

Report 6 of 2021

Update to the annual report
for the year ended 30 June 2020



Report of the Auditor-General

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Update to the annual report
for the year ended 30 June 2020

Tabled in the House of Assembly and ordered to be published, 16 March 2021

Second Session, Fifty-Fourth Parliament

By authority: S. Smith, Government Printer, South Australia

*The Auditor-General's Department acknowledges and respects
Aboriginal people as the State's first people and nations, and
recognises Aboriginal people as traditional owners and occupants of
South Australian land and waters.*



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Department**

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15 March 2021

President
Legislative Council
Parliament House
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Speaker
House of Assembly
Parliament House
ADELAIDE SA 5000

Dear President and Speaker

**Report of the Auditor-General:
Report 6 of 2021 *Update to the annual report for the year ended 30 June 2020***

As required by the *Public Finance and Audit Act 1987*, I present to each of you Report 6 of 2021 *Update to the annual report for the year ended 30 June 2020*.

Content of the Report

In September 2020 I issued my annual report for the year ended 30 June 2020.

Not every public sector agency I am required to audit is included in my annual report. Some audits were unfinished at the time, and some I use my discretion to exclude. I give priority to areas I assess as important enough to be included.

To strengthen accountability for the activities of agencies not included in my annual report, I prepare a report to Parliament covering them.

This report summarises the audit outcomes for the remaining 103 agencies I audited for 2019-20, with particular focus on agencies with:

- a modified Independent Auditor's Report
- significant matters raised through the audit
- other matters that, in my opinion, need to be brought to the attention of the Parliament and the SA Government.

In addition, the financial reports of these agencies were published on the Auditor-General's Department website once their audits were finalised.

Acknowledgements

I have great pleasure in again recognising and thanking my professional and dedicated staff for their complete commitment and efforts in 2019-20. The high standard of their work throughout the year is evidenced in the timely production and quality content of this and other reports.

I am grateful for the professional services provided by contractors who have assisted with this year's audit program, and for the cooperation all public sector agencies gave to my staff.

Yours sincerely

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

Andrew Richardson
Auditor-General

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1 Executive summary

Financial report opinions

103 opinions were issued to the agencies included in this report.

87 unmodified opinions were issued (including one emphasis of matter).

16 modified opinions were issued.

Key reasons for modified opinions include the absence of evidence to support balances and disclosures impacting the accuracy, validity and completeness of what is included.

Significant audit findings

Individual matters were raised with agencies as part of their financial report audit.

Significant findings included:

- the need for greater transparency in grant processes
- risk management practices could be improved
- agencies needing to comply with legislative requirements
- some policies and procedures needed to improve
- expenditure delegations not clearly documented
- contract management practices need to improve
- opportunities to enhance project management practices
- the need to review key payroll reports.

2 Introduction

In September 2020 I issued my annual report for the year ended 30 June 2020.¹ In it I reported on the audit outcomes for 54 agencies² and the opinions I am required to give under section 36 of the *Public Finance and Audit Act 1987* (PFAA). This included any significant financial outcomes, events and control matters communicated to those agencies.

Not every agency I am required to audit was included in my annual report. Some audits were unfinished at the time, and some I used my discretion under the PFAA to exclude.

This report summarises the audit outcomes for the remaining 103 agencies I audited for 2019-20. We have changed the reporting format for the individual agencies compared to our first two update reports. We trust this will assist the Parliament in its consideration of the report:

- Section 3 highlights my observations on a review of the Regional Growth Fund's competitive grant process, which was still being finalised at the time of my annual report.
- Sections 4 and 5 provide summaries of the financial report opinions and other significant audit findings for the remaining 103 agencies included in this report.
- Section 6 outlines individual agency financial information for the 103 agencies.
- Section 7 provides a summary of selected financial disclosures, covering most agencies we audit, that represent the more material balances in financial reports and are typically of public interest.

The financial reports and independent audit reports for all agencies are now available for viewing on the Auditor-General's Department website.

¹ Auditor-General's Report 13 of 2020 *Annual report for the year ended 30 June 2020, Part A: Executive summary*.

² The term 'agencies' is used in this Report to describe SA Government agencies and funds established under various legislation, and local government entities.

3 Observations on transparency over the Regional Growth Fund competitive grant process

3.1 We reviewed grants awarded under the Regional Growth Fund as part of our audit of the Department of Primary Industries and Regions

Each year, we consider grant programs run by various agencies as part of our audit process. Grants involve the provision of government money to grant recipients to achieve program outcomes and, as such, we consider the size and nature of grant programs in our planning each year and generally select a number of grant programs for some level of review annually.

In 2019-20, we elected to review grants awarded from the Regional Growth Fund which is administered by the Department of Primary Industries and Regions (PIRSA) as part of our broader PIRSA audit for the year.

3.2 What we found

The Regional Growth Fund (RGF) includes competitive and strategic rounds of funding. We reviewed the competitive grant assessment process for Round 2 grants conducted in 2019-20, including the Assessment Panel (Panel) report and recommendations made by the Panel to the then Minister for Primary Industries and Regional Development. Total grant funding provided for this round was \$4.4 million.

We found that the list of projects approved in Round 2 included two projects the Panel assessed as uncompetitive (using the criteria it applied to all applications) and did not recommend. PIRSA advised us that these projects were approved by the former Minister using his discretion.

Information provided to the public on PIRSA's website describes the approved projects listed as competitive projects.

In my view, this is not being fully transparent about the process. It may mislead grant applicants and the public as it implies that the listed projects are the most competitive from the eligible applications received based on the published criteria. The published criteria did not state that approval is at the Minister's discretion.

3.3 Competitive grant assessment process

The Minister approved the 2019-20 RGF guidelines that were available to applicants on PIRSA's website. These guidelines outlined the eligibility requirements for applicants and the primary and secondary criteria that applications would be assessed against, using weighting

to ensure projects were prioritised against the RGF's key principles. We note that a score to be achieved was not part of the publicly available information. A score was used by PIRSA for competitive projects as described below.

The guidelines also explained the assessment process for the competitive round projects and strategic projects. They explained that applications would be assessed by the Panel on a competitive basis against the criteria. They also state that the Panel will submit advice to the Minister for consideration, but do not have further information about the approval process. They do not state that approval is at the Minister's discretion.

Competitive Round 2 received 40 applications. Each application went through an assessment process outlined in PIRSA's RGF Competitive Pool Assessment and Evaluation Plan. This is an internal document used by PIRSA's Regions SA division. An assessment template was used to document the assessment process.

The assessment process has four stages:

- Stage 1 – details of the projects are extracted from online applications and assessed against the eligibility criteria. If all eligibility requirements are satisfied the applications proceed to Stage 2.
- Stage 2 – the RGF grant team performs an initial assessment against the primary and secondary criteria, with a score assigned to each criterion. The assessment and evaluation plan requires an overall score of 65 out of 100 for an application to move to Stage 3 for full due diligence and assessment.
- Stage 3 – this stage involves joint input from PIRSA's grant team, Regional Coordinators and Manager of Resource Management, and the South Australian Government Financing Authority (SAFA). It comprises a full assessment of financial, technical and economic feasibility aspects to determine whether the project is viable, meets criteria and would be an efficient use of the RGF's resources.
- Stage 4 – a risk assessment is completed for funding and project risks.

All applications that passed Stage 2 were discussed at a Panel meeting to determine which projects would proceed to subsequent stages of assessment, before the Panel finalised its report and recommended projects to the Minister. The Panel report recommended 10 of the 40 projects to the Minister for approval.

3.4 Approval of grants deemed uncompetitive

We reviewed the Minute to the Minister and found that eight of the 10 competitive projects recommended by the Panel were approved by the Minister for funding. The other two recommended competitive projects were not approved (each with recommended funding between \$200 000 and \$212 000). They were instead replaced at the Minister's discretion by two projects that were deemed uncompetitive by the Panel. The replacement projects each received funding between \$100 000 and \$105 000. The Minister did not document the reason for these changes on the approval given.

Using the initial assessment document, neither of the two replacement projects were awarded a score higher than 65 for primary criteria under Stage 2. As a result, they were assessed as uncompetitive and did not progress to Stage 3.

We note that after the Minister's approval, SAFA performed feasibility and risk assessments (Stage 3 of the assessment process) for these two projects and recommended that the grants be awarded. SAFA's conclusions include comments such as:

SAFA's assessment recommends that the grant be awarded ... given the Minister approved the provision of the grant for the Project subject to due diligence. No material issues have been identified.

3.5 Information disclosed to the public

PIRSA announced successful grant applicants to the public on its website, indicating which projects were part of the competitive round and which were strategic projects. The replacement projects approved at the Minister's discretion are listed as successful projects under Competitive Round 2 and therefore would reasonably be deemed by the public as competitive. As these projects were ranked uncompetitive by the Panel and subsequently approved at the Minister's discretion, we do not believe that this is being transparent about the grant approval process.

The guidelines available on PIRSA's website do not clearly state that grants may be awarded at the Minister's discretion.

3.6 Recommendations and PIRSA's response

We recommended that PIRSA:

- update the grant guidelines available to applicants to provide information that reflects the approval process undertaken, including that the Minister may discretionally approve applications
- improve the transparency of public information about the RGF on PIRSA's website by outlining which projects were selected at the Minister's discretion rather than through a competitive process
- when providing advice to the Minister about the accountability and transparency of the grant process, encourage documentation of the reasons for decisions in awarding or not awarding grants when changes are made by the Minister. This helps to ensure decisions are transparent and supports the payments that PIRSA makes.

PIRSA responded to our findings, in summary saying that:

- it acknowledges the recommendation to state more explicitly that the Minister makes the ultimate determination
- it does not agree that clarification is required, based on Ministerial discretion for successful applicants rather than a competitive basis
- the basis of project selections can be requested from the Minister's Office, not PIRSA.

3.7 Further communication with the Minister's Office and the former Minister

We liaised with the Minister's Office to determine if there was any further documentation to support the decisions made. We were advised that there was no further information available.

We also wrote to the former Minister, who was the Minister responsible at the time, to advise him of our findings. He responded confirming that he had used his Ministerial discretion to award funding.

The former Minister explained the basis of his decisions about the two recommended projects that were not approved for funding, being that one had already received funding from the previous Regional Development Fund, and the other in his opinion did not generate an economic outcome or jobs as set out in the RGF guidelines.

The former Minister advised that he consulted with the Panel Chair to consider the next most worthy projects and subsequently approved the two replacement projects.

Having considered the former Minister's response I note the panel report was not presented as a ranked list of projects after the initial 10 recommended projects. It is my view that the rationale to depart from the recommended projects should be documented as a record of the decision making process.

4 Financial report opinions

4.1 Our mandate

Under section 36(1)(a) of the PFAA, I must state the following opinion:

- that the financial statements of each public authority reflect the financial position of the authority at the end of the preceding year and the results of its operations and cash flows for that financial year – this is called a financial report opinion.

4.2 Giving a financial report opinion

Auditing the financial statements of a public authority gives that agency, and the users of its financial statements, assurance that the information they contain is reliable. In other words, the financial statements are complete, do not include material misstatements, comply with applicable accounting standards and fairly represent an agency's financial performance during the year and financial position at year end.

Our financial report audits comply with the standards issued by the Australian Auditing and Assurance Standards Board. We use a risk-based audit approach using an audit software package developed specifically for public sector audit. It has a strong emphasis on planning, which has two key elements:

- understanding the agency's business activities and any associated audit risks
- selecting audit procedures that reduce audit risk to an acceptable level.

Selecting audit procedures to address identified risks includes reviewing the effectiveness of specific agency financial controls. We use procedures such as statistical sampling methods and special audit software routines to select and test audit samples. For procedural fairness, audit findings from these procedures are discussed with agency management and communicated in a management letter.

4.3 Unmodified opinions issued

4.3.1 Financial report opinions

In my opinion the financial reports of most of the agencies covered by this Report are reliable. 87 of the 103 agencies included received an unmodified opinion on their financial report.

Emphasis of matter

I include an emphasis of matter in my independent audit opinion where I wish to draw attention to an item in a financial report that I consider is important to understanding the financial report but where I do not modify the opinion.

Without modifying my opinion on the financial report of the Minister for Primary Industries and Regional Development – Eyre Peninsula Grain Growers Rail Fund, I drew attention to the notes to the financial report which highlighted that as at 31 March 2020 the financial report had not been prepared on a going concern basis, with the Fund’s objective having been met in 2011-12.

I am advised that the Minister will decide the future of the Fund at a later date.

4.4 Modified opinions issued

I issued 16 modified (qualified) opinions. My reasons for this are provided in section 4.4.1. Importantly, most of the modified opinions arise from an absence of procedures to ensure income received reflects the complete amount due from contributors for funds established under the *Primary Industry Funding Schemes Act 1998*.

The modified opinions are for:

- Aboriginal Lands Trust
- Joint Parliamentary Service
- Minister for Primary Industries and Regional Development – Adelaide Hills Wine Industry Fund
- Minister for Primary Industries and Regional Development – Barossa Wine Industry Fund
- Minister for Primary Industries and Regional Development – Citrus Growers Fund
- Minister for Primary Industries and Regional Development – Clare Valley Wine Industry Fund
- Minister for Primary Industries and Regional Development – Grain Industry Fund
- Minister for Primary Industries and Regional Development – Grain Industry Research and Development Fund
- Minister for Primary Industries and Regional Development – Langhorne Creek Wine Industry Fund
- Minister for Primary Industries and Regional Development – McLaren Vale Wine Industry Fund
- Minister for Primary Industries and Regional Development – Riverland Wine Industry Fund
- Minister for Primary Industries and Regional Development – South Australian Apiary Industry Fund
- Minister for Primary Industries and Regional Development – South Australian Cattle Industry Fund
- Minister for Primary Industries and Regional Development – South Australian Grape Growers Industry Fund

- Minister for Primary Industries and Regional Development – South Australian Pig Industry Fund
- Minister for Primary Industries and Regional Development – South Australian Sheep Industry Fund.

4.4.1 Reasons for modifying my opinion on financial reports

The reasons set out below are mainly extracts from the independent audit reports I issued.

Aboriginal Lands Trust

I modified my opinion on the financial report for the Aboriginal Lands Trust (the Trust) for two reasons:

- Head of Bight Whale Watch Tourist Centre revenue – The Trust recognised revenue from operating the Head of Bight Whale Watch Tourist Centre. Income received is from admissions to the Centre and sale of goods.

The Trust did not have adequate procedures in place to ensure the revenue it received represented all the Centre's takings. Consequently, I am unable to form an opinion as to whether the Centre's revenue of \$378 792 (\$425 016) is complete.

This is a long-standing matter that we have raised since 2011-12. The Trust has enhanced its control environment but indicated that it is not cost effective to address this issue completely.

- Related party transactions – Note 2 to the financial report describes transactions with key management personnel and other related parties. The Trust did not have adequate procedures to ensure that all related party transactions were identified. Consequently, I am unable to form an opinion as to whether the disclosure of transactions with key management personnel and other related parties is complete.

Joint Parliamentary Service

I disclaimed to provide an opinion for the Joint Parliamentary Service financial report.

The Members of the Joint Parliamentary Service Committee are responsible for managing the Joint Parliamentary Service. The Members have not provided unrestricted access to the minutes of their meetings. As a result, I cannot assess whether matters deliberated and decided by the Members that have financial consequences were recognised or disclosed in the financial report.

The Members of the Joint Parliamentary Service Committee are responsible for controlling and managing the dining and refreshment services of Parliament House. Certain income from providing these services and associated expenditure was omitted from the financial report. As the Members have not provided me with access to this financial information, I cannot determine the effect of the omission on the financial report.

This is a long-standing matter and has been commented on by former Auditors-General. As a result of the limitation placed on my audit, it is impossible for my auditors to know what information has been withheld and what impact this information may have had on the financial report. Therefore I do not give an opinion on the Joint Parliamentary Service financial report.

The inability to perform a complete audit of the functions and financial activity of the Joint Parliamentary Service was again confirmed this year. We were advised that there was no change in the Joint Parliamentary Service Committee's position of not providing audit access to its meeting minutes and to the records and accounts relating to the catering division trading account activities.

In my opinion, the financial accountability and auditability of the Joint Parliamentary Service falls short of that adopted and applied to the public accounts and to the financial operations and accounts of public authorities.

Primary industry funding schemes

I issued modified opinions for the financial reports of 14 of the funds established under the *Primary Industry Funding Schemes Act 1998*, as listed in section 4.4. While there are individual regulations under that Act for each of these funds, and the specific circumstances are unique to each fund, my opinions on their financial reports were modified for similar reasons.

The regulations establishing each fund require contributions to be paid into the fund by specified categories of people. While there are adequate internal controls over the contributions actually received, there are no procedures to ensure that the contributions received represent the correct amounts due.

Contribution amounts are based on the quantity produced and sold by a contributor (under the relevant regulations). As there is inadequate control to verify the quantity produced and sold, the contributions recorded may not be complete or may not represent the total amounts due to the fund. This risk is increased in some cases by amounts being initially collected by processors and then passed on to the funds, with no internal controls to ensure all amounts collected by processors are passed on.

As a result of these limitations, I could not express an opinion on whether income recognised as contributions from industry as disclosed in the financial reports of these 14 funds was complete.

This is a long-standing matter. While we cannot conclude whether the amounts collected are complete, PIRSA, which provides administrative support services to the funds, has advised us that the systems it has in place provide a cost effective way of determining whether full and correct contributions are being received to the greatest extent possible without significant investment by industry.

5 Significant audit findings in 2019-20

This section sets out the significant audit findings that were communicated to agencies in 2019-20.

Some of these findings are common themes across a range of agencies and others I deem significant enough to report on individually.

We consider the agency's views when reaching our audit conclusions. Overall, agencies responded positively to our findings, and we thank them for their cooperation during our audits.

It is important to emphasise that audits rely on sampling transactions within agencies and across the public sector. Where we have reported issues arising in individual agencies, we consider it is important they be considered by other government agencies to see if they have any relevance to them and to help improve public administration.

5.1 Governance

Our review of agencies includes understanding their governance arrangements and ensuring that key controls over such areas as legislative compliance, risk management and policies and procedures are operating as intended.

We identified several areas that require improvement across agencies, including the following.

5.1.1 Agencies need to ensure they implement sound risk management practices

Sound risk management practices are critical to ensuring that agencies identify, respond and manage risks appropriately. If not managed properly some risks could have catastrophic consequences for individuals involved, agencies as a whole or to the wider public.

Treasurer's Instruction 2 *Financial Management* highlights the importance of public authorities having established policies, procedures and systems for the identification, assessment, monitoring, management and annual review of financial and tax risks. It also refers to the Australian/New Zealand Standard AS/NZS ISO 3100:2009 *Risk Management – Principles and Guidelines* for further reference.

Our review of agencies in this report identified instances where risk management processes could be improved including:

- instances of outdated or incomplete risk registers
- instances where treatment plans were not established for significant risks
- opportunities to improve risk management practices.

5.1.2 Agencies need to ensure they comply with legislative requirements

We noted some issues involving legislative compliance this year. Agencies need to ensure they are aware of their legislative obligations and comply with them, including ensuring that any systems they put in place to monitor or assist with compliance cover all relevant legislation.

While the individual legislative compliance issues we found varied, a common theme was that some agencies had not taken steps to ensure they complied with legislative requirements, or the processes they had put in place did not reflect all the requirements they needed to meet. Examples included payments that were not approved in line with Treasurer's Instruction requirements and non-compliance with specific requirements of the agency's establishing legislation.

5.1.2.1 Mamungari Conservation Park Co-management Board non-compliance with legislation

Our 2019-20 audit found that the Mamungari Conservation Park Co-management Board (formerly the Maralinga Lands Unnamed Conservation Park) is having challenges in complying with a specific requirement of the Maralinga Tjarutja Land Rights (Mamungari Conservation Park Co-management Board) Regulations 2019 (the Regulations). There was only one Board representative from the Pila Nguru (Aboriginal Corporation) as at 30 June 2020, which contravenes section 5 of the Regulations.

The Board acknowledged the challenges faced by Pila Nguru in meeting in 2020 to provide and endorse nominations for appointment to the Board. The Board indicated that it will continue to work with Pila Nguru to appoint another member to the Board to ensure appropriate representation.

5.1.3 Agencies need to ensure they have documented policies and procedures and that they are complied with

Policies and procedures establish management's expectations and provide guidance to staff. Having clear policies and procedures helps agency processes to occur as intended in a consistent way.

We identified several instances where agencies did not have policies or needed to expand on them. This included policies for managing related parties, financial management compliance frameworks and revenue, expenditure, payroll and stocktake practices.

We also identified instances where policies and procedures were not complied with.

5.2 Expenditure

Billions of dollars of public money is spent by public sector employees who have been given approval through a delegated authority to transact on behalf of a public authority. Delegated authority is a practical necessity to allow public authorities to meet operational and business requirements effectively and efficiently.

Individual transactions can commit public money to individually high amounts or accumulating commitments over many years. Many individual transactions are of high value and the amounts exposed to misspending are accordingly high. Because of the responsibility and trust associated with using public money, the standards of expected behaviour and compliance are high. If public sector employees do not adhere to delegated authorities, they risk committing the SA Government to or incurring expenditure that does not achieve value from spending public money and is not in the public interest. Delegations provide a structured framework for approving payments.

5.2.1 Managing expenditure delegations needs improvement

Consistent with last year the most common expenditure matter we identified for the agencies in this report concerned delegations to approve expenditure and payments. We identified many instances where agencies could not provide a copy of the signed delegation from the relevant Minister to grant payment authorisation required by Treasurer's Instruction 8 *Financial Authorisations*.

5.3 Contract management

Contracting by agencies takes many forms. Contracts can relate to ongoing purchasing arrangements, outsourced service delivery, managing assets and ongoing maintenance arrangements (for assets, software, buildings or plant and equipment). In entering these contractual arrangements agencies can commit to significant costs that can last for many years.

Contract management practices should be applied to these contractual arrangements in an effort to ensure they are achieving the objectives of the agency, and that the agency is paying for supplies and services that are meeting their expectations and that are achieving value for money.

Contract management is the process of proactively managing a contractual relationship between a supplier and an agency, including addressing risks and disputes that arise, to achieve the agreed contract outcomes. Contract management practices should reflect public sector rules such as those established by the PFAA, *Public Sector Act 2009*, *State Procurement Act 2004* (SP Act), Premier and Cabinet Circular PC028 *Construction Procurement Policy: Project Implementation Process* (PC028) and Treasurer's Instructions. While there will be changes to some of these requirements with the impending abolition of the State Procurement Board, the principles will remain important.

5.3.1 Contract management needs improving

Some common contract management issues for the agencies included in this report include:

- instances where agencies either did not have a contract register or it was incomplete
- contracts that were only in draft form or did not exist even though the goods and services under the contract were being provided and paid for
- an instance where the agency did not comply with a requirement of the contract.

5.3.2 Opportunities to improve risk management in the arrangement between the Lotteries Commission and Tatts

Tatts Lotteries SA Pty Ltd (Tatts), as a subsidiary company of Tabcorp Holdings Ltd, operates the Lotteries Commission of South Australia's (the Commission's) brand and products, as the appointed Master Agent for a term expiring in December 2052.

The master agent relationship inherently requires reliance on Tabcorp systems. The Commission relies on Tabcorp's internal controls environment for the completeness and accuracy of information for its financial reporting. All material components of the Commission's financial statements are generated from financial transactions supported by Tabcorp's internal controls.

Financial information from Tabcorp's systems is also used to calculate State gambling tax on net gambling revenues. It is the Commission's responsibility to assure itself that Tabcorp's internal controls are designed and operating effectively to provide reliable information. Not getting this assurance may impact the Commission's ability to manage the contractual arrangements and meet its reporting requirements.

The Commission has used an internal audit function to provide some assurance over these controls. In previous years we have raised concerns about the level of assurance this has provided. Since 2017 we have been recommending that the Commission obtain further assurance over the operating effectiveness of Tabcorp's internal controls.

In 2019-20 the Commission began to review its internal audit function with the intention of putting in place a program that will provide reasonable assurance from 2020-21 onwards. The Commission's operations have now been absorbed into the Department of Treasury and Finance, which advised us that it had commenced a major review to identify all risks, controls and sources of assurance across the arrangements with Tabcorp.

We also noted that as part of its assurance processes, the Commission used its Tatts Tech Verification System to detect unauthorised tickets, missed legitimate tickets and where Tabcorp may not have correctly applied game rules. We found that the Commission did not perform this testing in 2019-20. The Commission responded that it was assessing the Tatts Tech Verification System testing as part of its major review described above.

5.4 Project management

When undertaking a project that will incur significant cost to an agency it is important that appropriate steps are taken to ensure the project is effectively planned, actioned and finalised. At times this may include documenting a business plan, project management plan, implementation plan and change management plan in addition to ensuring continuing monitoring of key risks, status and costs of the project. Even when undertaking smaller projects, it is important to consider and document how the agency has effectively monitored the project to mitigate key risks such as scope creep, delays and budget overruns.

5.4.1 Opportunities to improve project management practices at The Legislature

We reviewed the Parliamentary Intranet and Internet project that commenced in 2015. The project to date has cost around \$2 million and is jointly funded by the House of Assembly and the Legislative Council.

Our key observations on the management of the project were as follows:

- There was no business case or acquisition plan prepared articulating the requirements, planning proposal, implementation schedules and budget costings for the project.
- The project is ongoing with unknown costs and time frame for completion.
- On project completion, the Joint Parliamentary Service will assume control and responsibility for the risks, maintenance and ongoing operating costs of the project's assets. As we do not have access to Joint Parliamentary Service committee minutes, we cannot ascertain if the committee is receiving project reports and is aware of its future commitments.
- The project is being delivered at different stages and time intervals, with regular reporting to the Legislature's ICT Board. Project reporting appears to be targeted and limited to the works being performed at that time, without any cost or milestone reporting.

We recommended that the Legislature prepare a project management plan identifying key targets, milestones and budgets. We also highlighted the need for the Legislature to apply sound project management principles to future projects.

The Legislature acknowledged our observations and will use this experience to ensure stronger project management practices are in place for the completion of this project and future projects.

5.5 Payroll

Salaries and wages are a significant portion of expenditure for many of the agencies in this report.

Payroll systems commonly produce many reports that are reviewed by agencies with the intention of providing assurance that the data input into systems, or actions taken by staff, are accurate or appropriate. Prompt review of these reports helps to ensure that accurate financial records are maintained. We consider these reviews as part of our financial audits.

5.5.1 Review of key payroll reports needs to improve

A common finding across agencies was the opportunity to improve reviews of key payroll reports, including bona fide, leave and employee masterfile reports. There were instances where the reports were not consistently reviewed or the review was not prompt or adequate. These reviews are critical to ensuring employees are only paid for work performed at their correct rate. If they are not performed promptly any error identified later will result in additional time and effort to fix or recover funds paid in error.

6 Outcomes of agency financial audits and summary financial information

The financial statements of the following agencies that are not reported in my annual report were published as soon as reasonably practicable on our website after their audit was completed.

6.1 Arts agencies

6.1.1 Adelaide Festival Corporation

Functional responsibility

The Adelaide Festival Corporation (the Corporation) is established under the *Adelaide Festival Corporation Act 1998* and is responsible for coordinating the annual Adelaide Festival of Arts.

Financial report opinion

Unmodified

Financial statistics

\$million

Income:

Total income	18.9
Income from SA Government	9.1
Box Office sales	5.2

Expenses:

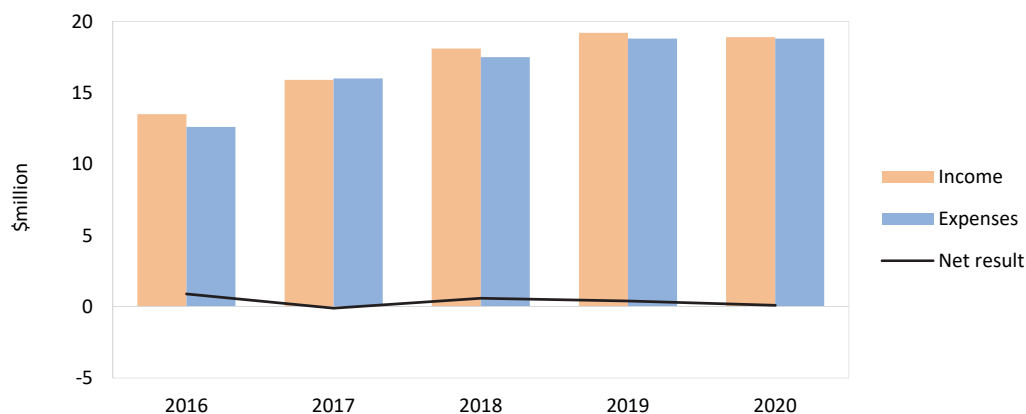
Total expenses	18.8
Supplies and services	14.4
Staff benefits expenses	4.1

Net result 0.1

Net assets 1.9

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



The Corporation's income and expenses have experienced steady growth, with a positive net result delivered over the past three years.

The SA Government's contribution to the Corporation's income continues to drop below 50%, with the SA Government providing 48% of total income in 2019-20.

6.1.2 Art Gallery Board

Functional responsibility

The Art Gallery Board (the Board) is established by the *Art Gallery Act 1939*. Its main function is to manage the Art Gallery of South Australia. The Board's mission is to provide access to original works of art of the highest quality. It seeks to foster, promote and enhance understanding and enjoyment of the visual arts through its collections, temporary exhibitions and other public programs.

Financial report opinion

Unmodified

Financial statistics

\$million

Income:

Total income	28.3
Income from SA Government	13.3
Donations of heritage assets	4.1

Expenses:

Total expenses	21.1
Supplies and services	9.8
Staff benefits expenses	7.2

Net result 7.2

Total comprehensive result (2.7)

Assets:

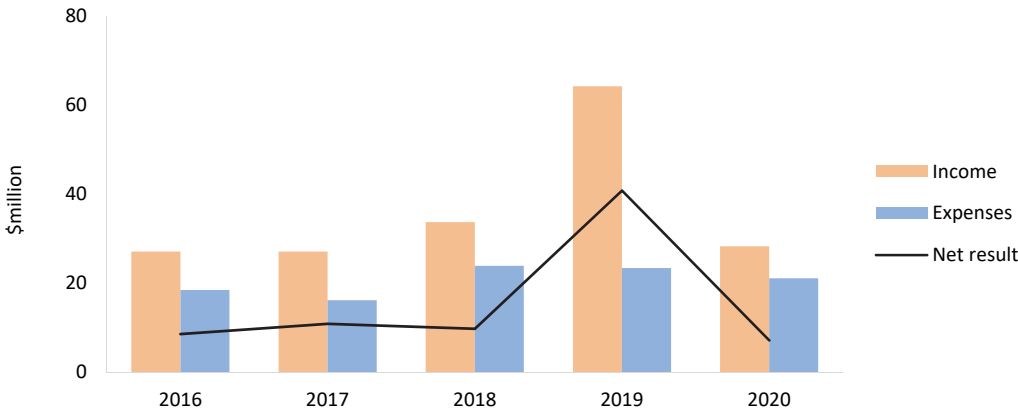
Net assets	862.1
Heritage collections	781.9

Commentary on operations

The Art Gallery of South Australia was temporarily closed for three months due to COVID-19 restrictions. The closure contributed to a reduction in revenue from commercial operations such as the Gallery Store, the Membership area, public programs and education.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



The significant increase in income in 2019 was due to a major bequest received from the estates of James Ramsay AO and Diana Ramsay AO for the acquisition of works of art.

The heritage collections are large and diverse. They include many unique items for which determining their fair value is complex. The heritage collections are independently valued every six years. The last independent valuation was performed as at 30 June 2016.

At 30 June 2020, the heritage collections were worth \$781.9 million and included \$293.2 million of Australian and \$341.6 million of European paintings and sculptures. The other items were Asian art, Australian and European decorative arts, prints, drawings, photographs, numismatics, library and philatelic material.

6.1.3 Libraries Board of South Australia

Functional responsibility

The Libraries Board of South Australia (the Board) is established under the *Libraries Act 1982* and is charged with managing the State Library of South Australia and the Public Library Services, and for policy oversight and partial funding of the public library network.

Financial report opinionUnmodified

Financial statistics

\$million

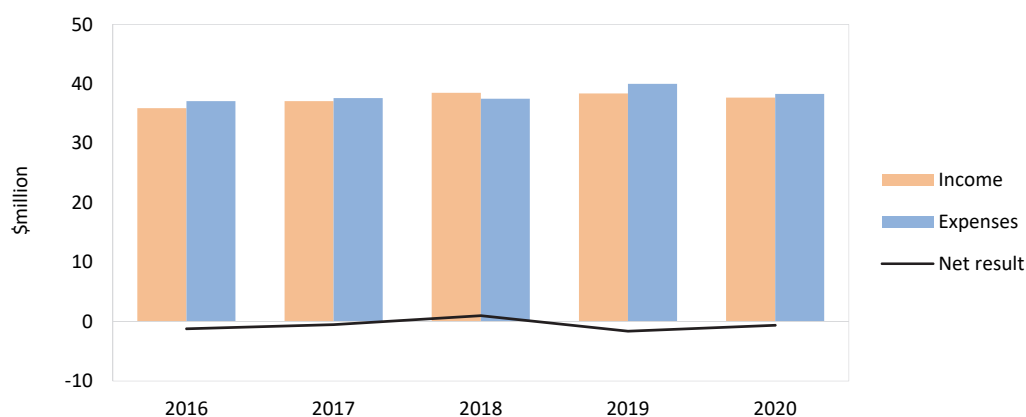
Income:		
Total income	37.7	
Income from SA Government	36.2	
Expenses:		
Total expenses	38.3	
Supplies and services	8.2	
Staff benefits expenses	12.5	
Subsidies to public libraries	12.5	
Net result		(0.6)
Total comprehensive result		28.3
Assets:		
Net assets	243.7	
Research and heritage collections	143.4	

Commentary on operations

COVID-19 impacted the Board's operations. In particular the library was closed by the SA Government between March and June 2020. This saw the suspension of all face-to-face services with customers, with the service being delivered through phone and online services during this time. The Board's income was also impacted by reduced investment earnings and reduced income from corporate tenants.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



In 2019-20 the Board’s income decreased by \$640 000 mainly due to a decrease in recoveries of \$280 000 and investment income of \$230 000. Expenses decreased by \$1.6 million mainly due to a decrease in supplies and services costs of \$1.8 million, which was offset by an increase in subsidies to public libraries of \$370 000.

In 2019-20 land, buildings and improvements were revalued, resulting in an overall increase in asset values of \$29.7 million and this is reflected in the total comprehensive result.

6.1.4 Museum Board

Functional responsibility

The Museum Board (the Board) is established under *the South Australian Museum Act 1976* and its main function is to manage the South Australian Museum.

Financial report opinion	Unmodified	
Financial statistics		\$million
	Income:	
	Total income	21.6
	Income from SA Government	14.8
	Expenses:	
	Total expenses	18.7
	Supplies and services	4.6
	Staff benefits expenses	8.7
	Net result	2.9
	Total comprehensive result	13.1
	Assets:	
	Net assets	345.9
	Heritage collections	296.5

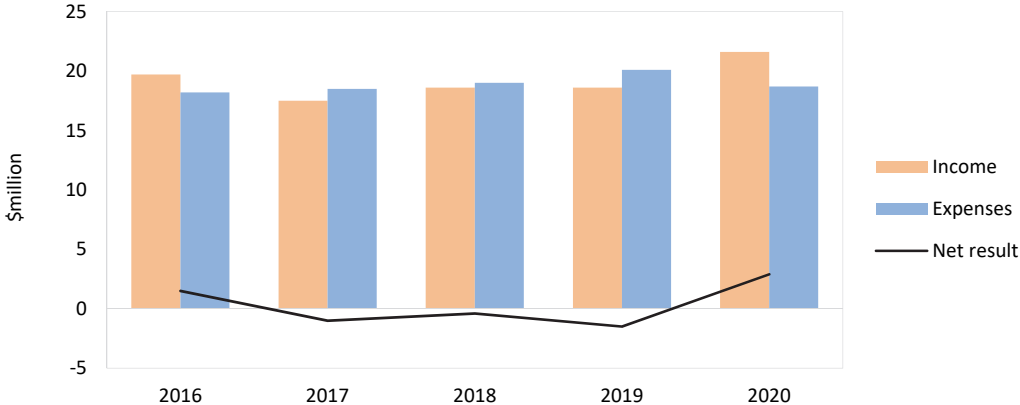
Commentary on operations

The COVID-19 pandemic impacted on the Board’s operations in the following ways:

- investment income declined
- income declined due to the temporary closure of the museum
- costs increased to facilitate additional cleaning and to accommodate staff working from home.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



Income and expenses were relatively steady over this period, with an increase in SA Government funding of \$3 million and donations and bequests of \$800 000 in 2020. Expenses in 2019-20 decreased by \$1.4 million principally as a result of decreases in staff benefit expenses of \$670 000 mainly due to fewer targeted voluntary separation packages and supplies and services of \$540 000 due to the museum closure as a result of COVID-19.

The 2019-20 comprehensive result includes a revaluation of \$10.5 million of land and buildings held by the Board.

6.1.5 Adelaide Film Festival

Functional responsibility

The Adelaide Film Festival is a not-for-profit government agency established under the Regulations to the *Public Corporations Act 1993* and is responsible for managing the Adelaide Film Festival, a biennial event held in Adelaide.

Financial report opinion Unmodified

Financial statistics	\$million
Total income	0.9
Total expenses	0.9
Net result	-
Net assets	1.6

Commentary on operations

2019-20 was a non-festival year. The Adelaide Film Festival was held in October 2020.

6.1.6 Australian Children's Performing Arts Company

Functional responsibility

The Australian Children's Performing Arts Company (the Company) is established as a subsidiary of the Minister for Education by the Regulations under the *Public Corporations Act 1993*. The Company functions to produce, present, facilitate, manage and promote performing art productions and other art activities for children, young people, families, schools and other groups of bodies.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	2.4
	Total expenses	2.4
	Net result	-
	Net assets	0.5

6.1.7 Carrick Hill Trust

Functional responsibility

The Carrick Hill Trust (the Trust) is established under the *Carrick Hill Trust Act 1985*. Its role is to administer, develop, maintain and promote Carrick Hill as a gallery for displaying works of art, a museum and a botanical garden, and to promote and encourage the public's interest in Carrick Hill, its collections and the services and amenities provided by the Trust.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	3.8
	Total expenses	1.4
	Net result	2.4
	Total comprehensive result	13.4
	Net assets	62.0

Interpretation and analysis of financial information

Carrick Hill was closed for a significant part of the year as a result of the House Renovation Project. The value of the project as at 30 June 2020 is \$2.1 million.

SA Government grants of \$1.4 million were received and include \$825 000 towards the Pavilion Project and \$500 000 for the House Renovation Project. Donations of \$1.1 million were received from the Carrick Hill Development Foundation for the House Renovation Project.

The comprehensive result includes a revaluation of \$11 million of land and buildings held by the Trust.

6.1.8 History Trust of South Australia

Functional responsibility

The History Trust of South Australia (the Trust) is established under *the History Trust of South Australia Act 1981*. It encourages the research and public presentation of South Australian history and safeguards objects of historical and cultural heritage. It operates three museums – the Migration Museum, the National Motor Museum and the South Australian Maritime Museum – and the Centre of Democracy. The Trust prepares a consolidated financial report that includes the financial results of the Trust and the History Trust of South Australia Foundation Incorporated.

Financial report opinion

Unmodified

Financial statistics

	\$million
Total income	10.2
Total expenses	9.2
Net result	1.0
Total comprehensive result	5.5
Net assets	43.4

Interpretation and analysis of financial information

Consolidated income mainly comprises funding from the Department for Education for recurrent and capital purposes (\$6.6 million) and annual fees and charges (\$1.2 million). Fees and charges for 2019-20 were negatively impacted by museum closures forced in response to COVID-19. The Trust also received once-off donations of heritage assets (mainly high value motor vehicles) with a value of \$1.2 million in 2019-20.

Consolidated expenditure totalled \$9.2 million, an increase of \$1.6 million from the prior year. This increase was largely attributable to a \$1.8 million increase in employee benefits expense, which was significantly impacted by the relative movements in workers compensation liabilities between 2018-19 and 2019-20.

Land, buildings and improvements were revalued upwards, resulting in a gain on revaluation of \$4.5 million and a total comprehensive result of \$5.5 million.

6.1.9 South Australian Country Arts Trust

Functional responsibility

The South Australian Country Arts Trust (the Trust) is established under the *South Australian Country Arts Trust Act 1992*. It is the governing body of Country Arts SA, and provides arts and services across regional South Australia through a range of programs and initiatives, manages arts venues and provides grant funding.

Financial report opinion	Unmodified	
Financial statistics		\$million
	Total income	8.7
	Total expenses	10.5
	Net result	(1.8)
	Net assets	38.9

Commentary on operations

The impact of the COVID-19 pandemic in 2019-20 forced the closure of regional arts centres and the cancellation of performances due to the restrictions imposed from mid-March 2020. As a result, income reduced in all areas, with film income (including bar and food sales) and the hire of venues for private events reducing the most. The Trust’s expenses also increased as a result of increased cleaning requirements and measures to transition its workforce to work from home.

The Trust has an open business interruption insurance claim with SAICORP for revenue losses incurred due to COVID-19. The claim period lasts for 12 months from 25 March 2020, with the estimated recovery amount for the period to 30 June included in income for 2019-20.

6.1.10 South Australian Film Corporation

Functional responsibility

The South Australian Film Corporation (SAFC) is established under the *South Australian Film Corporation Act 1972*. It stimulates and encourages the formation and continued development of the South Australian film and television industry through grants, loans and equity investments across two key programs of Screen Industry Programs and Production Funding. It is also responsible for providing professional development opportunities to screen industry practitioners through workshops, seminars and information.

Financial report opinion

Unmodified

Financial statistics

	\$million
Total income	9.7
Total expenses	13.5
Net result	(3.8)
Net assets	0.9

Interpretation and analysis of financial information

Revenue from SA Government from Production Funding activities decreased by \$9.1 million due to the fluctuating nature of production funding, with a corresponding decrease in production expenditure of \$5.8 million. Expenditure on the Post Production, Digital and Visual Effects (PDV) Rebate increased by \$1.2 million.

6.1.11 State Opera of South Australia

Functional responsibility

State Opera is established under the *State Opera of South Australia Act 1976* and is responsible for the presentation, production, management and conduct of theatrical and operatic performances.

Financial report opinion

Unmodified

Financial statistics

	\$million
Total income	4.6
Total expenses	4.9
Net result	(0.3)
Net assets	1.6

Commentary on operations

The COVID-19 pandemic impacted significantly on the State Opera’s operations as all live performance activity ceased. State Opera has continued to experience significant reductions in box office income and activity due to ongoing COVID-19 restrictions on travel, social distancing and venue capacities.

6.1.12 State Theatre Company of South Australia

Functional responsibility

The State Theatre Company of South Australia (the Company) is established under the *State Theatre Company of South Australia Act 1972* and provides support to the South Australian community of theatre makers to strengthen the relationships with industry, the community and the corporate sector.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	6.1
	Total expenses	6.4
	Net result	(0.3)
	Net assets	0.9

Commentary on operations

The COVID-19 pandemic impacted the Company’s operations, with the cancellation of productions resulting in a reduction in both box office sales income and supplies and services expenses.

6.2 Emergency services

6.2.1 South Australian Country Fire Service

Functional responsibility

The South Australian Country Fire Service (SACFS) is established under the *Fire and Emergency Services Act 2005*. It serves communities through the delivery of professional fire and rescue services to outer metropolitan, regional and rural South Australia. The SACFS is

an all hazards agency responding to bushfire, building fire, road crash rescue and hazardous material spills.

Financial report opinion Unmodified

Financial statistics		\$million
	Income:	
	Total income	125.8
	Income from Community Emergency Services Fund	113.1
	Expenses:	
	Total expenses	102.8
	Supplies and services	72.8
	Staff benefits expenses	15.4
	Net result	23.0
	Total comprehensive result	41.4
	Assets:	
	Net assets	213.7
	Property, plant and equipment	207.9

Commentary on operations

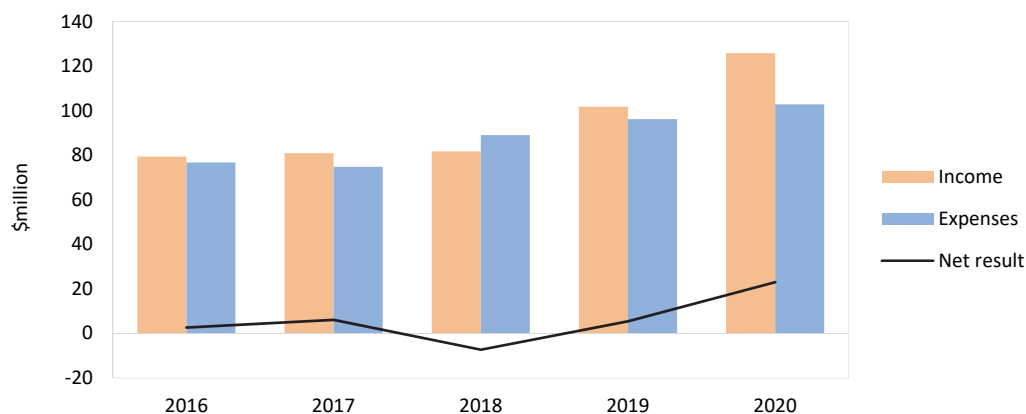
The SACFS supported South Australia’s response to the COVID-19 pandemic by providing incident management team personnel to establish and support SA Health’s State Control Centre.

In 2019-20 the State experienced an extraordinary bushfire season which significantly impacted the SACFS from both an operational and financial perspective. Additional funding was provided from the Community Emergency Services Fund (the Fund) to cover the additional operational costs.

Immediately after the extraordinary bushfires the SA Government engaged an independent consultant to look at how the State responded and what lessons could be learned for future bushfire seasons. A report was completed in June 2020 containing 15 recommendations.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



The main source of revenue for the SACFS is contributions from the Fund of \$113 million (\$93 million), accounting for 90% of total income.

In 2019-20 total income increased by \$24 million to \$125.8 million due mainly to a \$19 million increase in contributions from the Fund for extraordinary bushfire response costs.

Total expenses increased by \$6.5 million to \$102.8 million mainly as a result of a \$16.4 million increase in supplies and services related to responding to the extraordinary bushfires.

This was partially offset by a \$12.5 million decrease in employee benefits expenses mostly attributable to a decrease in the revaluation of the worker's compensation liability compared to the previous year.

Property, plant and equipment assets increased by \$27.1 million during the year to \$207.9 million and represent 85% of total assets. The main asset classes held are vehicles (\$103 million), buildings (\$44 million) and land (\$16 million). Property, plant and equipment was independently revalued as at 1 November 2019 resulting in a gain on revaluation totalling \$18.3 million.

6.2.2 South Australian Metropolitan Fire Service

Functional responsibility

The South Australian Metropolitan Fire Service (SAMFS) is established under *the Fire and Emergency Services Act 2005*. It is a statutory authority with 20 metropolitan fire stations and 17 regional stations. The SAMFS is an all hazard fire service and the primary provider of structural firefighting services to South Australia.

Financial report opinion

Unmodified

Financial statistics

\$million

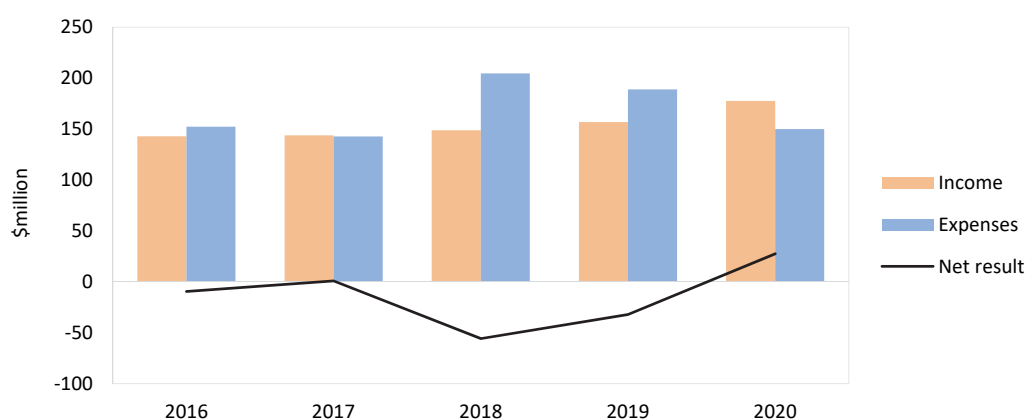
Income:	
Total income	177.5
Income from Community Emergency Services Fund	152.4
Total expenses:	149.9
Supplies and services	18.0
Staff benefits expenses	123.3
Net result	27.6
Total comprehensive result	77.3
Assets:	
Net assets	79.6
Property, plant and equipment	186.7
Provisions	55.6

Commentary on operations

The SAMFS contributed to the State's response to COVID-19 by supporting the SA Health State Control Centre and assisting with the International COVID-19 Detector Dog Project.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



The main source of revenue for the SAMFS is contributions from the Community Emergency Services Fund of \$152 million (\$148 million), which account for 86% of total income.

In 2019-20 total income increased by \$20.7 million to \$177.5 million. This is due mainly to additional intra-government transfers for one-off supplies and services cash injections (\$7 million), additional funding for out-of-scale bushfire related costs (\$2 million) and contributions to enterprise bargaining costs (\$7 million).

Total expenses decreased by \$39 million to \$149.9 million mainly as a result of a \$38.6 million decrease in employee benefits expenses mostly due to a decrease in workers compensation expenses compared to the previous year.

Property, plant and equipment assets increased by \$50 million during the year to \$186.7 million and represent 96% of total assets. The main asset classes held are buildings (\$66 million), land (\$62 million) and vehicles (\$44 million). Property, plant and equipment was independently revalued as at 1 November 2019 resulting in a gain on revaluation totalling \$49.7 million.

6.2.3 South Australian State Emergency Service

Functional responsibility

The South Australian State Emergency Service (SASES) is established under the *Fire and Emergency Services Act 2005*. It is primarily responsible for responding to extreme weather (including storms and extreme heat) and flooding events. It also responds to road crash, marine, swiftwater, vertical and confined space rescues.

Financial report opinion Unmodified

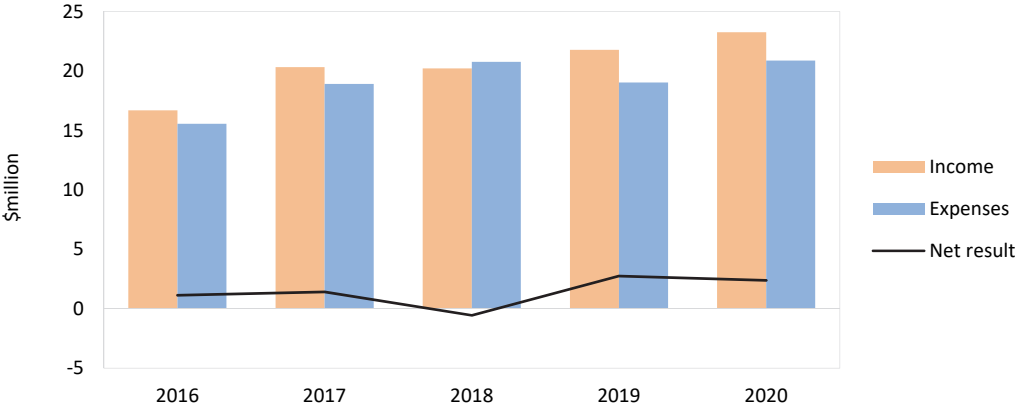
Financial statistics	\$million
Income:	
Total income	23.3
Income from the Community Emergency Services Fund	23.0
Expenses:	
Total expenses	20.9
Supplies and services	10.1
Staff benefits expenses	7.5
Net result	2.4
Total comprehensive result	5.7
Assets:	
Net assets	46.3
Property, plant and equipment	49.6

Commentary on operations

SASES supported the emergency services sector’s contribution to South Australia’s response to the COVID-19 pandemic, which included support to South Australia Police’s border control operations and SA Health’s State Control Centre.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



The main source of revenue for the SASES is contributions from the Community Emergency Services Fund (the Fund) of \$23 million (\$21 million), which accounts for 99% of total income.

In 2020 total income increased by \$1.5 million to \$23.3 million due mainly to a \$1.9 million increase in contributions from the Fund.

Total expenses also increased by \$1.9 million to \$20.9 million mainly as a result of increased supplies and services expenditure of \$1.1 million and increased depreciation expenditure of \$448 000.

Property, plant and equipment assets increased by \$5.8 million during the year to \$49.6 million and represent 94% of total assets. The main asset classes held are buildings (\$21.3), vehicles (\$13.3 million) and land (\$4.6 million). Property, plant and equipment was independently revalued as at 1 November 2019 resulting in a gain on revaluation totalling \$3.3 million.

6.3 Government businesses

6.3.1 Lotteries Commission of South Australia

Functional responsibility

The Lotteries Commission of South Australia (the Commission) is established under the *State Lotteries Act 1966*. Its primary function is to promote and conduct lotteries for and on behalf of the State of South Australia. As its appointed Master Agent, Tatts Lotteries SA Pty Ltd operates the Commission’s brands and products.

Financial report opinion Unmodified

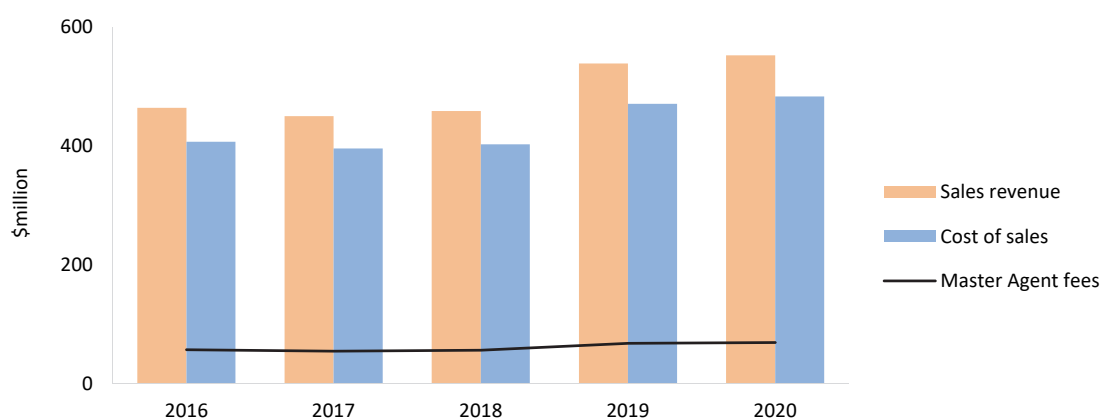
Financial statistics		\$million
	Sales revenue	552.2
	Cost of sales	483.0
	Prizes	331.1
	Gambling tax	90.7
	Master Agent fee	69.2
	Assets:	
	Net assets	0.2
	Cash and cash equivalents	74.3
	Payables	48.6
	Game related liabilities	31.2

Commentary on operations

On 1 January 2020 the Acting Executive Director, Organisation and Governance of the Department of Treasury and Finance (DTF) was appointed as Commissioner. From 28 March 2020 all staff were transferred from the Commission to DTF. From 1 April 2020 all office administration functions of the Commission were transferred to DTF.

Interpretation and analysis of financial information

The following chart shows an increase in sales revenue, cost of sales and Master Agent fees over the five years to 2020.



Gross sales margin

The Commission recognised a gross sales margin of \$69.2 million in 2019-20, being \$552.2 million sales revenue less \$483 million cost of sales.

Sales revenue increased by \$13.6 million to \$552.2 million mainly due to changes in the sales of the following products:

- a \$21.2 million increase in Powerball sales to \$142.9 million
- a \$6.4 million increase in Saturday X Lotto sales to \$133.8 million
- a \$4.3 million increase in Instant Scratch tickets sales to \$36.3 million
- a \$5.1 million increase in Monday and Wednesday X Lotto sales to \$38.1 million
- a \$20.1 million decrease in Oz Lotto sales to \$53.5 million
- a \$4.8 million decrease in Keno sales to \$115.8 million.

The games Powerball (26%), Saturday X Lotto (24%) and Keno (21%) make up the largest portion of sales. The frequency and amount of high value jackpots are significant factors affecting sales activity.

Cost of sales increased by \$12.3 million to \$483 million mainly due to:

- a \$9.3 million increase in prizes to \$331.1 million
- a \$1.8 million increase in gambling tax to \$90.7 million.

Gambling tax is calculated as 41% of net gambling revenue and is distributed to the SA Government in line with the requirements of the *State Lotteries Act 1966*.

Master Agent fees

Master Agent fees increased by \$1.3 million to \$69.2 million. The Master Agent fee is payable to Tatts Lotteries SA Pty Ltd as the Commission's exclusive Master Agent for operating the Commission's brands and products. The fee depends mostly on the value of net gambling revenue (ie gross sales less total prizes paid). The increase is in line with the increase in gambling revenue.

6.3.2 South Australian Forestry Corporation

Functional responsibility

The South Australian Forestry Corporation (the Corporation) is established under the *South Australian Forestry Corporation Act 2000*. It is responsible for managing plantation forest and providing support for industry research and development and regional development. It also conducts non-commercial activities such as native forest management, community use of forests and community fire protection.

Financial report opinionUnmodified

Financial statistics

\$million

Income:

Total income	18.6
Income from SA Government	4.6
Sales – timber products	12.4

Expenses:

Total expenses	19.4
Contractors	9.3
Staff benefits expenses	4.2

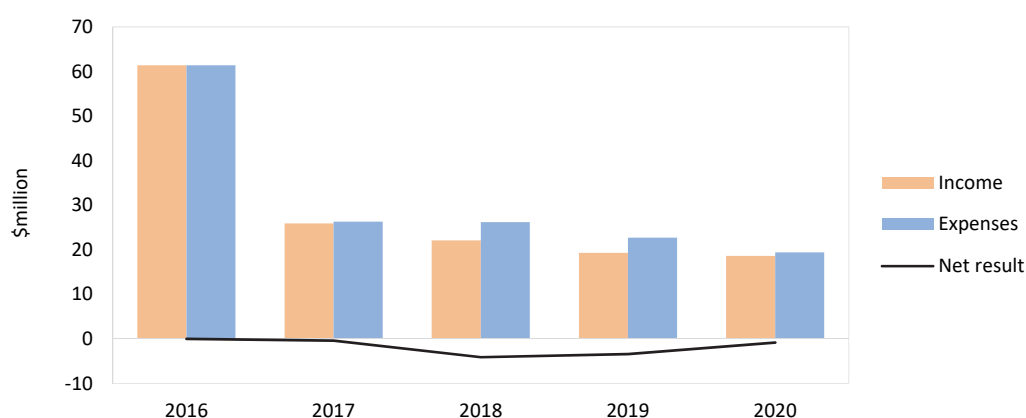
Trading profit/(loss)	(0.8)
Total comprehensive result	15.0

Assets:

Net assets	123.7
Forest assets	54.7
Property, plant and equipment	49.3

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



Following the final transfer of a sales contract from the Corporation to OneFortyOne Plantations Pty Ltd in 2016, income and expenses have gradually decreased.

Forest assets and land held by the Corporation were revalued during the year bringing their value to \$54.7 million and \$39.2 million respectively and this is reflected in the total comprehensive result.

6.3.3 West Beach Trust

Functional responsibility

The West Beach Trust (the Trust) is established under the *West Beach Recreation Reserve Act 1987* to administer and develop the West Beach Recreation Reserve in line with its strategic and business plans, which include promoting and encouraging the use and enjoyment of the reserve by the public.

Financial report opinion

Unmodified

Financial statistics

\$million

Income:

Total income	18.4
Revenues from fees and charges	14.7

Expenses:

Total expenses	16.8
Supplies and services	5.4
Staff benefits expenses	7.1

Net result 1.6

Net result after income tax equivalentents 1.1

Assets:

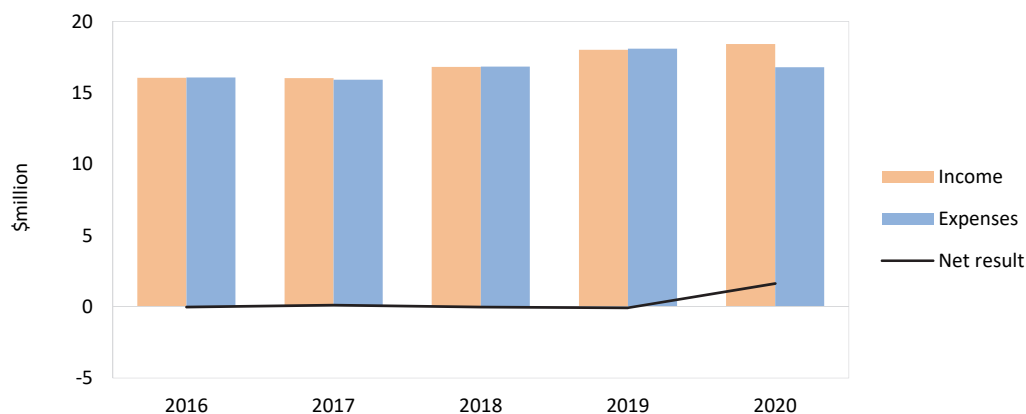
Net assets	83.2
Property, plant and equipment	94.5

Commentary on operations

The COVID-19 pandemic impacted significantly on the operations and finances of the Trust. There was a significant decrease in accommodation income especially during the period where their accommodation facilities were closed to all but essential travellers in line with an SA Government directive and through continued interstate border closures, as well as the cancellation of local events and group activities. The Trust undertook cost control strategies which partially negated the adverse impact of revenue reductions. It also lodged a business interruption claim with SAICORP which is still ongoing in 2021. To date, the Trust has received an interim payment of \$2 million in April 2020.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



Total income increased marginally in 2020, mainly due to a \$2 million interim business interruption insurance payment received from SAICORP and a \$400 000 increase in the reimbursement of tax equivalents paid, offset by a \$2.2 million decrease in revenue from fees and charges mainly due to decreases in accommodation tariffs.

6.4 The Legislature

6.4.1 House of Assembly

Functional responsibility

The House of Assembly (the Assembly) is established under the *Constitution Act 1934*. Together with the Legislative Council, it constitutes the Parliament of South Australia. The Assembly consists of 47 Members elected by the inhabitants of the State legally qualified to vote.

Financial report opinion

Unmodified

Financial statistics

\$million

Income:

Total income	16.8
Appropriations	16.7

Expenses:

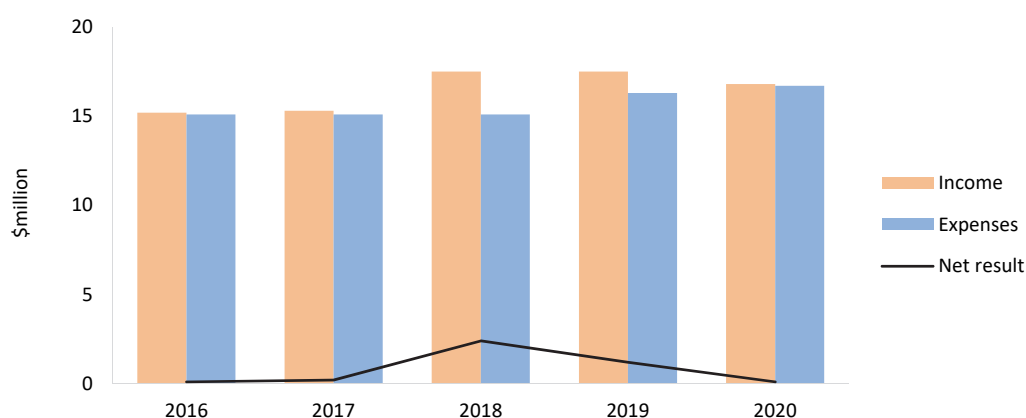
Total expenses	16.7
Supplies and services	2.1
Staff benefits expenses	2.8
Members' salaries and allowance	11.0

Net result 0.1

Net assets 5.9

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



In 2019-20, the Assembly's income decreased to \$16.8 million (\$17.5 million). This is due to the Assembly returning \$800 000 more to the Consolidated Account in 2020 under the SA Government's cash alignment policy compared to the previous year.

6.4.2 Joint Parliamentary Service Council

Functional responsibility

The Joint Parliamentary Service (JPS) is established under the *Parliament (Joint Services) Act 1985*. It provides services to both Houses of Parliament including Hansard reporting, library facilities, catering, financial administration and building accommodation. It is administered by the Joint Parliamentary Service Committee which comprises the Speaker and two Members of the House of Assembly and the President and two Members of the Legislative Council.

Financial report opinion

Modified

Financial statistics

\$million

Income:

Total income	14.6
Income from SA Government	12.8

Expenses:

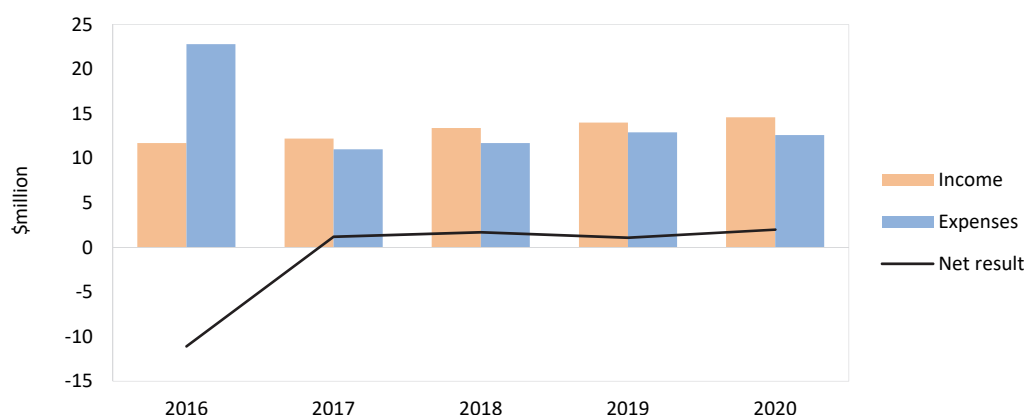
Total expenses	12.6
Supplies and services	4.5
Staff benefits expenses	6.6

Net result 2.0

Net asset 83.7

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



In 2015-16 the JPS recognised a loss of \$11 million from revaluing of its land and buildings, contributing to a negative net result.

In 2019-20 the JPS delivered a net result of \$2 million (\$1.2 million) as a result of increased revenue from SA Government (\$400 000), and a decrease in employee benefits expense (\$600 000). The decrease in employee benefits expense is largely due to the processing of back payments in 2018-19 as a result of a new enterprise bargaining agreement.

6.4.3 Legislative Council

Functional responsibility

The Legislative Council (the Council) is established under the *Constitution Act 1934*. The Council (upper house) and the House of Assembly (lower house) constitute the Parliament of South Australia. The principal purpose of Parliament is to legislate for peace, order and responsible governance of South Australia. The central purpose of the Council is to act as a house of review for legislation passed through the lower house. The Council has 22 members elected for eight-year terms by proportional representation, with 11 members facing re-election every four years.

Financial report opinion

Unmodified

Financial statistics

\$million

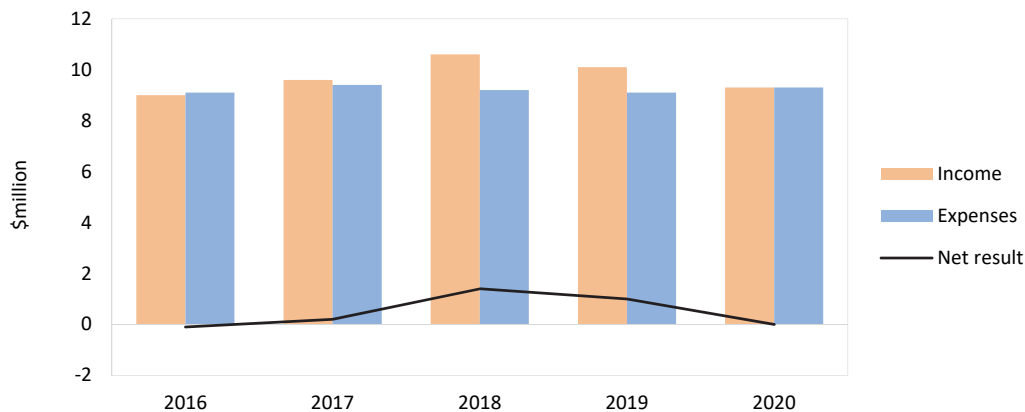
Income:

Total income	9.3
Income from SA Government	9.2

	\$million
Expenses:	
Total expenses	9.3
Members' salaries and allowances	5.2
Staff benefits expenses	2.2
Net result	-
Net assets	3.3

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



In 2019-20, the Council's income decreased to \$9.3 million (\$10.1 million). This is due to the Council returning \$700 000 more to the Consolidated Account in 2019-20 under the SA Government's cash alignment policy compared to the previous year.

6.5 Lessor corporations

The lessor corporations are mainly subsidiaries of the Treasurer established to manage the State's interest in electricity assets that were transferred to them in 1999 and 2000.

The State Owned Generators Leasing Co Pty Ltd was created in January 2020 to manage the State's emergency generators.

6.5.1 Distribution Lessor Corporation

Functional responsibility

The Distribution Lessor Corporation is established under Regulations made under the *Public Corporations Act 1993*. Its principal activity is as lessor of the prescribed electricity assets consisting of the distribution network and the land on which it is located.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	0.2
	Total expenses	0.1
	Net result	0.1
	Net assets	29.9

6.5.2 Generation Lessor Corporation

Functional responsibility

The Generation Lessor Corporation is established under Regulations made under the *Public Corporations Act 1993*. Its principal activity is as lessor of the prescribed electricity generation assets and the land on which it is located.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	0.6
	Total expense	0.5
	Net result	0.1
	Net assets	6.0

6.5.3 State Owned Generators Leasing Co Pty Ltd

Functional responsibility

The State Owned Generators Leasing Company Pty Ltd (SOGLC) was incorporated under the *Corporations Act 2001* on 30 January 2020. Certain electricity generating assets were transferred from the Treasurer to SOGLC under the *Administrative Arrangements Act 1994* with an effective date of 30 June 2020.

In consideration for the transfer of the generators, which were valued at \$217 million, SOGLC issued fully paid ordinary shares to the Treasurer on 30 June 2020 at a \$0 issue price. SOGLC will lease the generators to Infigen Energy and Nexif Energy for a term of 25 years from 2020-21.

Financial report opinion	Unmodified
Financial statistics	\$million
Total income	-
Total expenses	0.01
Net result	(0.01)
Net assets	217

6.5.4 Transmission Lessor Corporation

Functional responsibility

The Transmission Lessor Corporation is established under the *Public Corporations Act 1993*. Its principal activity is as lessor of the prescribed electricity assets consisting of the transmission network and the land on which it is located.

Financial report opinion	Unmodified
Financial statistics	\$million
Total income	0.17
Total expenses	0.13
Net result	0.04
Net assets	1.7

6.6 Natural Resources Management Boards

On 1 July 2020, the *Natural Resources Management Act 2004* (NRM Act) was repealed and replaced with the *Landscape South Australia Act 2019* as the key statute for managing the State's landscapes. All Natural Resources Management (NRM) Boards were abolished from that date and – according to regional allocations – the property, assets, rights and liabilities of each Board became vested in or attached to one of the following newly established entities:

- Green Adelaide
- Hills and Fleurieu Landscape Board
- Northern and Yorke Landscape Board
- Eyre Peninsula Landscape Board
- South Australian Arid Lands Landscape Board

- Limestone Coast Landscape Board
- Murraylands and Riverland Landscape Board
- Kangaroo Island Landscape Board
- Alinytjara Wilurara Landscape Board.

6.6.1 Adelaide and Mount Lofty Ranges Natural Resources Management Board

Functional responsibility

The Adelaide and Mount Lofty Ranges Natural Resources Management Board (the Board) works with all sectors of the community and all levels of government to provide strategic leadership for the management of natural resources based on the established plan for the region. The body corporate was established under the NRM Act.

Financial report opinion

Unmodified

Financial statistics

\$million

Income:

Total income	36.5
Regional NRM and water levies	33.5

Expenses:

Total expenses	34.0
Supplies and services	24.0

Net result 2.5

Net assets 18.9

Interpretation and analysis of financial information

Regional NRM and water levies received (\$33.5 million) are applied to support the Board's regional responsibilities. Grant expenses for 2019-20 totalled \$9.3 million. Supplies and services, which include costs incurred directly by the Board on regional projects, totalled \$24 million.

6.6.2 Alinytjara Wilurara Natural Resources Management Board

Functional responsibility

The Alinytjara Wilurara Natural Resources Management Board (the Board) works with all sectors of the community and all levels of government to provide strategic leadership for the management of natural resources based on the established plan for the region. The body corporate was established under the NRM Act.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	3.2
	Total expenses	2.8
	Net result	0.4
	Net assets	4.0

Interpretation and analysis of financial information

Commonwealth funding (\$1.7 million) and SA Government grants (\$1.2 million) are applied to support the Board's regional responsibilities. Supplies and services, which include costs incurred directly by the Board on regional projects, totalled \$2.6 million.

6.6.3 Eyre Peninsula Natural Resources Management Board

Functional responsibility

The Eyre Peninsula Natural Resources Management Board (the Board) works with all sectors of the community and all levels of government to provide strategic leadership for the management of natural resources based on the established plan for the region. The body corporate was established under the NRM Act.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	4.9
	Total expenses	4.7
	Net result	0.2
	Net assets	1.7

Interpretation and analysis of financial information

Regional NRM and water levies (\$3.4 million) and Commonwealth funding (\$1.4 million) received are applied to support the Board's regional responsibilities. Supplies and services, which include costs incurred directly by the Board on regional projects, totalled \$4.4 million.

6.6.4 Kangaroo Island Natural Resources Management Board

Functional responsibility

The Kangaroo Island Natural Resource Management Board (the Board) works with all sectors of the community and all levels of government to provide strategic leadership for the management of natural resources on Kangaroo Island based on the established plan for the region. The body corporate was established under the NRM Act.

Financial report opinion

Unmodified

Financial statistics

\$million

Total income	4.4
Total expenses	3.9
Net result	0.5
Net assets	1.7

Interpretation and analysis of financial information

Commonwealth funding (\$2.1 million), SA Government grants (\$1.4 million) and regional NRM levies (\$400 000) are applied to support the Board's regional responsibilities. Supplies and services, which include costs incurred directly by the Board on regional projects, totalled \$3.6 million.

6.6.5 Northern and Yorke Natural Resources Management Board

Functional responsibility

The Northern and Yorke Natural Resource Management Board (the Board) works with all sectors of the community and all levels of government to provide strategic leadership for the management of natural resources based on the established plan for the region. The body corporate was established under the NRM Act.

Financial report opinion

Unmodified

Financial statistics

\$million

Total income	6.4
Total expenses	5.7
Net result	0.7
Net assets	3.6

Interpretation and analysis of financial information

Regional NRM and water levies (\$4.3 million) and Commonwealth funding (\$1.6 million) is applied to support the Board's regional responsibilities. Supplies and services, which include costs incurred directly by the Board on regional projects, totalled \$4.8 million. Grant expenses for 2019-20 totalled \$800 000.

6.6.6 South Australian Arid Lands Natural Resources Management Board

Functional responsibility

The South Australian Arid Lands Natural Resources Management Board (the Board) works with all sectors of the community and all levels of government to provide strategic leadership for the management of natural resources based on the established plan for the region. The body corporate was established under the NRM Act.

Financial report opinion

Unmodified

Financial statistics

	\$million
Total income	4.8
Total expenses	4.2
Net result	0.6
Net assets	2.1

Interpretation and analysis of financial information

Regional NRM and water levies (\$2.2 million) and Commonwealth funding (\$1.9 million) received are applied to support the Board's regional responsibilities. Supplies and services, which include costs incurred directly by the Board on regional projects, totalled \$4.1 million.

6.6.7 South Australian Murray-Darling Basin Natural Resources Management Board

Functional responsibility

The South Australian Murray-Darling Basin Natural Resources Management Board (the Board) works with all sectors of the community and all levels of government to provide strategic leadership for the management of natural resources based on the established plan for the region. The body corporate was established under the NRM Act.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Income:	
	Total income	18.5
	Regional NRM and water levies	14.6
	Expenses:	
	Total expenses	16.8
	Supplies and services	14.1
	Net result	1.7
	Net assets	9.5

Interpretation and analysis of financial information

Regional NRM and water levies received (\$14.6 million) are applied to support the Board's regional responsibilities. The Board also received Commonwealth funding for regional programs. This funding decreased by \$4.4 million to \$3.4 million in 2019-20 following the cessation of the Commonwealth On-Farm Irrigation Efficiency Program (COIEP).

Supplies and services, which include costs incurred directly by the Board on regional projects, totalled \$14.1 million. Grants and subsidy expenses have decreased to \$1.9 million following the cessation of the COIEP.

6.6.8 South East Natural Resources Management Board

Functional responsibility

The South East Natural Resources Management Board (the Board) works with all sectors of the community and all levels of government to provide strategic leadership for the management of natural resources based on the established plan for the region. The body corporate was established under the NRM Act.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	10.8
	Total expenses	10.1
	Net result	0.7
	Net assets	4.1

Interpretation and analysis of financial information

Regional NRM and water levies (\$8.4 million) and Commonwealth funding (\$2 million) received are applied to support the Board's regional responsibilities. Supplies and services, which include costs incurred directly by the Board on regional projects, totalled \$9.8 million.

6.7 Primary industry funding schemes administered by the Minister for Primary Industries and Regional Development

This section contains the financial outcomes of the funds established under the *Primary Industry Funding Schemes Act 1998*. These funds have each been established by specific regulations under this Act to promote and support specific areas of primary industry.

Functional responsibility

The following funds are established by regulations under the *Primary Industry Funding Schemes Act 1998*:

- Adelaide Hills Wine Industry Fund
- Barossa Wine Industry Fund
- Citrus Growers Fund
- Clare Valley Wine Industry Fund
- Eyre Peninsula Grain Growers Rail Fund
- Grain Industry Fund
- Grain Industry Research and Development Fund
- Langhorne Creek Wine Industry Fund
- McLaren Vale Wine Industry Fund
- Riverland Wine Industry Fund
- South Australian Apiary Industry Fund
- South Australian Cattle Industry Fund
- South Australian Grape Growers Industry Fund
- South Australian Pig Industry Fund
- South Australian Sheep Industry Fund.

Each fund is established by specific regulations to provide benefit to and support particular areas of primary industry.

The purpose of the individual industry funds is generally to promote the specified industry, conduct research and development, and encourage communication and cooperation between industry participants.

Some funds have additional purposes, such as:

- representing growers in industry forums
- collecting and disseminating relevant industry information
- conducting programs relating to the industry
- providing assistance to industry participants such as farmers
- making payments to advisory groups and bodies representing producers.

Financial report opinions Modified³

Financial statistics		\$million
	Total income	11.4
	Total expenses	11.6
	Net result	(0.2)
	Net assets	16.2

Financial statistics by fund

	Total income \$million	Total expenses \$million	Net result \$million	Net assets \$million
Adelaide Hills Wine Industry Fund	0.2	0.2	-	0.2
Barossa Wine Industry Fund	0.7	0.8	(0.1)	0.7
Citrus Growers Fund	0.2	0.2	-	0.3
Clare Valley Wine Industry Fund	0.2	0.2	-	0.2
Eyre Peninsula Grain Growers Rail Fund	-	-	-	-
Grain Industry Fund	1.1	1.4	(0.3)	1.5
Grain Industry Research and Development Fund	1.6	1.6	-	0.1
Langhorne Creek Wine Industry Fund	0.2	0.3	(0.1)	0.3
McLaren Vale Wine Industry Fund	0.6	0.6	-	0.6
Riverland Wine Industry Fund	1.2	1.2	-	1.3
South Australian Apiary Industry Fund	0.1	0.1	-	0.3
South Australian Cattle Industry Fund	0.7	0.7	-	1.2
South Australian Grape Growers Industry Fund	0.5	0.6	(0.1)	0.5
South Australian Pig Industry Fund	0.2	0.4	(0.2)	3.8
South Australian Sheep Industry Fund	3.9	3.3	0.6	5.2

Commentary on operations

The adoption of new accounting standard AASB 1058 *Income of Not-for-Profit Entities* from 1 July 2019 prompted a change in revenue recognition policy for the funds. Previously the funds recognised contributions from industry income on receipt. In 2019-20 the funds recognised contributions from industry as income in the relevant prescribed period when information became available to the fund regarding contributions due, with a corresponding statutory receivable. In some cases this resulted in significant adjustments to the income recognised. The impact on each fund is disclosed in the individual financial reports.

³ Each fund received a modified opinion, except for the Eyre Peninsula Grain Growers Rail Fund which received an unmodified opinion with an emphasis of matter.

In 2019-20 the Regulations were amended for the South Australian Cattle Industry Fund and the South Australian Sheep Industry Fund, removing the respective Advisory Groups that made recommendations to the Minister for project funding. For 2020-21 onwards, the Minister has recognised an industry body representing the respective industries to make applications for funding.

6.8 Superannuation schemes

This section contains the summary outcomes from various superannuation schemes established for specific groups.

6.8.1 Governors’ Pensions Scheme

Functional responsibility

The *Governors’ Pensions Act 1976* establishes provisions for paying pensions to certain former Governors of the State or their families. The provisions of the Act are commonly referred to as the ‘Governors’ Pensions Scheme’ (the Scheme). This is an exempt public sector superannuation scheme and operates on a not-for-profit basis.

Financial report opinion	Unmodified	
Financial statistics		\$million
	Total income	(0.02)
	Total expenses	0.04
	Net result from superannuation activities	(0.06)
	Net change in defined benefit member liabilities	(0.22)
	Net operating result	(0.28)
	Net assets available for member benefits	2.9
	Net assets	0.7

Commentary on operations

Market movements were volatile in 2019-20 as a result of COVID-19, which affected investment performance. Performance across all asset classes and investment options decreased from 2018-19, with many experiencing negative returns. As a result of this volatility, revenue from changes in investments measured at fair value decreased by \$273 000 (106%).

The volatility has not significantly impacted the defined benefit member liabilities. While the assumptions used by consulting actuaries in valuing the defined benefit member liabilities were revised, the reduction in the assumed CPI inflation rate was offset by the

same reduction in the assumed investment return, resulting in a minimal decrease of \$500 000 (2%) in the liabilities.

The Scheme has also not been impacted by the COVID-19 Early Release of Superannuation Scheme (ERS) announced by the Australian Government in March 2020 as the Scheme does not permit the release of current contributors' defined benefits on hardship and compassionate grounds, including COVID-19.

6.8.2 Judges' Pensions Scheme

Functional responsibility

The Judges' Pension Scheme (the Scheme) is a compulsory superannuation scheme established by the *Judges' Pensions Act 1971*. This Act provides for paying pension benefits to former South Australian Judges and their families. The Scheme is an exempt public sector superannuation scheme and operates on a not-for-profit basis.

Financial report opinion

Unmodified

Financial statistics

	\$million
Total income	(1.6)
Total expenses	2.1
Net result from superannuation activities	(3.7)
Net change in defined benefit member liabilities	(3.9)
Net operating result	(7.6)
Net assets available for member benefits	268.8
Net assets	22.3

Commentary on operations

Market movements were volatile in 2019-20 as a result of COVID-19, which affected investment performance. Performance across all asset classes and investment options decreased from 2018-19, with many experiencing negative returns. As a result of this volatility, revenue from changes in investments measured at fair value decreased by \$25.1 million (107%).

The volatility has not significantly impacted the defined benefit member liabilities. While the assumptions used by consulting actuaries in valuing the defined benefit member liabilities were revised, the reduction in the assumed CPI inflation rate was offset by the same reduction in the assumed investment return, resulting in a minimal decrease of \$3.7 million (1.5%) in the liabilities.

The Scheme has also not been impacted by the ERS announced by the Australian Government in March 2020 as the Scheme does not permit the release of current contributors' defined benefits on hardship and compassionate grounds, including COVID-19.

6.8.3 Parliamentary Superannuation Scheme

Functional responsibility

The Parliamentary Superannuation Scheme (the Scheme) is a compulsory superannuation scheme established under the *Parliamentary Superannuation Act 1974*. This Act provides for the payment of superannuation benefits to persons who have served as members of Parliament and their families. The Scheme is an exempt public sector superannuation scheme and operates on a not-for-profit basis.

Financial report opinion	Unmodified	
Financial statistics		\$million
	Total income	(1.2)
	Total expenses	2.0
	Net result from superannuation activities	(3.2)
	Net change in defined benefit member liabilities	(9.7)
	Net operating result	(12.6)
	Net assets available for member benefits	243.4
	Net assets	14.5

Commentary on operations

Market movements were volatile in 2019-20 as a result of COVID-19, which affected investment performance. Performance across all asset classes and investment options decreased from 2018-19, with many experiencing negative returns. As a result of this volatility, revenue from changes in investments measured at fair value decreased by \$22.7 million (106%).

The volatility has not significantly impacted the defined benefit member liabilities. While the assumptions used by consulting actuaries in valuing the defined benefit member liabilities were revised, the reduction in the assumed CPI inflation rate was offset by the same reduction in the assumed investment return, resulting in a minimal decrease of \$2.5 million (1.3%) in the liabilities.

The Scheme has also not been significantly impacted by the ERS announced by the Australian Government in March 2020 as the Scheme does not permit the release of current contributors' defined benefits on hardship and compassionate grounds, including COVID-19.

6.8.4 Police Superannuation Scheme

Functional responsibility

The Police Superannuation Scheme (the Scheme) is established under the *Police Superannuation Act 1990*. It provides defined benefits to police officers who are contributors to the Scheme. Its funds are invested with the Superannuation Funds Management Corporation of South Australia and it is made up of one division, namely the Pension Division. The Pension Division was closed to new members in May 1990.

Financial report opinion

Unmodified

Financial statistics

	\$million
Total income	(8.4)
Total expenses	14.9
Net result from superannuation activities	(23.3)
Net change in defined benefit member liabilities	(6.3)
Net operating result	(29.6)
Net assets available for member benefits	1 941.1
Net assets	(308.6)

Commentary on operations

Market movements were volatile in 2019-20 as a result of COVID-19, which affected investment performance. Performance across all asset classes and investment options decreased from 2018-19, with many experiencing negative returns. As a result of this volatility, revenue from changes in assets measured at fair value decreased by \$173.9 million (105%).

The volatility has not significantly impacted the defined benefit member liabilities. While the assumptions used by consulting actuaries in valuing the defined benefit member liabilities were revised, the reduction in the assumed CPI inflation rate was offset by the same reduction in the assumed investment return, resulting in a decrease of \$7.1 million (0.3%) in the liabilities.

The Scheme has also not been significantly impacted by the ERS announced by the Australian Government in March 2020 as the Scheme is a closed defined benefit scheme that does not permit the early release of superannuation benefits.

6.8.5 South Australian Ambulance Service Superannuation Scheme

Functional responsibility

The South Australian Ambulance Service Superannuation Scheme (the Scheme) is established under the *Superannuation Act 1988*. The Scheme provides benefits to members on retirement, resignation, death, permanent or temporary disablement and serious ill health. Its membership includes contributory, non-contributory, spouse and preserved members and its funds are invested with the Superannuation Funds Management Corporation of South Australia.

The Scheme is closed to new members with effect from 1 July 2008 and is an exempt public sector superannuation scheme operating on a not-for-profit basis.

Financial report opinion

Unmodified

Financial statistics

\$million

Total income	0.03
Total expenses	1.99
Net result from superannuation activities	(1.96)
Net change in defined benefit member liabilities	(5.8)
Net operating result	(5.1)
Net assets available for member benefits	266.1
Net assets	17.3

Commentary on operations

Market movements were volatile in 2019-20 as a result of COVID-19, which affected investment performance. Performance across all asset classes and investment options decreased from 2018-19, with many experiencing negative returns. As a result of this volatility, revenue from changes in investments measured at fair value decreased by \$22.4 million (99.9%).

The volatility has not significantly impacted the defined benefit member liabilities. While the assumptions used by consulting actuaries in valuing the defined benefit member liabilities were revised, the reduction in the assumed CPI inflation rate was offset by the same reduction in the assumed investment return, resulting in a decrease of \$10.6 million (4.1%) in the liabilities.

The Scheme has also not been significantly impacted by the ERS announced by the Australian Government in March 2020. In 2019-20, the Scheme paid \$131 000 in member benefits under the ERS.

6.8.6 Super SA Select Fund

Functional responsibility

The Super SA Select Fund (the Scheme) is a taxed exempt public sector superannuation entity and operates on a not-for-profit basis.

Financial report opinion

Unmodified

Financial statistics

	\$million
Total income	(0.15)
Total expenses	0.07
Net result from superannuation activities	(0.22)
Net operating result	(0.07)
Net assets available for member benefits	10.1
Net assets	(0.5)

Commentary on operations

Market movements were volatile in 2019-20 as a result of COVID-19, which affected investment performance. Performance across all asset classes and investment options decreased from 2018-19, with many experiencing negative returns. As a result of this volatility, revenue from changes in investments measured at fair value decreased by \$800 000 (121.8%).

The Scheme has not been significantly impacted by the ERS announced by the Australian Government in March 2020. It only paid one member benefits under the ERS in 2019-20.

6.9 Other agencies

6.9.1 Australian Energy Market Commission

Functional responsibility

The Australian Energy Market Commission (the Commission) is established under the *Australian Energy Market Commission Establishment Act 2004* (South Australia). It is the expert energy policy adviser to Australian governments. It is also responsible for developing Australia's energy markets under national electricity and gas laws, bringing consistent decision making and regulation to the energy sector.

Financial report opinion Unmodified

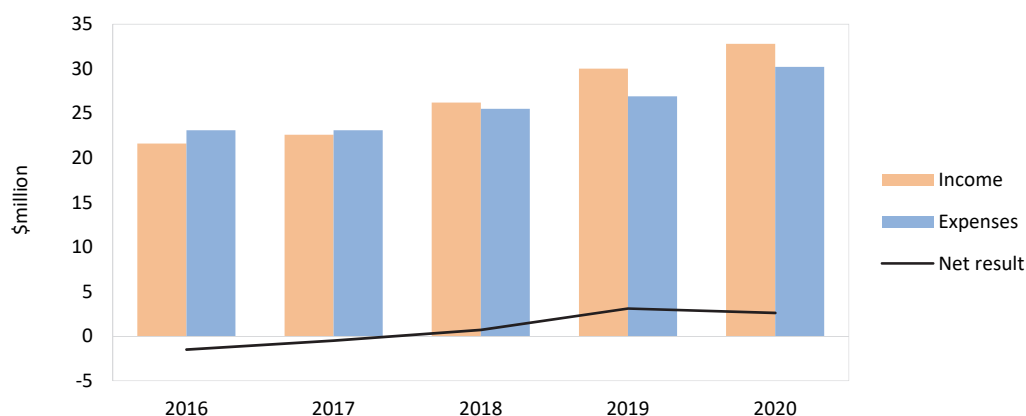
Financial statistics		\$million
	Income:	
	Total income	32.8
	Contributions from participating jurisdictions	30.9
	Expenses:	
	Total expenses	30.2
	Supplies and services	8.7
	Staff benefits expenses	19.4
	Net result	2.6
	Net assets	16.3

Commentary on operations

A new Chief Executive was appointed with their term beginning in April 2020.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



Income and expenses have been steadily increasing over the five-year period. In 2019-20 the increase in income was mainly due to an increase of \$2 million in contributions from participating jurisdictions and other revenue of \$1 million as a result of the Commission vacating its accommodation early. Increase in expenses were due mainly to increases in employee benefits expense of \$1.4 million and depreciation and amortisation costs of \$1.3 million.

6.9.2 Construction Industry Training Board

Functional responsibility

The Construction Industry Training Board (the Board) is established under the *Construction Industry Training Fund Act 1993*. It provides support to attract, train and retain South Australian building and construction workers by providing leadership in training and skills development. It coordinates training programs across the housing, commercial and civil sectors of the building and construction industry.

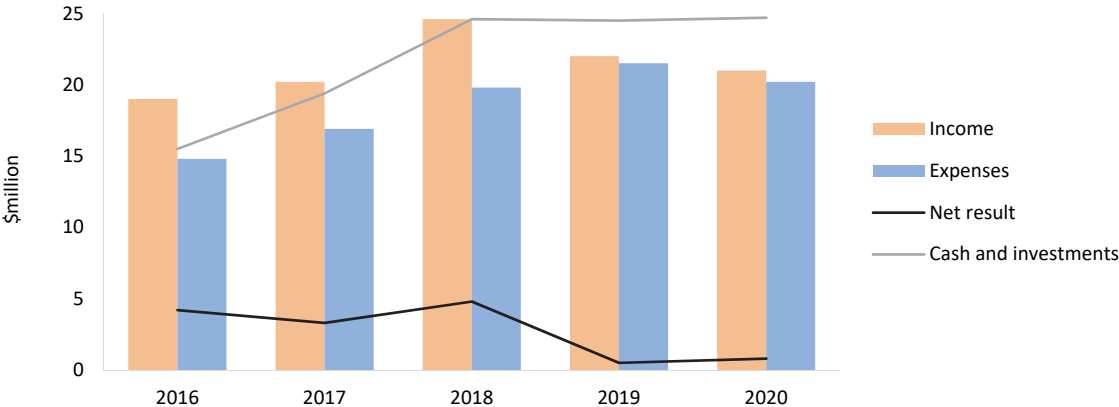
Financial report opinion	Unmodified	
Financial statistics		\$million
	Income:	
	Total income	21.0
	Industry levies	20.2
	Income from SA Government	0.3
	Expenses:	
	Total expenses	20.2
	Training claims	16.8
	Net result	0.8
	Net assets	22.2

Commentary on operations

The COVID-19 pandemic resulted in a decrease in training claims expense due to reduced attendance at training courses. Industry levy income was slightly lower than 2018-19 due to the cyclical nature of building and construction activity, but has not been significantly affected by COVID-19 due to the impact of the SA Government’s economic stimulus package.

Interpretation and analysis of financial information

The following chart shows the income, expenses, net result and cash and investments balances for the five years to 2020.



The large net results from 2015-16 to 2017-18, which were due mainly to higher income from levies, resulted in the Board’s cash and investments increasing from \$15.5 million in 2016 to \$24.6 million in 2018. Since 2017-18 expenses have largely matched income received.

6.9.3 CTP Regulator

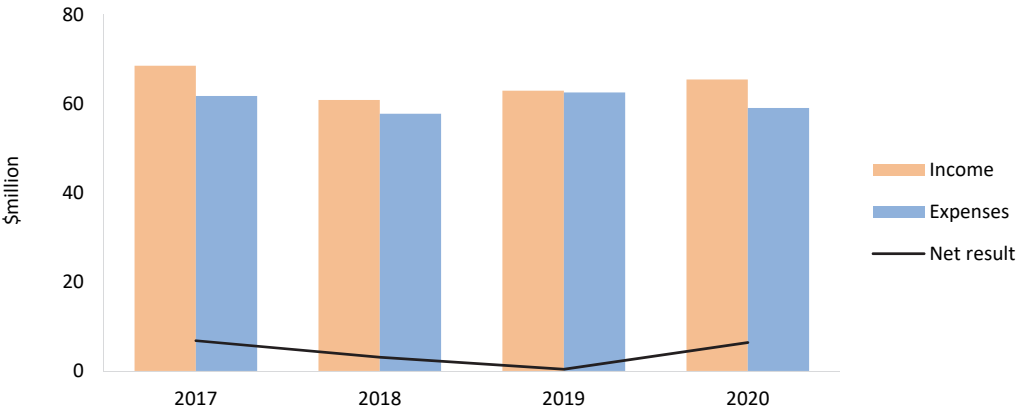
Functional responsibility

The CTP Regulator is an independent statutory authority established under the *Compulsory Third Party Insurance Regulation Act 2016* and is responsible for oversight, monitoring and reporting of CTP insurer activities.

Financial report opinion	Unmodified	
Financial statistics	\$million	
	Income:	
	Total income	65.4
	Administration premium component collection	65.2
	Expenses:	
	Total expenses	59.0
	Administration premium component distributions	52.9
	Net result	6.4
	Net assets	16.5

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the four years to 2020.



The CTP Regulator’s net result increased by \$6 million to \$6.4 million in 2019-20. This mainly reflects an increase in administration premiums of \$3.9 million and a reduction in total expenses of \$3.5 million.

6.9.4 Defence SA

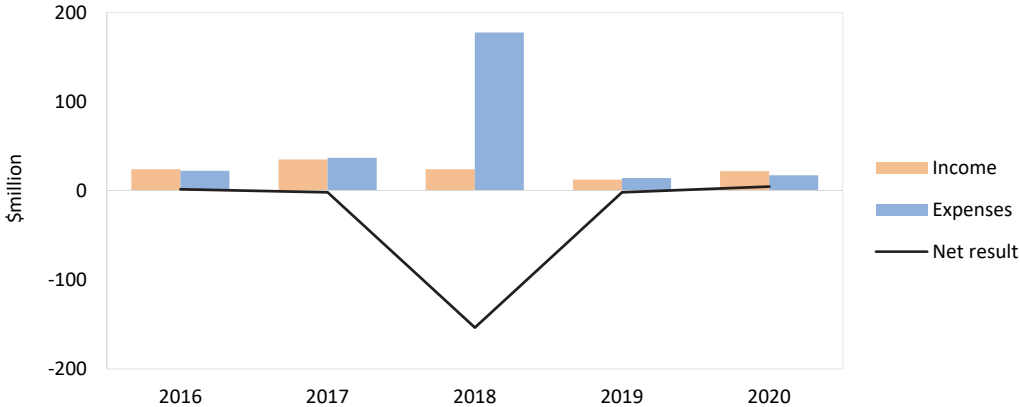
Functional responsibility

Defence SA is established under the *Public Sector Act 2009*. It acts as a single point of contact for all defence and space industry stakeholders, streamlining their interaction across the SA Government. Working closely with the Australian Government and industry, Defence SA targets investment and expansion opportunities, drives and supports the delivery of major projects and facilities, and pursues the location of additional defence and space capabilities in the State.

Financial report opinion	Unmodified
Financial statistics	\$million
Income:	
Total income	22.0
Income from SA Government	20.1
Expenses:	
Total expenses	17.3
Supplies and services	3.5
Staff benefits expenses	4.2
Grants and subsidies	6.9
Net result	4.7
Net assets	11.9

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



Income and expenditure has decreased since 2016 largely reflecting the reduction in activities following the sale of the Techport shipbuilding facilities to the Commonwealth in 2017-18. The large increase in expenses in 2017-18 was mainly as a result of the transfer to the State Government of the proceeds of the Techport sale.

6.9.5 Office of Green Industries SA

Functional responsibility

Green Industries SA is established under the *Green Industries Act 2004*. Its primary objectives are to promote waste management practices, eliminating waste or its consignment to landfill, and to promote innovation and business activity in the waste management, resource recovery and green industry sectors. Green Industries SA is also responsible for administering the Green Industry Fund, which can be applied by the Minister for Environment and Water or Green Industries SA in line with the Act.

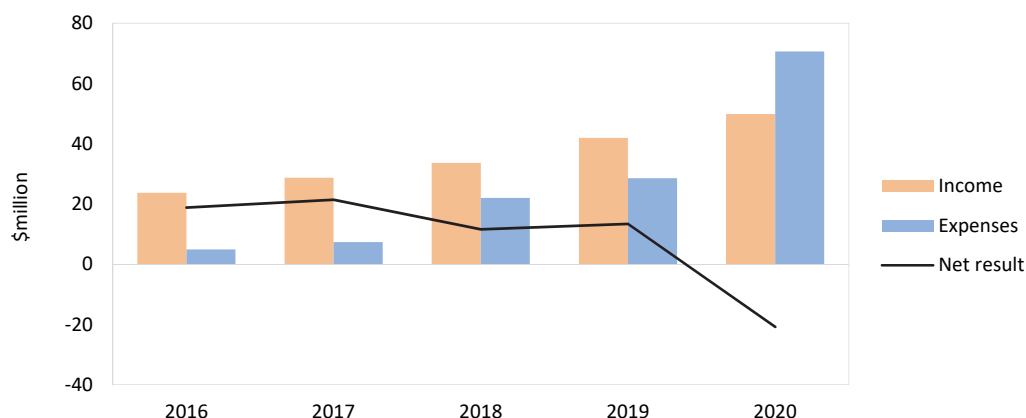
Financial report opinion	Unmodified	
Financial statistics		\$million
	Income:	
	Total income	49.8
	Income from SA Government	12.0
	Solid waste levies	37.0
	Expenses:	
	Total expenses	70.6
	Supplies and services	17.4
	Grants and subsidies	50.2
	Employee benefit expenses	2.9
	Net result	(20.8)
	Assets:	
	Net assets	111.3
	Cash and cash equivalents	114.1

Commentary on operations

Green Industries SA was the lead agency for the clean-up and removal of waste following the 2019-20 South Australian bushfires. An urgent requirement was the safe management and removal of asbestos, CCA-treated timber and ash and hazardous chemicals such as pesticides, herbicides and fertilisers. Cabinet approved funding of \$14 million over two years, co-funded by the Commonwealth and SA Governments, for the clean-up of bushfire related waste.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



Total expenses increased by \$42 million in 2019-20 reflecting:

- a \$14.3 million increase in supplies and services, due largely to expenses for bushfire clean-up associated with the Adelaide Hills and Kangaroo Island bushfires
- a \$27.7 million increase in grants and subsidies, with expenses for 2019-20 including \$40.2 million for climate change initiatives approved by the Minister.

The Green Industry Fund, funded primarily from solid waste levies, has increased over the last five years, with plans now in place for it to reduce through spending on climate change initiatives.

	30.06.2016	30.06.2017	30.06.2018	30.06.2019	30.06.2020
Green Industry Fund balance	86.8	108.3	120.4	131.8	114.1

6.9.6 Legal Services Commission

Functional responsibility

The Legal Services Commission (the Commission) is established under the *Legal Services Commission Act 1977*. Its function is to provide or arrange for the provision of legal assistance in line with the Act. The Commission is not an instrumentality of the Crown and is independent of the SA Government.

Financial report opinion

Unmodified

Financial statistics

\$million

Income:

Total income	26.0
Income from SA Government	0.7
Commonwealth-sourced grants and funding	20.7

Expenses:

Total expenses	46.3
Supplies and services	7.8
Staff benefits expenses	19.1
Private Practitioner services	18.4

\$million

Net result (20.3)

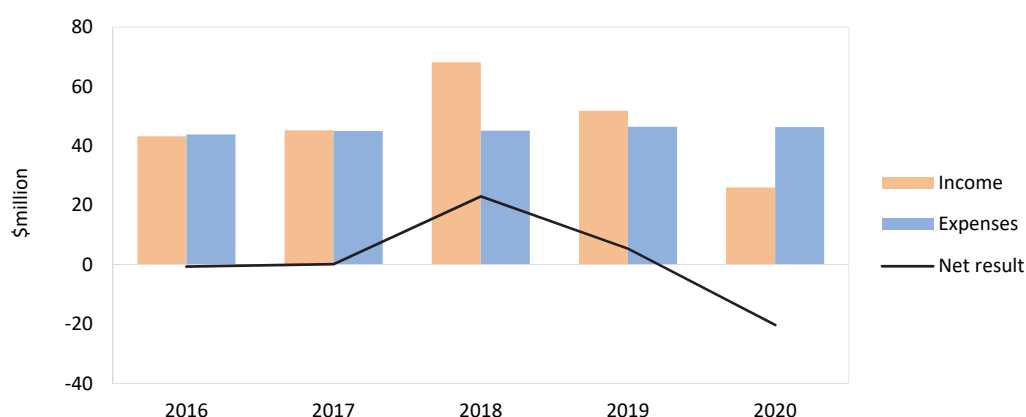
Net assets 24.3

Commentary on operations

A new National Legal Assistance Partnership – Multilateral Agreement was signed between the Commonwealth and the States and Territories on 25 June 2020. It provides funding to the Commission for the period 1 July 2020 to 30 June 2025.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



In 2017-18 the timing of SA Government funding changed, with a move to funding being received in advance. As a result, in June 2018 funding was received for the 2018-19 year. In 2018-19 the advance funding arrangement continued but in 2019-20 the arrangements changed so that funding would no longer be received in advance. As a result, in 2019-20 the only SA Government funding received was for expensive cases which totalled \$719 000.

6.9.7 Local Government Finance Authority of South Australia

Functional responsibility

The Local Government Finance Authority of South Australia (the Authority) is established under *the Local Government Finance Authority Act 1983*. It develops and implements borrowing and investment programs to benefit councils and prescribed local government bodies.

Financial report opinion

Unmodified

Financial statistics

\$million

Income:	
Total income	35.4
Interest on loans and advances	34.5
Expenses	
Total expenses	28.4
Interest on borrowings	19.5
Net result	7.0
Income tax equivalent expense	2.1
Total comprehensive result	4.9
Assets:	
Net assets	71.2
Net loans and advances	880.6
Borrowings	360.6
Deposits from councils and local government bodies	449.2

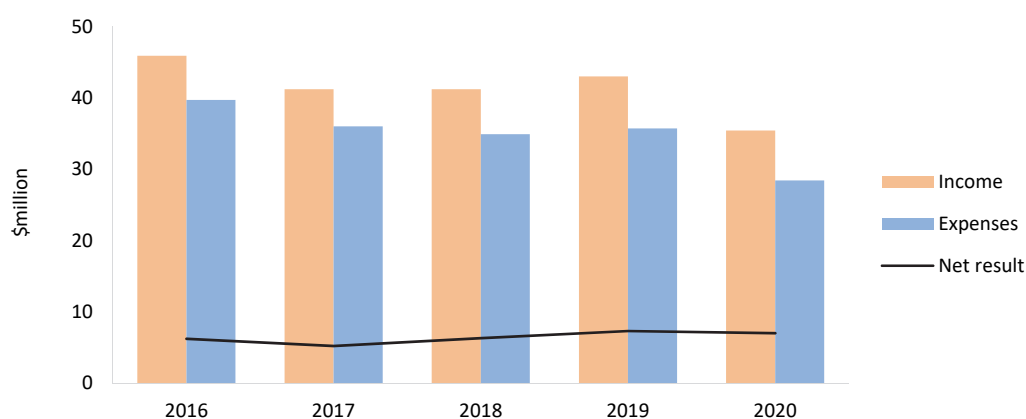
Commentary on operations

In June 2020 the Authority approved a three-year financial assistance package for councils to assist them during the COVID-19 pandemic. The package includes discounts to cash advance debenture loans and higher interest on deposits for councils. This will have the financial effect of reducing the profit of the Authority for the next three years.

The Reserve Bank's response to the COVID-19 pandemic has had the effect of lowering the 90-day Bank Bill Swap rate used in the floating rate side of the Authority's interest rate swaps. This had minimal impact on profitability in 2019-20 but there will be a reduction in income and therefore profitability in future years until the 90-day Bank Bill Swap rate returns to a normal position.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



Income and expenses decreased in 2020 mainly due to a decrease in interest rates. This resulted in a decrease in:

- interest on investments and interest on loans and advances of \$7.7 million
- interest on borrowings and interest on deposits from councils and local government bodies of \$7.2 million.

In addition:

- investment securities were up \$25.5 million due to an increase in matching securities used for hedging council deposit interest rate risks
- net loans and advances were up \$35.9 million due to an increase in cash advances
- deposits from councils and local government bodies were down \$33.5 million
- borrowings and derivatives were up \$93.2 million to fund the increase in loans and advances.

6.9.8 Office for Recreation, Sport and Racing

Functional responsibility

The Office for Recreation, Sport and Racing (the Office) is established under the *Public Sector Act 2009* as an attached office to the Department of the Premier and Cabinet.

The Office is the lead agency for the SA Government’s policy on sport and active recreation. It supports sport and recreation by developing policy, programs and resources, providing funding, planning, infrastructure development, elite sport pathways and promoting physical activity.

It also provides strategic policy advice to the Minister on matters relating to the South Australian Racing Industry. The Office has administrative responsibility for the Recreation and Sport Fund and the Sport and Recreation Fund.

Financial report opinion	Unmodified
Financial statistics	\$million
	Income:
Total income	92.6
Income from SA Government	82.2
	Expenses:
Total expenses	64.5
Supplies and services	6.1
Staff benefits expenses	9.1
Grants and subsidies	40.2
Net result	28.1

	\$million
Assets:	
Net asset	315.4
Property, plant and equipment	286.7

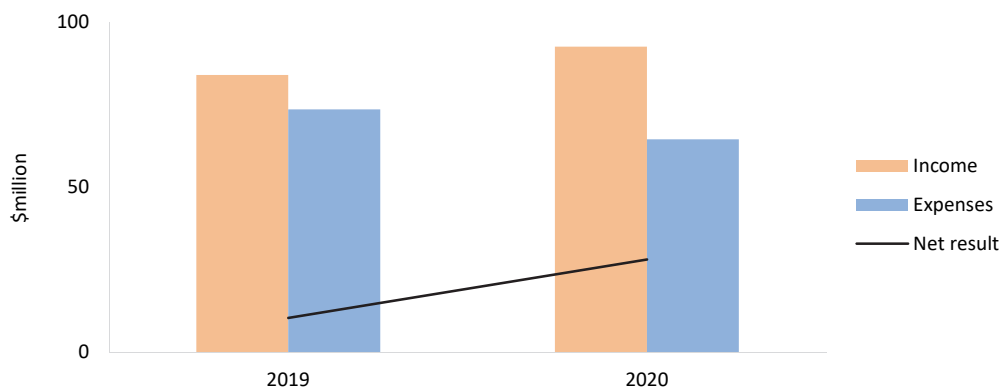
Commentary on operations

From 29 July 2020, the Office is no longer attached to the Department of the Premier and Cabinet and is now attached to the Department for Infrastructure and Transport.

The COVID-19 pandemic resulted in the closure of Office venues in line with health directions. The Office also provided rental relief to commercial tenants and did not seek previously agreed contributions towards its sporting programs from three not-for-profit sporting organisations, reflecting the decreased capacity to operate programs due to COVID-19.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the two years to 2020, reflecting that the Office was established as a separate entity from 1 July 2018.



The increase in net result is mainly due to \$15.7 million recognised as income for the purchase of land.

Appropriation income increased in 2020 by \$6.5 million reflecting the timing of contributions for capital projects, including \$15.7 million to fund the purchase of land at the State Sports Park from the Minister for Environment and Water. This land was purchased to allow the continued development of the State Sports Park precinct and a new State Centre of Football.

Total expenses reduced by \$9.1 million in 2020, mainly as a result of a \$9.9 million reduction in grants and subsidies. The reduction in grants principally reflects that there were a number of one-off capital grants in 2019 associated with the Memorial Drive Tennis Centre Redevelopment and Sam Willoughby International BMX facility.

6.9.9 Office of the National Rail Safety Regulator

Functional responsibility

The Office of the National Rail Safety Regulator (the ONRSR) is established under the *Rail Safety National Law (South Australia) Act 2012*. The ONRSR is responsible for the safe

operation of rail transport in every Australian state and territory through regulation of the rail industry in accordance with the Act, supporting regulations, guidelines and policies and the promotion of safety in the delivery of rail transport services.

Financial report opinion Unmodified

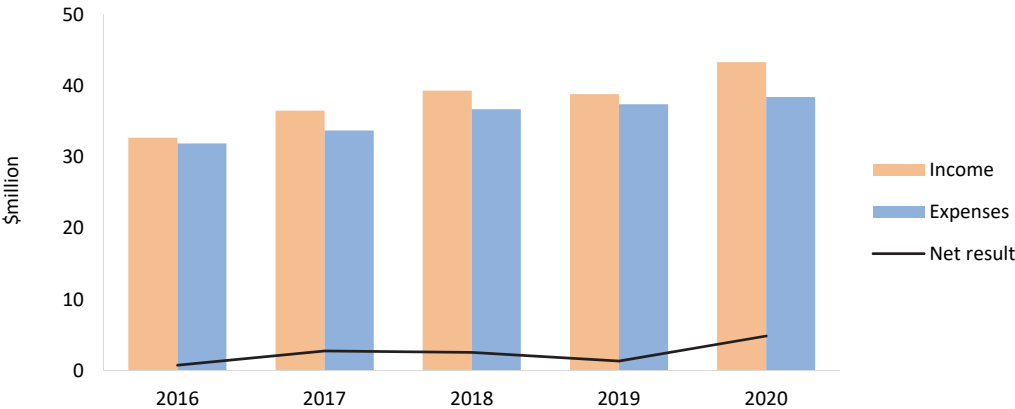
Financial statistics	\$million
Income:	
Total income	43.3
Revenues from fees and charges	40.2
Expenses:	
Total expenses	38.4
Supplies and services	6.2
Staff benefits expenses	26.1
Net result	4.9
Net assets	21.8

Commentary on operations

The ONRSR was established on 1 July 2012 and commenced regulatory activities on 20 January 2013. In 2019-20 Victoria transitioned from the previous service level arrangement to the direct ONRSR delivery of regulatory service. Victoria was the last state to transition. All Australian states and territories are now on the direct ONRSR delivery model for regulatory services.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



Since 2015-16 income has increased by 22%, with expenses increasing by 20%. These increases reflect the transition to a full cost recovery model over this period and an increase in rail activity by rail industry operators.

6.9.10 Planning and Development Fund

Functional responsibility

The Planning and Development Fund (the Fund) is established under the *Development Act 1993*. It provides the SA Government with the means to implement open space and public realm programs across South Australia. It enables the SA Government to have a state-wide approach to strategically addressing open and public space issues.

Financial report opinion

Unmodified

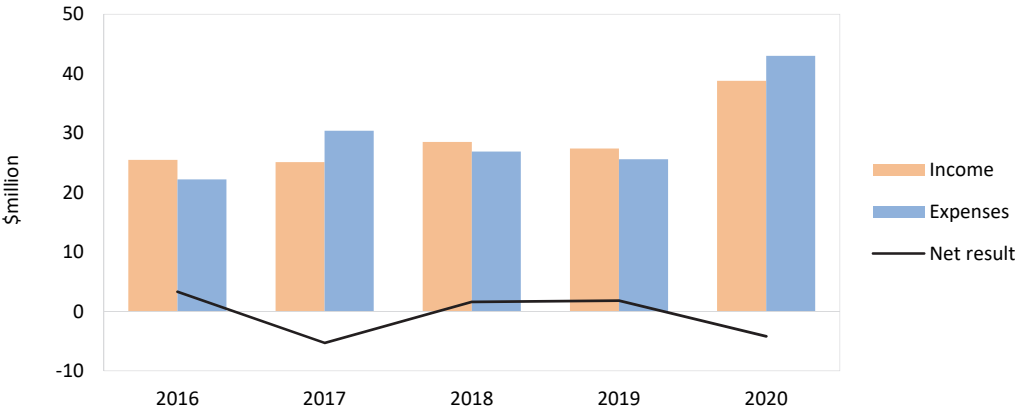
Financial statistics

\$million

Income:	
Total income	38.8
Transfers from SA Government	11.1
Fees and charges	27.6
Expenses	
Total expenses	43.0
Grants and contributions	40.8
Net result	(4.2)
Assets:	
Net assets	23.5
Land	18.0

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2020.



In 2019-20 the SA Government transferred \$11.1 million to the Fund to accelerate the planning and development grant program as an economic stimulus measure. This amount is reflected in total income. The remaining income is mainly for development fees and charges and fluctuates with development activity. No SA Government transfers were provided in the previous year.

Expenditure comprises mainly grants to local government for places for people and open spaces, and it fluctuates with the available funds and SA Government priorities. Grants and contributions expenses for 2019-20 included \$13.4 million (\$5.4 million in 2019 and \$0 before that) to the Department of Planning, Transport and Infrastructure for planning reform.

6.9.11 Rail Commissioner

Functional responsibility

The Rail Commissioner is established as a body corporate by the *Rail Commissioner Act 2009* and exists to employ operational staff that come under Federal Awards.

Financial report opinion

Unmodified

Financial statistics

\$million

Income:	
Total income	71.4
Revenues for the provision of services	71.4
Expenses:	
Total expenses	71.4
Staff benefits expenses	71.4
Net result	-
Net assets	-

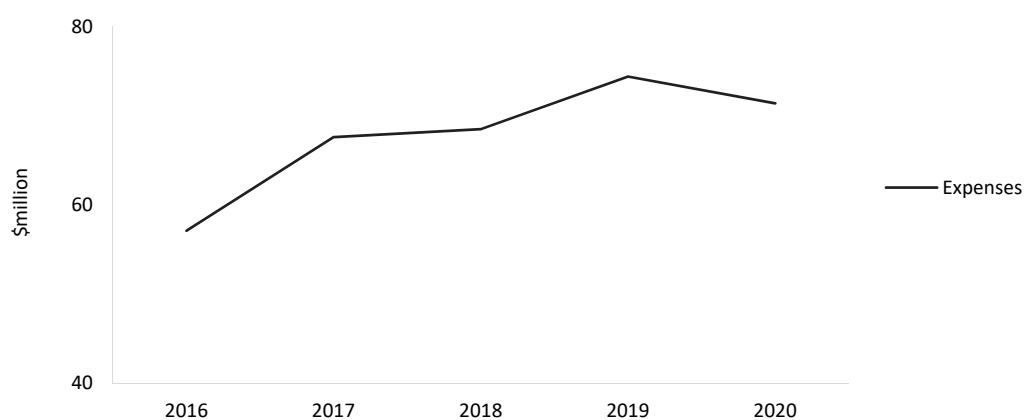
Commentary on operations

In 2020 the SA Government announced its intention to contract a private operator to provide Adelaide Metropolitan tram and rail services. The contract for tram services was signed in March 2020 and commenced on 5 July 2020. The contract for rail services was signed in September 2020 and commenced on 31 January 2021.

Rail Commissioner expenses are reimbursed by the Department of Planning, Transport and Infrastructure, which has responsibility for providing public transport services.

Interpretation and analysis of financial information

The following chart shows the income and expenses for the five years to 2020.



The chart reflects increased expenses over these years due mainly to the impact of wage rates increases, growth in the number of employees and an increase in workers compensation expense.

6.9.12 SACE Board of South Australia

Functional responsibility

The SACE Board of South Australia (the Board) is established under the *SACE Board of South Australia Act 1983*. It is responsible for accrediting subjects, recognising learning and assessing student learning that contributes to meeting the completion requirements of the South Australian Certificate of Education.

Financial report opinion

Unmodified

Financial statistics

\$million

Income:

Total income	26.1
Income from SA Government	21.1
Sale of goods and services	4.1

Expenses:

Total expenses	23.2
Supplies and services	7.1
Staff benefits expenses	14.5

Net result 2.9

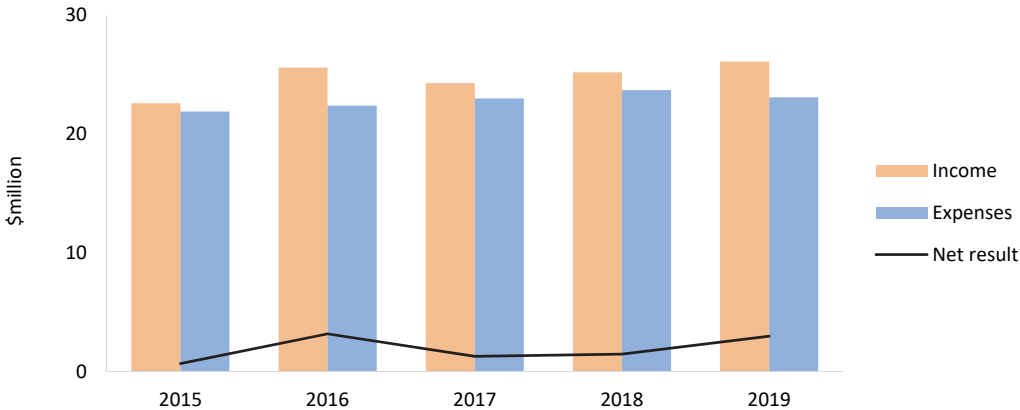
Net assets 14.0

Commentary on operations

In 2019 the Board continued its modernisation project which included moving to electronic exams and upgrading IT systems.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the five years to 2019.



Across the five years income and expenditure for the Board has remained relatively stable. There was an increase of \$600 000 in operating grant funding and an overall decrease in expenditure of \$600 000 in 2019, contributing to a \$1.2 million increase in the net result for the year to \$2.9 million.

6.9.13 Trade and Investment – Department for

Functional responsibility

The Department for Trade and Investment (the Department) is a not-for-profit government department established under the *Public Sector Act 2009*. The Department’s objective is to build South Australia’s economic future by partnering with industry to drive economic growth through trade and investment. The Department also functions as a primary agency supporting the SA Government’s economic growth agenda, as well as promoting the State.

Financial report opinion

Unmodified

Financial statistics

\$million

Income:	
Total income	62.9
Income from SA Government	61.6

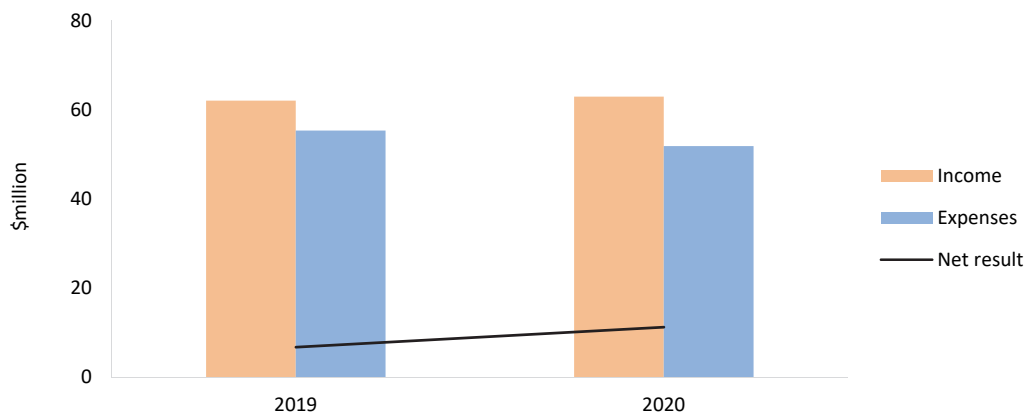
	\$million
Expenses:	
Total expenses	51.7
Supplies and services	13.4
Staff benefits expenses	19.7
Net result	11.2
Net assets	27.6

Commentary on operations

The Department was previously called the Department for Trade, Tourism and Investment. Its name changed in January 2020 to reflect responsibility for overseeing tourism transferring to the Premier from that time.

Interpretation and analysis of financial information

The following chart shows the income, expenses and net result for the two years to 2020, as the Department was only established on 1 July 2018.



Income

Overall, income was consistent between the two years. Appropriations decreased by \$9 million to \$48.3 million in 2019-20, offset by an increase in intra-government transfers received.

Intra-government transfers increased by \$10.4 million to \$13.3 million due to a number of projects. These include \$5 million received from the Department for Energy and Mining for the purchase of assets to be distributed to other agencies and \$3.9 million from the Regional Growth Fund to help fund the Thomas Foods International infrastructure project.

Expenses

Grants and subsidies decreased by \$8.6 million to \$9.1 million mainly due to a decrease in investment attraction grants of \$9.5 million. The timing of payments varies depending on the nature of the grants and the timing of acquittals.

Grants and subsidies payments in 2019-20 included:

- \$2.5 million to StudyAdelaide
- \$2.2 million from the Convention Bureau Fund
- \$1.5 million for the SA Export Accelerator Program.

Cash returned to the Department of Treasury and Finance (DTF) increased by \$5.4 million to \$9.1 million, reflecting the application of the cash alignment policy which requires agencies to return surplus cash to DTF each year. The amount of the return in any year reflects the surplus cash amount held and can vary.

6.9.14 Aboriginal Lands Trust

Functional responsibility

The Aboriginal Lands Trust (the Trust) was established by the *Aboriginal Lands Trust Act 2013* which provided for the transfer of land by the Crown to the Trust, to be held and managed for the ongoing benefit of Aboriginal South Australians. The land holdings are mainly former missions and reserves that were vested in the Trust when it began, but the Trust also holds land that was transferred or donated to it.

Financial report opinion

Modified

Financial statistics

\$million

Total income	2.81
Total expenses	2.85
Net result	(0.04)
Net assets	38.3

6.9.15 Adelaide Cemeteries Authority

Functional responsibility

The Adelaide Cemeteries Authority (the Authority) is established under the *Adelaide Cemeteries Authority Act 2001*. It administers and maintains public cemeteries such as Cheltenham Cemetery, Enfield Memorial Park, West Terrace Cemetery and Smithfield Memorial Park.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	10.8
	Total expenses	10.9
	Net result	(0.1)
	Total comprehensive results	(7.6)
	Net assets	29.3

Commentary on operations

In 2019-20 the Authority revalued its land, buildings and infrastructure. The revaluation was undertaken in line with the policy to revalue government property at least every six years. It was the main contributor to an overall decrease in the Authority's property of \$6 million (16%), and mainly reflects a revised assessment of the market value for its land and the impact of legislative restrictions on the land held.

6.9.16 Agents Indemnity Fund

Functional responsibility

The Agents Indemnity Fund (the Fund) is established under the *Land Agents Act 1994* and the *Conveyancers Act 1994* to compensate people who suffer financial loss from the wrongful actions of a registered land agent, conveyancer or property manager (or one of their employees). The Fund is managed by Consumer and Business Services within the Attorney-General's Department.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	5.1
	Total expenses	3.7
	Net result	1.4
	Net assets	153.8

Interpretation and analysis of financial information

COVID-19 had an impact on the performance of financial markets which had the following impacts on the Fund:

- a decrease in investment income of \$4.5 million
- a loss on the revaluation of investments of \$2.6 million compared to a \$214 000 gain on the revaluation of investments in 2018-19
- a decrease in grant payments to providers of \$196 000 due to planned industry sessions being cancelled.

6.9.17 Board of the Botanic Gardens and State Herbarium

Functional responsibility

The Board of the Botanic Gardens and State Herbarium (the Board) is established under the *Botanic Gardens and State Herbarium Act 1978* and is responsible for administering and managing botanic gardens in South Australia and the State Herbarium. The Board does not employ staff. Employees of the Department for Environment and Water (DEW) are assigned to support the Board to fulfil its functions under the Act.

Financial report opinion

Unmodified

Financial statistics

	\$million
Total income	3.7
Total expenses	4.0
Net result	(0.3)
Total comprehensive result	3.1
Net assets	64.9

Interpretation and analysis of financial information

Income mainly comprises fees and charges associated with car parking or the use of the botanic gardens (\$1.6 million). In 2019-20 the Board also recognised income of \$1.3 million for assets recognised for the first time. These assets were either transferred from DEW at no charge, or as a result of a recent stocktake.

Expenses include \$2.16 million in depreciation on Board non-financial assets, supplies and services of \$881 000 and reimbursement of costs incurred by DEW on behalf of the Board of \$829 000.

6.9.18 Coast Protection Board

Functional responsibility

The Coast Protection Board (the Board) is established under the *Coast Protection Act 1972* and its main function is to protect, conserve and restore the beaches and coast of the State.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	1.6
	Total expenses	1.5
	Net result	0.1
	Total comprehensive result	1.9
	Net assets	7.3

Commentary on operations

In 2019-20 the Board received and subsequently applied a contribution from the Green Industry Fund of \$1 million to support the delivery of the SA Government's Securing the Future of our Regional Coastline initiative.

6.9.19 Dairy Authority of South Australia

Functional responsibility

The Dairy Authority of South Australia (the Authority) is the legislative body that oversees the production of all dairy products in the State to ensure that food safety standards are maintained, and all South Australian dairy products are safe for people to eat and drink. The Authority administers the dairy food safety scheme under the *Primary Produce (Food Safety Schemes) Act 2004* and the *Primary Produce (Food Safety Schemes) (Dairy) Regulations 2017*.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	0.9
	Total expenses	0.8
	Net result	0.1
	Net assets	2.6

6.9.20 Dog and Cat Management Board

Functional responsibility

The Dog and Cat Management Board is established under the *Dog and Cat Management Act 1995* and is responsible for planning, promoting and providing advice about the effective management of dogs and cats.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	2.6
	Total expenses	2.3
	Net result	0.3
	Net assets	3.3

Interpretation and analysis of financial information

Income is predominately represented by registration fees and charges under section 26(5) of the Act. Expenses mainly comprise supplies and services expenses of \$2.1 million.

6.9.21 Dog Fence Board

Functional responsibility

The Dog Fence Board (the Board) is established under the *Dog Fence Act 1946*. Its primary purpose is to increase the sustainability and profitability of the State's livestock industry by establishing and maintaining particular dog proof fences to prevent wild dogs entering into pastoral areas.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	5.1
	Total expenses	1.1
	Net result	4.0
	Net assets	4.3

Interpretation and analysis of financial information

The Board received additional income in 2019-20 to support the Dog Fence Rebuild Project. This \$25 million project is jointly funded by the Commonwealth Government (\$10 million), SA Government (\$10 million) and industry (\$5 million). The project commenced in 2020 and is expected to take three to five years to complete.

The Board received the following income to fund the Dog Fence Rebuild Project in 2019-20:

- \$3 million from the Commonwealth Government
- \$300 000 from the SA Government
- \$600 000 from industry.

The Board reimburses the Department of Primary Industries and Regions for delivering this project. As at 30 June 2020, \$200 000 of work in progress had been capitalised.

6.9.22 Electoral Commission of South Australia

Functional responsibility

The Electoral Commission of South Australia (the Commission) is established under the *Public Sector Act 2009*. It aims to ensure that demands for electoral services and participation in the democratic processes are met independently, fairly, honestly and within the law.

Financial report opinion

Unmodified

Financial statistics

	\$million
Total income	6.9
Total expenses	6.1
Net result	0.8
Net assets	4.3

6.9.23 Essential Services Commission of South Australia

Functional responsibility

The Essential Services Commission of South Australia (the Commission) is an independent economic regulator established under the *Essential Services Commission Act 2002*. The Commission regulates the provision of essential services in the electricity, gas, maritime, rail, water and wastewater industries.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	5.0
	Total expenses	6.3
	Net result	(1.3)
	Net assets	7.2

Commentary on operations

The Commission also administers the collection of licence fees from providers of essential services and pays them into the Consolidated Account. Fees of \$14 million were collected in 2019-20.

6.9.24 Health Services Charitable Gifts Board

Functional responsibility

The Health Services Charitable Gifts Board (the Board) is established under the *Health Services Charitable Gifts Act 2011* to hold charitable gifts and donations received by public hospitals and research institutions. Funds held are invested to earn a return for the hospitals and institutions concerned. They are then applied for research, services and equipment in line with the purpose for which the funds were originally donated or gifted.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	6.8
	Total expenses	7.2
	Net result	(0.4)
	Assets:	
	Net assets	141.3
	Other financial assets	108.7

Interpretation and analysis of financial information

The Board holds significant investments (other financial assets). Due to COVID-19 there was a decline in financial markets which decreased the value of the Board's investments by \$3 million.

6.9.25 Independent Gaming Corporation Ltd

Functional responsibility

The Independent Gaming Corporation Ltd (IGC) was established by the hotel and club industries to provide a secure, central computer monitoring facility for managing gaming machines in South Australian hotels and clubs. In 1993, it was awarded the monitor licence under the *Gaming Machines Act 1992*. IGC is a non-profit company, limited by guarantee and jointly owned by the Australian Hotels Association (SA) and the Licensed Clubs' Association of South Australia.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	8.1
	Total expenses	11.7
	Net result	(3.6)
	Net assets	15.4

Interpretation and analysis of financial information

Following the outbreak of COVID-19 in March 2020 the Commonwealth Government announced the closure of all hotel and gaming venues, which had a significant impact on IGC's revenue for the monitoring of gaming machines. This led to a stand down of operational staff and the utilisation of the Commonwealth JobKeeper payment scheme. IGC negotiated the deferral of \$288 000 in maintenance payments to its system provider up to 2020-21. It also reduced or suspended its community service obligation payments. Revenue reduced from \$11 million in 2018-19 to \$8.1 million in 2019-20, resulting in a trading loss of \$3.6 million in 2019-20.

6.9.26 Infrastructure SA

Functional responsibility

Infrastructure SA is established under the *Infrastructure SA Act 2018*. Its role is to provide independent advice to enable informed and evidence-based decisions on infrastructure planning, investment, delivery and optimisation for critical public infrastructure projects for the State.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	3.5
	Total expenses	3.1
	Net result	0.4
	Net assets	0.6

Commentary on operations

In 2019-20 the 20-year State Infrastructure Strategy was released, setting out the long-term direction and initial priorities for infrastructure development in South Australia. In addition, the first Annual Capital Intentions Statement prioritising potential major projects for government decisions over a five-year time horizon was released.

6.9.27 International Koala Centre of Excellence

Functional responsibility

The International Koala Centre of Excellence (IKCE) is incorporated under the *Public Corporations Act 1993* and commenced operations on 31 July 2019. IKCE is established as an environmental organisation with the principal purpose of carrying out and promoting research into, and providing information and education on, the biology, management and conservation of koalas.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	0.7
	Total expenses	0.3
	Net result	0.4
	Net assets	0.4

Commentary on operations

The financial amounts reported relate to the 11 months from 31 July 2019 to 30 June 2020.

6.9.28 Judicial Conduct Commissioner

Functional responsibility

The Judicial Conduct Commissioner (the Commissioner) is established under the *Judicial Conduct Commissioner Act 2015* and is a not-for-profit entity. The Commissioner's principal function is to receive and deal with complaints made in line with the Act about the conduct of serving judicial officers.

Financial report opinion	Unmodified	
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Financial statistics		\$million
	Total income	0.006
	Total expenses	0.006
	Net result	-
	Net assets	(0.005)

Commentary on operations

The Commissioner's term expired on 1 September 2020. A new Commissioner was appointed and commenced on 2 September 2020.

6.9.29 Mamungari Conservation Park Co-management Board

Functional responsibility

The Mamungari Conservation Park Co-Management Board (the Board) is a not-for-profit entity. It is established under the *Maralinga Tjarutja Land Rights Act 1984*, the *National Parks and Wildlife Act 1972*, and the Maralinga Tjarutja Land Rights (Establishment of Co-management Board) Regulations 2004 and continues under the Maralinga Tjarutja Land Rights (Mamungari Conservation Park Co-management Board) Regulations 2019. The Board is responsible for managing the Mamungari Conservation Park.

Financial report opinion	Unmodified	
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Financial statistics		\$million
	Total income	0.12
	Total expenses	0.04
	Net result	0.08
	Net assets	0.27

6.9.30 Native Vegetation Fund

Functional responsibility

The Native Vegetation Fund (the Fund) is established under the *Native Vegetation Act 1991*. The major purpose of the Fund is to provide funds for research, preservation, enhancement and management of vegetation in South Australia and encouraging the re-establishment of native vegetation on land from which it has been previously cleared.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	4.3
	Total expenses	3.2
	Net result	1.1
	Net assets	9.7

6.9.31 Office of the Commissioner for Public Sector Employment

Functional responsibility

The Office of the Commissioner for Public Sector Employment (the Office) is established under the *Public Sector Act 2009* and is an attached office to DTF.

The Office’s objectives are to support the Commissioner for Public Sector Employment to undertake the statutory responsibilities under the Act, strengthen the capability of the public sector workforce to meet current and future needs, and promote a culture of service and integrity across the public sector.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	8.9
	Total expenses	13.5
	Net result	(4.6)
	Net assets	(0.9)

Interpretation and analysis of financial information

The negative net result of \$4.6 million in 2019-20 largely reflects that funding for some programs was received and recorded as income in 2018-19 while the expenditure associated with the delivery of the programs continued in 2019-20.

6.9.32 Office of the Industry Advocate

Functional responsibility

The Office of the Industry Advocate (the Office) is established under the *Industry Advocate Act 2017*. The Public Sector Administrative Arrangements (Administration of Industry Advocate Act) Proclamation 2019 (dated 7 March 2019) committed the administration of the Act to the Treasurer from 1 April 2019.

The Office's functions include furthering the objectives of the South Australian Industry Participation Policy (SAIPP) including building the capability and capacity of businesses in the State to successfully tender for SA Government contracts, investigating and monitoring compliance with the SAIPP by participants to government contracts, recommending changes to policy and practices affecting industry participation, and initiating procurement reforms to provide greater economic benefit to the State.

Financial report opinion

Unmodified

Financial statistics

\$million

Total income	1.6
Total expenses	1.7
Net result	(0.1)
Net assets	0.02

6.9.33 Office of the South Australian Productivity Commission

Functional responsibility

The Office of the SA Productivity Commission (the Commission) is established under the *Public Sector Act 2009* and is an attached office of the Department of the Premier and Cabinet.

The Commission is responsible for examining and making recommendations on matters referred to it by government that facilitate productivity growth, unlock new economic opportunities, support job creation and remove existing regulatory barriers within South Australia.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	3.0
	Total expenses	2.9
	Net result	0.1
	Net assets	(0.06)

Commentary on operations

The Commission prepares, and updates annually, a three-year strategic plan which sets out the priorities for public inquiries and research reports.

In 2019-20, the Commission performed and published:

- a commissioned report on fuel pricing
- an inquiry into government procurement
- an inquiry into local government cost and efficiency.

6.9.34 Outback Communities Authority

Functional responsibility

The Outback Communities Authority is established by the *Outback Communities (Administration and Management) Act 2009* to manage the provision of, and promote improvements in, public services and facilities for outback communities. It also has a responsibility to articulate the views, interests and aspirations of these communities.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	6.0
	Total expenses	5.1
	Net result	0.9
	Net assets	16.3

Interpretation and analysis of financial information

Income is mainly comprised of revenue from the Commonwealth and SA Governments. Expenses included supplies and services of \$2.6 million, employee benefits of \$1 million, grants and subsidies of \$733 000 and depreciation of \$697 000. Both revenue and expenses increased by about \$1.2 million, due mainly to additional funding for drought assistance and airstrip projects.

6.9.35 Professional Standards Council

Functional responsibility

The Professional Standards Council (the Council) is established under the *Professional Standards Act 2004* and is a not-for-profit entity. It is responsible for approving and administering professional standards schemes. These schemes are legal instruments that limit the civil liability of association members and commit occupational associations to continuously improve the professional standards of their members to protect the consumers of their services.

Financial report opinion

Unmodified

Financial statistics

	\$million
Total income	0.11
Total expenses	0.12
Net result	(0.01)
Net assets	0.13

Interpretation and analysis of financial information

The Chartered Accountants Australia and New Zealand (CAANZ) Scheme for South Australia expired on 7 October 2019 and was replaced by the NSW scheme with full national mutual recognition. This change impacted all mainland jurisdictions and as a result, income was down \$70 000 and expenses were down \$66 000 in 2019-20.

6.9.36 Residential Tenancies Fund

Functional responsibility

The Residential Tenancies Fund (the Fund) is established under the *Residential Tenancies Act 1995* and is a not-for-profit entity. The Fund is kept and administered by the Commissioner for Consumer Affairs. It consists of security bonds received by the Commissioner and other amounts paid into the Fund. The Commissioner makes security bond repayments from the Fund. Income derived from investing the Fund is applied towards the costs of administering it, educating landlords and tenants about their statutory and contractual rights and obligations, and Fund operations.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	5.3
	Total expenses	10.5
	Net result	(5.2)
	Net assets	40.3

Commentary on operations

COVID-19 had an impact on the performance of financial markets which led to the following impacts on the Fund:

- a decrease in interest and investment income of \$3.7 million
- a loss on the revaluation of investments of \$3.8 million compared to a gain on the revaluation of investments of \$294 000 in 2018-19.

Interpretation and analysis of financial information

Security bonds received by the Commissioner in 2019-20 increased by \$906 000 to \$106.5 million (\$105.6 million). Security bonds refunded for 2019-20 increased by \$652 000 to \$94.4 million (\$93.7 million).

The value of bonds held as at 30 June 2020 was \$219.5 million (\$208.3 million) and the value of unclaimed bonds was \$11 million (\$9.4 million).

Investments funds totalling \$265.9 million are held by the Public Trustee in common funds. They are exposed to movements in the value of the underlying common funds. Investments increased by \$7.7 million in 2019-20 mainly due to additional funds lodged of \$6 million and investment income of \$3.7 million.

6.9.37 Retail Shop Leases Fund

Functional responsibility

The Retail Shop Leases Fund (the Fund) is established under the *Retail and Commercial Leases Act 1995*. The Fund consists of amounts received by the Small Business Commissioner by way of security bonds, and other amounts paid into the Fund under the Act. Income derived from the investment of the Fund may be applied towards the costs of administering the Act, and educating lessors and lessees about their statutory and contractual rights and obligations as approved by the responsible Minister.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	-
	Total expenses	0.2
	Net result	(0.2)
	Net assets	2.4

Commentary on operations

COVID-19 has impacted the Fund by decreasing the number of bond lodgements for new leases and increasing the end of lease bond refunds.

There has also been a decline in financial markets due to COVID- 19 which decreased the value of investment assets held by the Fund.

6.9.38 Rural Industry Adjustment and Development Fund

Functional responsibility

The Rural Industry Adjustment and Development Fund (the Fund) is established under the *Rural Industry Adjustment and Development Act 1985*. Its primary purpose is to provide loans and grants, at Ministerial discretion, to develop a farm, make adjustments to farming methods or undertake a project or research for the benefit of farmers.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	0.3
	Net result	0.3
	Net assets	25.4

Interpretation and analysis of financial information

The Fund has had very few transactions in recent years. In 2019-20, the Fund recovered \$200 000 from debts that had previously been written off.

6.9.39 Second-hand Vehicles Compensation Fund

Functional responsibility

The Second Hand Vehicles Compensation Fund (the Fund) is a not-for-profit entity established under the *Second-hand Vehicle Dealers Act 1995*. The Fund is kept and administered by the Commissioner for Consumer Affairs. It exists to provide compensation for people who have a valid, unsatisfied claim against a second-hand motor vehicle dealer in relation to the purchase, sale or consignment of a second-hand vehicle.

Financial report opinion Unmodified

Financial statistics		\$million
	Total income	0.29
	Total expenses	0.26
	Net result	0.03
	Net assets	6.8

Interpretation and analysis of financial information

COVID-19 had an impact on the performance of financial markets which led to the following impacts on the Fund:

- a decrease in interest and investment income of \$90 000
- a loss on revaluation of investments of \$100 000 compared to a gain on revaluation of investments of \$8000 in 2018-19.

In addition, compliance and administration expenses were down \$99 000 as there was a reduction in the capacity to perform administration functions within Consumer and Business Services.

6.9.40 Small Business Commissioner

Functional responsibility

The Small Business Commissioner (the Commissioner) is established under the *Small Business Commissioner Act 2011*. The Commissioner helps small businesses by providing information to improve their capacity to manage their affairs and inform their decision-making. The Commissioner also provides assistance in dispute resolution.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	2.1
	Total expenses	2.3
	Net result	(0.2)
	Net assets	0.8

Commentary on operations

During the year the Commissioner had an increase in inquiries and provided increased dispute resolution assistance.

The *COVID-19 Emergency Response Act 2020* and the *COVID-19 Emergency Response (Commercial leases No 2) Regulations 2020* provided extra support to small businesses for disputes in relation to COVID-19. This resulted in an increase in staff for the Commissioner.

6.9.41 South Australian Local Government Grants Commission

Functional responsibility

The South Australian Local Government Grants Commission (the Commission) is established under the *South Australian Local Government Grants Commission Act 1992*. The Commission makes recommendations to the Minister on the distribution of untied Commonwealth financial assistance grants to local governing authorities in South Australia, in line with State and Federal legislative requirements.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	0.5
	Total expenses	0.4
	Net result	0.1
	Net assets	1.2

Interpretation and analysis of financial information

In 2019-20 the Commission administered \$175 million (\$223 million) of Commonwealth grants paid to local government authorities.

6.9.42 South Australian Mental Health Commission

Functional responsibility

The South Australian Mental Health Commission (the Commission) was a not-for-profit administrative unit established under the *Public Sector Act 2009*. It was responsible for strengthening the mental health and wellbeing of South Australians and providing greater access to quality care and support when required.

Financial report opinion

Unmodified

Financial statistics

\$million

Total income	1.1
Total expenses	1.1
Net result	-
Net assets	0.5

Commentary on operations

The Commission was abolished on 6 January 2020 and all employees were transferred to Wellbeing SA, a not-for-profit administrative unit established under the *Public Sector Act 2009*. Employees were transferred on the same basis of engagement as applied before the transfer. Assets, rights and liabilities of the Commission now vest with Wellbeing SA.

6.9.43 South Eastern Water Conservation and Drainage Board

Functional responsibility

The South Eastern Water Conservation and Drainage Board (the Board) is a body corporate established under the *South Eastern Water Conservation and Drainage Act 1992*. The Board is responsible for the management and conservation of the quality and flow of water in the South East of South Australia by effectively managing flooding, redirecting water to areas of greatest need and reducing salinity.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	2.5
	Total expenses	5.9
	Net result	(3.4)
	Total comprehensive result	3.6
	Net assets	130.2

Interpretation and analysis of financial information

Property, plant, equipment and infrastructure were revalued upwards by \$7.1 million to \$129.7 million in 2019-20 and this is reflected in the total comprehensive result.

6.9.44 State Planning Commission

Functional responsibility

The State Planning Commission (the Commission) is established under the *Planning, Development and Infrastructure Act 2016*. It is responsible for making recommendations to the Minister on the administration of the Act. It guides the decision-making of State and local government and community and business organisations with respect to planning, development and infrastructure provisions in South Australia.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	1.3
	Total expenses	1.3
	Net result	-
	Net assets	-

Commentary on operations

The Commission receives no funding. The financial activity shown represents the accounting for services received free of charge from the Department of Planning, Transport and Infrastructure.

6.9.45 State Procurement Board

Functional responsibility

The State Procurement Board is established under the *State Procurement Act 2004* and its principal function is to implement an effective and efficient system of public procurement.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	0.4
	Total expenses	0.3
	Net result	0.1
	Net assets	1.3

Commentary on operations

Legislation to abolish the State Procurement Board was passed by Parliament in 2020. The timing of the abolition of the Board has not yet been finalised, but is anticipated to occur in 2020-21.

6.9.46 Stormwater Management Authority

Functional responsibility

The Stormwater Management Authority is established as a body corporate under the *Local Government Act 1999* and is responsible for implementing the Stormwater Management Agreement between the State of South Australia and the Local Government Association.

Financial report opinion	Unmodified
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Financial statistics		\$million
	Total income	5.7
	Total expenses	9.4
	Net result	(3.7)
	Net assets	8.7

Commentary on operations

In 2019-20 the Stormwater Management Authority began making payments in support of the Brown Hill and Keswick Creek Stormwater Project.

6.9.47 StudyAdelaide

Functional responsibility

StudyAdelaide is a statutory corporation of the SA Government established under the *Public Corporations Act 1993*. It promotes Adelaide as Australia’s premier study destination for international students who bring economic, cultural and social benefits to the city and the State.

Financial report opinion

Unmodified

Financial statistics

\$million

Total income	4.3
Total expenses	3.6
Net result	0.7
Net assets	1.1

Commentary on operations

The COVID-19 pandemic had a significant impact StudyAdelaide’s operations from February/March 2020 including:

- being unable to travel to key markets to deliver offshore marketing programs that promote Adelaide as a study destination
- stakeholders such as education agents not being able to travel to Australia, impacting large trade events and familiarisation visits
- being unable to deliver a range of face-to-face student events and activities due to social distancing requirements.

StudyAdelaide received approval for a carryover of underspent funding of \$640 000 to 2020-21 due to COVID-19.

Interpretation and analysis of financial information

In 2019-20 expenses decreased by \$858 000 with supplies and services reducing by \$871 000. This was a result of StudyAdelaide not being able to deliver its advertising and promotion programs after March 2020 due to COVID-19.

6.9.48 Teachers Registration Board of South Australia

Functional responsibility

The Teachers Registration Board of South Australia is established under the *Teachers Registration and Standards Act 2004* and the *Teachers Registrations Regulations 2016* to regulate the teaching profession and to safeguard the public interest in the teaching profession.

Financial report opinion Unmodified

Financial statistics		\$million
	Total income	4.2
	Total expenses	4.6
	Net result	(0.4)
	Net assets	8.9

Interpretation and analysis of financial information

Income is mainly comprised of regulatory fees collected from teachers. Expenses included employee benefits of \$3.3 million and supplies and services of \$1.2 million. Income and expenditure in 2020 was consistent with prior years.

6.9.49 TechInSA

Functional responsibility

TechInSA contributes to the development of South Australia’s high-tech industry by translating and commercialising research into products, services and intellectual property associated with high tech industries and facilitating access to private and public funding.

Financial report opinion Unmodified

Financial statistics		\$million
	Income:	
	Total income	3.3
	Intra-government transfers	1.7

	\$million
Expenses:	
Total expenses	3.3
Supplies and services	1.4
Depreciation expense	1.4
Net result	-
Net assets	10.2

Commentary on operations

On 18 August 2018 the Minister for Industry and Skills announced the wind-up of TechInSA. It is expected to be wound up in 2020-21.

The introduction of Australian Accounting Standard AASB 16 *Leases* from 1 July 2019 had a significant impact on TechInSA's operations. Right-of-use assets and lease liabilities, each totalling \$12.3 million, were recognised in the Statement of Financial Position for the first time at 30 June 2020. Depreciation expense increased significantly to \$1.4 million due to the first time recognition of right-of-use assets.

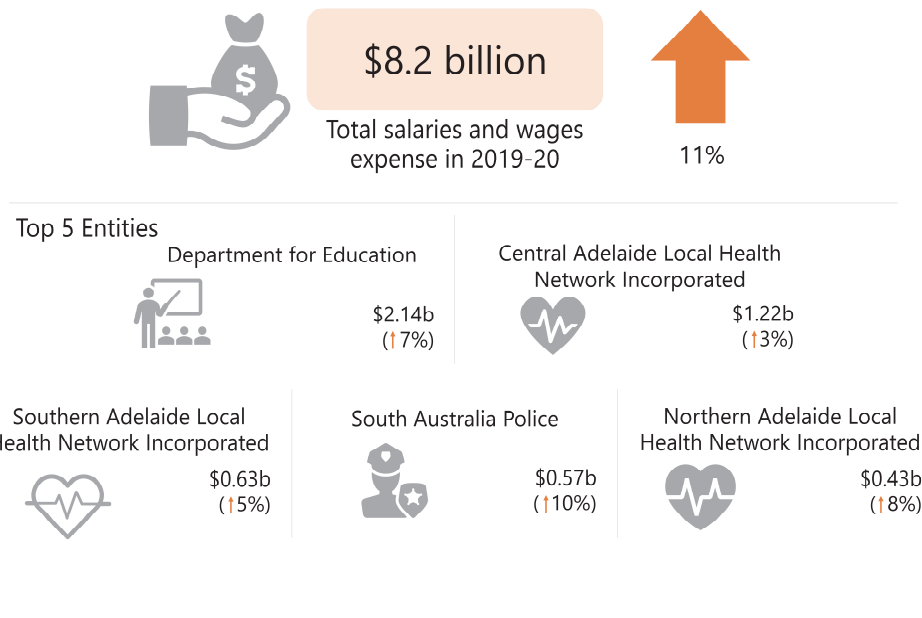
At reporting date, land assets held for sale valued at \$2.8 million were recognised in the Statement of Financial Position. The Minister for Innovation and Skills entered into a contract of sale with Leasecorp Group Pty Ltd on 29 July 2020 for this land. This transaction is expected to settle in March 2021.

7 Summary of selected financial disclosures

The following selected financial disclosures are taken from the published financial reports of the agencies we audit. The data includes material public sector agencies. More details on these disclosures are in the individual published financial reports.

This information is provided to give an overview of the level of financial activity for each area. It represents more material balances in financial reports or items that are typically of public interest. While they have been audited, audits of financial reports provide assurance that there is not material error. They do not ensure complete consistency in the transactions that agencies include in these items.

7.1 Salaries and wages expense



7.2 Remuneration of employees disclosure

The Treasurer's Instructions (Accounting Policy Statements), Schedule 1, APS 119.D requires public authorities to disclose an explanatory note about employees whose normal remuneration is equal to or greater than the base executive remuneration level for the year (\$154 001 in 2019-20).



\$1.4 billion

Total remuneration of employees disclosure in 2019-20



8%

Top 5 Entities

Central Adelaide Local Health Network Incorporated



\$367m (↑3%)
1219 employees

Southern Adelaide Local Health Network Incorporated



\$188m (↑5%)
646 employees

South Australia Police



\$152m (↑52%)
859 employees

Northern Adelaide Local Health Network Incorporated



\$127m (↑6%)
427 employees

Department for Education



\$86m (↑5%)
479 employees

7.3 Targeted voluntary separation packages (TVSPs)

The Treasurer’s Instructions (Accounting Policy Statements), Schedule 1, APS 119.C requires public authorities to disclose an explanatory note with information about TVSPs.

Disclosure includes the number of employees paid a TVSP and the amount of those TVSPs paid.



\$86.9 million

Total TVSPs in 2019-20



\$86.9m (\$129m)
959 employees (1512)

Top 5 Entities

Central Adelaide Local Health Network Incorporated



\$24.7m (\$1m)
293 employees (27)

Department for Correctional Services



\$13m (\$9m)
89 employees (34)

Department of Human Services



\$11.9m (\$27m)
153 employees (345)

TAFE SA



\$10.5m (\$7.5m)
112 employees (99)

Women’s and Children’s Health Network Incorporated

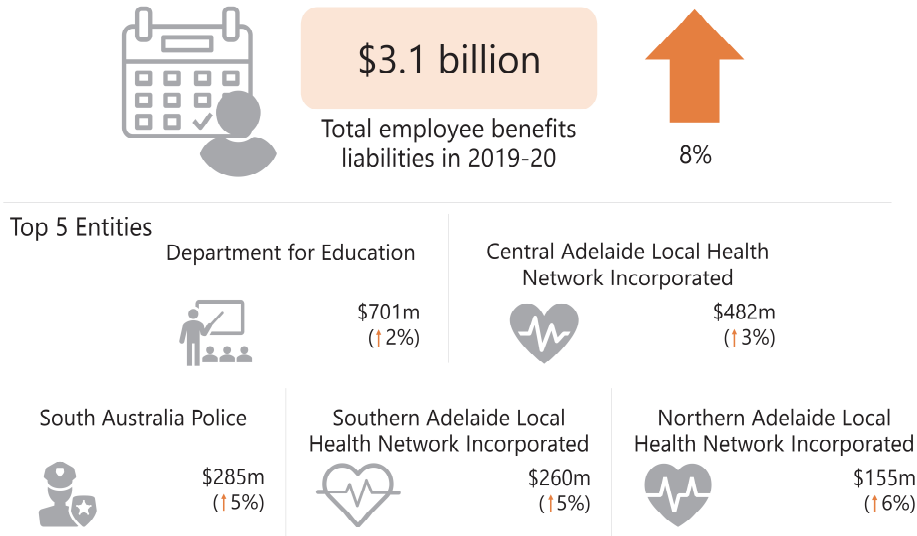


\$4.1m (\$1m)
41 employees (16)

7.4 Employee benefits liabilities

Employee benefits liabilities comprise annual and long service leave entitlements accrued by employees.

The annual leave liability is mainly a short-term employee benefit measured at nominal value. Long service leave is a long-term employee benefit estimate measured as the present value of expected future payments for services provided by employees up to the end of the reporting period. The present value will change from year to year if market yields or other significant assumptions change. This year there was a decrease in the discount rate used, resulting in an increase in reported employee benefits liabilities.



7.5 Workers compensation and additional compensation

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2020 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is the estimated cost of ongoing payments to employees as required under current legislation.

As at 30 June 2018, following changes to relevant public sector enterprise agreements, most agencies recognised an additional compensation provision for continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements ceased under the *Return to Work Act 2014*. Eligible injuries are non-serious injuries suffered in circumstances which involve, or appear to involve, the commission of a criminal offence, or which arose from a dangerous situation.



\$568 million



Total workers and additional compensation in 2019-20

9%

Top 5 Entities

South Australia Police



\$156m
(↑28%)

Department for Education



\$104m
(↑28%)

SA Metropolitan Fire Service



\$56m
(↓30%)

Southern Adelaide Local Health Network Incorporated



\$44m
(↑3%)

Department of Human Services



\$33m
(↑12%)

7.6 Outsourced/Service contracts



5 significant outsourced arrangements in 2019-20

Across government facilities management arrangements
(managed by Department of Planning, Transport and Infrastructure)



2020: \$325m
2019: \$315m

Bus services contracts
(managed by Department of Planning, Transport and Infrastructure)



2020: \$218m
2019: \$219m

Maintenance of Housing Trust Homes
(managed by SA Housing Trust)



2020: \$123m
2019: \$123m

Operate and manage Adelaide metro water and sewer networks
(managed by SA Water Corporation)



2020: \$105.7m
2019: \$102.6m

Public private partnership operating expenses for the Royal Adelaide Hospital
(managed by Central Adelaide Local Health Network Incorporated)

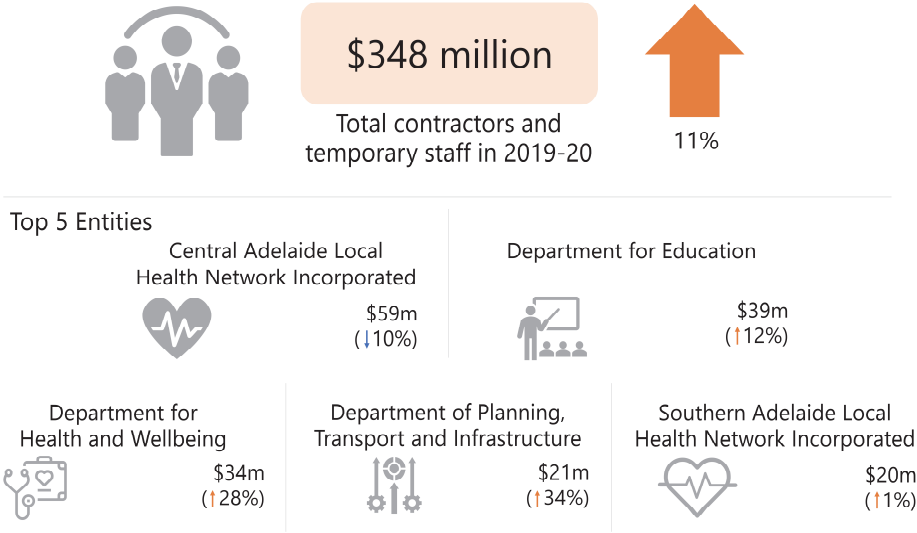


2020: \$95m
2019: \$86m

Agencies enter into many service contracts. I list five significant arrangements above but there are many others including the administration of land services, claims management for the Return to Work Corporation of South Australia, the management of the Mount Gambier prison and the Adelaide Remand Centre and aerial support services provided to the South Australian Fire and Emergency Services Commission.

7.7 Contractors and temporary staff

Contractors and temporary staff expenses include agency nursing and other temporary staffing.



7.8 Consultants

The Treasurer’s Instructions (Accounting Policy Statements), Schedule 1, APS 101.J requires public authorities to disclose in the notes the expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income).

