

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.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal flourish extending to the right.

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.



Rick Persse
Chief Executive
14 September 2018



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
Expenses					
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
Total expenses		3 240 164	3 227 247	3 043 945	3 078 042
Income					
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
Total income		797 522	757 954	582 159	549 982
Net cost of providing services		2 442 642	2 469 293	2 461 786	2 528 060
Revenues from SA Government					
Revenues from SA Government	17	2 490 773	2 524 087	2 490 773	2 524 087
Total revenues from SA Government		2 490 773	2 524 087	2 490 773	2 524 087
Net result		48 131	54 794	28 987	(3 973)
Other comprehensive income					
<i>Items that will not be reclassified to net result:</i>					
Changes in revaluation surplus	23	68 714	626 892	68 714	626 892
Total other comprehensive income		68 714	626 892	68 714	626 892
Total comprehensive result		116 845	681 686	97 701	622 919

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
Current assets					
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
Total current assets		1 010 526	1 016 208	503 753	526 753
Non-current assets					
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
Total non-current assets		4 694 613	4 532 894	4 666 956	4 506 751
Total assets		5 705 139	5 549 102	5 170 709	5 033 504
Current liabilities					
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
Total current liabilities		406 464	362 585	393 371	349 017
Non-current liabilities					
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
Total non-current liabilities		745 300	749 987	741 212	746 062
Total liabilities		1 151 764	1 112 572	1 134 583	1 095 079
Net assets		4 553 375	4 436 530	4 036 126	3 938 425
Equity					
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
Total equity		4 553 375	4 436 530	4 036 126	3 938 425

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

Consolidated

		Asset revaluation surplus	Retained earnings	Total
	Note	\$'000	\$'000	\$'000
Balance at 30 June 2016		1 476 884	2 247 172	3 724 056
Net result for 2016-17		-	54 794	54 794
Changes on revaluation of property during 2016-17	23	626 892	-	626 892
Total comprehensive result for 2016-17		626 892	54 794	681 686
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
Balance at 30 June 2017	31	2 093 803	2 342 727	4 436 530
Net result for 2017-18		-	48 131	48 131
Changes on revaluation of property during 2017-18	23	68 714	-	68 714
Total comprehensive result for 2017-18		68 714	48 131	116 845
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(5 552)	5 552	-
Balance at 30 June 2018	31	2 156 965	2 396 410	4 553 375

Department

		Asset revaluation surplus	Retained earnings	Total
	Note	\$'000	\$'000	\$'000
Balance at 30 June 2016		1 476 697	1 808 021	3 284 718
Net result for 2016-17		-	(3 973)	(3 973)
Changes on revaluation of property during 2016-17	23	626 892	-	626 892
Total comprehensive result for 2016-17		626 892	(3 973)	622 919
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
Balance at 30 June 2017	31	2 093 616	1 844 809	3 938 425
Net result for 2017-18		-	28 987	28 987
Changes on revaluation of property during 2017-18	23	68 714	-	68 714
Total comprehensive result for 2017-18		68 714	28 987	97 701
Transfer revaluation surplus on disposal and derecognition of property, plant and equipment		(5 552)	5 552	-
Balance at 30 June 2018	31	2 156 778	1 879 348	4 036 126

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 Consolidated \$'000 (Outflows) Inflows	2017 Consolidated \$'000 (Outflows) Inflows	2018 Department \$'000 (Outflows) Inflows	2017 Department \$'000 (Outflows) Inflows
Cash flows from operating activities					
Cash outflows					
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)
Cash used in operations		(3 174 540)	(3 187 577)	(2 972 665)	(3 028 978)
Cash inflows					
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
Cash generated from operations		862 731	830 179	635 716	596 595
Cash flows from SA Government					
Receipts from SA Government		2 490 773	2 524 087	2 490 773	2 524 087
Cash generated from SA Government		2 490 773	2 524 087	2 490 773	2 524 087
Net cash provided by / (used in) operating activities	35	178 964	166 689	153 824	91 704
Cash flows from investing activities					
Cash outflows					
Purchase of property, plant and equipment		(189 935)	(54 636)	(181 996)	(47 320)
Purchase of investments		(166)	(246)	-	-
Cash used in investing activities		(190 101)	(54 882)	(181 996)	(47 320)
Cash inflows					
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
Cash generated from investing activities		6 873	17 554	6 624	18 219
Net cash provided by / (used in) investing activities		(183 228)	(37 328)	(175 372)	(29 101)
Cash flows from financing activities					
Cash outflows					
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)
Cash used in financing activities		(1 761)	(18 524)	(1 693)	(18 484)
Cash inflows					
Loans received		(20)	20	-	-
Cash generated from financing activities		(20)	20	-	-
Net cash provided by / (used in) financing activities		(1 781)	(18 504)	(1 693)	(18 484)
Net increase / (decrease) in cash and cash equivalents		(6 045)	110 857	(23 241)	44 119
Cash and cash equivalents at the beginning of the reporting period		949 153	838 296	481 988	437 869
Cash and cash equivalents at the end of the reporting period	18	943 108	949 153	458 747	481 988

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

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

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

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

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

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
Expenses								
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
Total expenses	226 746	220 266	3 013 418	2 822 790	-	184 191	3 240 164	3 227 247
Income								
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
Total income	43 081	40 073	754 441	716 207	-	1 674	797 522	757 954
Net cost of providing services	183 665	180 193	2 258 977	2 106 583	-	182 517	2 442 642	2 469 293
Revenues from SA Government								
Revenues from SA Government	182 283	179 308	2 308 490	2 168 519	-	176 260	2 490 773	2 524 087
Net revenues from SA Government	182 283	179 308	2 308 490	2 168 519	-	176 260	2 490 773	2 524 087
Net result	(1 382)	(885)	49 513	61 936	-	(6 257)	48 131	54 794

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
Expenses								
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
Total expenses	226 759	220 269	2 817 186	2 673 170	-	184 603	3 043 945	3 078 042
Income								
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
Total income	43 098	40 073	539 061	508 234	-	1 675	582 159	549 982
Net cost of providing services	183 661	180 196	2 278 125	2 164 936	-	182 928	2 461 786	2 528 060
Revenues from SA Government								
Revenues from SA Government	182 283	179 308	2 308 490	2 168 519	-	176 260	2 490 773	2 524 087
Net revenues from SA Government	182 283	179 308	2 308 490	2 168 519	-	176 260	2 490 773	2 524 087
Net result	(1 378)	(888)	30 365	3 583	-	(6 668)	28 987	(3 973)

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
Assets								
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
Total assets	230 560	239 011	5 474 579	5 310 091	-	-	5 705 139	5 549 102
Liabilities								
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
Total liabilities	83 353	83 182	1 068 411	1 029 390	-	-	1 151 764	1 112 572
Net assets	147 207	155 829	4 406 168	4 280 701	-	-	4 553 375	4 436 530

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
Assets								
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
Total assets	230 560	239 011	4 940 149	4 794 493	-	-	5 170 709	5 033 504
Liabilities								
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
Total liabilities	83 353	83 182	1 051 230	1 011 897	-	-	1 134 583	1 095 079
Net assets	147 207	155 829	3 888 919	3 782 596	-	-	4 036 126	3 938 425

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
Total employee benefits expenses	2 340 508	2 270 333	2 298 390	2 230 780

* 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
Net cost to the department	1 841	11 195	1 841	11 195

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

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*.

	2018	2017
Compensation	\$'000	\$'000
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
Total compensation	3 592	4 395

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 ¹	Consolidated Number of Employees ²	Consolidated Number of Executives ¹	Consolidated Number of Employees ²
\$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
Total number of executives / employees	37	408	32	415

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

¹ The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 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.

² 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

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 ¹
 Ms Sally Nance
 Dr Denise Noonan (resigned 30 March 2018)
 Ms Linda Olifent ¹
 Ms Patricia Sprague (resigned 4 May 2018)
 Mr Ross Templeman ¹
 Ms Margy Wright

Education Audit and Risk Committee

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

SA Teacher Certification Committee

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

¹ 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:	Number of Members	Number of Members
\$0	19	47
\$1 - \$9 999	7	23
\$10 000 - \$19 999	1	1
Total number of members	27	71

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
Total supplies and services	693 868	674 556	392 721	337 677

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
Total paid / payable to the consultants engaged	17	2 673	5	1 202

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	-
Total grants and subsidies	39 896	143 792	196 114	379 430

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
Depreciation				
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
Total depreciation	133 945	107 988	126 839	101 679
Amortisation				
Service right for use of equipment	876	846	876	846
Internally developed computer software	-	251	-	251
Externally provided software	27	27	27	27
Total amortisation	903	1 124	903	1 124
Total depreciation and amortisation	134 848	109 112	127 742	102 803

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

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:

Class of asset	Useful life (years)
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

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

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

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
Total other expenses	8 792	7 015	6 726	5 063

* 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
for the year ended 30 June 2018

10 Commonwealth revenues

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
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
Total Commonwealth revenues	509 239	478 065	509 239	478 065

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

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
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
Total student and other fees and charges	168 586	160 511	26 496	23 219

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

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
Total other grants and contributions	46 814	39 300	14 031	14 184

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
Total investment revenues	9 139	9 514	7 532	7 569

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	-
Total resources received free of charge	10 636	-	10 636	-

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
Land and buildings				
Proceeds from disposal	222	220	222	220
Less net book value of assets disposed	(920)	(726)	(920)	(726)
Net gain / (loss) from disposal of land and buildings	(698)	(506)	(698)	(506)
Vehicles, plant and equipment				
Proceeds from disposal	207	250	-	69
Less net book value of assets disposed	(138)	(395)	-	(110)
Net gain / (loss) from disposal of vehicles, plant and equipment	69	(145)	-	(41)
Non-current assets classified as held for sale				
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)
Net gain / (loss) from disposal of non-current assets classified as held for sale	761	6 117	761	6 117
Total assets				
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)
Total net gain / (loss) from disposal of non-current assets	132	5 466	63	5 570

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
Total other revenues	52 976	65 098	14 162	21 375

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 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'000
Revenues from SA Government				
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	-
Total revenues from SA Government	2 490 773	2 524 087	2 490 773	2 524 087

Appropriations are recognised on receipt.

18 Cash and cash equivalents

	2018 Consolidated \$'000	2017 Consolidated \$'000	2018 Department \$'000	2017 Department \$'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
Total cash and cash equivalents	943 108	949 153	458 747	481 988

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
Current				
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
Total current receivables	54 482	48 756	40 073	35 450
Non-current				
Workers compensation receivable	1 136	518	1 136	518
Loan receivables	15	15	3 250	3 573
Total non-current receivables	1 151	533	4 386	4 091
Total receivables	55 633	49 289	44 459	39 541

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)
Carrying amount at the end of the period	5 755	5 101	643	258

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
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20 Inventories

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

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
Current				
Term deposits	1 941	2 255	-	-
Total current investments	1 941	2 255	-	-
Non-current				
Term deposits	-	84	-	-
Shares held in listed securities	162	-	-	-
Total non-current investments	162	84	-	-
Total other financial assets	2 103	2 339	-	-

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
Total non-current assets classified as held for sale	4 930	9 309	4 930	9 309

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
Land				
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
Carrying amount at the end of the period	3 942	7 310	3 942	7 310
Buildings and improvements				
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
Carrying amount at the end of the period	430	1 907	430	1 907
Buses				
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
Carrying amount at the end of the period	558	92	558	92
Total non-current assets classified as held for sale	4 930	9 309	4 930	9 309

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23 Property, plant and equipment

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

Department for Education
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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
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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 improvements	Residential accommodation housing	Buildings under finance lease	Construction work in progress	Leasehold improvements	Buses and motor vehicles	Computing, communications, furniture and equipment	Other assets	Total
	\$'000	\$'000	\$'000	\$'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)
Carrying amount at the end of the period	1 498 246	2 758 179	-	180 548	170 986	6 868	28 473	1 068	74	4 644 442

Department for Education
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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 improvements	Residential accommodation housing	Buildings under finance lease	Construction work in progress	Leasehold improvements	Buses and motor vehicles	Computing, communications, furniture and equipment	Other assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 367 089	2 323 565	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)
Carrying amount at the end of the period	1 428 739	2 791 340	-	184 157	42 280	7 320	29 188	867	20	4 483 911

Department for Education
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24 Intangible assets

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

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)
Carrying amount at the end of the period	-	48	18 080	18 128

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)
Carrying amount at the end of the period	-	75	18 674	18 749

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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:

Fair value measurements at 30 June 2018	Department Level 2 \$'000	Department Level 3 \$'000	Department Total \$'000
Recurring fair value measurements			
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
Total recurring fair value measurements	1 500 224	2 973 232	4 473 456
Non-recurring fair value measurements			
Land held for sale	3 942	-	3 942
Buildings and improvements held for sale	430	-	430
Buses held for sale	558	-	558
Total non-recurring fair value measurements	4 930	-	4 930
Total fair value measurements	1 505 154	2 973 232	4 478 386

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.

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

The 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 ¹	1 052	-	-	-	-	-
Transfer out of level 3 ²	(251)	-	-	-	-	-
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation	(120 152)	(3 609)	(452)	(2 215)	(394)	(17)
Total gains/(losses) recognised in net result	(120 152)	(3 609)	(452)	(2 215)	(394)	(17)
Gains/(losses) for the period recognised in other comprehensive income (OCI)						
Revaluation increments/(decrements)	316	-	-	-	-	-
Impairment to revaluation surplus	(513)	-	-	-	-	-
Total gains/(losses) recognised in OCI	(197)	-	-	-	-	-
Closing balance at the end of the period	2 756 201	180 548	6 868	28 473	1 068	74

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

² 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.

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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 ¹	(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)
Total gains/(losses) recognised in net result	(94 539)	(3 292)	(996)	(2 173)	(376)	(35)
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)	-	-	-	-	-
Total gains/(losses) recognised in OCI	534 887	16 076	276	-	-	-
Closing balance at the end of the period	2 788 561	184 157	7 320	29 188	867	20

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

Department for Education
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26 Payables

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
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
Total current payables	142 730	109 223	146 948	110 924
Non-current				
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
Total non-current payables	60 951	60 046	60 951	60 046
Total payables	203 681	169 269	207 899	170 970

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

¹ 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	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
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
Total current employee benefits	216 208	201 319	214 270	199 538
Non-current				
Long service leave	446 267	441 663	442 830	438 463
Country incentive leave	1 783	2 854	1 783	2 854
Total non-current employee benefits	448 050	444 517	444 613	441 317
Total employee benefits	664 258	645 836	658 883	640 855

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
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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

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
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
Total current provisions	14 072	20 585	14 102	20 823
Non-current				
Provision for workers' compensation	45 182	52 317	45 182	52 317
Provision for legal claims	3 644	2 946	3 644	2 946
Total non-current provisions	48 826	55 263	48 826	55 263
Total provisions	62 898	75 848	62 928	76 086

29.2 Movement in workers compensation provisions

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Provision for workers' compensation				
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)
Carrying amount at the end of the period	58 605	72 196	58 605	72 196

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	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Provision for legal claims				
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)
Carrying amount at the end of the period	4 293	3 652	4 293	3 652

29.4 Movement in fire claim provisions

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Provision for fire claims				
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
Carrying amount at the end of the period	-	-	30	238

30 Other liabilities

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Current				
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
Total current other liabilities	31 417	29 593	16 014	15 911
Non-current				
Equipment service right	20 693	21 464	20 693	21 464
Other liabilities	482	638	470	470
Deposits	833	509	194	-
Total non-current other liabilities	22 008	22 611	21 357	21 934
Total other liabilities	53 425	52 204	37 371	37 845

Department for Education
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31 Equity

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'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
Total equity	4 553 375	4 436 530	4 036 126	3 938 425

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	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'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
Total PPP operations and maintenance commitments	160 056	165 826	160 056	165 826

Department for Education
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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	Present value	Minimum	Present
	lease	of lease	lease	value of
	payments	payments	payments	lease
	\$'000	\$'000	\$'000	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
Total minimum lease payments	442 806	167 502	463 815	169 323
Less amounts representing finance charges	275 304	-	294 492	-
Present value of minimum lease payments	167 502	167 502	169 323	169 323

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

	2018	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Included in the financial statements as:				
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
Total included in borrowings	167 502	169 323	167 502	169 323

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	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'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
Total capital commitments	172 921	122 724	172 921	122 724

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
Total operating lease commitments for vehicles	6 057	4 775	6 057	4 775

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
Total operating lease commitments for facilities	37 470	44 050	37 470	44 050

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	2017	2018	2017
	Consolidated	Consolidated	Department	Department
	\$'000	\$'000	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period				
Cash and cash equivalents disclosed in the Statement of Financial Position	943 108	949 153	458 747	481 988
Balance as per Statement of Cash Flows	943 108	949 153	458 747	481 988
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services				
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)
Add / (less) non-cash items				
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)	-	-	-
Movement in assets and liabilities				
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)
Net cost of providing services	(2 442 642)	(2 469 293)	(2 461 786)	(2 528 060)

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 ⁽¹⁾ 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000
Statement of Comprehensive Income			
Expenses			
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
Total expenses	3 297 641	3 240 164	(57 477)
Income			
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
Total income	789 855	797 522	7 667
Net cost of providing services	2 507 786	2 442 642	(65 144)
Revenues from SA Government			
Revenues from SA Government	2 506 014	2 490 773	(15 241)
Net revenues from SA Government	2 506 014	2 490 773	(15 241)
Net result	(1 772)	48 131	49 903
Other comprehensive income			
Changes in revaluation surplus	-	68 714	68 714
Total comprehensive result	(1 772)	116 845	118 617

⁽¹⁾ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (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.

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

	Original budget ⁽¹⁾ 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000
Investing expenditure summary			
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
Total investing expenditure	244 213	230 341	(13 872)

⁽¹⁾ The budget process is not subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2017-18 Budget Paper 4). 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.

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

⁽¹⁾ 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
Financial assets						
Cash and cash equivalent						
Cash and cash equivalent	18	458 747	481 988	-	-	-
Loans and receivables						
Receivables ⁽¹⁾⁽²⁾	19	25 960	28 970	22 710	2 419	831
Total financial assets		484 707	510 958	22 710	2 419	831
Financial liabilities						
Financial liabilities held at cost						
Payables ⁽¹⁾	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
Total financial liabilities		313 837	285 344	116 376	26 441	171 020

⁽²⁾ 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).

⁽³⁾ 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
Notes to and forming part of the financial statements
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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.

Department for Education
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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
Expenses							
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
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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
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)

		SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Consolidated		Consolidated		Consolidated	
	Note	\$'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	-
Total expenses		315 738	304 276	2 924 426	2 922 971	3 240 164	3 227 247
Income							
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)

		SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Consolidated		Consolidated		Consolidated	
	Note	\$'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
Total income		2 525 207	2 538 782	763 088	743 259	3 288 295	3 282 041
Net result		2 209 469	2 234 506	(2 161 338)	(2 179 712)	48 131	54 794

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
Financial assets							
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	-
Total financial assets		460 192	484 192	540 652	516 589	1 000 844	1 000 781

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
Financial liabilities							
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
Total financial liabilities		112 236	78 555	312 372	312 333	424 608	390 888

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

		SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Department		Department		Department	
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses							
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)

		SA Government		Non-SA Government		Total	
		2018	2017	2018	2017	2018	2017
		Department		Department		Department	
	Note	\$'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	-
Total expenses		491 504	533 826	2 552 441	2 544 216	3 043 945	3 078 042
Income							
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
Total income		2 526 831	2 547 725	546 101	526 344	3 072 932	3 074 069
Net result		2 035 327	2 013 899	(2 006 340)	(2 017 872)	28 987	(3 973)

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
Financial assets							
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
Total financial assets		476 009	504 082	27 197	17 447	503 206	521 529

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
Financial liabilities							
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
Total financial liabilities		125 584	90 999	287 188	287 139	412 772	378 138

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

		2018	2017
	Note	\$'000	\$'000
Administered expenses			
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	-
Total administered expenses		1 153 971	1 101 798
Administered income			
Commonwealth revenue	A10	893 410	853 136
Other revenues	A11	994	1 485
Total administered income		894 404	854 621
Net cost of providing services		259 567	247 177
Revenues from SA Government			
Revenues from SA Government	A9	260 785	250 982
Total revenues from SA Government		260 785	250 982
Net result		1 218	3 805
Total comprehensive result		1 218	3 805

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

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

		Retained earnings	Total equity
	Note	\$'000	\$'000
Balance at 30 June 2016		30 603	30 603
Net result for 2016-17		3 805	3 805
Total comprehensive result for 2016-17		3 805	3 805
Balance at 30 June 2017		34 408	34 408
Net result for 2017-18		1 218	1 218
Total comprehensive result for 2017-18		1 218	1 218
Balance at 30 June 2018	A17	35 626	35 626

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

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
Administered expenses										
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	-
Total administered expenses	381	382	1 131 044	1 079 619	3 809	1 459	18 737	20 338	1 153 971	1 101 798
Administered income										
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
Total administered income	-	-	874 903	832 888	764	1 395	18 737	20 338	894 404	854 621
Net cost of providing services	(381)	(382)	(256 141)	(246 731)	(3 045)	(64)	-	-	(259 567)	(247 177)
Revenues from SA Government										
Revenues from SA Government	381	382	255 882	250 600	4 522	-	-	-	260 785	250 982
Total net revenues from SA Government	381	382	255 882	250 600	4 522	-	-	-	260 785	250 982
Net result	-	-	(259)	3 869	1 477	(64)	-	-	1 218	3 805

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
Administered current assets										
Cash and cash equivalents	-	-	36 090	35 373	501	-	14	-	36 605	35 373
Receivables	-	-	460	169	5	28	-	-	465	197
Total current assets	-	-	36 550	35 542	506	28	14	-	37 070	35 570
Administered non-current assets										
Property, Plant and equipment	-	-	-	-	363	1	-	-	363	1
Total non-current assets	-	-	-	-	363	1	-	-	363	1
Total assets	-	-	36 550	35 542	869	29	14	-	37 433	35 571
Administered current liabilities										
Payables	-	-	554	670	616	58	14	-	1 184	728
Employee benefits	-	-	-	-	623	435	-	-	623	435
Total current liabilities	-	-	554	670	1 239	493	14	-	1 807	1 163
Total liabilities	-	-	554	670	1 239	493	14	-	1 807	1 163
Net assets	-	-	35 996	34 872	(370)	(464)	-	-	35 626	34 408

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

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

	2018	2017
	\$'000	\$'000
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	-
Total employee benefits expenses	3 341	1 533

* 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

	2018	2018	2017	2017
	Number of	Number of	Number of	Number of
	Executives ¹	Employees	Executives ¹	Employees
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	-	-
Total number of executives / employees	2	2	-	-

¹ The number of executive officers disclosed in the above table includes employees appointed on a South Australian Executive Service (SAES) contract as at 30 June 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

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 ²
Ms Cathy Leane ¹
Ms Deidre Le Maistre ¹
Ms Gael Little ¹
Ms Deborah McInnes ¹
Ms Jocelyn Neumuller
Ms Margaret Wallace

Multicultural Education and Languages Committee

Mr Edgar Bliss (resigned 31 December 2017)
Ms Susan Cameron ¹ (resigned 31 December 2017)
Ms Deb Dalwood
Ms Jessica Dubois ¹
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 ¹
Mr Hiep Nguyen
Mr Rajendra Pandey (appointed 28 January 2018)
Ms Panayoula Paraha ¹ (appointed 28 January 2018)
Ms Julie Presser ¹ (resigned 31 December 2017)
Associate Professor Angela Scarino
Mr Mohammad Shabibi
Ms Sumeja Skaka (resigned 31 December 2017)
Ms Lia Tedesco ¹
Professor John West-Sooby
Mr Mark Williams ¹ (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 ¹
Ms Vickie Kaminski ¹
Mr Thomas Manning
Ms Gerardine Mulhearn
Mr Rick Persse ¹
Ms Kelly Ryan
Ms Nerida Saunders ¹
Mr Simon Schrapel
Professor Phillip Slee
Mr Roland Wilson

Child Death and Serious Injury Review Committee

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

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

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 ¹
 Mr Daniel Hyndman
 Mr Anthony Minniecon
 Dr Barbara Spears
 Ms Vivienne St John Robb
 Ms Joanne Wickes
 Dr Neil Wigg
 Ms Annette Williams

- ¹ Government employee who did not receive any remuneration for board/committee duties during the financial year in accordance with DPC Circular 16.
- ² Part-time government employee who gained approval to receive remuneration for board/committee duties during the financial year.

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

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

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

	2018	2017
	\$'000	\$'000
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
Total supplies and services	706	328

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:

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

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

A6 Transfer payments

	2018	2017
	\$'000	\$'000
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
Total transfer payments	1 149 920	1 099 937

A7 Depreciation

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

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

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

A9 Revenues from SA Government

	2018	2017
	\$'000	\$'000
Revenues from SA Government		
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	-
Total revenues from SA Government	260 785	250 982

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

A10 Commonwealth revenues

	2018	2017
	\$'000	\$'000
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
Total Commonwealth revenues	893 410	853 136

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

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

A12 Cash and cash equivalents

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

Cash is measured at nominal amounts.

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

A13 Receivables

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

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

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)	-
Carrying amount at the end of the period	352	-	11	1	363	1

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

A15 Payables

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

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

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

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

	2018	2017
	\$'000	\$'000
Accumulated surplus	35 626	34 408
Total equity	35 626	34 408

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:

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

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

A19 Cash flow reconciliation

	2018	2017
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
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
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	1 598	3 776
Add / (less) non-cash Items		
Depreciation	(3)	-
Non-current assets written off	(1)	-
Contributed assets	-	1
Movement in assets and liabilities		
Increase/(decrease) in receivables	268	(37)
(Increase)/decrease in payables	(456)	(45)
(Increase)/decrease in employee benefits	(188)	110
Net result	1 218	3 805

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

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 ⁽¹⁾ 2018 \$'000	Actual 2018 \$'000	Variance \$'000
Statement of Comprehensive Income			
Expenses			
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
Total expenses	1 116 987	1 153 971	36 984
Income			
Commonwealth revenue	862 229	893 410	31 181
Other revenues	-	994	994
Total income	862 229	894 404	32 175
Net cost of providing services	254 758	259 567	4 809
Revenues from SA Government			
Revenues from SA Government	254 739	260 785	6 046
Total revenues from SA Government	254 739	260 785	6 046
Net result	(19)	1 218	1 237
Total comprehensive result	(19)	1 218	1 237

⁽¹⁾ 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
Notes to and forming part of the administered financial statements
for the year ended 30 June 2018

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
Financial assets						
Cash and cash equivalents	A12	36 605	35 373	-	-	-
Total financial assets		36 605	35 373	-	-	-
Financial liabilities						
Payables ⁽¹⁾	A15	1 063	670	1 063	-	-
Total financial liabilities		1 063	670	1 063	-	-

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

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

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

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	-
Total expenses		38 662	93 395	1 115 309	1 008 403	1 153 971	1 101 798
Income							
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	-

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

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
Total income		261 759	252 430	893 430	853 173	1 155 189	1 105 603
Net result		223 097	159 035	(221 879)	(155 230)	1 218	3 805
Financial assets							
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
Total financial assets		36 605	35 373	465	197	37 070	35 570
Financial liabilities							
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
Total financial liabilities		990	650	194	78	1 184	728