and scenario development for the Education Management System (EMS) project	\$188,478.75
Unified Solutions Group Pty	Site assessments and labour for the Preschool Information Technology Infrastructure project.	\$187,774.74
Barkuma Inc	Disability support and transition programs	\$182,958.18
Edge Recruitment	Labour resources	\$166,456.49
Relationships Australia	Learning programs and case management	\$157,062.50
Paxus Australia Pty Ltd	Labour resources	\$156,691.41

<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
Maxima Tempskill	Labour resources	\$152,741.26
NEC Australia Pty Ltd	Professional services to support ICT delivery	\$145,520.78
Incompro Aboriginal Association	Youth and student mentoring	\$132,452.42
Pathways CBS Pty Ltd	Professional services to support delivery of National Assessment Program Literacy and Numeracy (NAPLAN)	\$122,844.31
All Occasions Management	Literacy Summit and Leaders Day	\$117,691.82
ABC International Pty Ltd	Translation and interpreting services	\$117,256.57
Davies Stewart Recruitment	Labour resources	\$112,843.81
Dansie's Head to Toe Pty Ltd	Professional services for wellbeing support	\$108,454.65
Department of the Premier and Cabinet	Professional services to support departmental programs and initiatives	\$103,787.40
Auslan Services	Translation and interpreting services	\$103,623.18
Pt Trimitra Duta Mandiri	Professional development services	\$101,853.00
Bold It Pty Ltd	Professional services to including delivery of Education Management System (EMS) and National Assessment Program Literacy and Numeracy (NAPLAN)	\$100,778.64
Save the Children Australian Trust	Mentoring for the school retention program	\$97,095.34
JohaniSLR	Professional production services	\$92,470.00
Beyond Kathleen Stacey and Associates	Professional evaluation services to support National Aboriginal and Torres Strait Islander Education Strategy	\$88,325.76
Austn Childhood Foundation	Professional services for the Strategies and Managing Abuse Related Trauma (SMART) program	\$87,555.00
Complete Tutoring Solutions	Tutoring services	\$86,832.50
Careerlink Training	Labour resources	\$85,088.48
Mixed Mediums	Professional online training aids	\$84,006.30



<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
Transforming Education	Professional services to support departmental initiatives	\$81,319.32
Sciworld Inc	Science, Technology, Engineering and Mathematics (STEM) student ambassador program workshop	\$80,000.00
Shenyang Seatour Travel SVC	Professional development services	\$77,509.51
National Science Summer School	National Youth Science forum explorer program	\$76,000.00
Ernst and Young	Professional services to support departmental initiatives and reviews	\$74,000.00
Incept Labs Australia Pty Ltd	Learning Design Assessment and Moderation project	\$72,207.34
Brightcookie Pty Ltd	Professional online services to support departmental operations	\$71,883.75
Maureen Hegarty	Professional services including to deliver Thinking Maths Day and the Science, Technology, Engineering and Mathematics (STEM) program	\$70,956.10
Construction Industry Training Board	Doorways2Construction Plus (D2C+) program	\$70,000.00
Oceanic Victor	In Sea Aquarium Swim and Education Program for students	\$68,181.82
Career Education Association	Professional services to deliver Student Pathways project and Science, Technology, Engineering and Mathematics (STEM) workshop	\$68,044.50
She Creative Pty Ltd	Professional services to deliver departmental initiatives.	\$65,000.00
Taptu Pty Ltd	Information technology support and setup	\$62,725.00
Datacom Systems (Aus) Pty Ltd	Computer networking systems	\$62,352.00
Dr Chris Matthews	Review services and best advice papers	\$59,263.24
Insync Solutions Pty Ltd	Institute of Digital Marketing Strategic Futures project	\$58,230.00

<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
Labs 'n Life Inc	Labs and Life in schools program	\$57,221.14
Psychology SA	Psychology Services	\$56,205.59
Social Ventures Australia Ltd	Case management services	\$56,000.00
Nation Creative Pty Ltd	Professional services to support departmental initiatives	\$55,960.00
DWS Advanced Business	Professional services including to support delivery of National Assessment Program Literacy and Numeracy (NAPLAN) reporting services	\$54,452.99
Semann And Slattery	Co-design and delivery of professional services	\$53,430.00
Klevar Group Pty Ltd	Professional services to support delivery of departmental training initiatives	\$52,975.00
Pairwise Pty Ltd	Professional evaluation services	\$50,604.09
Australian Science Innovations	Australian Science Olympiad	\$50,000.00
Community Centres SA Inc	Professional online training and resources	\$50,000.00
Maker's Empire Pty Ltd	3D printing project	\$50,000.00
Synergistiq	Literacy and Numeracy project	\$50,000.00
Matthew Naim	Psychology assessments	\$49,542.80
Sixpivot Pty Ltd	Education Management System (EMS) project	\$49,511.91
KESAB Environmental Solutions	School waste and resources audits	\$48,752.73
CC Solutions WA Pty Ltd	Mentor training program and workshops	\$48,313.00
BDO Advisory Pty Ltd	Professional services to support departmental initiatives	\$47,960.45
Novita Children's Services	Psychological assessment services	\$47,786.78
Meechi Road Consulting Pty Ltd	Labour hire	\$47,550.00
Samantha Wilkinson	Human resources operations projects	\$47,200.00
Glenda Joubert	Professional services to support	\$47,066.56

<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
	Brightpath program	
Iocane Pty Ltd	Professional services to support school ICT infrastructure	\$45,416.50
Australia Day Council of SA	School forum delivery	\$45,000.00
Learn Labs Global Pty Ltd	Agile Leadership program	\$42,500.00
Thomson Reuters (Professional)	Professional services to support departmental operations	\$42,217.65
Interpreting and Translating	Translation and interpreting services	\$41,905.60
Re-Engage Youth Services Inc	School retention programs and mentoring services	\$41,687.02
Infoquest Pty Ltd	Professional services to support departmental research and initiatives	\$41,287.50
Barber Consulting	Professional services to support Centres for Hearing Impairment and Parent Engagement Service	\$40,575.00
Ann O'Callaghan	Professional services to deliver Literacy Summit and Leaders Day	\$40,560.00
National Excellence in School	Wellbeing toolkit	\$40,000.00
Galpins Accountants, Auditors	Professional services to support departmental programs	\$38,540.49
Enlightening Films	Professional filming services to support departmental initiatives	\$37,447.73
TACSI Inc	Social inclusion projects	\$37,400.00
DK Psychology	Professional psychological assessments	\$37,324.57
Monash University	Professional evaluation services to support departmental initiatives	\$35,566.55
Visually Consulting	Professional production services	\$34,940.00
Australia China Association	Professional development services	\$34,707.27
Tecon Australia Pty Ltd	Professional pool safety inspections for family day care	\$34,300.00
Coach in a Box Pty Ltd	Professional training services	\$32,123.04
Get Smart Promotional	Premier's Be Active Challenge medals	\$30,766.00

<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
Products		
Win-Win Matters Pty Ltd	Professional services to support departmental operations	\$30,548.50
Public Education Foundation	Administrative services for Harvard Graduate School of Education scholarships	\$30,370.13
W Sports And Media Pty Ltd	Sport clinic services	\$30,000.00
Aon Hewitt Associates Pty Ltd	Climate Survey project	\$29,999.00
Community Matters	Professional evaluation services	\$29,983.80
JFE Global Pty Ltd	Professional recruitment services	\$29,565.82
Royal SA Deaf Society Inc	Sign language interpreting services	\$28,922.50
Education Web Solutions	Professional online services to support Australian Curriculum Leading Learning (ACLL) website	\$28,840.00
Jo Boaler	Mathematics Mindset Workshop	\$28,764.68
Blackboard International B.V.	Specialised information technology systems	\$28,000.00
John P Malcolm	Professional assessment services	\$27,050.00
Korn Ferry Hay Group Pty Ltd	Professional services to support departmental initiatives	\$27,000.00
K Welsh And Co Pty Ltd	Professional financial administration services to support Wiltja Residential Program	\$26,960.00
Julia Henwood	Tuition services for the School Retention program	\$26,942.00
IMC Information Multimedia	Professional services to support workforce and system development	\$26,665.00
Carclew Youth Arts Centre Inc	Artists in Schools and arts learning program	\$26,000.00
Jodie Benveniste	Professional services to support departmental initiatives	\$25,200.00
Kenneth Rigby	Anti-bullying resource package	\$25,000.00
SACE Board of SA	Training provided under a memorandum	\$25,000.00

<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
	of administrative agreement	
Gould Thorpe Planning Pty Ltd	Professional services to support departmental operations	\$24,930.00
HRM Matters	Performance and development workshops	\$24,900.00
Nelsen Wayne	Professional psychological assessments	\$24,600.00
Vectra Corporation Ltd	Professional services to support departmental initiatives	\$24,023.89
D Squared Consulting Pty Ltd	Professional review and audit services	\$23,380.00
Translation Consultants	Interpreting and translating services	\$22,045.45
Thornhall Pty Ltd	Professional workshop and training services	\$22,000.00
New Focus Pty Ltd	Professional services to support departmental operations	\$21,000.00
Sparke Helmore Lawyers	Legal services	\$21,000.00
Department of Education (WA)	Australian Early Development Census resources for 2018	\$20,000.00
The University of Adelaide	Professional services to support departmental initiatives	\$19,713.36
Vivien Rusk	Professional services to support delivery of National Assessment Program Literacy and Numeracy (NAPLAN)	\$19,584.00
My Psychologist Frances	Professional psychological assessments	\$19,320.00
Objective Corporation Ltd	Professional services for Objective Electronic Document and Records Management System (EDRMS)	\$19,181.25
EdAssist	Services to support professional development and delivery of the Literacy Summit	\$19,054.55
Hender Careers	Professional recruitment services	\$19,000.00
Pushing Performance Pty Ltd	Professional services for Certificate III assessments and certification for various sports at the South Australian Aboriginal Sports Training Academy	\$18,953.35

<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
Pinnacle Workplace Consultants	Professional workstation assessment reports and office furniture	\$18,700.42
Dash Architects	High level planning study for various schools	\$18,100.00
Asbestos Diseases Society of South Australia Inc	Asbestos Awareness Training	\$17,520.00
Fujitsu Australia Ltd	Professional services support for the Education Management System (EMS)	\$17,278.00
Debra Panizzon	Professional services to support design and delivery of Science, Technology, Engineering and Mathematics (STEM) program	\$17,250.00
Choose Safety Pty Ltd	Professional risk assessment and review to support departmental operations	\$17,071.75
Terry Sizer	Professional services to support workforce operations	\$16,736.00
API Services and Solutions Pty Ltd	Professional services to support school operations	\$16,500.00
Linda Cooper	Professional services to support delivery of SA Science, Technology, Engineering and Mathematics (STEM) Ambassador program	\$16,380.00
RNTT Pty Ltd Trading as Excel Recruitment	Labour resources	\$16,333.24
Gramac Solutions	Labour resources	\$16,100.71
Spatial Location Services Pty Ltd	Professional data services to support departmental operations	\$15,751.00
Anthony Townsend	Professional research services to support departmental initiatives	\$15,378.85
Cqr Consulting Aust Pty Ltd	Risk assessment services	\$15,180.00
Sarah Sutter Consulting	Professional services to support development of the departmental Physical Activity and Movement strategy	\$15,000.00
Educentric Pty Ltd	Professional digital services	\$14,852.09
Act for Kids	Strategic leadership presentation	\$14,710.91

<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
Testing Kinetics Pty Ltd	Web application security evaluation	\$14,500.00
Working Women's Centre	Regional domestic violence workshops	\$14,400.00
Telethon Kids Institute	Professional services to deliver Early Development Index	\$14,300.00
Oncall Language Services Pty Ltd	Translation and interpreting services	\$14,217.75
Square Holes	Market research and focus groups	\$14,000.00
Julie Roberts	Professional review services to support departmental operations	\$13,720.00
Interface Consultants SA	Professional services to support departmental programs and initiatives	\$13,605.00
Rita Zanchetta Design	Professional digital services to support program delivery	\$13,435.00
Nanette Smibert	Professional services	\$13,355.00
Peter King Communications	Professional school audit services	\$13,301.70
Shandong Brightway International Exhibition Company Ltd	Professional development services	\$13,286.32
Eyre Futures Inc	School retention mentoring program	\$13,210.39
Rob Ball	Professional audit and risk services	\$13,168.45
Maria Iadanza	Professional services to support delivery of National Assessment Program Literacy and Numeracy (NAPLAN)	\$12,924.49
Gregory Berry	Professional audit and risk services	\$12,576.73
Addicted to Words	Professional services to deliver teaching materials and programs	\$12,486.40
Maryanne Wolf	Professional development services	\$12,385.70
Carolyn Hart	Professional services to support delivery of National Assessment Program Literacy and Numeracy (NAPLAN)	\$12,274.50
Guy Claxton	Payment for engagement fees for the Science, Technology, Engineering and Mathematics (STEM) program	\$12,188.94

<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
Blaze Advertising Pty Ltd	Professional creative content services	\$12,160.00
GH Planning Pty Ltd	Professional services to deliver community and stakeholder forums	\$12,120.00
Encore Event Technologies Pty Ltd	Professional event staging services	\$12,105.18
Walter Brooke and Associates Pty Ltd	Concepts for Better Schools program	\$12,090.00
Nancy Schupelius	Professional mentoring services	\$12,000.00
Voice Project Pty Ltd	Professional online survey and reporting services	\$11,980.00
Harrison Mcmillan Pty Ltd	Labour resources	\$11,801.40
Aim to Succeed Tutoring	Professional tuition services for school retention program	\$11,751.25
Broomhall Consulting	Performance Counts program	\$11,500.00
Edward Willson	Science, Technology, Engineering and Mathematics (STEM) program	\$11,380.00
Catherine Taylor	Professional audit and risk services	\$11,354.25
Interact Learning Pty Ltd	Professional licensing and course modification services	\$11,313.00
First Five Minutes Pty Ltd	Professional site evacuation diagrams	\$11,064.00
Switch Education Recruitment	Professional services to support Future Leaders initiative	\$11,000.00
Jim Birch Management	Professional facilitation services to support Children and Young People draft Bill	\$10,800.00
Wavemaker	Professional advertising services to support key initiatives	\$10,769.45
Mission Australia	School mentoring program	\$10,721.35
Soji Pty Ltd	Professional services to support departmental workshops and events	\$10,656.39
Gamelearn	Professional online services to support departmental initiatives	\$10,500.00
Carolyn Fortune	Professional services to support delivery	\$10,473.12



<b>Contractors engaged by the Department for Education for 2017-18</b>		
<b>Contractor</b>	<b>Purpose</b>	<b>Value (GST Exclusive)</b>
	of National Assessment Program Literacy and Numeracy (NAPLAN)	
BBOT Pty Ltd	Professional services to support workstation and vehicle assessments	\$10,405.08
University of Western Australia	Review of Closing the Gap Viability Examination	\$10,363.64
Robert Knight	Professional audit and risk services	\$10,242.37
Loop Platform Pty Ltd	Professional services for software development	\$10,188.54
KWP Advertising Pty Ltd	Professional digital services	\$10,105.40
Phoebe Monagle	Literature review	\$10,000.00
SciOT The Science of Things	Professional services to support Science, Technology, Engineering and Mathematics (STEM) project	\$10,000.00
Sinosphere Pty Ltd	Wellbeing project	\$10,000.00
SMG Health Pty Ltd	Online health portal for resilience and mindfulness	\$10,000.00
Totalspace Design	Architecture and interior design	\$10,000.00

Data is available at: <https://data.sa.gov.au/data/dataset/contractors-reporting-by-the-department-for-education>

The details of all South Australian Government-awarded contracts for goods, services and works are displayed on the SA Tenders and Contracts website.

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

## Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2017-18 are attached to this report.

### Our income – where it comes from

The total income received by the department and schools from controlled operations for the 2017-18 financial year was \$3.29 billion.

There was an underlying increase in department revenue of \$183.5 million after adjusting for revenue that was recognised in the 2016-17 financial year for the child protection functions that were transferred to the Department for Child Protection from 1 November 2016. Key factors contributing to the increase include:

- revenue from the State Government increased by \$142.3 million. This includes funding for capital projects including the science, technology, engineering and mathematics (STEM) capital initiative and increased funding for public schools
- revenue from the Australian Government increased by \$31.3 million, predominantly relating to increases associated with the National Education Reform Agreement totalling \$33.2 million.
- an increase in student and other fees and charges totalling \$8.1 million.

### Our expenditure – how our funds were spent

Total operating expenses of the department and schools for controlled activities, excluding care and protection activities, increased by \$196.9 million to \$3.24 billion compared with the previous financial year. The increase is mostly attributable to:

- employee benefit related expenses increased by \$123.1 million. This relates to a range of factors including increases in remuneration rates paid under enterprise bargaining agreements and awards, increases in total staffing numbers and the revaluation of employee long service leave entitlements; which is partly offset by a reduction in targeted voluntary separation payments and the downward revaluation of the workers compensation provision
- supplies and services expenses increased by \$35.4 million which was mainly due to increased maintenance and minor works undertaken across the 2017-18 financial year
- an increase in depreciation and amortisation expenses of \$26.3 million which is mostly attributable to higher asset values being depreciated following the asset revaluation increment of \$557.2 million recognised in the 2016-17 financial year.

### Summary of our assets – what we own

The value of assets for department and schools totalled \$5.7 billion as at 30 June 2018, which represented an increase of \$156 million compared with the previous financial year.

An increase of \$157.3 million in property, plant and equipment and assets held for sale included \$216.8 million of additional capital expenditure on capital construction projects and the \$69.3 million revaluation increase of land. This is mostly offset by depreciation and amortisation expenses.

Cash and cash equivalents decreased by \$6.0 million and receivables increased by \$6.3 million mainly due to an increase in GST recoverable from the ATO.

### **Summary of our liabilities – what we owe**

The value of liabilities for the department and schools totalled \$1.2 billion as at 30 June 2018; an increase of \$39.2 million compared with the previous financial year which mainly reflects a higher level of payables and employee benefit liabilities at 30 June 2018 offset by movements in provisions for workers compensation.

### **Materials and services charges**

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

For 2018, the standard sum that schools were able to recover was \$235 for primary students and \$310 for secondary students. Governing/school councils may also poll their school communities to seek majority support to legally recover an amount greater than the standard sum.

In 2018, the total materials and services charge invoiced by schools is estimated to be around \$66 million, and includes an estimated \$14.8 million of 'school card' assistance for low-income families.

### **Other financial information**

Nil to report

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

#### **Audit and Risk Committee**

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

The ARC comprises 5 members of senior management and 3 independent external members. Representatives of the Auditor-General's Department attend as observers. The committee met on 5 occasions during 2018.

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

During 2018, the ARC has focused on the following matters:

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

## **Section B: Reporting required under any other Act or regulation**

### **Reporting required under the *Carers' Recognition Act 2005***

The *Carers' Recognition Act* is deemed applicable for the following: Department of Human Services, Department for Education, Department for Health and Wellbeing, Department of Industry and Skills, Department of Planning, Transport and Infrastructure, South Australia Police and TAFE SA.

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

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

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

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

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

### Summary of complaints by subject

<b>Public complaints received by Education Complaint Unit</b>	
<b>Category of complaints by subject</b>	<b>Number of instances</b>
Other	226
Bullying/harassment student	208
Enrolment	155
Staff misconduct	107
Behaviour management-exclusion/suspension	106
Behaviour management-general	96
Staff performance	89
Communication	84
Duty of care	82
Bullying/harassment staff	48
Family law dispute	46
Special education-funding/support	36
Behaviour third party	34
Attendance	29
Special education-general	29
Safety issue/accident	27
School policy-general	27
Class placement	26
Policy – curriculum	23
Government/departmental policy	21
Transport	20
Child protection	19
Finance	15
School facilities access/use	12
Zoning	11
Unfair treatment	10
School policy – uniform	9
Unethical behaviour/conflict	6

<b>Public complaints received by Education Complaint Unit</b>	
<b>Category of complaints by subject</b>	<b>Number of instances</b>
Alternative Education	3
Prohibition	2

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

### **Complaint outcomes**

<b>Nature of complaint or suggestion</b>	<b>Services improved or changes as a result of complaints or consumer suggestions</b>
Staff competency	Face-to-face training by Education Complaints Unit staff
Procedure application	Site procedure reviewed and updated to provide clarity on roles
Service delivery – process	New recording system developed to support internal process and practice

## **Appendix: Audited financial statements 2017-18**

# Department for Education

Financial report  
for the year ended  
30 June 2018





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## To the Chief Executive Department for Education

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 for the financial year ended 30 June 2018.

### Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Education as at 30 June 2018, its financial performance and its cash flows for year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2018
- a Statement of Financial Position as at 30 June 2018
- a Statement of Changes in Equity for the year ended 30 June 2018
- a Statement of Cash Flows for the year ended 30 June 2018
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2018
- Disaggregated Disclosures – Assets and Liabilities as at 30 June 2018
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2018
- a Statement of Administered Financial Position as at 30 June 2018
- a Statement of Administered Changes in Equity for the year ended 30 June 2018
- a Statement of Administered Cash Flows for the year ended 30 June 2018
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2018
- notes, comprising 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. 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 issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

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

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



Andrew Richardson

**Auditor-General**

18 September 2018

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

- 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 for Education
- present a true and fair view of the financial position of the Department for Education as at 30 June 2018 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 for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



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Rick Persse  
Chief Executive  
14 September 2018



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Chris Bernardi  
Chief Financial Officer  
14 September 2018



# **Department for Education**

## **Financial Statements**

For the year ended 30 June 2018



**Department for Education**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2018*

		2018	2017	2018	2017
	Note	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
<b>Expenses</b>					
Employee benefits expenses	3	2 340 508	2 270 333	2 298 390	2 230 780
Supplies and services	5	693 868	674 556	392 721	337 677
Grants and subsidies	6	39 896	143 792	196 114	379 430
Depreciation and amortisation expense	7	134 848	109 112	127 742	102 803
Borrowing costs	8	22 252	22 439	22 252	22 289
Other expenses	9	8 792	7 015	6 726	5 063
<b>Total expenses</b>		<b>3 240 164</b>	<b>3 227 247</b>	<b>3 043 945</b>	<b>3 078 042</b>
<b>Income</b>					
Commonwealth revenues	10	509 239	478 065	509 239	478 065
Student and other fees and charges	11	168 586	160 511	26 496	23 219
Other grants and contributions	12	46 814	39 300	14 031	14 184
Investment revenues	13	9 139	9 514	7 532	7 569
Resources received free of charge	14	10 636	-	10 636	-
Net gain/(loss) from disposal of non-current assets	15	132	5 466	63	5 570
Other revenues	16	52 976	65 098	14 162	21 375
<b>Total income</b>		<b>797 522</b>	<b>757 954</b>	<b>582 159</b>	<b>549 982</b>
<b>Net cost of providing services</b>		<b>2 442 642</b>	<b>2 469 293</b>	<b>2 461 786</b>	<b>2 528 060</b>
<b>Revenues from SA Government</b>					
Revenues from SA Government	17	2 490 773	2 524 087	2 490 773	2 524 087
<b>Total revenues from SA Government</b>		<b>2 490 773</b>	<b>2 524 087</b>	<b>2 490 773</b>	<b>2 524 087</b>
<b>Net result</b>		<b>48 131</b>	<b>54 794</b>	<b>28 987</b>	<b>(3 973)</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to net result:</i>					
Changes in revaluation surplus	23	68 714	626 892	68 714	626 892
<b>Total other comprehensive income</b>		<b>68 714</b>	<b>626 892</b>	<b>68 714</b>	<b>626 892</b>
<b>Total comprehensive result</b>		<b>116 845</b>	<b>681 686</b>	<b>97 701</b>	<b>622 919</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**  
**Statement of Financial Position**  
*as at 30 June 2018*

		2018	2017	2018	2017
	Note	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
<b>Current assets</b>					
Cash and cash equivalents	18	943 108	949 153	458 747	481 988
Receivables	19	54 482	48 756	40 073	35 450
Inventories	20	6 065	6 735	3	6
Other financial assets	21	1 941	2 255	-	-
Non-current assets classified as held for sale	22	4 930	9 309	4 930	9 309
<b>Total current assets</b>		<b>1 010 526</b>	<b>1 016 208</b>	<b>503 753</b>	<b>526 753</b>
<b>Non-current assets</b>					
Receivables	19	1 151	533	4 386	4 091
Other financial assets	21	162	84	-	-
Property, plant and equipment	23	4 675 172	4 513 528	4 644 442	4 483 911
Intangible assets	24	18 128	18 749	18 128	18 749
<b>Total non-current assets</b>		<b>4 694 613</b>	<b>4 532 894</b>	<b>4 666 956</b>	<b>4 506 751</b>
<b>Total assets</b>		<b>5 705 139</b>	<b>5 549 102</b>	<b>5 170 709</b>	<b>5 033 504</b>
<b>Current liabilities</b>					
Payables	26	142 730	109 223	146 948	110 924
Borrowings	27	2 037	1 865	2 037	1 821
Employee benefits	28	216 208	201 319	214 270	199 538
Provisions	29	14 072	20 585	14 102	20 823
Other liabilities	30	31 417	29 593	16 014	15 911
<b>Total current liabilities</b>		<b>406 464</b>	<b>362 585</b>	<b>393 371</b>	<b>349 017</b>
<b>Non-current liabilities</b>					
Payables	26	60 951	60 046	60 951	60 046
Borrowings	27	165 465	167 550	165 465	167 502
Employee benefits	28	448 050	444 517	444 613	441 317
Provisions	29	48 826	55 263	48 826	55 263
Other liabilities	30	22 008	22 611	21 357	21 934
<b>Total non-current liabilities</b>		<b>745 300</b>	<b>749 987</b>	<b>741 212</b>	<b>746 062</b>
<b>Total liabilities</b>		<b>1 151 764</b>	<b>1 112 572</b>	<b>1 134 583</b>	<b>1 095 079</b>
<b>Net assets</b>		<b>4 553 375</b>	<b>4 436 530</b>	<b>4 036 126</b>	<b>3 938 425</b>
<b>Equity</b>					
Retained earnings	31	2 396 410	2 342 727	1 879 348	1 844 809
Revaluation surplus	31	2 156 965	2 093 803	2 156 778	2 093 616
<b>Total equity</b>		<b>4 553 375</b>	<b>4 436 530</b>	<b>4 036 126</b>	<b>3 938 425</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**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2018*

<b>Consolidated</b>		<b>Asset revaluation surplus</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 30 June 2016</b>		1 476 884	2 247 172	3 724 056
<b>Net result for 2016-17</b>		-	54 794	54 794
Changes on revaluation of property during 2016-17	23	626 892	-	626 892
<b>Total comprehensive result for 2016-17</b>		<b>626 892</b>	<b>54 794</b>	<b>681 686</b>
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(9 973)	9 973	-
Net liabilities transferred out as result of restructure		-	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>
<b>Net result for 2017-18</b>		-	48 131	48 131
Changes on revaluation of property during 2017-18	23	68 714	-	68 714
<b>Total comprehensive result for 2017-18</b>		<b>68 714</b>	<b>48 131</b>	<b>116 845</b>
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(5 552)	5 552	-
<b>Balance at 30 June 2018</b>	31	<b>2 156 965</b>	<b>2 396 410</b>	<b>4 553 375</b>
<b>Department</b>		<b>Asset revaluation surplus</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 30 June 2016</b>		1 476 697	1 808 021	3 284 718
<b>Net result for 2016-17</b>		-	(3 973)	(3 973)
Changes on revaluation of property during 2016-17	23	626 892	-	626 892
<b>Total comprehensive result for 2016-17</b>		<b>626 892</b>	<b>(3 973)</b>	<b>622 919</b>
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(9 973)	9 973	-
Net liabilities transferred out as result of restructure		-	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>
<b>Net result for 2017-18</b>		-	28 987	28 987
Changes on revaluation of property during 2017-18	23	68 714	-	68 714
<b>Total comprehensive result for 2017-18</b>		<b>68 714</b>	<b>28 987</b>	<b>97 701</b>
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(5 552)	5 552	-
<b>Balance at 30 June 2018</b>	31	<b>2 156 778</b>	<b>1 879 348</b>	<b>4 036 126</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**  
**Statement of Cash Flows**  
*for the year ended 30 June 2018*

		2018	2017	2018	2017
	Note	Consolidated \$'000 (Outflows) Inflows	Consolidated \$'000 (Outflows) Inflows	Department \$'000 (Outflows) Inflows	Department \$'000 (Outflows) Inflows
<b>Cash flows from operating activities</b>					
<b>Cash outflows</b>					
Employee benefit payments		(2 337 757)	(2 277 476)	(2 296 072)	(2 238 108)
Payments for supplies and services		(769 432)	(712 637)	(450 515)	(344 772)
Payments of grants and subsidies		(42 664)	(173 883)	(201 186)	(422 944)
Interest paid		(20 193)	(21 072)	(20 442)	(20 673)
Other payments		(4 494)	(2 509)	(4 450)	(2 481)
<b>Cash used in operations</b>		<b>(3 174 540)</b>	<b>(3 187 577)</b>	<b>(2 972 665)</b>	<b>(3 028 978)</b>
<b>Cash inflows</b>					
Receipts from Commonwealth		509 254	498 420	509 255	498 420
Student and other fees and charges		168 965	160 871	30 373	23 615
Other grants and contributions received		46 666	41 984	14 225	14 441
Interest received		9 457	8 910	7 778	7 319
GST recovered from the ATO		75 480	59 731	59 999	36 260
Dividends		9	-	-	-
Other receipts		52 900	60 263	14 086	16 540
<b>Cash generated from operations</b>		<b>862 731</b>	<b>830 179</b>	<b>635 716</b>	<b>596 595</b>
<b>Cash flows from SA Government</b>					
Receipts from SA Government		2 490 773	2 524 087	2 490 773	2 524 087
<b>Cash generated from SA Government</b>		<b>2 490 773</b>	<b>2 524 087</b>	<b>2 490 773</b>	<b>2 524 087</b>
<b>Net cash provided by / (used in) operating activities</b>	35	<b>178 964</b>	<b>166 689</b>	<b>153 824</b>	<b>91 704</b>
<b>Cash flows from investing activities</b>					
<b>Cash outflows</b>					
Purchase of property, plant and equipment		(189 935)	(54 636)	(181 996)	(47 320)
Purchase of investments		(166)	(246)	-	-
<b>Cash used in investing activities</b>		<b>(190 101)</b>	<b>(54 882)</b>	<b>(181 996)</b>	<b>(47 320)</b>
<b>Cash inflows</b>					
Proceeds from the sale of property, plant and equipment		6 476	17 533	6 269	17 352
Proceeds from maturing term deposits		397	21	-	-
Receipt of loan repayments		-	-	355	867
<b>Cash generated from investing activities</b>		<b>6 873</b>	<b>17 554</b>	<b>6 624</b>	<b>18 219</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(183 228)</b>	<b>(37 328)</b>	<b>(175 372)</b>	<b>(29 101)</b>
<b>Cash flows from financing activities</b>					
<b>Cash outflows</b>					
Repayment of finance leases		(1 817)	(1 632)	(1 821)	(1 628)
Cash transferred as a result of restructure	2	-	(16 324)	-	(16 324)
Repayment of borrowings		56	(568)	128	(532)
<b>Cash used in financing activities</b>		<b>(1 761)</b>	<b>(18 524)</b>	<b>(1 693)</b>	<b>(18 484)</b>
<b>Cash inflows</b>					
Loans received		(20)	20	-	-
<b>Cash generated from financing activities</b>		<b>(20)</b>	<b>20</b>	<b>-</b>	<b>-</b>
<b>Net cash provided by / (used in) financing activities</b>		<b>(1 781)</b>	<b>(18 504)</b>	<b>(1 693)</b>	<b>(18 484)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(6 045)</b>	<b>110 857</b>	<b>(23 241)</b>	<b>44 119</b>
Cash and cash equivalents at the beginning of the reporting period		949 153	838 296	481 988	437 869
<b>Cash and cash equivalents at the end of the reporting period</b>	18	<b>943 108</b>	<b>949 153</b>	<b>458 747</b>	<b>481 988</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**1 Basis of financial statements**

**1.1 Reporting entity**

The Department for Education (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 Department for Education came into effect by way of Proclamation (Administrative Unit – Alteration of Titles) under section 26 of the *Public Sector Act 2009* on 17 May 2018. For the period 1 July 2017 to 16 May 2018, the Department was known as the Department for Education and Child Development. The Alteration of Titles proclamation did not impact on the purpose, objectives and structure of the Department. The comparative year information reflects the previously titled Department for Education and Child Development.

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).

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 which follows 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 Department columns***

The values in the Department 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
- 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 Department 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 2017 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.

Income earned and expenses incurred directly by government controlled preschools which are accounted for locally in their general ledgers are excluded from the Department column as these are deemed immaterial.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**1 Basis of financial statements (continued)**

**1.1 Reporting entity (continued)**

***Administered items***

The Department is responsible for the administration of specific funds. 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:

- Ministers salaries
- Ministers payments
- Advocacy bodies
- Family Day Care

For further information refer to note A2.

**1.2 Statement of compliance**

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

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. 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 2018.

For further information refer to note 38.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**1 Basis of financial statements (continued)**

**1.3 Basis of preparation**

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

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

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

**1.4 Taxation**

The Department is not subject to Income Tax. The Department is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and Emergency Services Levy (ESL).

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
- 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.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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## **2 Objectives and activities**

### **2.1 Vision**

We are committed to building the best education system in Australia, a world-class system where there is growth for every child, in every class, in every school.

Achieving this will ensure that South Australia's young people are provided with the education and training opportunities they need to gain employment in both new and established industries.

### **2.2 Purpose**

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

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

School education is at the core of the Department and we recognise that the success of South Australian schools 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 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.

### **2.3 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, and health and wellbeing services that support parents, carers and children. The Department partners 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 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. At the local level, the Department aspires to help every child to achieve their potential, and sees families as partners to ensure each and every child leaves school with strong skills and a positive outlook.

### **2.4 Strategic Intent**

The Department's strategic intent is informed by the government's education policy priorities which outline the vision, values and desired characteristics of the South Australian education system.

These embody excellence, advocate choice, engage parents and teachers, and grow opportunities for the next generation.

The priorities will be achieved by:

- Delivering the best schools in Australia by improving education outcomes and teaching standards
- Involving parents, principals, teachers and local school communities in decision making

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**2 Objectives and activities (continued)**

- Building more innovative and flexible school systems
- Expanding opportunities for students to engage with training, skills and higher education, and ready themselves for employment.

The Department will also work collaboratively with 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 its strategic commitments.

**2.5 Activities**

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

***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.

***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.

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

The Care and Protection activity ceased in the 2016-17 financial year as the activity transferred to the newly formed Department for Child Protection (DCP). The activity is included in the Disaggregated disclosures for comparative purposes only.

**2.6 Disaggregated Disclosures**

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2018 and 30 June 2017.



**Department for Education**  
**Disaggregated Disclosures – Expenses and Income**  
*for the year ended 30 June 2018*  
**Consolidated**

	Early Childhood Development		School Education		Care and Protection		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>								
Employee benefits expenses	182 507	174 131	2 158 001	2 042 698	-	53 504	2 340 508	2 270 333
Supplies and services	29 349	30 317	664 519	628 006	-	16 233	693 868	674 556
Grants and subsidies	7 701	8 288	32 195	21 668	-	113 836	39 896	143 792
Depreciation and amortisation expense	4 605	3 823	130 243	104 688	-	601	134 848	109 112
Borrowing costs	1 780	1 783	20 472	20 656	-	-	22 252	22 439
Other expenses	804	1 924	7 988	5 074	-	17	8 792	7 015
<b>Total expenses</b>	<b>226 746</b>	<b>220 266</b>	<b>3 013 418</b>	<b>2 822 790</b>	<b>-</b>	<b>184 191</b>	<b>3 240 164</b>	<b>3 227 247</b>
<b>Income</b>								
Commonwealth revenues	31 908	31 800	477 331	446 101	-	164	509 239	478 065
Student and other fees and charges	6 370	5 567	162 216	154 893	-	51	168 586	160 511
Other grants and contributions	2 720	1 897	44 094	36 764	-	639	46 814	39 300
Investment revenues	542	565	8 597	8 947	-	2	9 139	9 514
Resources received free of charge	793	-	9 843	-	-	-	10 636	-
Net gain/(loss) from disposal of non-current assets	(325)	(945)	457	6 411	-	-	132	5 466
Other revenues	1 073	1 189	51 903	63 091	-	818	52 976	65 098
<b>Total income</b>	<b>43 081</b>	<b>40 073</b>	<b>754 441</b>	<b>716 207</b>	<b>-</b>	<b>1 674</b>	<b>797 522</b>	<b>757 954</b>
<b>Net cost of providing services</b>	<b>183 665</b>	<b>180 193</b>	<b>2 258 977</b>	<b>2 106 583</b>	<b>-</b>	<b>182 517</b>	<b>2 442 642</b>	<b>2 469 293</b>
<b>Revenues from SA Government</b>								
Revenues from SA Government	182 283	179 308	2 308 490	2 168 519	-	176 260	2 490 773	2 524 087
<b>Net revenues from SA Government</b>	<b>182 283</b>	<b>179 308</b>	<b>2 308 490</b>	<b>2 168 519</b>	<b>-</b>	<b>176 260</b>	<b>2 490 773</b>	<b>2 524 087</b>
<b>Net result</b>	<b>(1 382)</b>	<b>(885)</b>	<b>49 513</b>	<b>61 936</b>	<b>-</b>	<b>(6 257)</b>	<b>48 131</b>	<b>54 794</b>

**Department for Education**  
**Disaggregated Disclosures – Expenses and Income**  
*for the year ended 30 June 2018*  
**Department**

	Early Childhood Development		School Education		Care and Protection		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>								
Employee benefits expenses	182 507	174 131	2 115 883	2 003 145	-	53 504	2 298 390	2 230 780
Supplies and services	19 509	15 966	373 212	305 478	-	16 233	392 721	337 677
Grants and subsidies	17 554	22 642	178 560	242 540	-	114 248	196 114	379 430
Depreciation and amortisation expense	4 605	3 823	123 137	98 379	-	601	127 742	102 803
Borrowing costs	1 780	1 783	20 472	20 506	-	-	22 252	22 289
Other expenses	804	1 924	5 922	3 122	-	17	6 726	5 063
<b>Total expenses</b>	<b>226 759</b>	<b>220 269</b>	<b>2 817 186</b>	<b>2 673 170</b>	<b>-</b>	<b>184 603</b>	<b>3 043 945</b>	<b>3 078 042</b>
<b>Income</b>								
Commonwealth revenues	31 908	31 800	477 331	446 101	-	164	509 239	478 065
Student and other fees and charges	6 370	5 567	20 126	17 600	-	52	26 496	23 219
Other grants and contributions	2 720	1 897	11 311	11 648	-	639	14 031	14 184
Investment revenues	542	565	6 990	7 002	-	2	7 532	7 569
Resources received free of charge	793	-	9 843	-	-	-	10 636	-
Net gain/(loss) from disposal of non-current assets	(325)	(945)	388	6 515	-	-	63	5 570
Other revenues	1 090	1 189	13 072	19 368	-	818	14 162	21 375
<b>Total income</b>	<b>43 098</b>	<b>40 073</b>	<b>539 061</b>	<b>508 234</b>	<b>-</b>	<b>1 675</b>	<b>582 159</b>	<b>549 982</b>
<b>Net cost of providing services</b>	<b>183 661</b>	<b>180 196</b>	<b>2 278 125</b>	<b>2 164 936</b>	<b>-</b>	<b>182 928</b>	<b>2 461 786</b>	<b>2 528 060</b>
<b>Revenues from SA Government</b>								
Revenues from SA Government	182 283	179 308	2 308 490	2 168 519	-	176 260	2 490 773	2 524 087
<b>Net revenues from SA Government</b>	<b>182 283</b>	<b>179 308</b>	<b>2 308 490</b>	<b>2 168 519</b>	<b>-</b>	<b>176 260</b>	<b>2 490 773</b>	<b>2 524 087</b>
<b>Net result</b>	<b>(1 378)</b>	<b>(888)</b>	<b>30 365</b>	<b>3 583</b>	<b>-</b>	<b>(6 668)</b>	<b>28 987</b>	<b>(3 973)</b>

**Department for Education**  
**Disaggregated Disclosures – Assets and Liabilities**  
*for the year ended 30 June 2018*  
**Consolidated**

	Early Childhood Development		School Education		Care and Protection		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>								
Cash and cash equivalents	33 126	42 660	909 982	906 493	-	-	943 108	949 153
Receivables	3 443	3 653	52 190	45 636	-	-	55 633	49 289
Inventories	-	-	6 065	6 735	-	-	6 065	6 735
Other financial assets	-	-	2,103	2 339	-	-	2 103	2 339
Non-current assets classified as held for sale	347	467	4 583	8 842	-	-	4 930	9 309
Property, plant and equipment	192 194	190 732	4 482 978	4 322 796	-	-	4 675 172	4 513 528
Intangible assets	1 450	1 499	16 678	17 250	-	-	18 128	18 749
<b>Total assets</b>	<b>230 560</b>	<b>239 011</b>	<b>5 474 579</b>	<b>5 310 091</b>	<b>-</b>	<b>-</b>	<b>5 705 139</b>	<b>5 549 102</b>
<b>Liabilities</b>								
Payables	10 722	10 534	192 959	158 735	-	-	203 681	169 269
Borrowings	13 400	13 546	154 102	155 869	-	-	167 502	169 415
Employee benefits	52 405	51 152	611 853	594 684	-	-	664 258	645 836
Provisions	4 989	6 040	57 909	69 808	-	-	62 898	75 848
Other liabilities	1 837	1 910	51 588	50 294	-	-	53 425	52 204
<b>Total liabilities</b>	<b>83 353</b>	<b>83 182</b>	<b>1 068 411</b>	<b>1 029 390</b>	<b>-</b>	<b>-</b>	<b>1 151 764</b>	<b>1 112 572</b>
<b>Net assets</b>	<b>147 207</b>	<b>155 829</b>	<b>4 406 168</b>	<b>4 280 701</b>	<b>-</b>	<b>-</b>	<b>4 553 375</b>	<b>4 436 530</b>

**Department for Education**  
**Disaggregated Disclosures – Assets and Liabilities**  
*for the year ended 30 June 2018*  
**Department**

	Early Childhood Development		School Education		Care and Protection		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>								
Cash and cash equivalents	33 126	42 660	425 621	439 328	-	-	458 747	481 988
Receivables	3 443	3 653	41 016	35 888	-	-	44 459	39 541
Inventories	-	-	3	6	-	-	3	6
Other financial assets	-	-	-	-	-	-	-	-
Non-current assets classified as held for sale	347	467	4 583	8 842	-	-	4 930	9 309
Property, plant and equipment	192 194	190 732	4 452 248	4 293 179	-	-	4 644 442	4 483 911
Intangible assets	1 450	1 499	16 678	17 250	-	-	18 128	18 749
<b>Total assets</b>	<b>230 560</b>	<b>239 011</b>	<b>4 940 149</b>	<b>4 794 493</b>	<b>-</b>	<b>-</b>	<b>5 170 709</b>	<b>5 033 504</b>
<b>Liabilities</b>								
Payables	10 722	10 534	197 177	160 436	-	-	207 899	170 970
Borrowings	13 400	13 546	154 102	155 777	-	-	167 502	169 323
Employee benefits	52 405	51 152	606 478	589 703	-	-	658 883	640 855
Provisions	4 989	6 040	57 939	70 046	-	-	62 928	76 086
Other liabilities	1 837	1 910	35 534	35 935	-	-	37 371	37 845
<b>Total liabilities</b>	<b>83 353</b>	<b>83 182</b>	<b>1 051 230</b>	<b>1 011 897</b>	<b>-</b>	<b>-</b>	<b>1 134 583</b>	<b>1 095 079</b>
<b>Net assets</b>	<b>147 207</b>	<b>155 829</b>	<b>3 888 919</b>	<b>3 782 596</b>	<b>-</b>	<b>-</b>	<b>4 036 126</b>	<b>3 938 425</b>

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

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**3 Employee benefits**

**3.1 Employee benefits expenses**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Salaries and wages (including annual leave)	1 952 349	1 896 702	1 914 362	1 860 927
Employment on-costs - superannuation *	198 491	192 171	195 330	189 138
Employment on-costs - payroll tax	107 423	103 804	107 423	103 804
Long service leave	60 257	32 124	59 549	31 499
Workers Compensation	4 803	20 625	4 803	20 625
Skills and experience retention leave	11 393	11 522	11 393	11 522
Targeted voluntary separation payments	1 135	10 140	1 135	10 140
Country incentive leave	522	218	522	218
Board and committee fees	26	39	26	39
Other employee related expenses	4 109	2 988	3 847	2 868
<b>Total employee benefits expenses</b>	<b>2 340 508</b>	<b>2 270 333</b>	<b>2 298 390</b>	<b>2 230 780</b>

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

**3.2 Targeted voluntary separation packages**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	Number of	Number of	Number of	Number of
	Employees	Employees	Employees	Employees
The number of employees who received/owed a TVSP during the reporting period was:	12	201	12	201
	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Amounts paid or payable to employees:				
Separation payments	1 135	10 140	1 135	10 140
Leave paid to those employees	706	1 055	706	1 055
<b>Net cost to the department</b>	<b>1 841</b>	<b>11 195</b>	<b>1 841</b>	<b>11 195</b>

The 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**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**3 Employee benefits (continued)**

**3.3 Key management personnel**

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

Total compensation for key management personnel was \$3.6 million (2017: \$4.4 million).

The compensation disclosed in this note excludes salaries and other benefits the Minister for Education 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 DTF) under section 6 the *Parliamentary Remuneration Act 1990*.

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Compensation</b>		
Salaries and other short term employee benefits	3 305	3 574
Post-employment benefits (employer contributed superannuation)	287	323
Other long-term employment benefits	-	191
Termination benefits	-	307
<b>Total compensation</b>	<b>3 592</b>	<b>4 395</b>

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

As at 30 June, the department employed 23 931 (23 189) full-time equivalents.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**3 Employee benefits (continued)**

**3.5 Remuneration of employees**

	2018	2018	2017	2017
The number of employees whose remuneration received or receivable falls within the following bands:	Consolidated Number of Executives <sup>1</sup>	Consolidated Number of Employees <sup>2</sup>	Consolidated Number of Executives <sup>1</sup>	Consolidated Number of Employees <sup>2</sup>
\$147 000 to \$149 000*	na	na	-	71
\$149 001 to \$159 000	1	160	1	117
\$159 001 to \$169 000	3	88	6	71
\$169 001 to \$179 000	2	40	-	52
\$179 001 to \$189 000	3	37	4	21
\$189 001 to \$199 000	4	21	2	23
\$199 001 to \$209 000	8	29	6	21
\$209 001 to \$219 000	3	13	3	10
\$219 001 to \$229 000	2	2	2	4
\$229 001 to \$239 000	1	2	1	3
\$239 001 to \$249 000	1	1	4	5
\$249 001 to \$259 000	4	4	-	-
\$259 001 to \$269 000	1	2	-	2
\$269 001 to \$279 000	-	-	1	4
\$279 001 to \$289 000	1	2	-	1
\$289 001 to \$299 000	-	-	-	1
\$299 001 to \$309 000	1	1	-	2
\$309 001 to \$319 000	-	1	-	1
\$319 001 to \$329 000	-	1	-	1
\$329 001 to \$339 000	1	1	1	1
\$359 001 to \$369 000	-	1	-	-
\$399 001 to \$409 000	-	1	-	-
\$439 001 to \$449 000	-	-	-	1
\$469 001 to \$479 000	1	1	-	-
\$479 001 to \$489 000	-	-	1	1
\$659 001 to \$669 000	-	-	-	1
\$669 001 to \$679 000	-	-	-	1
<b>Total number of executives / employees</b>	<b>37</b>	<b>408</b>	<b>32</b>	<b>415</b>

\* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2016-17.

<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 2018 and 30 June 2017 respectively and who have earned the base remuneration during the year. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2018 and 2017.

<sup>2</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, termination payments, employer's superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of these benefits.

Remuneration received or due and receivable by the above employees was \$71.2 million (2017: \$72.8 million), which is included in employee benefits expenses.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**4 Remuneration of board and committee members**

Members of the boards and committees during the 2017-18 financial year were:

**Animal Ethics Committee**

Mr John Hatch  
 Mr Manfred Heide  
 Dr David Mason  
 Ms Kay McGrath  
 Mr Matthew Mercorella <sup>1</sup>  
 Ms Sally Nance  
 Dr Denise Noonan (resigned 30 March 2018)  
 Ms Linda Olifent <sup>1</sup>  
 Ms Patricia Sprague (resigned 4 May 2018)  
 Mr Ross Templeman <sup>1</sup>  
 Ms Margy Wright

**Education Audit and Risk Committee**

Ms Ruth Blenkiron  
 Ms Audra Cooper <sup>1</sup>  
 Ms Ann-Marie Hayes <sup>1</sup>  
 Ms Anne Millard <sup>1</sup>  
 Ms Julieann Riedstra <sup>1</sup>  
 Mr Coenraad Robberts <sup>1</sup>  
 Dr Tom Stubbs  
 Mr Ben Temperly <sup>1</sup>

**SA Teacher Certification Committee**

Ms Monica Conway  
 Mr Adrian Dilger  
 Ms Susan Miels <sup>1</sup>  
 Dr Janette Patterson (resigned 7 December 2017)  
 Mrs Belinda Radcliffe <sup>1</sup>  
 Ms Lynda Seacombe  
 Ms Elizabeth Sexton  
 Ms Veronica Lee (appointed 2 January 2018)

<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.

	2018	2017
The number of members whose remuneration received/receivable falls within the following bands:		
	<b>Number of</b>	<b>Number of</b>
	<b>Members</b>	<b>Members</b>
\$0	19	47
\$1 - \$9 999	7	23
\$10 000 - \$19 999	1	1
<b>Total number of members</b>	<b>27</b>	<b>71</b>

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 \$26 505 (2017: \$41 721).

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.



**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**5 Supplies and services**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Minor works, maintenance and equipment	167 601	135 852	124 273	104 149
Printing, postage and consumables	82 396	83 375	5 032	5 367
Utilities	39 727	40 756	45 902	5 260
Cleaning	40 114	38 617	5 795	5 632
Contractors and other outsourced services	31 071	34 248	33 446	34 799
Vehicle and travelling expenses	30 151	32 513	28 048	30 570
Student learning materials	33 659	29 316	-	-
Rentals and operating leases	23 631	26 374	21 526	23 955
Bus contractors	26 332	25 800	26 338	25 806
Excursions and camps	24 293	22 720	-	-
Information and communications technology	32 170	35 729	24 480	26 116
Management fees and charges	21 298	17 417	24 202	19 649
Cost of goods sold	14 623	15 000	-	-
Shared Services SA charges	10 546	13 438	10 546	13 438
Training and development	12 994	12 113	6 099	5 620
Insurance (including self-insurance)	7 667	7 886	7 991	8 009
Security	6 588	6 579	6 229	6 149
Public Private Partnerships Service Fee	5 752	5 615	5 752	5 615
Copyright	4 523	4 296	4 519	4 292
Legal costs	2 898	3 697	2 898	3 697
Residential and client related costs	-	1 130	-	1 132
Other supplies and services	75 834	82 085	9 645	8 422
<b>Total supplies and services</b>	<b>693 868</b>	<b>674 556</b>	<b>392 721</b>	<b>337 677</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.

**5.1 Rental and operating leases**

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of the leased assets.

**5.2 Consultants**

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

	2018	2018	2017	2017
	Consolidated	Consolidated	Consolidated	Consolidated
	Number	\$'000	Number	\$'000
Below \$10 000	2	11	-	-
\$10 000 or above	15	2 662	5	1 202
<b>Total paid / payable to the consultants engaged</b>	<b>17</b>	<b>2 673</b>	<b>5</b>	<b>1 202</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**6 Grants and subsidies**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Recurrent grants paid to other organisations	33 901	139 158	33 901	139 158
Recurrent grants paid to preschools	3 995	4 634	3 995	4 634
Recurrent grants paid to schools and units	-	-	156 218	235 638
Capital grants paid to other organisations	2 000	-	2 000	-
<b>Total grants and subsidies</b>	<b>39 896</b>	<b>143 792</b>	<b>196 114</b>	<b>379 430</b>

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

**7 Depreciation and amortisation**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Depreciation</b>				
Buildings and improvements	120 259	94 601	120 152	94 539
Computing, communication, furniture and equipment	5 992	5 287	394	376
Buildings under finance lease	3 609	3 292	3 609	3 292
Buses and motor vehicles	2 989	2 991	2 215	2 173
Leasehold improvements	452	996	452	996
Residential accommodation housing	-	268	-	268
Other assets	644	553	17	35
<b>Total depreciation</b>	<b>133 945</b>	<b>107 988</b>	<b>126 839</b>	<b>101 679</b>
<b>Amortisation</b>				
Service right for use of equipment	876	846	876	846
Internally developed computer software	-	251	-	251
Externally provided software	27	27	27	27
<b>Total amortisation</b>	<b>903</b>	<b>1 124</b>	<b>903</b>	<b>1 124</b>
<b>Total depreciation and amortisation</b>	<b>134 848</b>	<b>109 112</b>	<b>127 742</b>	<b>102 803</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**7 Depreciation and amortisation (continued)**

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

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

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

**7.1 Useful Life**

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

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

**7.2 Change in depreciation due to revaluation**

Where the department has revalued its assets, depreciation will be adjusted in future years.

**7.3 Revision of accounting estimates**

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

The higher depreciation expense will also be reflected in future years.

**8 Borrowing costs**

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Department</b>	<b>Department</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Finance lease costs	22 252	22 289	22 252	22 289
Interest paid/payable on short-term and long-term borrowings	-	150	-	-
<b>Total borrowing costs</b>	<b>22 252</b>	<b>22 439</b>	<b>22 252</b>	<b>22 289</b>

Finance lease costs relate to the interest expenses associated with the PPP agreement, for further information refer note 32.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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**9 Other expenses**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Non-current assets written off	1 147	2 581	1 147	2 581
Allowance for doubtful debts and debt write-offs	2 911	2 131	472	207
Emergency Services Levy	1 359	1 355	1 359	1 355
Auditor's remuneration – other	1 023	1 004	969	944
Auditor's remuneration - Auditor-General's Department *	455	485	455	485
Insurance	1 446	(738)	1 456	(706)
Donated assets	443	-	865	-
Net loss on revaluation of investments	5	-	-	-
Other expenses	3	197	3	197
<b>Total other expenses</b>	<b>8 792</b>	<b>7 015</b>	<b>6 726</b>	<b>5 063</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.

**Department for Education**  
**Notes to and forming part of the financial statements**  
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**10 Commonwealth revenues**

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Department</b>	<b>Department</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
National Education Reform Agreement	464 996	431 822	464 996	431 822
National Partnership - Universal Access to Early Childhood Development	28 044	27 557	28 044	27 557
National School Chaplaincy Program	5 867	5 867	5 867	5 867
National Partnership - Teacher Quality	2 950	3 267	2 950	3 267
Independent Public Schools	657	2 090	657	2 090
Rural Care Worker Program	2 115	1 954	2 115	1 954
Detainee Minors	1 140	1 725	1 140	1 725
Family Day Care Administration	879	1 004	879	1 004
Connected Beginnings	197	720	197	720
National Partnership - More Support for Students with Disabilities	250	455	250	455
Indigenous Advancement Strategy	427	375	427	375
National Occasional Care	331	346	331	346
National Partnership - Advanced Technology	800	300	800	300
Australian Early Development Index	341	309	341	309
Anangu Education Services funds	120	65	120	65
Other specific Commonwealth revenue	125	209	125	209
<b>Total Commonwealth revenues</b>	<b>509 239</b>	<b>478 065</b>	<b>509 239</b>	<b>478 065</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.

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 (for example, grant application) has been approved; agreement/contract is executed; and/or the contribution is received.

**11 Student and other fees and charges**

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Department</b>	<b>Department</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Student enrolment fees and charges	120 406	115 042	3 617	3 861
Canteen sales	15 594	15 458	-	-
Sales/fee for service revenue	12 661	14 341	1 028	2 273
Other user fees and charges	19 925	15 670	21 851	17 085
<b>Total student and other fees and charges</b>	<b>168 586</b>	<b>160 511</b>	<b>26 496</b>	<b>23 219</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
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**12 Other grants and contributions**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Grants and subsidies revenue	45 856	38 616	14 031	14 153
Donations	958	684	-	31
<b>Total other grants and contributions</b>	<b>46 814</b>	<b>39 300</b>	<b>14 031</b>	<b>14 184</b>

**13 Investment revenues**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Interest from entities within the SA Government	14	34	123	168
Dividends	9	-	-	-
Other interest	9 116	9 480	7 409	7 401
<b>Total investment revenues</b>	<b>9 139</b>	<b>9 514</b>	<b>7 532</b>	<b>7 569</b>

**14 Resources received free of charge**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Contributed services	10 505	-	10 505	-
Contributed assets	131	-	131	-
<b>Total resources received free of charge</b>	<b>10 636</b>	<b>-</b>	<b>10 636</b>	<b>-</b>

On the 21 November 2016, approval was given by Cabinet to cease the intra-government charging model for services provided by Shared Services SA (SSSA) to general government sector agencies. As a result of this change, effective from 2017-18, SSSA is directly appropriation funded for the services provided by SSSA to general government agencies.

Under AASB 1004, Contributions, the contribution of services provided by SSSA to government agencies are disclosed in the financial statements as income because the fair value of the services can be reliably measured and the services would have been purchased if they had not been donated. A corresponding expense is recognised in the financial statements refer to note 5.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Land and buildings</b>				
Proceeds from disposal	222	220	222	220
Less net book value of assets disposed	(920)	(726)	(920)	(726)
<b>Net gain / (loss) from disposal of land and buildings</b>	<b>(698)</b>	<b>(506)</b>	<b>(698)</b>	<b>(506)</b>
<b>Vehicles, plant and equipment</b>				
Proceeds from disposal	207	250	-	69
Less net book value of assets disposed	(138)	(395)	-	(110)
<b>Net gain / (loss) from disposal of vehicles, plant and equipment</b>	<b>69</b>	<b>(145)</b>	<b>-</b>	<b>(41)</b>
<b>Non-current assets classified as held for sale</b>				
Proceeds from disposal	6 047	17 063	6 047	17 063
Less net book value of assets disposed	(5 286)	(10 946)	(5 286)	(10 946)
<b>Net gain / (loss) from disposal of non-current assets classified as held for sale</b>	<b>761</b>	<b>6 117</b>	<b>761</b>	<b>6 117</b>
<b>Total assets</b>				
Proceeds from disposal	6 476	17 533	6 269	17 352
Less net book value of assets disposed	(6 344)	(12 067)	(6 206)	(11 782)
<b>Total net gain / (loss) from disposal of non-current assets</b>	<b>132</b>	<b>5 466</b>	<b>63</b>	<b>5 570</b>

Gains/losses on disposal of non-current assets 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**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
Fundraising revenue	7 281	7 526	-	-
Revaluation increment of buildings under finance lease and leasehold improvement assets	-	4 221	-	4 221
Recoveries	4 541	3 840	4 506	4 390
Commission received	1 929	1 763	5 758	4 906
Assets recognised for the first time	379	1 576	379	1 576
Other revenue	38 846	46 172	3 519	6 282
<b>Total other revenues</b>	<b>52 976</b>	<b>65 098</b>	<b>14 162</b>	<b>21 375</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**17 Revenues from SA Government**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Revenues from SA Government</b>				
Appropriations from the Consolidated Account pursuant to the <i>Appropriation Act</i>	2 485 722	2 524 087	2 485 722	2 524 087
Transfers from contingencies	5 051	-	5 051	-
<b>Total revenues from SA Government</b>	<b>2 490 773</b>	<b>2 524 087</b>	<b>2 490 773</b>	<b>2 524 087</b>

Appropriations are recognised on receipt.

**18 Cash and cash equivalents**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Deposits with the Treasurer (AAEFA)	356 139	440 695	356 139	440 695
SA School Investment Fund (SASIF)	447 278	431 012	-	-
Deposits with the Treasurer - at call	101 503	40 386	101 502	40 386
Cash at bank and on hand	37 798	36 673	716	520
Section 21 Deposit Accounts	390	387	390	387
<b>Total cash and cash equivalents</b>	<b>943 108</b>	<b>949 153</b>	<b>458 747</b>	<b>481 988</b>

Cash is measured at nominal amounts.

**18.1 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.

**18.2 SA School Investment Fund**

Represents the amount held in schools SASIF accounts at 31 December 2017, 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 2018 was \$460.3 million (2017: \$457.4 million) and does not include \$35.9 million (2017: \$34.5 million) held in the account for preschools and some units as these have been treated as transactions with third parties.



**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**19 Receivables**

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Fees, charges and other receivables	33 843	33 672	22 097	21 823
Allowance for doubtful debts	(5 755)	(5 101)	(643)	(258)
GST recoverable from the ATO	17 081	11 349	13 861	7 328
Prepayments	6 092	4 851	3 502	2 725
Accrued revenues	3 221	3 985	613	3157
Loan receivables	-	-	643	675
<b>Total current receivables</b>	<b>54 482</b>	<b>48 756</b>	<b>40 073</b>	<b>35 450</b>
<b>Non-current</b>				
Workers compensation receivable	1 136	518	1 136	518
Loan receivables	15	15	3 250	3 573
<b>Total non-current receivables</b>	<b>1 151</b>	<b>533</b>	<b>4 386</b>	<b>4 091</b>
<b>Total receivables</b>	<b>55 633</b>	<b>49 289</b>	<b>44 459</b>	<b>39 541</b>

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

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence (that is, 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.

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	5 101	4 761	258	100
Increase/(decrease) in allowance	2 911	2 131	472	207
Amounts written off	(2 257)	(1 791)	(87)	(49)
<b>Carrying amount at the end of the period</b>	<b>5 755</b>	<b>5 101</b>	<b>643</b>	<b>258</b>

**19.2 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 37 for further information on risk management.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**20 Inventories**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Current</b>				
Materials at net realisable value	6 065	6 735	3	6
<b>Total current inventories</b>	<b>6 065</b>	<b>6 735</b>	<b>3</b>	<b>6</b>
<b>Total inventories</b>	<b>6 065</b>	<b>6 735</b>	<b>3</b>	<b>6</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**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Current</b>				
Term deposits	1 941	2 255	-	-
<b>Total current investments</b>	<b>1 941</b>	<b>2 255</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Term deposits	-	84	-	-
Shares held in listed securities	162	-	-	-
<b>Total non-current investments</b>	<b>162</b>	<b>84</b>	<b>-</b>	<b>-</b>
<b>Total other financial assets</b>	<b>2 103</b>	<b>2 339</b>	<b>-</b>	<b>-</b>

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

The fair value of Shares held in listed securities is based on quoted market prices for identical assets or liabilities at balance date.

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

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Land	3 942	7 310	3 942	7 310
Buildings and improvements	430	1 907	430	1 907
Buses	558	92	558	92
<b>Total non-current assets classified as held for sale</b>	<b>4 930</b>	<b>9 309</b>	<b>4 930</b>	<b>9 309</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 preschool 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.

**22.1 Movement in the non-current assets classified as held for sale**

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

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
<b>Land</b>				
Carrying amount at the beginning of the period	7 310	8 940	7 310	8 940
Asset disposals	(3 760)	(8 690)	(3 760)	(8 690)
Assets reclassified to/(from) assets held for sale	392	7 060	392	7 060
<b>Carrying amount at the end of the period</b>	<b>3 942</b>	<b>7 310</b>	<b>3 942</b>	<b>7 310</b>
<b>Buildings and improvements</b>				
Carrying amount at the beginning of the period	1 907	2 779	1 907	2 779
Asset disposals	(1 517)	(2 683)	(1 517)	(2 683)
Assets reclassified to/(from) assets held for sale	40	1 811	40	1 811
<b>Carrying amount at the end of the period</b>	<b>430</b>	<b>1 907</b>	<b>430</b>	<b>1 907</b>
<b>Buses</b>				
Carrying amount at the beginning of the period	92	-	92	-
Asset disposals	(8)	-	(8)	-
Assets reclassified to/(from) assets held for sale	474	92	474	92
<b>Carrying amount at the end of the period</b>	<b>558</b>	<b>92</b>	<b>558</b>	<b>92</b>
<b>Total non-current assets classified as held for sale</b>	<b>4 930</b>	<b>9 309</b>	<b>4 930</b>	<b>9 309</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
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**23 Property, plant and equipment**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Land</b>				
Land	1 498 645	1 429 138	1 498 246	1 428 739
<b>Total land</b>	<b>1 498 645</b>	<b>1 429 138</b>	<b>1 498 246</b>	<b>1 428 739</b>
<b>Buildings and improvements</b>				
Buildings and improvements	7 755 552	7 686 088	7 754 356	7 685 200
Accumulated depreciation	(4 996 623)	(4 894 217)	(4 996 177)	(4 893 860)
<b>Total buildings and improvements</b>	<b>2 758 929</b>	<b>2 791 871</b>	<b>2 758 179</b>	<b>2 791 340</b>
<b>Buildings under finance lease</b>				
Buildings under finance lease	207 986	207 986	207 986	207 986
Accumulated depreciation	(27 438)	(23 829)	(27 438)	(23 829)
<b>Total buildings under finance lease</b>	<b>180 548</b>	<b>184 157</b>	<b>180 548</b>	<b>184 157</b>
<b>Construction work in progress</b>				
Construction work in progress	170 986	42 280	170 986	42 280
<b>Total construction work in progress</b>	<b>170 986</b>	<b>42 280</b>	<b>170 986</b>	<b>42 280</b>
<b>Leasehold improvements</b>				
Leasehold improvements	28 736	28 736	28 736	28 736
Accumulated depreciation	(21 868)	(21 416)	(21 868)	(21 416)
<b>Total leasehold improvements</b>	<b>6 868</b>	<b>7 320</b>	<b>6 868</b>	<b>7 320</b>
<b>Buses and motor vehicles</b>				
Buses and motor vehicles	61 521	61 222	47 123	47 533
Accumulated depreciation	(27 833)	(26 923)	(18 650)	(18 345)
<b>Total buses and motor vehicles</b>	<b>33 688</b>	<b>34 299</b>	<b>28 473</b>	<b>29 188</b>
<b>Computing, communications, furniture and equipment</b>				
Computing, communications, furniture and equipment	64 990	59 977	13 948	13 345
Accumulated depreciation	(42 828)	(38 810)	(12 880)	(12 478)
<b>Total computing, communications, furniture and equipment</b>	<b>22 162</b>	<b>21 167</b>	<b>1 068</b>	<b>867</b>
<b>Other assets</b>				
Other assets	11 437	10 963	3 385	3 452
Accumulated depreciation	(8 091)	(7 667)	(3 311)	(3 432)
<b>Total other assets</b>	<b>3 346</b>	<b>3 296</b>	<b>74</b>	<b>20</b>
<b>Total property, plant and equipment</b>	<b>4 675 172</b>	<b>4 513 528</b>	<b>4 644 442</b>	<b>4 483 911</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
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**23 Property, plant and equipment (continued)**

**23.1 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.

**23.2 Valuation of non-current assets**

The independent valuation of land was performed by the Valuer-General as at 30 June 2018.

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 (DPTI). 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 2018. 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.

Buses acquired prior to 30 June 2015 are valued based on an internal estimate of current depreciated replacement cost for each bus category based on recent acquisitions, and residual values as at 30 June 2015. New buses from 1 July 2015 are valued at historical cost.

All computing, communications, furniture and equipment and other assets which 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.

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

**23.3 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, leasehold improvements and buildings under finance lease 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.

**23.4 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.

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.

Land, buildings and improvements for 4 (2017: 11) disused sites were written down to their fair value less cost of disposal. An impairment loss of \$0.9 million (2017: \$11.1 million) was recognised. The land 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 2018.

**Department for Education**  
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**23 Property, plant and equipment (continued)**

**23.5 Movement reconciliation of property, plant and equipment**

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

Department 2017-18	Land	Buildings and	Residential	Buildings	Construction	Leasehold	Buses and	Computing,	Other	Total
	improvements	accommodation	housing	under	work in	improvements	motor	communications,	assets	
	\$'000	\$'000	\$'000	finance	progress	\$'000	vehicles	furniture and	\$'000	\$'000
				lease				equipment		
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 428 739	2 791 340	-	184 157	42 280	7 320	29 188	867	20	4 483 911
Additions	1 862	417	-	-	216 830	-	1 974	407	73	221 563
Disposals	(431)	(490)	-	-	-	-	-	-	-	(921)
Assets derecognised	-	(1 133)	-	-	-	-	-	(12)	(2)	(1 147)
Assets reclassified to assets held for sale	(392)	(40)	-	-	-	-	(474)	-	-	(906)
Transfers to/(from) WIP	-	88 124	-	-	(88 124)	-	-	-	-	-
Revaluation increment/(decrement)	69 323	316	-	-	-	-	-	-	-	69 639
Impairment to revaluation surplus	(412)	(513)	-	-	-	-	-	-	-	(925)
Depreciation and amortisation	-	(120 152)	-	(3 609)	-	(452)	(2 215)	(394)	(17)	(126 839)
Assets recognised for the first time	-	179	-	-	-	-	-	200	-	379
Transfers (to)/from third parties	(443)	131	-	-	-	-	-	-	-	(312)
<b>Carrying amount at the end of the period</b>	<b>1 498 246</b>	<b>2 758 179</b>	<b>-</b>	<b>180 548</b>	<b>170 986</b>	<b>6 868</b>	<b>28 473</b>	<b>1 068</b>	<b>74</b>	<b>4 644 442</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
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**23 Property, plant and equipment (continued)**

**23.6 Movement reconciliation of property, plant and equipment**

The reconciliation of non-current assets is for the Department entity only.

Department 2016-17	Land	Buildings and	Residential	Buildings	Construction	Leasehold	Buses and	Computing,	Other	Total
	improvements	accommodation	under	work in	improvements	motor	communications,	assets		
	\$'000	\$'000	housing	finance lease	progress	vehicles	furniture and			
			\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 367 089	2 323 565	21 204	171 373	21 552	8 738	29 688	1 270	80	3 944 559
Additions	4 098	488	-	-	50 838	-	1 890	127	-	57 441
Disposals	(146)	(153)	-	-	-	-	(110)	-	-	(409)
Assets derecognised	-	(2 546)	-	-	-	-	(15)	(2)	(18)	(2 581)
Assets reclassified to/(from) assets held for sale	(7 060)	(1 811)	-	-	-	-	(92)	-	-	(8 963)
Transfers to/(from) 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)	(268)	(3 292)	-	(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>-</b>	<b>184 157</b>	<b>42 280</b>	<b>7 320</b>	<b>29 188</b>	<b>867</b>	<b>20</b>	<b>4 483 911</b>



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**24 Intangible assets**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Internally developed computer software</b>				
Internally developed computer software	4 354	4 354	4 354	4 354
Accumulated amortisation	(4 354)	(4 354)	(4 354)	(4 354)
<b>Total internally developed computer software</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Externally provided software</b>				
Externally provided software	139	139	139	139
Accumulated amortisation	(91)	(64)	(91)	(64)
<b>Total externally provided software</b>	<b>48</b>	<b>75</b>	<b>48</b>	<b>75</b>
<b>Service right for use of equipment</b>				
Service right for use of equipment	24 227	23 945	24 227	23 945
Accumulated amortisation	(6 147)	(5 271)	(6 147)	(5 271)
<b>Total service right for use of equipment</b>	<b>18 080</b>	<b>18 674</b>	<b>18 080</b>	<b>18 674</b>
<b>Total intangible assets</b>	<b>18 128</b>	<b>18 749</b>	<b>18 128</b>	<b>18 749</b>

The internally developed computer software relates to the department's human resource management system (Valeo).

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 32.

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 *Intangible Assets* are expensed.

**24.1 Impairment**

There were no indications of impairment on intangible assets as at 30 June 2018.

**Department for Education**  
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**24 Intangible assets (continued)**

**24.2 Movement reconciliation of intangible assets**

The reconciliation of intangible assets is for the Department entity only.

Department 2017-18	Internally developed computer software	Externally provided software	Service right for use of equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	75	18 674	18 749
Additions	-	-	282	282
Amortisation	-	(27)	(876)	(903)
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>48</b>	<b>18 080</b>	<b>18 128</b>

Department 2016-17	Internally developed computer software	Externally provided software	Service right for use of equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	2 496	102	19 520	22 118
Amortisation	(251)	(27)	(846)	(1 124)
Disposal through administrative restructure	(2 245)	-	-	(2 245)
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>75</b>	<b>18 674</b>	<b>18 749</b>

**Department for Education**  
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**25 Fair value measurement**

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the 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 (for example, 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.

**25.1 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:

<b>Fair value measurements at 30 June 2018</b>	<b>Department Level 2 \$'000</b>	<b>Department Level 3 \$'000</b>	<b>Department Total \$'000</b>
<b>Recurring fair value measurements</b>			
Land	1 498 246	-	1 498 246
Buildings and improvements	1 978	2 756 201	2 758 179
Buildings under finance lease	-	180 548	180 548
Leasehold improvements	-	6 868	6 868
Buses and motor vehicles	-	28 473	28 473
Computing, communications, furniture and equipment	-	1 068	1 068
Other assets	-	74	74
<b>Total recurring fair value measurements</b>	<b>1 500 224</b>	<b>2 973 232</b>	<b>4 473 456</b>
<b>Non-recurring fair value measurements</b>			
Land held for sale	3 942	-	3 942
Buildings and improvements held for sale	430	-	430
Buses held for sale	558	-	558
<b>Total non-recurring fair value measurements</b>	<b>4 930</b>	<b>-</b>	<b>4 930</b>
<b>Total fair value measurements</b>	<b>1 505 154</b>	<b>2 973 232</b>	<b>4 478 386</b>

**Department for Education**  
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**25 Fair value measurement (continued)**

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

<b>Fair value measurements at 30 June 2017</b>	<b>Department Level 2 \$'000</b>	<b>Department Level 3 \$'000</b>	<b>Department 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 and 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 department has measured land and buildings held for sale at fair value less costs to sell in accordance with AASB 5 *Non-current Assets held for Sale and Discontinued Operations* 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 2018 and 2017, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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

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**25 Fair value measurement (continued)**

**25.2 Reconciliation of fair value measurements – level 3**

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

Department 2017-18	Buildings and improvements	Buildings under finance lease	Leasehold improvements	Buses and motor vehicles	Computing, communications, furniture and equipment	Other assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 788 561	184 157	7 320	29 188	867	20
Additions	417	-	-	1 974	407	73
Disposals	(490)	-	-	-	-	-
Assets derecognised	(1 133)	-	-	-	(12)	(2)
Assets reclassified to assets held for sale	(40)	-	-	(474)	-	-
Transfers from WIP	88 124	-	-	-	-	-
Assets recognised for the first time	179	-	-	-	200	-
Transfers from third parties	131	-	-	-	-	-
Transfer into level 3 <sup>1</sup>	1 052	-	-	-	-	-
Transfer out of level 3 <sup>2</sup>	(251)	-	-	-	-	-
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation	(120 152)	(3 609)	(452)	(2 215)	(394)	(17)
<b>Total gains/(losses) recognised in net result</b>	<b>(120 152)</b>	<b>(3 609)</b>	<b>(452)</b>	<b>(2 215)</b>	<b>(394)</b>	<b>(17)</b>
Gains/(losses) for the period recognised in other comprehensive income (OCI)						
Revaluation increments/(decrements)	316	-	-	-	-	-
Impairment to revaluation surplus	(513)	-	-	-	-	-
<b>Total gains/(losses) recognised in OCI</b>	<b>(197)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance at the end of the period</b>	<b>2 756 201</b>	<b>180 548</b>	<b>6 868</b>	<b>28 473</b>	<b>1 068</b>	<b>74</b>

<sup>1</sup> In 2018 certain buildings and improvements that were considered to be impaired were transferred from level 2 to level 3 and disposed.

<sup>2</sup> In 2018 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**  
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**25 Fair value measurement (continued)**

**25.3 Reconciliation of fair value measurements – level 3**

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

Department 2016-17	Buildings and improvements	Buildings under finance lease	Leasehold improvements	Buses and motor vehicles	Computing, communications, furniture and equipment	Other assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	2 323 565	171 373	8 738	29 688	1 270	80
Additions	488	-	-	1 890	127	-
Disposals	(153)	-	-	(110)	-	-
Assets derecognised	(2 546)	-	-	(15)	(2)	(18)
Assets reclassified to assets held for sale	(1 811)	-	-	(92)	-	-
Transfers from WIP	30 110	-	-	-	-	-
Assets recognised for the first time	1 339	-	-	-	12	-
Transfer out of level 3 <sup>1</sup>	(2 779)	-	-	-	-	-
Disposal through administrative restructure	-	-	(698)	-	(164)	(7)
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation	(94 539)	(3 292)	(996)	(2 173)	(376)	(35)
<b>Total gains/(losses) recognised in net result</b>	<b>(94 539)</b>	<b>(3 292)</b>	<b>(996)</b>	<b>(2 173)</b>	<b>(376)</b>	<b>(35)</b>
Gains/(losses) for the period recognised in other comprehensive income (OCI)						
Revaluation increments/(decrements)	545 083	11 975	156	-	-	-
Reversal of revaluation decrement	-	4 101	120	-	-	-
Impairment to revaluation surplus	(10 196)	-	-	-	-	-
<b>Total gains/(losses) recognised in OCI</b>	<b>534 887</b>	<b>16 076</b>	<b>276</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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>

<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**  
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**26 Payables**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Current</b>				
Creditors	83 988	44 986	93 486	56 506
Employment on-costs	48 190	41 787	48 168	41 804
Accrued expenses	6 505	19 216	1 247	9 380
Accrued interest on PPP finance lease	3 623	2 911	3 623	2 911
Paid Parental Leave Scheme payable	424	323	424	323
<b>Total current payables</b>	<b>142 730</b>	<b>109 223</b>	<b>146 948</b>	<b>110 924</b>
<b>Non-current</b>				
Employment on-costs	50 312	50 505	50 312	50 505
Accrued interest on PPP finance lease	10 639	9 541	10 639	9 541
<b>Total non-current payables</b>	<b>60 951</b>	<b>60 046</b>	<b>60 951</b>	<b>60 046</b>
<b>Total payables</b>	<b>203 681</b>	<b>169 269</b>	<b>207 899</b>	<b>170 970</b>

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

Employment on-costs include Payroll Tax, workers' compensation 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 DTF, the percentage of long service leave taken as leave remained unchanged at a rate 61% and the average factor for the calculation of employer superannuation changed to a rate of 9.9% (2017: 10.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial.

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.

**26.1 Interest rate and credit risk**

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. 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 37.

**Department for Education**  
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**27 Borrowings**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Current</b>				
Obligations under finance leases - PPP <sup>1</sup>	2 037	1 821	2 037	1 821
Borrowings	-	44	-	-
<b>Total current borrowings</b>	<b>2 037</b>	<b>1 865</b>	<b>2 037</b>	<b>1 821</b>
<b>Non-current</b>				
Obligations under finance leases - PPP <sup>1</sup>	165 465	167 502	165 465	167 502
Borrowings	-	48	-	-
<b>Total non-current borrowings</b>	<b>165 465</b>	<b>167 550</b>	<b>165 465</b>	<b>167 502</b>
<b>Total borrowings</b>	<b>167 502</b>	<b>169 415</b>	<b>167 502</b>	<b>169 323</b>

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

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.

For further information on risk management refer to note 37.



**Department for Education**  
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**28 Employee benefits liabilities**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Current</b>				
Annual leave	120 650	110 768	119 338	109 707
Long service leave	57 066	56 989	56 952	56 929
Skills and experience retention leave	20 547	20 758	20 547	20 758
Accrued salaries and wages	17 091	12 553	16 579	11 893
Country incentive leave	854	251	854	251
<b>Total current employee benefits</b>	<b>216 208</b>	<b>201 319</b>	<b>214 270</b>	<b>199 538</b>
<b>Non-current</b>				
Long service leave	446 267	441 663	442 830	438 463
Country incentive leave	1 783	2 854	1 783	2 854
<b>Total non-current employee benefits</b>	<b>448 050</b>	<b>444 517</b>	<b>444 613</b>	<b>441 317</b>
<b>Total employee benefits</b>	<b>664 258</b>	<b>645 836</b>	<b>658 883</b>	<b>640 855</b>

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

**28.1 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.

**Department for Education**  
**Notes to and forming part of the financial statements**  
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**28 Employee benefits liabilities (continued)**

**28.2 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 leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over 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.

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

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds remained unchanged at 2.5%.

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

**Department for Education**  
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**29 Provisions**

**29.1 Movement in provisions**

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Department</b>	<b>Department</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Provision for workers' compensation	13 423	19 879	13 423	19 879
Provision for legal claims	649	706	649	706
Provision for fire claims	-	-	30	238
<b>Total current provisions</b>	<b>14 072</b>	<b>20 585</b>	<b>14 102</b>	<b>20 823</b>
<b>Non-current</b>				
Provision for workers' compensation	45 182	52 317	45 182	52 317
Provision for legal claims	3 644	2 946	3 644	2 946
<b>Total non-current provisions</b>	<b>48 826</b>	<b>55 263</b>	<b>48 826</b>	<b>55 263</b>
<b>Total provisions</b>	<b>62 898</b>	<b>75 848</b>	<b>62 928</b>	<b>76 086</b>

**29.2 Movement in workers compensation provisions**

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Consolidated</b>	<b>Consolidated</b>	<b>Department</b>	<b>Department</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Provision for workers' compensation</b>				
Carrying amount at the beginning of the period	72 196	92 500	72 196	92 500
Reductions arising from payments	(16 366)	(20 710)	(16 366)	(20 710)
Additional provision recognised	2 775	18 657	2 775	18 657
Transfer out due to restructure	-	(18 251)	-	(18 251)
<b>Carrying amount at the end of the period</b>	<b>58 605</b>	<b>72 196</b>	<b>58 605</b>	<b>72 196</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 2018 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**  
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**29 Provisions (continued)**

**29.3 Movement in legal claim provisions**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Provision for legal claims</b>				
Carrying amount at the beginning of the period	3 652	5 817	3 652	5 817
Reductions arising from payments	(697)	(1 067)	(697)	(1 067)
Reversal of over provision	(458)	(3 119)	(458)	(3 119)
Additional provision recognised	1 796	2 116	1 796	2 116
Transfer out due to restructure	-	(95)	-	(95)
<b>Carrying amount at the end of the period</b>	<b>4 293</b>	<b>3 652</b>	<b>4 293</b>	<b>3 652</b>

**29.4 Movement in fire claim provisions**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Provision for fire claims</b>				
Carrying amount at the beginning of the period	-	-	238	513
Reductions arising from payments	-	-	(68)	(73)
Reversal of over provision	-	-	(218)	(403)
Additional provision recognised	-	-	78	201
<b>Carrying amount at the end of the period</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>238</b>

**30 Other liabilities**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
<b>Current</b>				
Unearned revenue	11 764	11 677	707	281
Deposits	14 180	15 382	13 809	14 925
Other liabilities	4 420	2 098	445	269
Equipment service right	1 053	436	1 053	436
<b>Total current other liabilities</b>	<b>31 417</b>	<b>29 593</b>	<b>16 014</b>	<b>15 911</b>
<b>Non-current</b>				
Equipment service right	20 693	21 464	20 693	21 464
Other liabilities	482	638	470	470
Deposits	833	509	194	-
<b>Total non-current other liabilities</b>	<b>22 008</b>	<b>22 611</b>	<b>21 357</b>	<b>21 934</b>
<b>Total other liabilities</b>	<b>53 425</b>	<b>52 204</b>	<b>37 371</b>	<b>37 845</b>

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**31 Equity**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
Retained earnings	2 396 410	2 342 727	1 879 348	1 844 809
Revaluation surplus	2 156 965	2 093 803	2 156 778	2 093 616
<b>Total equity</b>	<b>4 553 375</b>	<b>4 436 530</b>	<b>4 036 126</b>	<b>3 938 425</b>

The asset revaluation surplus is used to record increments and decrements in the fair value of land, buildings and leasehold improvements to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

**32 Unrecognised contractual commitments**

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

**32.1 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. 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
- 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.

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

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
Within one year	5 871	5 731	5 871	5 731
Later than one year but not later than five years	24 999	24 395	24 999	24 395
Later than five years	129 186	135 700	129 186	135 700
<b>Total PPP operations and maintenance commitments</b>	<b>160 056</b>	<b>165 826</b>	<b>160 056</b>	<b>165 826</b>

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**32 Unrecognised contractual commitments (continued)**

**32.2 PPP Finance lease commitments**

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

	2018	2018	2017	2017
	Minimum lease payments \$'000	Present value of lease payments \$'000	Minimum lease payments \$'000	Present value of lease payments \$'000
Within one year	21 005	18 892	21 009	18 892
Later than one year but not later than five years	83 982	58 354	83 998	58 331
Later than five years	337 819	90 256	358 808	92 100
<b>Total minimum lease payments</b>	<b>442 806</b>	<b>167 502</b>	<b>463 815</b>	<b>169 323</b>
Less amounts representing finance charges	275 304	-	294 492	-
<b>Present value of minimum lease payments</b>	<b>167 502</b>	<b>167 502</b>	<b>169 323</b>	<b>169 323</b>

The PPP arrangements have been detailed above. The weighted average interest rate implicit in the leases is 11.26%.

	2018	2017	2018	2017
	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
<b>Included in the financial statements as:</b>				
Current borrowings (note 27)	2 037	1 821	2 037	1 821
Non-current borrowings (note 27)	165 465	167 502	165 465	167 502
<b>Total included in borrowings</b>	<b>167 502</b>	<b>169 323</b>	<b>167 502</b>	<b>169 323</b>

**32.3 Capital commitments**

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

	2018	2017	2018	2017
	Consolidated \$'000	Consolidated \$'000	Department \$'000	Department \$'000
Within one year	172 921	84 024	172 921	84 024
Later than one year but not later than five years	-	38 700	-	38 700
<b>Total capital commitments</b>	<b>172 921</b>	<b>122 724</b>	<b>172 921</b>	<b>122 724</b>

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

**Department for Education**  
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**32 Unrecognised contractual commitments (continued)**

**32.4 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:

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Within one year	3 311	3 203	3 311	3 203
Later than one year but not later than five years	2 746	1 572	2 746	1 572
<b>Total operating lease commitments for vehicles</b>	<b>6 057</b>	<b>4 775</b>	<b>6 057</b>	<b>4 775</b>

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

**32.5 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:

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Within one year	9 505	9 736	9 505	9 736
Later than one year but not later than five years	27 534	33 978	27 534	33 978
Later than five years	431	336	431	336
<b>Total operating lease commitments for facilities</b>	<b>37 470</b>	<b>44 050</b>	<b>37 470</b>	<b>44 050</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 the Department of Planning, Transport and Infrastructure (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.

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### **33 Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of this note.

An application is currently before the South Australian Employment Tribunal in relation to an interpretation of the "Country Incentives Zone Allowance" provided under the South Australian School and Preschool Education Staff Enterprise Agreement 2016. The application by the Australian Education Union is seeking to broaden the eligibility of the allowance. If the application is successful, it would result in a financial liability for the Department. A sufficiently reliable estimate of the potential liability cannot be quantified at this time.

An application is currently before the South Australian Employment Tribunal in relation to an interpretation of the "Teachers of Special Classes Allowance" provided under the Teachers (DECS) Award. The application by the Australian Education Union is seeking to broaden the eligibility of the allowance. If the application is successful, it would result in a financial liability for the Department. A sufficiently reliable estimate of the potential liability cannot be quantified at this time.

During the reporting period the department undertook a review of long service leave records and identified that a revision in the long service leave provision may be required for certain employee categories once the relevant data has been verified and updated. This review of data is continuing into the 2018-19 financial year, and therefore the department is not able to reliably estimate the potential amount of the change to the overall provision at the reporting date.

### **34 Related party transactions**

The Department for Education 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.

#### **34.1 Significant transactions with government related entities**

The Department had no significant transactions with government related entities except for the appropriation funding received from Department of Treasury and Finance (Note 17) and incurred expenditure with Department of Planning, Transport and Infrastructure (DPTI) of \$331 million. As at 30 June 2018 the outstanding balance payable to DPTI was \$56 million (Note 26).

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

Quantitative information about transactions and balances between the department and other government controlled entities are disclosed at notes 39 and 40.

#### **34.3 Transactions with key management personnel and other related parties**

Compensation of Key Management Personnel is disclosed as note 3.

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



**Department for Education**  
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**35 Cash flow reconciliation**

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'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	943 108	949 153	458 747	481 988
Balance as per Statement of Cash Flows	943 108	949 153	458 747	481 988
<b>Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services</b>				
Net cash provided by/(used in) operating activities	178 964	166 689	153 824	91 704
Revenues from SA Government	(2 490 773)	(2 524 087)	(2 490 773)	(2 524 087)
<b>Add / (less) non-cash items</b>				
Depreciation and amortisation	(134 848)	(109 112)	(127 742)	(102 803)
Bad and doubtful debts	(2 911)	(2 131)	(472)	(207)
Non-current assets derecognised/written off	(1 147)	(2 581)	(1 147)	(2 581)
Contributed assets	131	-	131	-
Donated assets	(443)	-	(865)	-
Assets recognised for the first time	379	5 797	379	5 797
Gain/(loss) from disposal of non-current assets	132	5 466	63	5 570
Adjustment on restructure	-	(86 218)	-	(86 218)
Net revaluation decrement recognised in Profit and Loss	(5)	-	-	-
<b>Movement in assets and liabilities</b>				
Increase/(decrease) in receivables	9 255	(5 649)	5 745	(9 939)
Increase/(decrease) in inventories	(670)	865	(3)	(141)
(Increase)/decrease in payables	6 141	3 446	3 624	18 364
(Increase)/decrease in employee benefits	(18 422)	54 202	(18 028)	54 413
(Increase)/decrease in provisions	12 950	22 469	13 158	22 744
(Increase)/decrease in other liabilities	(1 375)	1 551	320	(676)
<b>Net cost of providing services</b>	<b>(2 442 642)</b>	<b>(2 469 293)</b>	<b>(2 461 786)</b>	<b>(2 528 060)</b>

**Department for Education**  
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**36 Budgetary reporting and explanations of major variances between budget and actual amounts**

Budget information has been included for the Statement of Comprehensive Income and 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.

	Original budget <sup>(1)</sup> 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000
<b>Statement of Comprehensive Income</b>			
<b>Expenses</b>			
Employee benefits expenses	2 459 458	2 340 508	(118 950)
Supplies and services	645 802	693 868	48 066
Grants and subsidies	53 975	39 896	(14 079)
Depreciation and amortisation expense	111 333	134 848	23515
Borrowing costs	22 526	22 252	(274)
Other expenses	4 547	8 792	4 245
<b>Total expenses</b>	<b>3 297 641</b>	<b>3 240 164</b>	<b>(57 477)</b>
<b>Income</b>			
Commonwealth revenues	531 416	509 239	(22 177)
Student and other fees and charges	153 006	168 586	15 580
Other revenues	49 003	52 976	3 973
Other grants and contributions	50 201	46 814	(3 387)
Investment revenues	8 158	9 139	981
Resources received free of charge	-	10 636	10 636
Net gain/(loss) from disposal of non-current assets	(1 929)	132	2 061
<b>Total income</b>	<b>789 855</b>	<b>797 522</b>	<b>7 667</b>
<b>Net cost of providing services</b>	<b>2 507 786</b>	<b>2 442 642</b>	<b>(65 144)</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government	2 506 014	2 490 773	(15 241)
<b>Net revenues from SA Government</b>	<b>2 506 014</b>	<b>2 490 773</b>	<b>(15 241)</b>
<b>Net result</b>	<b>(1 772)</b>	<b>48 131</b>	<b>49 903</b>
<b>Other comprehensive income</b>			
Changes in revaluation surplus	-	68 714	68 714
<b>Total comprehensive result</b>	<b>(1 772)</b>	<b>116 845</b>	<b>118 617</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 (2017-18 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

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

**Department for Education**  
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**36 Budgetary reporting and explanations of major variances between budget and actual amounts (continued)**

	Original budget <sup>(1)</sup>	Actual	Variance
	2018	2018	2018
	\$'000	\$'000	\$'000
<b>Investing expenditure summary</b>			
Total new projects	20 821	13 609	(7 212)
Total existing projects	217 426	207 518	(9 908)
Total annual programs	5 966	9 214	3 248
<b>Total investing expenditure</b>	<b>244 213</b>	<b>230 341</b>	<b>(13 872)</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 (2017-18 Budget Paper 4). These amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

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

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**37 Financial risk management / financial instruments**

**37.1 Financial risk management**

Risk management is managed by the department 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.

**37.2 Liquidity risk**

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

Refer to note 26 and 27 for further information.

**37.3 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 to notes 18, 19 and 21 for further information.

There is no exposure to foreign currency of 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 to 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.

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**37 Financial risk management / financial instruments (continued)**

**Table 37.1 Ageing analysis of financial assets (Department)**

	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>2018</b>						
Receivables <sup>(1)</sup>	25 960	19 184	4 630	501	2 288	(643)
	<b>25 960</b>	<b>19 184</b>	<b>4 630</b>	<b>501</b>	<b>2 288</b>	<b>(643)</b>
<b>2017</b>						
Receivables <sup>(1)</sup>	28 970	21 807	5 866	106	1 449	(258)
	<b>28 970</b>	<b>21 807</b>	<b>5 866</b>	<b>106</b>	<b>1 449</b>	<b>(258)</b>

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

**37.4 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 32 or the respective financial asset/financial liability note.

Refer to table 37.2 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.

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 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 note 27).

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

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**37 Financial risk management / financial instruments (continued)**

**Table 37.2 Categorisation and maturity analysis of financial assets and liabilities (Department)**

Category of financial asset and financial liability	Notes	2018 Carrying amount / fair value \$'000	2017 Carrying amount / fair value \$'000	2018 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	458 747	481 988	-	-	-
Loans and receivables						
Receivables <sup>(1)(2)</sup>	19	25 960	28 970	22 710	2 419	831
<b>Total financial assets</b>		<b>484 707</b>	<b>510 958</b>	<b>22 710</b>	<b>2 419</b>	<b>831</b>
<b>Financial liabilities</b>						
Financial liabilities held at cost						
Payables <sup>(1)</sup>	26	108 964	78 176	98 325	10 639	-
Borrowings	27	167 502	169 323	2 037	10 871	154 594
Other liabilities	30	37 371	37 845	16 014	4 931	16 426
<b>Total financial liabilities</b>		<b>313 837</b>	<b>285 344</b>	<b>116 376</b>	<b>26 441</b>	<b>171 020</b>

<sup>(2)</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>(3)</sup> Receivables amounts disclosed here exclude prepayments. Prepayments are presented in note 19 in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

**Department for Education**  
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**38 Impact of standards and statements not yet implemented**

AASB 9 Financial Instruments, standard comes into effect from reporting periods commencing on or after 1 January 2018. The implementation of AASB 16 Leases, AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit-Entities, come into effect from reporting periods commencing on or after 1 January 2019.

The following provides the impact of standards and statements not yet implemented

**38.1 AASB 9 Financial Instruments**

The department has reviewed the impact of AASB 9 Financial Instruments on the classification and measurement of its financial assets. The following summarises the estimated impact to the categorisation and valuation of the amounts reported:

Receivables and loans will be classified and measured at amortised cost, similar to the current classification of loans and receivables. However, new impairment requirements will result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The department will be adopting the simplified approach under AASB 9 Financial Instruments and measure lifetime expected credit losses on receivables and contract assets using a provision matrix approach as a practical expedient to measure the impairment provision.

All financial liabilities listed in the financial instruments / financial risk management note will continue to be measured at amortised cost. The department does not expect a material change in the reported value of financial liabilities.

**38.2 AASB 16 Leases**

The standard supersedes AASB 117 Leases and unlike AASB 117 Leases, AASB 16 Leases introduces a single lease accounting model for lessees, eliminating the distinction between operating and finance leases. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

The department has not yet quantified the exact impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 Leases to its current operating leases, including the extent of additional disclosures required.

The department's current operating lease commitments note (refer note 32) provides an indication of the amounts to be recognised 'on-balance sheet' at transition (an expected increase in lease liabilities with a corresponding right-of-use asset). The reclassification between supplies and services expense and depreciation/interest has not yet been estimated.

**38.3 AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities**

The department has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts.

The department has not yet quantified the exact impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities, including the extent of additional disclosures required.

Special purpose grants received to construct non-financial assets controlled by the department will be recognised as a liability, and subsequently recognised progressively as revenue as the Agency satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

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**39 Transactions with SA Government – Consolidated**

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

		SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Consolidated		Consolidated		Consolidated	
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>							
Employee benefits expenses	3						
Salaries and wages (including annual leave)		-	-	1 952 349	1 896 702	1 952 349	1 896 702
Employment on-costs - superannuation		-	-	198 491	192 171	198 491	192 171
Employment on-costs - payroll tax		107 423	103 804	-	-	107 423	103 804
Long service leave		-	-	60 257	32 124	60 257	32 124
Workers Compensation		2 028	1 968	2 775	18 657	4 803	20 625
Skills and experience retention leave		-	-	11 393	11 522	11 393	11 522
Targeted voluntary separation payments		-	-	1 135	10 140	1 135	10 140
Country incentive leave		-	-	522	218	522	218
Board and committee fees		-	-	26	39	26	39
Other employee related expenses		-	-	4 109	2 988	4 109	2 988
Supplies and services	5						
Minor works maintenance and equipment		116 932	96 777	50 669	39 075	167 601	135 852
Printing postage and consumables		9	18	82 387	83 357	82 396	83 375
Other supplies and services		1 349	1 503	74 485	80 582	75 834	82 085
Utilities		7 517	12 679	32 210	28 077	39 727	40 756
Cleaning		244	242	39 870	38 375	40 114	38 617
Vehicle and travelling expenses		4 950	6 003	25 201	26 510	30 151	32 513
Rentals and operating leases		19 160	21 457	4 471	4 917	23 631	26 374
Student learning materials		-	-	33 659	29 316	33 659	29 316
Contractors and other outsourced services		815	908	30 256	33 340	31 071	34 248
Bus contractors		15	14	26 317	25 786	26 332	25 800



**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Consolidated		Consolidated		Consolidated	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Supplies and services (continued)	5						
Excursions and camps		-	-	24 293	22 720	24 293	22 720
Information and communications technology		2 859	3 043	29 311	32 686	32 170	35 729
Management fees and charges		14 373	12 862	6 925	4 555	21 298	17 417
Shared Services SA charges		10 546	13 438	-	-	10 546	13 438
Cost of goods sold		-	-	14 623	15 000	14 623	15 000
Training and development		445	289	12 549	11 824	12 994	12 113
Security		4 463	5 065	2 125	1 514	6 588	6 579
Insurance (including self insurance)		7 667	7 886	-	-	7 667	7 886
Public Private Partnerships Service Fee		-	-	5 752	5 615	5 752	5 615
Copyright		-	-	4 523	4 296	4 523	4 296
Legal costs		1 792	2 098	1 106	1 599	2 898	3 697
Residential and client related costs		-	(92)	-	1 222	-	1 130
Grants and subsidies	6						
Recurrent grants paid to other organisations		6 520	6 990	27 381	132 168	33 901	139 158
Recurrent grants paid to preschools		3 995	4 634	-	-	3 995	4 634
Capital grants paid to other organisations		-	-	2 000	-	2 000	-
Depreciation and amortisation expense	7						
Buildings and improvements		-	-	120 259	94 601	120 259	94 601
Computing, communication, furniture and equipment		-	-	5 992	5 287	5 992	5 287
Buildings under finance lease		-	-	3 609	3 292	3 609	3 292
Buses and motor vehicles		-	-	2 989	2 991	2 989	2 991
Leasehold improvements		-	-	452	996	452	996
Other assets		-	-	644	553	644	553
Service right for use of equipment		-	-	876	846	876	846
Residential accommodation housing		-	-	-	268	-	268
Internally developed computer software		-	-	-	251	-	251
Externally provided software		-	-	27	27	27	27

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Consolidated		Consolidated		Consolidated	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowing costs	8						
Finance lease costs		-	-	22 252	22 289	22 252	22 289
Interest paid/payable on short-term and long-term borrowings		-	-	-	150	-	150
Other expenses	9						
Non-current assets written off		-	-	1 147	2 581	1 147	2 581
Allowance for doubtful debts and debt write-offs		-	-	2 911	2 131	2 911	2 131
Emergency Services Levy		1 359	1 355	-	-	1 359	1 355
Auditor's remuneration – other		-	-	1 023	1 004	1 023	1 004
Auditor's remuneration – Auditor-General's Department *		455	485	-	-	455	485
Net loss on revaluation of investments		-	-	5	-	5	-
Other expenses		-	50	3	147	3	197
Insurance		414	800	1 032	(1 538)	1 446	(738)
Donated assets		408	-	35	-	443	-
<b>Total expenses</b>		<b>315 738</b>	<b>304 276</b>	<b>2 924 426</b>	<b>2 922 971</b>	<b>3 240 164</b>	<b>3 227 247</b>
<b>Income</b>							
Commonwealth revenues	10	-	-	509 239	478 065	509 239	478 065
Student and other fees and charges	11						
Student enrolment fees and charges		-	-	120 406	115 042	120 406	115 042
Other user fees and charges		5 297	106	14 628	15 564	19 925	15 670
Canteen sales		-	-	15 594	15 458	15 594	15 458
Sales/fee for service revenue		527	365	12 134	13 976	12 661	14 341
Other grants and contributions	12						
Grants and subsidies revenue		17 782	12 899	28 074	25 717	45 856	38 616
Donations		-	-	958	684	958	684

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Consolidated		Consolidated		Consolidated	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment revenues	13						
Other interest		-	-	9 116	9 480	9 116	9 480
Dividends		-	-	9	-	9	-
Interest from entities within the SA Government		14	34	-	-	14	34
Resources received free of charge	14						
Contributed services		10 505	-	-	-	10 505	-
Contributed assets		131	-	-	-	131	-
Net (loss)/gain from disposal of non-current and other assets	15						
Total proceeds from disposal		-	-	6 476	17 533	6 476	17 533
Total value of assets disposed		-	-	(6 344)	(12 067)	(6 344)	(12 067)
Other revenues	16						
Other revenue		39	1 266	38 807	44 906	38 846	46 172
Fundraising revenue		-	-	7 281	7 526	7 281	7 526
Revaluation increment of buildings under finance lease and leasehold improvement		-	-	-	4 221	-	4 221
Recoveries		139	25	4 402	3 815	4 541	3 840
Commission received		-	-	1 929	1 763	1 929	1 763
Assets recognised for the first time		-	-	379	1 576	379	1 576
Revenues from SA Government	17						
Revenues from SA Government		2 490 773	2 524 087	-	-	2 490 773	2 524 087
<b>Total income</b>		<b>2 525 207</b>	<b>2 538 782</b>	<b>763 088</b>	<b>743 259</b>	<b>3 288 295</b>	<b>3 282 041</b>
<b>Net result</b>		<b>2 209 469</b>	<b>2 234 506</b>	<b>(2 161 338)</b>	<b>(2 179 712)</b>	<b>48 131</b>	<b>54 794</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Consolidated		Consolidated		Consolidated	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Cash and cash equivalents	18						
Deposits with the Treasurer (AAEFA)		356 139	440 695	-	-	356 139	440 695
SA School Investment Fund (SASIF)		-	-	447 278	431 012	447 278	431 012
Deposits with the Treasurer - at call		101 503	40 386	-	-	101 503	40 386
Cash at bank and on hand		-	-	37 798	36 673	37 798	36 673
Section 21 Deposit Accounts		390	387	-	-	390	387
Receivables	19						
Fees, charges and other receivables		1 890	2 749	31 953	30 923	33 843	33 672
GST recoverable from the ATO		-	-	17 081	11 349	17 081	11 349
Prepayments		-	2	6 092	4 849	6 092	4 851
Accrued revenues		271	56	2 950	3 929	3 221	3 985
Allowance for doubtful debts		(1)	(83)	(5 754)	(5 018)	(5 755)	(5 101)
Workers' compensation receivable		-	-	1 136	518	1 136	518
Loan receivable		-	-	15	15	15	15
Other financial assets	21						
Term deposits		-	-	1 941	2 339	1 941	2 339
Shares held in listed securities		-	-	162	-	162	-
<b>Total financial assets</b>		<b>460 192</b>	<b>484 192</b>	<b>540 652</b>	<b>516 589</b>	<b>1 000 844</b>	<b>1 000 781</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

		SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Consolidated		Consolidated		Consolidated	
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>							
Payables	26						
Creditors		68 544	28 703	15 444	16 283	83 988	44 986
Employment on-costs		43 192	46 787	55 310	45 505	98 502	92 292
Accrued expenses		500	2 965	6 005	16 251	6 505	19 216
Accrued interest on PPP finance lease		-	-	14 262	12 452	14 262	12 452
Paid Parental Leave Scheme payable		-	-	424	323	424	323
Borrowings	27						
Obligations under finance leases - PPP		-	-	167 502	169 323	167 502	169 323
Borrowings				-	92		92
Other liabilities	30						
Unearned revenue		-	100	11 764	11 577	11 764	11 677
Deposits		-	-	15 013	15 891	15 013	15 891
Other liabilities		-	-	4 902	2 736	4 902	2 736
Equipment service right		-	-	21 746	21 900	21 746	21 900
<b>Total financial liabilities</b>		<b>112 236</b>	<b>78 555</b>	<b>312 372</b>	<b>312 333</b>	<b>424 608</b>	<b>390 888</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

**40 Transactions with SA Government – Department**

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Department		Department		Department	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>							
Employee benefits expenses	3						
Salaries and wages (including annual leave)		-	-	1 914 362	1 860 927	1 914 362	1 860 927
Employment on-costs - superannuation		-	-	195 330	189 138	195 330	189 138
Employment on-costs - payroll tax		107 423	103 804	-	-	107 423	103 804
Long service leave		-	-	59 549	31 499	59 549	31 499
Workers Compensation		2 028	1 968	2 775	18 657	4 803	20 625
Skills and experience retention leave		-	-	11 393	11 522	11 393	11 522
Targeted voluntary separation payments		-	-	1 135	10 140	1 135	10 140
Other employee related expenses		-	-	3 847	2 868	3 847	2 868
Country incentive leave		-	-	522	218	522	218
Board and committee fees		-	-	26	39	26	39
Supplies and services	5						
Minor works maintenance and equipment		118 004	97 304	6 269	6 845	124 273	104 149
Printing postage and consumables		147	72	4 885	5 295	5 032	5 367
Other supplies and services		1 631	2 046	8 014	6 376	9 645	8 422
Utilities		15 023	(1 757)	30 879	7 017	45 902	5 260
Cleaning		329	302	5 466	5 330	5 795	5 632
Vehicle and travelling expenses		5 407	6 282	22 641	24 288	28 048	30 570
Rentals and operating leases		19 163	21 467	2 363	2 488	21 526	23 955
Contractors and other outsourced services		6 337	4 521	27 109	30 278	33 446	34 799
Bus contractors		21	20	26 317	25 786	26 338	25 806
Information and communications technology		2 921	3 069	21 559	23 047	24 480	26 116
Management fees and charges		17 277	15 094	6 925	4 555	24 202	19 649

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Department		Department		Department	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Supplies and services (continued)	5						
Shared Services SA charges		10 546	13 438	-	-	10 546	13 438
Training and development		1 200	1 131	4 899	4 489	6 099	5 620
Security		4 463	5 065	1 766	1 084	6 229	6 149
Insurance (including self insurance)		7 991	8 009	-	-	7 991	8 009
Public Private Partnerships Service Fee		-	-	5 752	5 615	5 752	5 615
Copyright		-	-	4 519	4 292	4 519	4 292
Legal costs		1 792	2 098	1 106	1 599	2 898	3 697
Residential and client related costs		-	(91)	-	1 223	-	1 132
Grants and subsidies	6						
Recurrent grants paid to other organisations		6 520	6 990	27 381	132 168	33 901	139 158
Recurrent grants paid to preschools		3 995	4 634	-	-	3 995	4 634
Recurrent grants paid to schools and units		156 218	235 638	-	-	156 218	235 638
Capital grants paid to other organisations		-	-	2 000	-	2 000	-
Depreciation and amortisation expense	7						
Buildings and improvements		-	-	120 152	94 539	120 152	94 539
Computing, communication, furniture and equipment		-	-	394	376	394	376
Buildings under finance lease		-	-	3 609	3 292	3 609	3 292
Buses and motor vehicles		-	-	2 215	2 173	2 215	2 173
Leasehold improvements		-	-	452	996	452	996
Other assets		-	-	17	35	17	35
Service right for use of equipment		-	-	876	846	876	846
Residential accommodation housing		-	-	-	268	-	268
Internally developed computer software		-	-	-	251	-	251
Externally provided software		-	-	27	27	27	27

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

		SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Department		Department		Department	
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowing costs	8						
Finance lease costs		-	-	22 252	22 289	22 252	22 289
Other expenses	9						
Non-current assets written off		-	-	1 147	2 581	1 147	2 581
Allowance for doubtful debts and debt write-offs		-	-	472	207	472	207
Emergency Services Levy		1 359	1 355	-	-	1 359	1 355
Auditor's remuneration – other		-	-	969	944	969	944
Auditor's remuneration – Auditor-General's Department *		455	485	-	-	455	485
Other expenses		-	50	3	147	3	197
Insurance		424	832	1 032	(1 538)	1 456	(706)
Donated assets		830	-	35	-	865	-
<b>Total expenses</b>		<b>491 504</b>	<b>533 826</b>	<b>2 552 441</b>	<b>2 544 216</b>	<b>3 043 945</b>	<b>3 078 042</b>
<b>Income</b>							
Commonwealth revenues	10	-	-	509 239	478 065	509 239	478 065
Student and other fees and charges	11						
Student enrolment fees and charges		25	131	3 592	3 730	3 617	3 861
Other user fees and charges		7 223	1 521	14 628	15 564	21 851	17 085
Sales/fee for service revenue		669	463	359	1 810	1 028	2 273
Other grants and contributions	12						
Grants and subsidies revenue		11 956	12 896	2 075	1 257	14 031	14 153
Donations		-	-	-	31	-	31
Investment revenues	13						
Other interest		-	-	7 409	7 401	7 409	7 401
Interest from entities within the SA Government		123	168	-	-	123	168



**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

		SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Department		Department		Department	
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Resources received free of charge	14						
Contributed services		10 505	-	-	-	10 505	-
Contributed assets		131	-	-	-	131	-
Net (loss)/gain from disposal of non-current and other assets	15						
Total proceeds from disposal		-	-	6 269	17 352	6 269	17 352
Total value of assets disposed		-	-	(6 206)	(11 782)	(6 206)	(11 782)
Other revenues	16						
Other revenue		863	4 144	2 656	2 138	3 519	6 282
Revaluation increment of buildings under finance lease and leasehold improvement assets		-	-	-	4 221	-	4 221
Recoveries		104	575	4 402	3 815	4 506	4 390
Commission received		4 459	3 740	1 299	1 166	5 758	4 906
Assets recognised for the first time		-	-	379	1 576	379	1 576
Revenues from SA Government	17						
Revenues from SA Government		2 490 773	2 524 087	-	-	2 490 773	2 524 087
<b>Total income</b>		<b>2 526 831</b>	<b>2 547 725</b>	<b>546 101</b>	<b>526 344</b>	<b>3 072 932</b>	<b>3 074 069</b>
<b>Net result</b>		<b>2 035 327</b>	<b>2 013 899</b>	<b>(2 006 340)</b>	<b>(2 017 872)</b>	<b>28 987</b>	<b>(3 973)</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Department		Department		Department	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>							
Cash and cash equivalents	18						
Deposits with the Treasurer (AAEFA)		356 139	440 695	-	-	356 139	440 695
Deposits with the Treasurer - at call		101 502	40 386	-	-	101 502	40 386
Cash at bank and on hand		-	-	716	520	716	520
Section 21 Deposit Accounts		390	387	-	-	390	387
Receivables	19						
Fees, charges and other receivables		13 599	15 550	8 498	6 273	22 097	21 823
GST recoverable from the ATO		-	-	13 861	7 328	13 861	7 328
Prepayments		-	2	3 502	2 723	3 502	2 725
Accrued revenues		502	2 912	111	245	613	3 157
Allowance for doubtful debts		(1)	(83)	(642)	(175)	(643)	(258)
Loan receivables		3 878	4 233	15	15	3 893	4 248
Workers compensation receivable		-	-	1 136	518	1 136	518
<b>Total financial assets</b>		<b>476 009</b>	<b>504 082</b>	<b>27 197</b>	<b>17 447</b>	<b>503 206</b>	<b>521 529</b>

**Department for Education**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2018*

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

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Department		Department		Department	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial liabilities</b>							
Payables	26						
Creditors		81 892	43 588	11 594	12 918	93 486	56 506
Employment on-costs		43 192	46 787	55 288	45 522	98 480	92 309
Accrued expenses		500	524	747	8 856	1 247	9 380
Accrued interest on PPP finance lease		-	-	14 262	12 452	14 262	12 452
Paid Parental Leave Scheme payable		-	-	424	323	424	323
Borrowings	27						
Obligations under finance leases - PPP		-	-	167 502	169 323	167 502	169 323
Other liabilities	30						
Unearned revenue		-	100	707	181	707	281
Deposits		-	-	14 003	14 925	14 003	14 925
Other liabilities		-	-	915	739	915	739
Equipment service right		-	-	21 746	21 900	21 746	21 900
<b>Total financial liabilities</b>		<b>125 584</b>	<b>90 999</b>	<b>287 188</b>	<b>287 139</b>	<b>412 772</b>	<b>378 138</b>

# **Department for Education**

## **Administered Financial Statements**

For the year ended 30 June 2018



**Department for Education**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Administered expenses</b>			
Employee benefits expense	A3	3 341	1 533
Supplies and services	A5	706	328
Transfer payments	A6	1 149 920	1 099 937
Depreciation	A7	3	-
Other expenses	A8	1	-
<b>Total administered expenses</b>		<b>1 153 971</b>	<b>1 101 798</b>
<b>Administered income</b>			
Commonwealth revenue	A10	893 410	853 136
Other revenues	A11	994	1 485
<b>Total administered income</b>		<b>894 404</b>	<b>854 621</b>
<b>Net cost of providing services</b>		<b>259 567</b>	<b>247 177</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government	A9	260 785	250 982
<b>Total revenues from SA Government</b>		<b>260 785</b>	<b>250 982</b>
<b>Net result</b>		<b>1 218</b>	<b>3 805</b>
<b>Total comprehensive result</b>		<b>1 218</b>	<b>3 805</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**  
**Statement of Administered Financial Position**  
*for the year ended 30 June 2018*

	Note	2018 \$'000	2017 \$'000
<b>Administered current assets</b>			
Cash and cash equivalents	A12	36 605	35 373
Receivables	A13	465	197
<b>Total current assets</b>		<b>37 070</b>	<b>35 570</b>
<b>Administered non-current assets</b>			
Property, Plant and equipment	A14	363	1
<b>Total non-current assets</b>		<b>363</b>	<b>1</b>
<b>Total assets</b>		<b>37 433</b>	<b>35 571</b>
<b>Administered current liabilities</b>			
Payables	A15	1 130	698
Employee benefits	A16	271	174
<b>Total current liabilities</b>		<b>1 401</b>	<b>872</b>
<b>Administered non-current liabilities</b>			
Payables	A15	54	30
Employee benefits	A16	352	261
<b>Total non-current liabilities</b>		<b>406</b>	<b>291</b>
<b>Total liabilities</b>		<b>1 807</b>	<b>1 163</b>
<b>Net assets</b>		<b>35 626</b>	<b>34 408</b>
<b>Administered equity</b>			
Accumulated surplus	A17	35 626	34 408
<b>Total equity</b>		<b>35 626</b>	<b>34 408</b>

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

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

**Department for Education**  
**Statement of Administered Changes in Equity**  
*for the year ended 30 June 2018*

	Note	Retained earnings \$'000	Total equity \$'000
<b>Balance at 30 June 2016</b>		30 603	30 603
Net result for 2016-17		3 805	3 805
<b>Total comprehensive result for 2016-17</b>		<b>3 805</b>	<b>3 805</b>
<b>Balance at 30 June 2017</b>		<b>34 408</b>	<b>34 408</b>
Net result for 2017-18		1 218	1 218
<b>Total comprehensive result for 2017-18</b>		<b>1 218</b>	<b>1 218</b>
<b>Balance at 30 June 2018</b>	A17	<b>35 626</b>	<b>35 626</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**  
**Statement of Administered Cash Flows**  
*for the year ended 30 June 2018*

		2018 (Outflows) Inflows \$'000	2017 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefits payments		(3 090)	(1 658)
Supplies and services		(344)	(324)
Transfer payments		(1 171 458)	(1 100 165)
<b>Cash used in operations</b>		<b>(1 174 892)</b>	<b>(1 102 147)</b>
<b>Cash inflows</b>			
GST recovered from the ATO		21 301	20 650
Receipts from Commonwealth		893 410	832 798
Other receipts		994	1 493
<b>Cash generated from operations</b>		<b>915 705</b>	<b>854 941</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		260 785	250 982
<b>Cash generated from SA Government</b>		<b>260 785</b>	<b>250 982</b>
<b>Net cash provided by / (used in) operating activities</b>	A19	<b>1 598</b>	<b>3 776</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(366)	-
<b>Cash used in investing activities</b>		<b>(366)</b>	<b>-</b>
<b>Net cash provided by / (used in) investing activities</b>		<b>(366)</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>1 232</b>	<b>3 776</b>
Cash and cash equivalents at the beginning of the reporting period		35 373	31 597
<b>Cash and cash equivalents at the end of the reporting period</b>	A12	<b>36 605</b>	<b>35 373</b>

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

**Department for Education**  
**Schedule of Expenses and Income attributable to Administered Activities**  
*as at 30 June 2018*

Activities - refer note A2	Minister's Salaries		Minister's Payments		Advocacy Bodies		Family Day Care		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered expenses</b>										
Employee benefits expense	381	382	-	-	2 960	1 151	-	-	3 341	1 533
Supplies and services	-	-	38	44	668	284	-	-	706	328
Transfer payments	-	-	1 131 006	1 079 575	177	24	18 737	20 338	1 149 920	1 099 937
Depreciation	-	-	-	-	3	-	-	-	3	-
Other expenses	-	-	-	-	1	-	-	-	1	-
<b>Total administered expenses</b>	<b>381</b>	<b>382</b>	<b>1 131 044</b>	<b>1 079 619</b>	<b>3 809</b>	<b>1 459</b>	<b>18 737</b>	<b>20 338</b>	<b>1 153 971</b>	<b>1 101 798</b>
<b>Administered income</b>										
Commonwealth revenue	-	-	874 675	832 798	-	-	18 735	20 338	893 410	853 136
Other revenues	-	-	228	90	764	1 395	2	-	994	1 485
<b>Total administered income</b>	<b>-</b>	<b>-</b>	<b>874 903</b>	<b>832 888</b>	<b>764</b>	<b>1 395</b>	<b>18 737</b>	<b>20 338</b>	<b>894 404</b>	<b>854 621</b>
<b>Net cost of providing services</b>	<b>(381)</b>	<b>(382)</b>	<b>(256 141)</b>	<b>(246 731)</b>	<b>(3 045)</b>	<b>(64)</b>	<b>-</b>	<b>-</b>	<b>(259 567)</b>	<b>(247 177)</b>
<b>Revenues from SA Government</b>										
Revenues from SA Government	381	382	255 882	250 600	4 522	-	-	-	260 785	250 982
<b>Total net revenues from SA Government</b>	<b>381</b>	<b>382</b>	<b>255 882</b>	<b>250 600</b>	<b>4 522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>260 785</b>	<b>250 982</b>
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>(259)</b>	<b>3 869</b>	<b>1 477</b>	<b>(64)</b>	<b>-</b>	<b>-</b>	<b>1 218</b>	<b>3 805</b>

**Department for Education**  
**Schedule of Assets and Liabilities attributable to Administered Activities**  
*as at 30 June 2018*

Activities - refer note A2	Minister's Salaries		Minister's Payments		Advocacy Bodies		Family Day Care		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Administered current assets</b>										
Cash and cash equivalents	-	-	36 090	35 373	501	-	14	-	36 605	35 373
Receivables	-	-	460	169	5	28	-	-	465	197
<b>Total current assets</b>	-	-	<b>36 550</b>	<b>35 542</b>	<b>506</b>	<b>28</b>	<b>14</b>	-	<b>37 070</b>	<b>35 570</b>
<b>Administered non-current assets</b>										
Property, Plant and equipment	-	-	-	-	363	1	-	-	363	1
<b>Total non-current assets</b>	-	-	-	-	<b>363</b>	<b>1</b>	-	-	<b>363</b>	<b>1</b>
<b>Total assets</b>	-	-	<b>36 550</b>	<b>35 542</b>	<b>869</b>	<b>29</b>	<b>14</b>	-	<b>37 433</b>	<b>35 571</b>
<b>Administered current liabilities</b>										
Payables	-	-	554	670	616	58	14	-	1 184	728
Employee benefits	-	-	-	-	623	435	-	-	623	435
<b>Total current liabilities</b>	-	-	<b>554</b>	<b>670</b>	<b>1 239</b>	<b>493</b>	<b>14</b>	-	<b>1 807</b>	<b>1 163</b>
<b>Total liabilities</b>	-	-	<b>554</b>	<b>670</b>	<b>1 239</b>	<b>493</b>	<b>14</b>	-	<b>1 807</b>	<b>1 163</b>
<b>Net assets</b>	-	-	<b>35 996</b>	<b>34 872</b>	<b>(370)</b>	<b>(464)</b>	-	-	<b>35 626</b>	<b>34 408</b>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2018*

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**A1 Summary of significant accounting policies**

All Department for Education accounting policies apply to both the department and administered financial statements.

**A1.1 Reporting entity**

The Department for Education is responsible for the administration of specific funds or bodies on behalf of the Minister for Education. 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.

**A2 Administered activities**

The main administered funds are:

**A2.1 Ministers salaries**

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

**A2.2 Ministers payments**

Funds are appropriated to the Minister for Education 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
- the State Government contribution to the operation of non-government schools, some non-government preschools, organisations and services to students with disabilities
- the Commonwealth Government contribution to the operation of non-government schools, organisations and services to students with disabilities

**A2.3 Advocacy bodies**

Operations of the following advocacy bodies are administered by the department

- Commissioner for Children and Young People
- Guardian for Children and Young People

**A2.4 Family Day Care**

The following Commonwealth subsidy is administered by the Department for Education:

- Receipts and payments for Commonwealth child care subsidies relating to family day care.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2018*

**A3 Employee benefits expenses**

**A3.1 Employee benefits expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	2 595	1 222
Employment on-costs - superannuation *	264	101
Annual leave	175	71
Board and committee fees	68	61
Employment on-costs - payroll tax	149	51
Long service leave	75	16
Skills and experience retention leave	8	10
Workers' compensation	2	1
Other employee related expenses	5	-
<b>Total employee benefits expenses</b>	<b>3 341</b>	<b>1 533</b>

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

**A3.2 Targeted voluntary separation packages**

No employees were paid TVSPs during the reporting period.

**A3.3 Number of employees as at the reporting date**

As at 30 June 2018, 30 (2017: 21) full time equivalents were employed to manage the department's administered items. Refer to note A1 for further information.

**A3.4 Remuneration of employees**

	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Number of</b>	<b>Number of</b>	<b>Number of</b>	<b>Number of</b>
	<b>Executives <sup>1</sup></b>	<b>Employees</b>	<b>Executives <sup>1</sup></b>	<b>Employees</b>
The number of employees whose remuneration received or receivable falls within the following bands:				
\$189 001 to \$199 000	1	1	-	-
\$289 001 to \$299 000	1	1	-	-
<b>Total number of executives / employees</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>-</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 2018 and 30 June 2017 respectively and who have earned the base remuneration during the year. The numbers of executive officers separately disclosed are also included in the number of employee totals for 2018 and 2017.

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 FBT paid or payable in respect of these benefits. Remuneration received or due and receivable by the above employees was \$0.5 million (2017: \$nil) which is included in employee benefits expenses.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2018*

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**A4 Remuneration of board and committee members**

Members of the boards and committees during the 2017-18 financial year were:

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

Ms Susan Bailey  
Dr Kerry Bissaker  
Ms Mary Carmody  
Ms Alice Duffield  
Ms Jacqui Jones <sup>2</sup>  
Ms Cathy Leane <sup>1</sup>  
Ms Deidre Le Maistre <sup>1</sup>  
Ms Gael Little <sup>1</sup>  
Ms Deborah McInnes <sup>1</sup>  
Ms Jocelyn Neumuller  
Ms Margaret Wallace

**Multicultural Education and Languages Committee**

Mr Edgar Bliss (resigned 31 December 2017)  
Ms Susan Cameron <sup>1</sup> (resigned 31 December (2017))  
Ms Deb Dalwood  
Ms Jessica Dubois <sup>1</sup>  
Mr Sean Keenihan (resigned 31 December 2017)  
Ms Michelle Kohler (appointed 28 January 2018)  
Ms Olga Kostic (appointed 23 July 2017)  
Ms Anna Mirasgentis (appointed 28 January 2018)  
Ms Shamsiya Mohammadi (appointed 28 January (2018))  
Ms Binh Nguyen <sup>1</sup>  
Mr Hiep Nguyen  
Mr Rajendra Pandey (appointed 28 January 2018)  
Ms Panayoula Paraha <sup>1</sup> (appointed 28 January 2018)  
Ms Julie Presser <sup>1</sup> (resigned 31 December 2017)  
Associate Professor Angela Scarino  
Mr Mohammad Shabibi  
Ms Sumeja Skaka (resigned 31 December 2017)  
Ms Lia Tedesco <sup>1</sup>  
Professor John West-Sooby  
Mr Mark Williams <sup>1</sup> (resigned 31 December 2017)  
Ms Jacqueline Habayimana (resigned 31 December (2017))

**Council for the Care of Children Committee (Board dissolved 18 December 2017)**

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

**Child Death and Serious Injury Review Committee**

Mr Michael Ahern <sup>2</sup>  
Ms Angela Davis  
Ms Dymphna Eszenyi (resigned 30 June 2018)  
Dr Mark Fuller <sup>2</sup>  
Ms Dianne Gursansky  
Ms Ann-Marie Hayes <sup>1</sup>  
Ms Pamela Hemphill <sup>1</sup> (resigned 15 April 2018)  
Dr Deepa Jeyaseelan <sup>2</sup>  
Dr Margaret Kyrkou <sup>2</sup>  
Mr Thomas Osborn <sup>1</sup> (resigned 30 June 2018)  
Mr Philip Robinson <sup>1</sup>  
Ms Kerrie Sellen  
Dr Nigel Stewart <sup>2</sup> (resigned 30 June 2018)  
Ms Barbara Tiffin <sup>1</sup>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2018*

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**A4 Remuneration of board and committee members (continued)**

**Child Development Council (established 15 February 2018)**

Dr Sally Brinkman  
 Ms Helen Connolly  
 Dr Anne Glover  
 Ms Ann-Marie Hayes <sup>1</sup>  
 Mr Daniel Hyndman  
 Mr Anthony Minniecon  
 Dr Barbara Spears  
 Ms Vivienne St John Robb  
 Ms Joanne Wickes  
 Dr Neil Wigg  
 Ms Annette Williams

- <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.

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

	<b>2018</b>	<b>2017</b>
\$0	37	24
\$1 - \$9 999	30	30
\$10 000 - \$19 999	3	2
<b>Total number of members</b>	<b>70</b>	<b>56</b>

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 \$69 876 (2017: \$64 272).

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.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2018*

**A5 Supplies and services**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Contractors and other outsourced services	173	163
Sponsorship	100	-
Advertising, publicity and promotion expenses	71	8
Other supplies and services	71	21
Vehicle and travelling expenses	59	29
Minor equipment and maintenance	52	50
Printing, postage and consumables	48	35
Information and communications technology expenses	36	15
Rental and operating leases	29	-
Office removal expenses	34	-
Training and development	25	4
Conference expenses	8	3
<b>Total supplies and services</b>	<b>706</b>	<b>328</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.

**A5.1 Rental and operating leases**

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of benefits derived from the use of the leased assets.

**A5.2 Consultants**

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

	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
<b>Consultancy fees</b>	<b>No.</b>	<b>\$'000</b>	<b>No.</b>	<b>\$'000</b>
Below \$10 000	1	2	-	-
Above \$10 000	1	11	-	-
<b>Total paid / payable to consultants engaged</b>	<b>2</b>	<b>13</b>	<b>-</b>	<b>-</b>



**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2018*

**A6 Transfer payments**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Non-government schools	1 075 226	1 024 689
SACE Board of South Australia	18 800	20 285
Family Day Care	18 737	20 338
Transport concessions	13 305	12 941
Education and Early Childhood Services Registration and Standards Board of SA	5 267	4 794
Other SA government entity	4 177	4 106
Government schools	66	36
Government pre-schools	10	6
Other organisations	14 332	12 742
<b>Total transfer payments</b>	<b>1 149 920</b>	<b>1 099 937</b>

**A7 Depreciation**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Computing, furniture and equipment	3	-
<b>Total depreciation expense</b>	<b>3</b>	<b>-</b>

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

The computing, furniture and equipment assets useful life is 5 years.

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

**A8 Other expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Non-current assets written off	1	-
<b>Total other expenses</b>	<b>1</b>	<b>-</b>

**A9 Revenues from SA Government**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenues from SA Government</b>		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	254 385	250 638
Appropriations from Governor's Appropriation Fund	6 028	-
Appropriations under other Acts	354	344
Transfers from contingencies	18	-
<b>Total revenues from SA Government</b>	<b>260 785</b>	<b>250 982</b>

Appropriations are recognised on receipt.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2018*

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**A10 Commonwealth revenues**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
National Education Reform Agenda/ Quality school funding	871 472	829 467
Family Day Care Scheme	18 735	20 338
National School Chaplaincy Program	1 622	1 622
National Quality Agenda for Early Childhood Education and Care	1 581	1 683
Online Safety in non-government schools	-	26
<b>Total Commonwealth revenues</b>	<b>893 410</b>	<b>853 136</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 (that is, the amount can be reliably measured and the flow of resources is probable).

**A11 Other revenues**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Grants and subsidies revenue	969	1 447
Recoveries	25	13
Contributed asset	-	1
Sundry revenue	-	24
<b>Total other revenues</b>	<b>994</b>	<b>1 485</b>

**A12 Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer - at call	36 605	35 373
<b>Total cash and cash equivalents</b>	<b>36 605</b>	<b>35 373</b>

Cash is measured at nominal amounts.

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

**A13 Receivables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
GST recoverable from ATO	465	197
<b>Total current receivables</b>	<b>465</b>	<b>197</b>
<b>Total receivables</b>	<b>465</b>	<b>197</b>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2018*

**A14 Property, plant and equipment**

	2018 \$'000	2017 \$'000
<b>Computing, furniture and equipment</b>		
Computing, furniture and equipment at cost	14	13
Accumulated depreciation	(3)	(12)
<b>Total computing, furniture and equipment</b>	<b>11</b>	<b>1</b>
<b>Leasehold improvements</b>		
Leasehold improvements	352	-
<b>Total leasehold improvements</b>	<b>352</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>363</b>	<b>1</b>

**A14.1 Valuation of non-current assets**

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

**A14.2 Fair value**

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

**Table A14.1 Movement reconciliation of property, plant and equipment**

Reconciliation of property, plant and equipment The following table shows the movement of property, plant and equipment:	Leasehold improvements		Computing, furniture and equipment		Total	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	-	1	-	1	-
Non-current assets written off	-	-	(1)	-	(1)	-
Additions	352	-	14	-	366	-
Contributed asset	-	-	-	1	-	1
Depreciation	-	-	(3)	-	(3)	-
<b>Carrying amount at the end of the period</b>	<b>352</b>	<b>-</b>	<b>11</b>	<b>1</b>	<b>363</b>	<b>1</b>

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2018*

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**A15 Payables**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	1 063	670
Employment on-costs	56	24
Accrued expenses	11	4
<b>Total current payables</b>	<b>1 130</b>	<b>698</b>
<b>Non-current</b>		
Employment on-costs	54	30
<b>Total non-current payables</b>	<b>54</b>	<b>30</b>
<b>Total payables</b>	<b>1 184</b>	<b>728</b>

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

Employment on-costs include payroll tax, workers' compensation 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.

**A15.1 Interest rate and credit risk**

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. 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 A21.

**Department for Education**  
**Notes to and forming part of the administered financial statements**  
*for the year ended 30 June 2018*

**A16 Employee benefits liabilities**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	224	102
Long service leave	28	58
Accrued salaries and wages	11	8
Skills and experience retention leave	8	6
<b>Total current employee benefits</b>	<b>271</b>	<b>174</b>
<b>Non-current</b>		
Long service leave	352	261
<b>Total non-current employee benefits</b>	<b>352</b>	<b>261</b>
<b>Total employee benefits</b>	<b>623</b>	<b>435</b>

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

For further information refer to note 28.

**A17 Equity**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Accumulated surplus	35 626	34 408
<b>Total equity</b>	<b>35 626</b>	<b>34 408</b>

**A18 Unrecognised contractual commitments**

**A18.1 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:

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating lease commitments</b>		
Within one year	195	-
Later than one year but not later than five years	490	-
Later than five years	602	-
<b>Total operating lease commitments for facilities</b>	<b>1 287</b>	<b>-</b>

The operating lease is for office accommodation that is leased from the Department of Planning, Transport and Infrastructure. The lease is for a non-cancellable five year term and contains the right of renewal. Rent is payable in advance.

**Department for Education**  
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**A19 Cash flow reconciliation**

	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Administered Financial Position	36 605	35 373
Balance as per the Statement of Administered Cash Flows	36 605	35 373
<b>Reconciliation of net cash provided by / (used in) operating activities to net result</b>		
Net cash provided by/(used in) operating activities	1 598	3 776
<b>Add / (less) non-cash Items</b>		
Depreciation	(3)	-
Non-current assets written off	(1)	-
Contributed assets	-	1
<b>Movement in assets and liabilities</b>		
Increase/(decrease) in receivables	268	(37)
(Increase)/decrease in payables	(456)	(45)
(Increase)/decrease in employee benefits	(188)	110
<b>Net result</b>	<b>1 218</b>	<b>3 805</b>

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**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.

	Original budget <sup>(1)</sup> 2018 \$'000	Actual 2018 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>			
<b>Expenses</b>			
Employee benefits expense	1 146	3 341	2 195
Supplies and services	82	706	624
Transfer payments	1 115 759	1 149 920	34 161
Depreciation	-	3	3
Other expenses	-	1	1
<b>Total expenses</b>	<b>1 116 987</b>	<b>1 153 971</b>	<b>36 984</b>
<b>Income</b>			
Commonwealth revenue	862 229	893 410	31 181
Other revenues	-	994	994
<b>Total income</b>	<b>862 229</b>	<b>894 404</b>	<b>32 175</b>
<b>Net cost of providing services</b>	<b>254 758</b>	<b>259 567</b>	<b>4 809</b>
<b>Revenues from SA Government</b>			
Revenues from SA Government	254 739	260 785	6 046
<b>Total revenues from SA Government</b>	<b>254 739</b>	<b>260 785</b>	<b>6 046</b>
<b>Net result</b>	<b>(19)</b>	<b>1 218</b>	<b>1 237</b>
<b>Total comprehensive result</b>	<b>(19)</b>	<b>1 218</b>	<b>1 237</b>

<sup>(1)</sup> These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

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

**Department for Education**  
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**A21 Financial risk management / financial instruments**

**A21.1 Financial risk management**

Risk management is managed by the department 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.

**A21.2 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 the respective financial asset/financial liability note.

Refer table A21.1 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 note A15).

**Table A21.1 Categorisation and maturity analysis of financial assets and liabilities**

Category of financial asset and financial liability	Note	2018 Carrying amount / fair value \$'000	2017 Carrying amount / fair value \$'000	2018 Contractual maturities		
				Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
Cash and cash equivalents	A12	36 605	35 373	-	-	-
<b>Total financial assets</b>		<b>36 605</b>	<b>35 373</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables <sup>(1)</sup>	A15	1 063	670	1 063	-	-
<b>Total financial liabilities</b>		<b>1 063</b>	<b>670</b>	<b>1 063</b>	<b>-</b>	<b>-</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)



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**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	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>							
Employee benefits expenses	A3						
Salaries and wages		-	-	2 595	1 222	2 595	1 222
Annual leave		-	-	175	71	175	71
Long service leave		-	-	75	16	75	16
Skills and experience retention leave		-	-	8	10	8	10
Superannuation expense		-	-	264	101	264	101
Payroll tax expense		149	51	-	-	149	51
Workers compensation		2	1	-	-	2	1
Board and committee fees		-	-	68	61	68	61
Other employee related expenses		-	-	5	-	5	-
Supplies and services	A5						
Contractors and other outsourced services		3	-	170	163	173	163
Sponsorship		-	-	100	-	100	-
Advertising, publicity and promotion expenses		-	-	71	8	71	8
Other supplies and services		16	13	55	8	71	21
Vehicle and travelling expenses		7	6	52	23	59	29
Minor equipment and maintenance		2	-	50	50	52	50
Printing, postage and consumables		-	-	48	35	48	35
Information and communications technology expenses		7	-	29	15	36	15
Rental and operating leases		29	-	-	-	29	-
Office removal expenses		-	-	34	-	34	-
Training and development		4	-	21	4	25	4
Conference expenses		-	-	8	3	8	3

**Department for Education**  
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**A22 Transactions with SA Government (continued)**

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transfer payments	A6						
SACE Board of South Australia		18 800	20 285	-	-	18 800	20 285
Transport concessions		13 305	12 941	-	-	13 305	12 941
Special Schools and Education		-	6	-	(6)	-	-
Education and Early Childhood Services Registration and Standards Board of SA		5 267	4 794	-	-	5 267	4 794
Government schools		66	36	-	-	66	36
Government pre-schools		10	6	-	-	10	6
Non-government schools		-	-	1 075 226	1 024 689	1 075 226	1 024 689
Family Day Care		-	-	18 737	20 338	18 737	20 338
Other SA government entity		995	55 256	3 182	(51 150)	4 177	4 106
Other organisations		-	-	14 332	12 742	14 332	12 742
Depreciation	A7						
Computing, furniture and equipment		-	-	3	-	3	-
Other expenses	A8						
Non-current assets written off		-	-	1	-	1	-
<b>Total expenses</b>		<b>38 662</b>	<b>93 395</b>	<b>1 115 309</b>	<b>1 008 403</b>	<b>1 153 971</b>	<b>1 101 798</b>
<b>Income</b>							
Revenues from SA Government	A9						
Appropriations from Consolidated Account pursuant to the Appropriation Act		254 385	250 638	-	-	254 385	250 638
Appropriations from Governor's Appropriation Fund		6 028	-	-	-	6 028	-
Appropriations under other Acts		354	344	-	-	354	344
Transfers from contingencies		18	-	-	-	18	-

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

	Note	SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Commonwealth revenues	A10						
National Education Reform Agenda/ Quality school funding		-	-	871 472	829 467	871 472	829 467
Family Day Care Scheme		-	-	18 735	20 338	18 735	20 338
National School Chaplaincy Program		-	-	1 622	1 622	1 622	1 622
National Quality Agenda for Early Childhood Education and Care		-	-	1 581	1 683	1 581	1 683
Online Safety in non-government schools		-	-	-	26	-	26
Other revenues	A11						
Grants and subsidies revenue		969	1 447	-	-	969	1 447
Recoveries		-	-	25	13	25	13
Contributed asset		-	1	-	-	-	1
Sundry revenue		5	-	(5)	24	-	24
<b>Total income</b>		<b>261 759</b>	<b>252 430</b>	<b>893 430</b>	<b>853 173</b>	<b>1 155 189</b>	<b>1 105 603</b>
<b>Net result</b>		<b>223 097</b>	<b>159 035</b>	<b>(221 879)</b>	<b>(155 230)</b>	<b>1 218</b>	<b>3 805</b>
<b>Financial assets</b>							
Cash and cash equivalents	A12						
Deposits with the Treasurer - at call		36 605	35 373	-	-	36 605	35 373
Receivables	A13						
GST recoverable from ATO		-	-	465	197	465	197
<b>Total financial assets</b>		<b>36 605</b>	<b>35 373</b>	<b>465</b>	<b>197</b>	<b>37 070</b>	<b>35 570</b>
<b>Financial liabilities</b>							
Payables	A15						
Creditors		945	624	118	46	1 063	670
Employment on-costs		34	22	76	32	110	54
Accrued expenses		11	4	-	-	11	4
<b>Total financial liabilities</b>		<b>990</b>	<b>650</b>	<b>194</b>	<b>78</b>	<b>1 184</b>	<b>728</b>