



**Government
of South Australia**

**DEPARTMENT FOR TRADE, TOURISM
AND INVESTMENT
2018-19 Annual Report**

DEPARTMENT FOR TRADE, TOURISM AND INVESTMENT

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To:

Honourable David Ridgway MLC
Minister for Trade, Tourism and Investment

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Public Sector Act 2013*, the Public Sector Regulations 2010 and the *Public Sector Finance and Audit Act 1987* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the Department for Trade, Tourism and Investment by:

Leonie Muldoon

Chief Executive, Department for Trade, Tourism and Investment

Date 30.9.2019

Signature



From the Chief Executive

It has been an exciting year for the Department for Trade, Tourism and Investment (DTTI) which is playing a lead role in helping to grow the South Australian economy through the South Australian Government's ambitious reform agenda.

As the lead agency for encouraging business investment into South Australia and facilitating trade opportunities in goods and services, DTTI supports business to connect to international markets, create strong relationships and capitalise on export opportunities.

As part of the department's mandate to grow the state's economy and contribute to job creation, promoting South Australia to the world is an important part of what we do.

We are growing our international presence by establishing new overseas trade and investment offices, with offices already open in Shanghai, China and Tokyo, Japan.

Recommendations from the Review of the South Australian Government's International and Interstate Engagement Bodies and Functions by the Hon Steven Joyce (the Joyce Review) into international engagement have provided DTTI with a clear direction for supporting the growth of trade and investment opportunities.

In 2018-19, the agency's target to support South Australian businesses in achieving \$50 million in export success, was exceeded. Through our programs and support, the agency supported \$52 million in export sales.

DTTI provided mentoring, training and advice to 735 South Australian businesses and supported 102 new exporters through support programs, with a total of 2170 trade and export services provided to South Australian businesses.

As at June 2019, 30 company investments were secured with more than \$612 million in capital expenditure, including \$600 million of foreign investment, creating a total of 2865 jobs.

The Economic and Business Growth Fund was also established to support industry and business growth within the state.

This new framework for industry assistance sets out a clear set of priorities for development of technologies, capabilities, capacities and expertise in sectors that align to the state's competitive advantages.

The South Australian Landing Pad, funded by the Economic and Business Growth Fund, was launched in March 2019 and is a program that proactively targets international companies with high-growth potential across all priority industries to attract them to the state.

Much has been achieved but there is still more work to be done.

The financial year, 2019-20, will be one for DTTI to focus on growing South Australia's economy through collaboration across government and industry and taking South Australia to the world.



Ms Leonie Muldoon
Chief Executive
Department for Trade, Tourism and Investment

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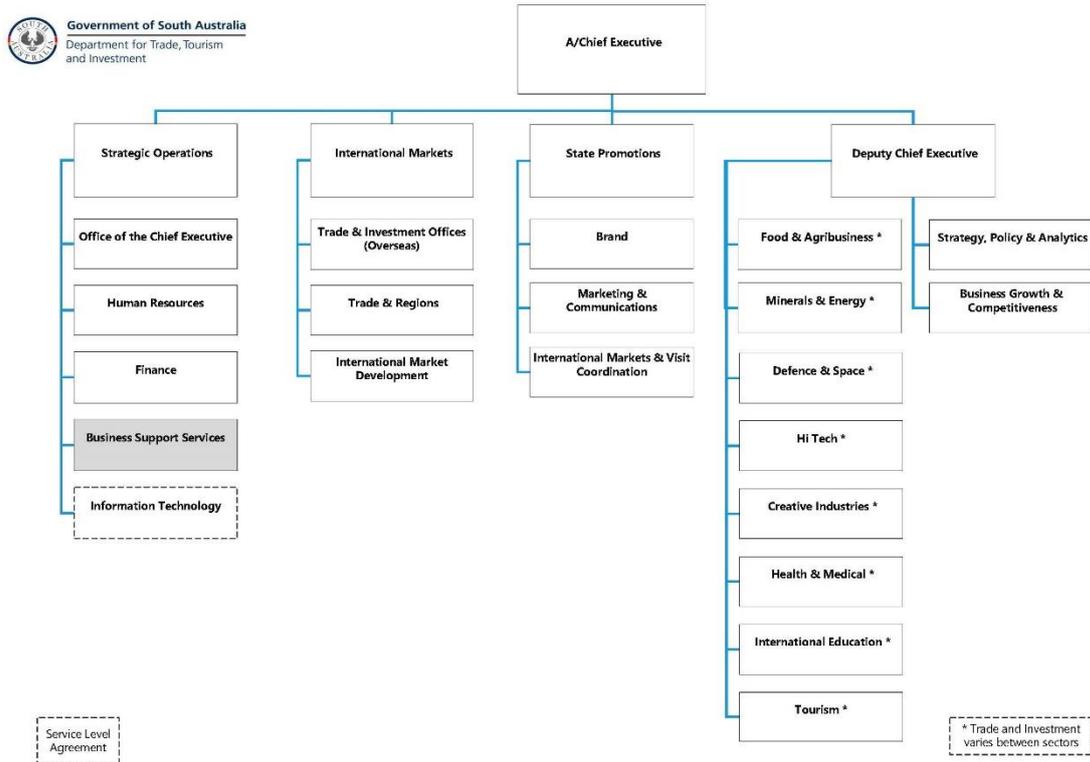
Overview: about the agency

Our strategic focus

Our Purpose	Lead the Growth State Plan, promote investment and facilitate trade opportunities interstate and internationally.
Our Vision	Build the economic future of South Australia by transforming our state's economy and driving economic growth through trade, tourism, investment.
Our Values	<p>We are client-focused We understand our client's needs and find ways to surpass their expectations. We are solution-driven, moving at the pace of our clients and representing their cause. We win by making bold promises and making sure that we deliver.</p> <p>We are can-do We approach opportunities like a commercial enterprise. We are outcome focused, dynamic and adaptable. We are excited by new prospects, saying 'yes' to good ideas, then creatively finding pathways to deliver them.</p> <p>We deliver for South Australia We ensure the best outcomes for South Australia. We help grow the economy, creating better opportunities for all South Australians.</p> <p>We are globally connected We are the externally-focussed department of the South Australian Government. We maintain a global perspective, understand international cultures and expectations, know how to do business around the world and nurture our global networks.</p> <p>We take South Australia to the world We represent the state globally in a single, unified voice - building a strong and persuasive value proposition for South Australia.</p> <p>We value honesty and integrity We value honesty and integrity. We are one team and provide a supportive environment. We have each other's back. We are open, honest and transparent in all our dealings internally and externally.</p>
Our functions, objectives and deliverables	<p>Functions and Objectives</p> <ol style="list-style-type: none"> 1. Growth State Plan: Working with Industry, other government departments and industry bodies to ensure industry led sector strategies positively impact the state's Growth Agenda. 2. Trade: promoting and facilitating growth of goods and services exports from South Australia. 3. Investment: promoting and facilitating investment into South Australia and diversifying the economy.

	<p>4. Promotion: raise South Australia's profile in key export and investment markets</p> <p>Deliverables</p> <ul style="list-style-type: none">• Foreign investment of \$500 million into South Australia from companies that are a direct client of DTTI• Creation of 2000 new jobs in target industries in South Australia from companies that are a direct client of DTTI• Client satisfaction on DTTI trade facilitation programs of at least 75 per cent• Exports facilitated by DTTI activity to the value of \$50 million• Increase international student numbers to 37 250• Increase the export value of international education to \$1.55 billion• Two new trade and investment offices opened in global markets• Support 90 new exporters through DTTI programs to achieve sustainable exports• Provide 400 export businesses with training, mentoring and advice on boosting markets
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Our organisational structure



Changes to the agency

During 2018-19 activities with respect to organisational redesign commenced. Mr Mike Hnyda continued as Chief Executive, DTTI until 31 March 2019, following which Mr Jim McDowell, Chief Executive, Department of the Premier and Cabinet, was Interim Chief Executive, DTTI until 28 June 2019. As at 30 June 2019, Ms Megan Antcliff, Deputy Chief Executive, DTTI, also occupied the role of Acting Chief Executive.

Revision of the organisational structure commenced, taking into consideration the recommendations of the Joyce Review.

Key recommendations of the review accepted by the South Australian Government include:

- Implementation of a South Australian Growth Agenda to prioritise and co-ordinate implementation of major policy initiatives.
- DTTI to drive a strategy for growing business investment, working with industry and other economic agencies
- DTTI to have lead responsibility for promoting interstate and international trade, including coordination of all outbound economic missions and managing an independent annual evaluation of missions conducted, and developing an annual missions' calendar
- DTTI to manage the government's extended overseas representation
- The role of DIS to focus on skills, innovation, research, entrepreneurship, start-ups and small business

- Transfer of Immigration SA from DTTI to DIS
- Transfer of resources from the Department for Innovation and Skills (DIS) to DTTI with the exception of the proposed move of the Creative Industries Group
- Transfer of the government's China Strategy from Department of the Premier and Cabinet (DPC) to DTTI
- Transfer of the Office of the State Coordinator-General to DTTI to consolidate the state's case management functions
- Responsibility for funding the Adelaide Convention Bureau transferred from South Australian Tourism Commission to DTTI
- Transfer of responsibility for Brand SA to DTTI to align with its responsibility for coordination of state positioning and marketing
- Transfer of responsibility for the administration of funding for the Office of the Agent-General to DTTI. The statutory role of the Agent-General continues to report to the Premier

Our Minister



The Hon David Ridgway MLC is the Minister for Trade, Tourism and Investment.

Our Executive team

Acting Chief Executive	Megan Antcliff
Deputy Chief Executive	Megan Antcliff
Director Strategic Operations	Sophie Adlaf
Director International Markets	Narelle Slivak
Director Business Growth & Competitiveness	Georgette Elston
Director Food, Wine & Agriculture	Nicolle Sincok
Director Health & Medical	Dirk Beelen
Director International Education & Tourism	Peter Klar
Director Minerals & Energy	Wayne Emery
Director Defence & Space, Creative & Hi-tech	Gavin Artz
Director Trade & Regions	Martyn England

Legislation administered by the agency

Nil

Other related agencies (within the Minister's area/s of responsibility)

South Australian Tourism Commission

The South Australian Tourism Commission is associated with DTTI, but maintains its operational autonomy owing to its position as a statutory authority.

Office of the Agent-General

The Office of the Agent-General (OAG) represents the South Australian Government in the United Kingdom (UK) and Europe. Its key objective is to increase awareness of the state as a destination for foreign investment, migrants, students, tourists and an exporter of premium products and services.

In line with the Joyce Review, the administrative function for the office was moved to DTTI, effective 1 April 2019 whilst the Agent-General position continues to report to the Department of the Premier and Cabinet.

Key outcomes for 2018-19 include:

- Attraction and establishment of 'Weatherby's Scientific' to Roseworthy Campus at Adelaide University. Participation of more than 25 companies in the 'Soft Landings' program including 'Meet the Experts' and 'Partner Search' sessions. Five Defence supply chain entities have established a Volunteer for International Experience presence in South Australia for SEA 1000 Submarines and SEA-5000 Hunter Class.
- More than 40 export companies supported through introductions to distributors, retailers, wholesalers, promotional campaigns and media coverage, bespoke events, business to business introductions, supporting trade shows and providing local market intelligence.
- Established a separate wine club, working with South Australian wineries and United Kingdom distributors to promote products to trade buyers and consumers via a series of intimate tastings. A total of five stand-alone events were held – attended by 146 guests with more than £2000 in direct sales generated through online partners.
- Key partner in facilitating the transfer of Cleland Wildlife Parks Koalas & Wombats to Longleat Safari Park negotiating the complementary transfer by an airline partner. The Agent-General also represented the Premier at the official opening in March 2019 of 'Koala Creek' at Longleat and achieved in excess of £700 000 of non-digital press coverage.
- The self-funded South Australia Club London Chapter hosted six key events in 2018-19, with more than 700 guests attending in total. The events promoted South Australia's space sector, celebrated South Australian wines, promoted the International Centre for Koala Excellence and celebrated the 150th Anniversary of the Adelaide Central Market.

Office of the State-Coordinator General

The Office of the State Coordinator-General (SCG) drives investment in South Australia by creating an environment that welcomes private sector development and

stimulates job creation by helping business investors realise their developments in a timely manner. Key outcomes for 2018-19:

- Assigned 17 development proposals with a combined estimated value of \$751 million, satisfying the threshold tests, to the State Commission Assessment Panel.
- Granted exemption to 214 dwelling units and 199 allotments totalling \$39.05 million under the Renewing Our Streets and Suburbs Stimulus program
- Assisted the Consular-General for the People's Republic of China with advice on proposed development plans for the consular facility at Joslin.
- Acted as the approving authority for 11 variations to the existing approval within The Bend Motorsport Park. The variations for additional development included wastewater lagoon, racing related building facilities, camping and caravan areas, fencing and a permanent grandstand with associated pathways and fencing
- Supported major investment activities with first-class aftercare by delivering planning and regulatory advice.

StudyAdelaide

StudyAdelaide was established under the Public Corporations (Education Adelaide) Regulations 1998 and promotes Adelaide as Australia's premier study destination for international students who bring economic, cultural and social benefits to the city and the state. In partnership with education institutions, StudyAdelaide grows awareness and preference for Adelaide as a global study destination and engages with onshore students to enrich their living and studying experience.

StudyAdelaide's management is overseen by a Board, whose members are appointed by the Minister for Trade, Tourism and Investment.

StudyAdelaide presents its annual report to the Minister for Trade, Tourism and Investment.

The agency's performance

Performance at a glance

- Facilitated investments of \$612 million, \$600 million of which is foreign investment, which created 2865 jobs in South Australia.
- Provided training, mentoring and advice on boosting markets to 720 South Australian export businesses.
- Opened new trade and investment offices in Shanghai and Tokyo.
- Delivered a TradeStart advisory program in partnership with Austrade and the South Australia Export Accelerator Program, to support businesses in developing new markets.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	In 2018-19, DTTI secured a total of 30 investment projects leading to an estimated 2800 jobs created as well as \$600 million of foreign investment.
Better Services	In 2018-19, 97 per cent of DTTI clients surveyed reported satisfaction with DTTI's trade facilitation services and programs.

Agency specific objectives and performance

- Target, develop and attract opportunities that will increase investment into South Australia, grow the economy and increase employment.
- Develop and implement strategies and programs that increase the international competitiveness of South Australian businesses and facilitate international exports and high value jobs growth.

Agency objectives	Indicators	Performance
Target, develop and attract opportunities that will increase investment into South Australia, grow the economy and increase employment	Foreign investment into South Australia from companies that are a direct client of DTTI 2018-19 target: \$500 million	Achieved \$600 million of foreign investment
	Creation of new jobs in target industries in South Australia from companies that are a direct client of DTTI 2018-19 target: 2000 jobs	Achieved creation of 2865 jobs

Develop and implement strategies and programs that increase the international competitiveness of South Australian businesses and facilitate international exports and high value jobs growth.	Client satisfaction on DTTI trade facilitation programs 2018-19 target: 75 per cent	Achieved 97 per cent client satisfaction
	Value of exports facilitated by DTTI activity 2018-19 target: \$50 million	Achieved \$52.3 million of export facilitation
	International student enrolments 2018-19 target: 37 250 enrolments	Achieved 38 022 enrolments
	Export value of international education 2018-19 target: \$1.55 billion	Achieved \$1.62 billion export value

Employment opportunity programs

Program name	Performance
South Australian Government Graduate Program	DTTI's Graduate Program is underpinned by the Graduate Employment Strategy 2017-2020. It is a structured development program that includes a rotational placement across business units over a 24-month employment period. The annual program provided two new graduates with career pathways into the department and the Public Sector.
Aboriginal Employment	DTTI works towards increasing the employment of Aboriginal people and access the Aboriginal Employment. As at 30 June 2019, there were no employees that identified themselves as Aboriginal.

Agency performance management and development systems

Performance management and development system	Performance
Performance management and development is a two-way process between managers and employees to discuss performance planning and development needs. It is expected that employees have formal conversations about their performance twice per year	Performance management policy and procedure is assessed on an annual basis. Training for managers is mandatory and external and internal performance management essentials training is offered to employees throughout the year. As at 30 June 2019, 41.9 per cent of employees had recorded that a performance conversation had taken place.

It is important to note that this percentage includes informal discussions due to the scope of restructure activities taking place in the 4th quarter. The Performance Management and Development process will be invigorated once the revised structure has been put in place.

Work health, safety and return to work programs

Program name	Performance
Mental health, wellbeing & resilience training	<p>All first aiders and health and safety representatives (eight employees) were trained in mental health first aid (MHFA).</p> <p>A separate MHFA course was conducted for eight managers.</p> <p>A mental health resilience training session (including RUOK) was conducted for 12 employees.</p> <p>All staff members completed the training sessions (listed above) and the feedback was very positive. Zero psychological workers compensation claims were recorded.</p>

Workplace injury claims	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total new workplace injury claims	0	-	n/a
Fatalities	0	-	n/a
Seriously injured workers*	0	-	n/a
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	-	n/a

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

Work health and safety regulations	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	-	n/a
Number of provisional improvements, improvement and prohibition notices (<i>Work Health and Safety Act 2012 sections 90, 191 and 195</i>)	0	-	n/a

Return to work costs**	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	-	n/a
Income support payments – gross (\$)	0	-	n/a

**before third-party recovery

As DTTI was established on 1 July 2018, there is no comparative data available for 2017-18.

Executive employment in the agency

Executive classification	Number of executives
EXF	1
SAES 2	1
SAES 1	11

As DTTI was established on 1 July 2018, there is no comparative data available for 2017-18.

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

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2018-19 are attached to this report.

As DTTI was established on 1 July 2018, there is no comparative data available for 2017-18.

During 2018-19, DTTI underwent further structural changes following a recommendation in the Joyce review to implement machinery of government transfers.

As at the end of 2018-19, DTTI had a revised expenditure budget of \$64.7 million. Actual expenditure against this budget was \$51.6 million. The underspend of \$13.1 million primarily related to the timing of grant payments, which are now expected to occur in 2019-20 in line with contractual milestones.

DTTI had a revised revenue budget of \$2.3 million primarily consisting of immigration related fees (until 31 March 2019), Commonwealth program revenue and revenue from other South Australian government agencies.

Statement of comprehensive income	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	2017-18 Actual \$000s
Expenses	64 683	51 583	13 100	0
Revenues	2 272	2 506	234	0
Net cost of providing services	62 411	49 077	13 334	0
Net Revenue from SA Government	54 457	55 803	1 346	0
Net result	-7 954	6 726	14 680	0
Total comprehensive result	-7 954	6 726	14 680	0

Statement of financial position	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	2017-18 Actual \$000s
Current assets	9 988	34 360	24 372	0
Non-current assets	7 204	705	-6 499	0
Total assets	17 192	35 065	17 873	0
Current liabilities	1 398	13 043	-11 645	0
Non-current liabilities	1 755	5 559	-3 804	0
Total liabilities	3 153	18 602	-15 449	0
Net assets	14 039	16 463	2 424	0
Equity	14 039	16 463	2 424	0

Consultants disclosure

The following is a summary of external consultants engaged by the department, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10 000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10 000 each - combined	Various	\$ 8 500

Consultancies with a contract value above \$10 000 each

Consultancies	Purpose	\$ Actual payment
Hudson Howells	To commission a study on how South Australian Government policies, projects, programs should be designed to foster interstate and international export of goods and services and encourage business investment.	\$ 24 000
	Total	\$ 24 000

As DTTI was established on 1 July 2018, there is no comparative data available for 2017-18.

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10 000

Contractors	Purpose	\$ Actual payment
All contractors below \$10 000 each - combined	Various	\$ 52 421

Contractors with a contract value above \$10 000 each

Contractors	Purpose	\$ Actual payment
Hannan Duck & Partners Pty Ltd	Strategic advisory services in relation to machinery of government changes and other changes to administrative arrangements.	\$ 14 000
The University of Adelaide	Economic impact analysis reports for grant proposals.	\$ 26 485
Humanwebs	Develop and facilitate workshops for management team on the organisation redesign.	\$ 34 560
KPMG	Brand activation workshops.	\$ 15 472
TBWA Adelaide	Immersion, research and analysis, strategy, identity and naming project (brand tone).	\$ 87 089
TBWA Adelaide	DTTI production collateral.	\$ 22 890
Cornerstone Strategic Pty Ltd	Pathways for young entrepreneurs' workshop.	\$ 10 000
Dassault Systems Australia	Services in relation to the Virtual Shipyard Program.	\$ 106 840
Don Dunstan Foundation	Workshops for the Northern Social Economy Jobs Generator.	\$ 10 250
Flinders University of SA	Facilitation of a cross-industry technology interest group for Robotics and Automation Emerging Technology.	\$ 45 000
Mr Rob Dimonte	Services in relation to the NDIS Coordinator role.	\$ 54 392
Mr Stephen Ludlam	Services in relation to the Chief Industry Advisor role.	\$ 25 000
The University of Adelaide	Services to extract greater insights from state held data sets.	\$ 15 000
The University of Adelaide	Facilitation of a cross-industry business group for Artificial Intelligence Constellation of Technologies.	\$ 45 000

Contractors	Purpose	\$ Actual payment
The University of Adelaide	Facilitation of a cross-industry emerging technology interest group for additive manufacturing.	\$ 45 000
The University of South Australia	Facilitation of a cross-industry emerging technology interest group for virtual and augmented reality.	\$ 45 000
The University of South Australia	Facilitation of a cross-industry technology interest group for Data Driven Decision Making Emerging.	\$ 45 000
Ms Fion Jia	South Australia's representative in the Jinan Office – China	\$ 120 038
Ms Jassica Zhao	South Australia's representative in the Jinan Office – China	\$ 25 996
Ms Jing Liu	South Australia's representative in the Jinan Office – China	\$ 35 013
Ms Selene Zhou	South Australia's representative in the Jinan Office – China	\$ 18 911
TBWA Adelaide	Activation of services relating to the Tokyo Office opening in March 2019.	\$ 18 675
Deloitte Financial Advisory Pty Ltd	Services related to the International Student Hub.	\$ 38 746
Education Adelaide	Services related to ICEF ANZA Workshop and visits to South Australia.	\$ 81 700
Jones Lang Lasalle Advisory Services Pty Ltd	To prepare and provide for the Adelaide Student Accommodation Demand and Supply project.	\$ 25 000
Nous Group	Services related to the International Education Plan.	\$ 73 972
Vivacity RTO Coaching & Consulting	Three-day workshop and one on one coaching.	\$ 23 646
East West Consultants Pty Ltd	Provide accounting services to the Office of the Agent-General in London.	\$ 10 705

Contractors	Purpose	\$ Actual payment
ARUP Australia Pty Ltd	To create a vision document for GFG Alliance.	\$ 26 966
Satalyst Pty Ltd	A scoping project for DTTI to run its own IT Systems.	\$ 17 900
Hays Specialist Recruitment (SA) Pty Ltd	Temporary staff services 2018-19	\$ 362 598
Hudson Global Resources (Aust) Pty Ltd	Temporary staff services 2018-19	\$ 24 714
Randstad Pty Ltd	Temporary staff services 2018-19	\$ 145 035
Robert Walters Pty Ltd	Temporary staff services 2018-19	\$ 19 705
	Total	\$1 716 298

As DTTI was established on 1 July 2018, there is no comparative data available for 2017-18.

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

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

Risk management

Risk and audit at a glance

DTTI Risk and Performance Committee (joint with the Department for Innovation and Skills (DIS) and the Department for Energy and Mining) has oversight of strategic risks. Strategic risks are those where the effect of an event or change in circumstances impacts the department's ability to achieve its strategic direction. Internal audit reviews are consistent with these strategic risks.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	Nil

Strategies implemented to control and prevent fraud

Strategies to control and prevent fraud include:

- The Financial Management Control Plan (FMCP)
- Financial authorisations
- Policies and procedures
- Risk and Assurance Work Plan
- Compliance review of SSSA processes

The FMCP includes control elements deemed critical to relevant and reliable financial reporting. These control elements are assessed during the year and action plans are implemented for any controls that are assessed as weak. Updates on the FMCP are provided to the Risk and Performance Committee (RPC) twice a year and the annual financial statements are presented to RPC for review in September.

Maintenance and quarterly monitoring of staff financial authorisations are conducted through the e-procurement and ANZ EMS purchase card systems. In addition, employee termination reports are reviewed regularly and any required amendments to e-procurement and purchase card authorisations are made in a timely manner.

DTTI has policies and procedures in place which outline employees' responsibilities in regard to committing and approving expenditure within the department, and DTTI's Risk Management Policy and Procedure provides employees further guidance on managing risk.

A Risk and Assurance Work Plan has been developed in consultation with DIS as per DTTI's service level agreement (SLA). The work plan focussed on strengthening the internal control environment for the department's high and extreme risks. This is overseen by the RPC.

DTTI mitigates the risk of fraud related to SSSA functions through the compliance with and regular review of SSSA processes and systems. Any issues that are raised are promptly addressed with SSSA as required.

As DTTI was established on 1 July 2018, there is no comparative data available for 2017-18.

Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993*:

Nil.

As DTTI was established on 1 July 2018, there is no comparative data available for 2017-18.

Reporting required under any other act or regulation

Nil

Reporting required under the *Carers' Recognition Act 2005*

The *Carers Recognition Act 2005* was promoted in DTTI's online induction package and is referenced in the DTTI Leave Procedure.

DTTI employees have access to carers' leave in line with Commissioner's Determination 3.1 Employment Conditions – Hours of Work, Overtime and Leave.

In 2018-19, 60 DTTI employees accessed 178.04 days of carers' leave.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect	0

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
		policy applied; conflicting policy advice given	
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	0

Additional Metrics	Total
% complaints resolved within policy timeframes	N/A

As DTTI was established on 1 July 2018, there is no comparative data available for 2017-18.

Service improvements for period

Service improvements that responded to customer complaints or feedback

DTTI developed Complaints Management Policy and Procedures to ensure employees are aware of their responsibilities in responding to feedback and complaints, recording data on complaints lodged and the outcomes. This will assist in the identification of systemic and recurring problems and /or potential improvements to service delivery and customer relations.

The DTTI Feedback and Complaints web page provides customers with information on how to make a complaint, what to expect during the process, and options available for making complaints, including the Translator and Interpreting Service and the National Relay Service. The DTTI Complaints Management Policy is available on the DTTI website and from DTTI Reception.

Appendix: Audited financial statements 2018-19



Level 9
State Administration Centre
200 Victoria Square
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www.audit.sa.gov.au

To the Chief Executive Department for Trade, Tourism and Investment

As required by section 31(1)(b) of the Public Finance and Audit Act 1987, I have audited the financial report of the Department for Trade, Tourism and Investment for the financial year ended 30 June 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Trade, Tourism and Investment as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Director, Strategic Operations.

Basis for opinion

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

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

Responsibilities of the Chief Executive for the financial report

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

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department for Trade, Tourism and Investment's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Andrew Richardson

Auditor-General

27 September 2019

**Department for Trade, Tourism and Investment
(DTTI)**

**Financial Statements
for the year ended
30 June 2019**

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Department for Trade, Tourism and Investment:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987* and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Department for Trade, Tourism and Investment
- present a true and fair view of the financial position of the Department for Trade, Tourism and Investment as at 30 June 2019 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Department for Trade, Tourism and Investment for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Leonie Muldoon
Chief Executive

27 September 2019



Sophie Adlaf
Director, Strategic Operations

27 September 2019

Department for Trade, Tourism and Investment
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000
<u>Expenses</u>		
Employee benefits expenses	2.3	21 339
Supplies and services	3.1	11 863
Depreciation	3.2	738
Grants and subsidies	3.3	17 635
Other expenses	3.4	8
Total expenses		51 583
<u>Income</u>		
Fees and charges	4.2	1 158
Commonwealth grants and payments	4.3	404
Interest and investment	4.4	100
Resources received free of charge	4.5	141
Other income	4.6	703
Total income		2 506
Net cost of providing services		(49 077)
<u>Revenues from / (payments to) SA Government</u>		
Revenues from SA Government	4.1	59 520
Payments to SA Government	4.1	(3 717)
Net result		6 726
Total comprehensive result		6 726

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Department for Trade, Tourism and Investment
Statement of Financial Position
as at 30 June 2019

	Note	2019 \$'000
<u>Current assets</u>		
Cash and cash equivalents	6.1	33 438
Receivables	6.3	922
Total current assets		34 360
<u>Non-current assets</u>		
Property, plant and equipment	5.1	705
Total non-current assets		705
Total assets		35 065
<u>Current liabilities</u>		
Payables	7.1	10 536
Employee benefits	2.4	2 261
Provisions	7.2	25
Other current liabilities	7.3	221
Total current liabilities		13 043
<u>Non-current liabilities</u>		
Payables	7.1	425
Employee benefits	2.4	4 654
Provisions	7.2	480
Total non-current liabilities		5 559
Total liabilities		18 602
Net assets		16 463
<u>Equity</u>		
Retained earnings		16 463
Total equity		16 463

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Department for Trade, Tourism and Investment
Statement of Changes in Equity
for the year ended 30 June 2019

	Note	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2018		-	-
<u>Net result for 2018-19</u>		6 726	6 726
Total comprehensive result 2018-19		6 726	6 726
<u>Transactions with SA Government as owner</u>			
Net assets received from an administrative restructure	1.3	15 963	15 963
Net assets transferred as a result of an administrative restructure	1.3	(6 226)	(6 226)
Balance at 30 June 2019		16 463	16 463

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Department for Trade, Tourism and Investment
Statement of Cash Flows
for the year ended 30 June 2019

	2019
	(Outflows)
	Inflows
	\$'000
<u>Cash flows from operating activities</u>	
<i>Cash outflows</i>	
Employee benefits payments	(20 999)
Payments for supplies and services	(6 253)
Payments of grants and subsidies	(17 773)
Cash used in operations	(45 025)
<i>Cash inflows</i>	
Fees and charges	1 117
Receipts from Commonwealth	399
Interest and dividends received	100
GST recovered from ATO	642
Other receipts	146
Cash generated from operations	2 404
Cash flows from SA Government	
Receipts from SA Government	59 520
Payments to SA Government	(3 717)
Cash generated from SA Government	55 803
Net cash provided by operating activities	13 182
<u>Cash flows from investing activities</u>	
<i>Cash outflows</i>	
Purchase of property, plant and equipment	(232)
Cash used in investing activities	(232)
Net cash used in investing activities	(232)
<u>Cash flows from financing activities</u>	
<i>Cash inflows</i>	
Cash received from restructuring activities	20 488
Cash generated from financing activities	20 488
Net cash provided by financing activities	20 488
Net increase in cash	33 438
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	33 438

6.1

The accompanying notes form part of these financial statements.

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

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Department for Trade, Tourism and Investment
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Department for Trade, Tourism and Investment

Notes to and forming part of the financial statements

for the year ended 30 June 2019

1. About the Department for Trade, Tourism and Investment

The *Public Sector (Administrative Units) Proclamation 2018* (dated 17 May 2018) proclaimed a department is established and assigned the title Department for Trade, Tourism and Investment effective from 1 July 2018.

The Department for Trade, Tourism and Investment (the department) is a not-for-profit government department of the State of South Australia. The department is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

The department does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the department.

Administered items are disclosed separately at the end of this report.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*;
- relevant Australian Accounting Standards.

For the 2018-19 financial statements the department adopted *AASB 9 – Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 9.

As the department was established on 1 July 2018, there are no prior period comparative figures in the financial statements.

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

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

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

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

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

Department for Trade, Tourism and Investment
Expenses and income by program
for the year ended 30 June 2019

1.2. Objectives and programs

Objectives

The objective of the department is to build the economic future of South Australia by transforming our state's economy and driving economic growth through trade, tourism and investment. The department also functions as a central agency supporting the state government's economic Growth Agenda, as well as promoting the state to the world.

The programs of the departments are:

- Trade and Investment
- Immigration SA

The functions of Immigration SA were transferred to the Department for Innovation and Skills effective from 1 April 2019 and no overheads have been allocated to this activity. The table below reflects financial data to 31 March 2019.

The tables on the following pages present expenses, income, assets and liabilities attributable to each activity.

Expenses and income by program

For the year ended 30 June 2019

	Trade and Investment	Immigration SA	Total
	2019	2019	2019
	\$'000	\$'000	\$'000
Expenses			
Employee benefits expenses	19 745	1 594	21 339
Supplies and services	11 475	388	11 863
Depreciation	738	-	738
Grants and subsidies	17 635	-	17 635
Other expenses	8	-	8
Total expenses	49 601	1 982	51 583
Income			
Fees and charges	-	1 158	1 158
Commonwealth grants and payments	404	-	404
Interest and investment	100	-	100
Resources received free of charge	141	-	141
Other income	698	5	703
Total income	1 343	1 163	2 506
Net cost of providing services	(48 258)	(819)	(49 077)
Revenues from / (payments to) SA Government			
Revenues from SA Government	59 520	-	59 520
Payments to SA Government	(3 717)	-	(3 717)
Net result	7 545	(819)	6 726

Department for Trade, Tourism and Investment
Assets and liabilities by program
for the year ended 30 June 2019

	Trade and Investment	Immigration SA	Total
	2019 \$'000	2019 \$'000	2019 \$'000
<u>Assets</u>			
Cash and cash equivalents	33 438	-	33 438
Receivables	761	161	922
Property, plant and equipment	705	-	705
Total assets	34 904	161	35 065
<u>Liabilities</u>			
Payables	10 961	-	10 961
Employee benefits	6 915	-	6 915
Provisions	505	-	505
Other liabilities	221	-	221
Total liabilities	18 602	-	18 602

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department

The department was established effective from 1 July 2018 and the income, expenses and net assets relating to functions transferred into the department are reflected in the transferring departments financial statements up to the date of the transfer, including comparatives for 2018. For functions that transferred out of the department during 2018-19, the income, expenses and net assets for 2018 are reflected in the Department for Industry and Skills financial statements.

The *Public Sector (Administrative Units of Public Service) Proclamation 2018* (dated 21 June 2018) proclaimed Investment Attraction South Australia is abolished effective from 1 July 2018. The *Public Sector (Reorganisation of Public Sector Operations No. 2) Notice 2018* (dated 21 June 2018) proclaimed that effective from 1 July 2018 employees of Investment Attraction South Australia will be transferred into the Department for Trade, Tourism and Investment.

Transferred in

On transfer of Investment Attraction South Australia, the Department for Trade, Tourism and Investment recognised the following assets and liabilities:

	\$'000
Cash	17 878
Receivables	85
Total assets	17 963
Payables	3 663
Employee benefits	1 589
Provisions	13
Total liabilities	5 265
Total net assets transferred	12 698

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

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department (continued)

The *Public Sector (Reorganisation of Public Sector Operations No.2) Notice 2018* (dated 21 June 2018) proclaimed that effective from 1 July 2018 employees of International Engagement, Trade and Immigration, Health Industries SA and one employee in Strategic Economics within the Department for Innovation and Skills (formerly the Department of State Development) will be transferred into the Department for Trade, Tourism and Investment.

The *Public Sector (Reorganisation of Public Sector Operations No.3) Notice 2018* (dated 28 June 2018) proclaimed that effective from 1 July 2018 identified corporate employees will be transferred into the Department for Trade, Tourism and Investment. In addition, the responsibility for the Minister for Trade, Tourism and Investment's office was transferred from the Department for Innovation and Skills to the Department for Trade, Tourism and Investment.

Transferred in

On transfer of International Engagement, Trade and Immigration, Health Industries SA, office for the Minister for Trade, Tourism and Investment and corporate staff, the Department for Trade, Tourism and Investment recognised the following assets and liabilities:

	\$'000
Cash	1 955
Receivables	45
Property, plant and equipment	394
Investment	6 901
Total assets	9 295
Payables	320
Employee benefits	2 874
Provisions	67
Other liabilities	410
Total liabilities	3 671
Total net assets transferred	5 624

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

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department (continued)

The *Public Sector (Reorganisation of Public Sector Operations No.2) Notice 2018* (dated 21 June 2018) proclaimed six employees relating to the government's trade, investment and export functions of the Department of Primary Industries and Regions were transferred to the Department for Trade, Tourism and Investment effective from 1 July 2018.

Transferred in

On transfer of six employees from the trade, investment and export functions of the Department of Primary Industries and Regions, the Department for Trade, Tourism and Investment recognised the following liabilities:

	\$'000
Payables	17
Employee benefits	159
Total liabilities	176
Total net assets transferred	(176)

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

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department (continued)

The Chief Executive of the Department for Innovation and Skills (dated 29 November 2018) approved the transfer of three employees from the corporate finance function to the new Department for Trade, Tourism and Investment effective from 1 January 2019.

Transferred in

<u>Total income and expenses attributable to three employees for 2018-19 were:</u>	Department for Innovation and Skills July 2018 to December 2018 \$'000	Department for Trade, Tourism and Investment January 2019 to June 2019 \$'000	TOTAL \$'000
Employee benefits expenses	182	172	354
Total expenses	182	172	354
Net result	(182)	(172)	(354)

On transfer of three employees from the corporate finance function, the Department for Trade, Tourism and Investment recognised the following liabilities:

	\$'000
Payables	16
Employee benefits	143
Total liabilities	159
Total net assets transferred	(159)

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

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department (continued)

The *Public Sector (Reorganisation of Public Sector Operations - External Engagement) Notice 2019* (dated 28 March 2019) proclaimed the employees for China Strategy and the Office of the State Coordinator-General from the Department of the Premier and Cabinet will be transferred into the Department for Trade, Tourism and Investment effective from 1 April 2019.

The Chief Executive of the Department of the Premier and Cabinet (dated 29 March 2019) approved the transfer of the Office of the Agent-General and responsibility for the state brand to the Department for Trade, Tourism and Investment effective from 1 April 2019. There are no net assets transferred in relation to state brand.

Transferred in

<u>Total income and expenses attributable to China Strategy for 2018-19 were:</u>	Department of the Premier and Cabinet July 2018 to March 2019 \$'000	Department for Trade, Tourism and Investment April 2019 to June 2019 \$'000	TOTAL \$'000
Employee benefits expenses	283	140	423
Total expenses	283	140	423
Net result	(283)	(140)	(423)

<u>Total income and expenses attributable to the Office of the State Coordinator-General for 2018-19 were:</u>	Department of the Premier and Cabinet July 2018 to March 2019 \$'000	Department for Trade, Tourism and Investment April 2019 to June 2019 \$'000	TOTAL \$'000
Employee benefits expenses	547	195	742
Supplies and services	73	27	100
Total expenses	620	222	842
Net result	(620)	(222)	(842)

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department (continued)

<u>Total income and expenses attributable to the Office of the Agent-General for 2018-19 were:</u>	Department for Trade,		TOTAL
	Department of the Premier and Cabinet July 2018 to March 2019 \$'000	Tourism and Investment April 2019 to June 2019 \$'000	
Other income	130	46	176
Total income	130	46	176
Employee benefits expenses	776	241	1 017
Supplies and services	565	217	782
Depreciation	43	14	57
Total expenses	1 384	472	1 856
Net result	(1 254)	(426)	(1 680)

On transfer of the employees for China Strategy, the Office of the State Coordinator-General and the Office of the Agent-General, the Department for Trade, Tourism and Investment recognised the following assets and liabilities:

	China Strategy \$'000	Office of the State Coordinator- General \$'000	Office of the Agent- General \$'000	TOTAL \$'000
Cash and cash equivalents	-	-	655	655
Receivables	-	-	123	123
Property, plant and equipment	-	-	405	405
Total assets	-	-	1 183	1 183
Payables	18	118	73	209
Employee benefits	125	771	34	930
Provisions	5	31	-	36
Other liabilities	-	-	84	84
Total liabilities	148	920	191	1 259
Total net assets transferred	(148)	(920)	992	(76)

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

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department (continued)

The *Public Sector (Reorganisation of Public Sector Operations - External Engagement) Notice 2019* (dated 28 March 2019) proclaimed the employees for Industry and Business Growth, Case Management and Regions and Industry, Policy and Analytics will be transferred from the Department for Innovation and Skills to the Department for Trade, Tourism and Investment effective from 1 April 2019.

The Chief Executive of the Department for Innovation and Skills (dated 14 June 2019) approved the transfer of four corporate employees to the Department for Trade, Tourism and Investment effective from 1 April 2019.

Transferred in

<u>Total income and expenses attributable to Industry and Business Growth for 2018-19 were:</u>	Department for Innovation and Skills July 2018 to March 2019 \$'000	Department for Trade, Tourism and Investment April 2019 to June 2019 \$'000	TOTAL \$'000
Other income	322	64	386
Total income	322	64	386
Employee benefits expenses	1 613	726	2 339
Supplies and services	1 632	577	2 209
Grants and subsidies	3 605	1 588	5 193
Total expenses	6 850	2 891	9 741
Net result	(6 528)	(2 827)	(9 355)

<u>Total income and expenses attributable to Case Management and Regions for 2018-19 were:</u>	Department for Innovation and Skills July 2018 to March 2019 \$'000	Department for Trade, Tourism and Investment April 2019 to June 2019 \$'000	TOTAL \$'000
Commonwealth grants and payments	72	41	113
Other income	36	-	36
Total income	108	41	149
Employee benefits expenses	1 601	722	2 323
Supplies and services	204	51	255
Grants and subsidies	87	20	107
Total expenses	1 892	793	2 685
Net result	(1 784)	(752)	(2 536)

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department (continued)

<u>Total income and expenses attributable to Industry, Policy and Analytics for 2018-19 were:</u>	Department for Innovation and Skills July 2018 to March 2019 \$'000	Department for Trade, Tourism and Investment April 2019 to June 2019 \$'000	TOTAL \$'000
Employee benefits expenses	614	123	737
Supplies and services	1	-	1
Total expenses	615	123	738
Net result	(615)	(123)	(738)

<u>Total income and expenses attributable to four corporate employees for 2018-19 were:</u>	Department for Innovation and Skills July 2018 to March 2019 \$'000	Department for Trade, Tourism and Investment April 2019 to June 2019 \$'000	TOTAL \$'000
Employee benefits expenses	395	114	509
Total expenses	395	114	509
Net result	(395)	(114)	(509)

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department (continued)

Transferred in

On transfer of the employees for Industry and Business Growth, Case Management and Regions, Industry, Policy and Analytics and corporate employees, the Department for Trade, Tourism and Investment recognised the following liabilities:

	Industry and Business Growth \$'000	Case Management and Regions \$'000	Industry, Policy and Analytics \$'000	Corporate \$'000	TOTAL \$'000
Payables	470	87	11	16	584
Employee benefits	353	658	95	160	1 266
Other liabilities	-	27	-	-	27
Total liabilities	823	772	106	176	1 877
Total net assets transferred	(823)	(772)	(106)	(176)	(1 877)

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

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department (continued)

The *Public Sector (Reorganisation of Public Sector Operations - External Engagement) Notice 2019* (dated 28 March 2019) proclaimed the transfer of one employee for Agribusiness Trade from the Department of Primary Industries and Regions to the Department for Trade, Tourism and Investment effective from 1 April 2019.

Transferred in

<u>Total income and expenses attributable to one Agribusiness Trade employee for 2018-19 were:</u>	Department of Primary Industries and Regions July 2018 to March 2019	Department for Trade, Tourism and Investment April 2019 to June 2019	TOTAL
	\$'000	\$'000	\$'000
Employee benefits expenses	160	51	211
Total expenses	160	51	211
Net result	(160)	(51)	(211)

On transfer of one employee for Agribusiness Trade, the Department for Trade, Tourism and Investment recognised the following liabilities:

	\$'000
Payables	11
Employee benefits	60
Total liabilities	71
Total net assets transferred	(71)

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

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.3. Changes to the department (continued)

The Chief Executive of the South Australian Tourism Commission (dated 28 March 2019) approved the transfer of the funding and monitoring of the Adelaide Convention Bureau including funding for the Convention Bid Fund and Billion Dollar Benefit to the Department for Trade, Tourism and Investment effective from 1 April 2019. There are no net asset transfers related to these functions.

The *Public Sector (Reorganisation of Public Sector Operations - External Engagement) Notice 2019* (dated 28 March 2019) proclaimed the employees of Immigration SA within the Department for Trade, Tourism and Investment will be transferred to the Department for Innovation and Skills effective from 1 April 2019.

Transferred out

The following liabilities for Immigration SA were transferred to the Department for Innovation and Skills:

	<u>\$'000</u>
Payables	73
Employee benefits	481
Other liabilities	121
Total liabilities	<u>675</u>
Total net assets transferred	<u>(675)</u>

Net assets transferred by the department as a result of the administrative restructure were recognised at their carrying amount. The net assets transferred were treated as a contribution by the government as owner.

The Chief Executive of the Department for Trade, Tourism and Investment (dated 28 March 2019) approved the transfer of the responsibility for Scope Global Pty Ltd to the Department of Treasury and Finance effective from 1 April 2019.

Transferred out

The following asset for Scope Global Pty Ltd was transferred to the Department of Treasury and Finance:

	<u>\$'000</u>
Investment	6 901
Total assets	<u>6 901</u>
Total net assets transferred	<u>6 901</u>

Net assets transferred by the department as a result of the administrative restructure were recognised at the carrying amount. The net assets transferred were treated as a contribution by the government as owner.

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.4. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2018-19 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

			Original DTTI budget (1)	Actual	Variance
	Note	Note	2019 \$'000	2019 \$'000	\$'000
Statement of Comprehensive Income					
<u>Expenses</u>					
Employee benefits expenses	2.3		19 108	21 339	2 231
Supplies and services	3.1	(a)	7 747	11 863	4 116
Depreciation	3.2		11	738	727
Grants and subsidies	3.3	(b)	37 463	17 635	(19 828)
Other expenses	3.4		-	8	8
Total expenses			64 329	51 583	(12 746)
<u>Income</u>					
Fees and charges	4.2		900	1 158	258
Commonwealth grants and payments	4.3		363	404	41
Interest and investment	4.4		600	100	(500)
Resources received free of charge	4.5		-	141	141
Other income	4.6		361	703	342
Total income			2 224	2 506	282
Net cost of providing services			(62 105)	(49 077)	13 028
<u>Revenues from / (payments to) SA</u>					
<u>Government</u>					
Revenues from SA Government	4.1		57 889	59 520	1 631
Payments to SA Government	4.1	(c)	-	(3 717)	(3 717)
Net result			(4 216)	6 726	10 942

Explanations are required to be provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses.

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
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1.4. Budget performance (continued)

	Note	Original DTTI budget (1)	Actual	Variance
		2019 \$'000	2019 \$'000	\$'000
Investing Expenditure Summary				
Total new projects	(d)	210	232	22
Total investing expenditure		210	232	22

(1) These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2018-19 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures / machinery of government changes.

The following are brief explanations of variances between original budget and actual amounts:

Statement of Comprehensive Income

(a) Supplies and services is \$4.1 million unfavourable compared to original budget primarily due to:

- Transfer of additional budget during 2018-19 for machinery of government changes as disclosed in note 1.3 (\$3.9 million).

(b) Grants and subsidies is \$19.8 million favourable compared to original budget primarily due to:

- Transfer out of budget related to Economic Investment Fund to Defence SA (\$11.7 million)
- Lower expenditure in relation to timing of payments for Economic Investment Fund and Health Industry Fund grants (\$9.3 million); partially offset by
- Transfer in of additional budget during 2018-19 for machinery of government changes as disclosed in note 1.3 (\$1.6 million).

(c) Payments to SA Government is \$3.7 million unfavourable compared to original budget due to:

- Unbudgeted payment of surplus cash to the Department of Treasury and Finance as part of the annual cash alignment process.

Investing expenditure

(d) Total new investing projects is \$22,000 unfavourable compared to original budget primarily due to:

- Office refurbishment costs (\$0.2 million); partially offset by
- Reclassification of the overseas trade office fit-out budget to reflect co-location of offices with Austrade instead of implementing stand-alone offices with associated fitouts (\$0.2 million).

Department for Trade, Tourism and Investment
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1.5. Significant transactions with government related entities

Significant transactions with the SA government are identifiable throughout this financial report. In addition:

- approximately 94% of operating lease payments related to accommodation supplied by the Department of Planning, Transport and Infrastructure (DPTI)
- accrued expenses liability includes \$2.7 million relating to reimbursements for other government departments for machinery of government changes
- 60% of grant payments were paid to SA government entities, primarily for the Economic Investment Fund grants administered by the Department of Treasury and Finance (\$7.1 million) and Defence SA (\$0.7 million) and funding to Education Adelaide for StudyAdelaide (\$2.5 million).

Department for Trade, Tourism and Investment
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2. Board, committees and employees

2.1. Key management personnel

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

The total compensation in 2019 includes the Chief Executive (up to 31 March 2019), Deputy Chief Executive and Director Strategic Operations. From April 2019, the Director International Markets was included following an internal department restructure. The post-employment benefits relate to superannuation. The acting Chief Executive remuneration from 1 April to 30 June 2019 is not included below and has been included in the Department of the Premier and Cabinet financial statements.

Total compensation for key management personnel was \$1.0 million in 2018-19.

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

	2019
	\$'000
<u>Compensation</u>	
Salaries and other short term employee benefits	746
Post-employment benefits	81
Termination benefits	135
Total	962

Transactions with key management personnel and other related parties

Compensation of key management personnel is disclosed above.

2.2. Board and committee members

Risk and Performance Committee

C Dunsford (Chair)
 J Hill
 S Adlaf*
 J Cirson* (appointed September 2018)
 N Chandler* (appointed December 2018)
 J King* (appointed September 2018, resigned December 2018)
 G Giannopoulos* (resigned December 2018)
 M Richardson* (term expired September 2018)

The Risk and Performance Committee is shared with the Department for Energy and Mining and the Department for Innovation and Skills. The committee is remunerated by the Department for Innovation and Skills and costs are recovered through service level agreement with Department for Innovation and Skills (refer note 3.1).

* In accordance with the Department of the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board / committee duties during the financial year. In addition, members of Parliament who are members of boards or committees did not receive any remuneration.

Department for Trade, Tourism and Investment
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2.3. Employee benefits expenses

Employee benefits expenses

	2019
	\$'000
Salaries and wages	15 446
Targeted voluntary separation packages	1 179
Long service leave	829
Annual leave	1 303
Skills and experience retention leave	49
Employment on-costs - superannuation	1 596
Employment on-costs - other	966
Workers compensation	(29)
Total employee benefits expenses	21 339

Employment on-costs - superannuation

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

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
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2.3. Employee benefits expenses (continued)

Executive remuneration

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

	2019
	No
\$151 001 to \$171 000	4
\$171 001 to \$191 000 [^]	3
\$191 001 to \$211 000	1
\$231 001 to \$251 000 [^]	1
\$251 001 to \$271 000 [^]	5
\$271 001 to \$291 000 [^]	1
\$451 001 to \$471 000 [^]	2
\$531 001 to \$551 000 [^]	1
\$571 001 to \$591 000 [^]	1
Total	<u><u>19</u></u>

[^] represents bands where staff received termination payments as part of their total remuneration including, but not limited to, targeted voluntary separation packages disclosed below.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, TVSPs / early terminations, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$5.3 million.

The above table does not include any employees that transferred into the department on 1 April 2019 as the remuneration received for the period 1 April 2019 to 30 June 2019 did not reach the \$151 000 total. If they had been employed by the department for the whole year, the number of employees included in the table would have increased by an additional 3 to 22 employees.

Targeted voluntary separation packages

The number of employees who received a TVSP during the reporting period was 15.

	2019
	\$'000
Amount paid to separated employees:	
Targeted voluntary separation packages	1 179
Leave paid to separated employees	352
Recovery from the Department of Treasury and Finance	<u>(1 179)</u>
Net cost to the department	<u><u>352</u></u>

Department for Trade, Tourism and Investment
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2.4. Employee benefits liability

	2019
	\$'000
<u>Current</u>	
Accrued salaries and wages	436
Annual leave	1 502
Long service leave	223
Skills and experience retention leave	100
Total current employee benefits	<u>2 261</u>
<u>Non-current</u>	
Long service leave	4 654
Total non-current employee benefits	<u>4 654</u>
Total employee benefits	<u>6 915</u>

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

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

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

The annual leave liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. Where skills and experience retention leave liability is expected to be payable later than 12 months, the liability is measured at present value.

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability are provided at note 11.1.

Department for Trade, Tourism and Investment
Notes to and forming part of the financial statements
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3. Expenses

Employee benefits expenses are disclosed in note 2.3.

3.1. Supplies and services

	2019
	\$'000
Service level agreements ⁽¹⁾	2 665
Operating lease payments	2 314
Contractors	1 769
Office administration expenses	1 202
Overseas trade representation	1 090
Communications and information technology	973
Travel and related expenses	804
Accommodation and service costs	372
Marketing	359
Staff related expenses	205
Accounting and audit fees	77
Consultants	33
Total supplies and services	11 863

⁽¹⁾ Represents payments to the Department for Innovation and Skills and Shared Services SA for the provision of corporate, ICT, financial and payroll support.

Operating lease payments

Operating lease payments (less any lease incentives) are recognised on a straight-line basis over the lease term.

	2019
	\$'000
Operating lease minimum payments	2 554
Operating lease incentives	(240)
Total operating lease payments	2 314

Accounting and audit fees

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$77 400. No other services were provided by the Auditor-General's Department.

Consultants

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

	No	2019
		\$'000
Below \$10 000	2	9
\$10 000 or above	1	24
Total	3	33

Department for Trade, Tourism and Investment
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3.2. Depreciation

	2019
	\$'000
Buildings and leasehold improvements	734
Plant and equipment	4
Total depreciation	738

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

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

Review of accounting estimates

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

Works of art controlled by the department have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. Consequently, no depreciation has been recognised.

Useful life

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

Class of asset	Useful life (years)
Plant and equipment	3-5
Leasehold improvements	Life of lease

3.3. Grants and subsidies

	2019
	\$'000
Class of assistance:	
Investment Attraction	11 344
International Education	3 301
Business Growth and Competitiveness	1 608
Trade	1 326
Tourism	38
Other	18
Total grants and subsidies	17 635

Department for Trade, Tourism and Investment
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3.4. Other expenses

	2019
	\$'000
Allowances for doubtful debts	8
Total other expenses	8

3.5. Overseas representative offices

The following table provides a summary of the financial transactions for the reporting period for overseas offices, where the department funds their operations. The transactions relating to operating expenses and operating revenues have been included in the financial statements.

	China	United Kingdom	2019
	\$'000	\$'000	\$'000
Operating expenses	365	473	838
Operating revenues	5	46	51
Funds advanced to overseas offices towards operating expenses	390	-	390

The costs relating to overseas representation provided through Austrade are not included in the table below. These costs are shown in note 3.1 (refer Overseas trade representation).

The financial year ended 30 June 2019 includes full year costs for operating the Jinan office. Effective from 1 April 2019, the Agent-General's Office in London was transferred from the Department of the Premier and Cabinet. The department's financial statements reflect three months of costs. Funding for the Agent-General's Office is reflected in the Department of the Premier and Cabinet's financial statements.

Department for Trade, Tourism and Investment
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4. Income

4.1. Net revenues from SA Government

	2019 \$'000
<u>Revenues from SA Government</u>	
Appropriations from the Consolidated Account pursuant to the <i>Appropriation Act</i>	53 868
Appropriations under other Acts	2 259
Accrual appropriation	3 393
Total revenues from SA Government	59 520
 <u>Payments to SA Government</u>	
Payments to the Consolidated Account	3 717
Total payments to SA Government	3 717
 Net revenues from SA Government	 55 803

Appropriations

Appropriations are recognised on receipt.

Total revenue from government consists of \$57.2 million for operational funding and \$2.3 million was received pursuant to the Treasurer's contingency. Contingency appropriation included \$2.2 million for for voluntary and executive separation package reimbursements and \$0.1 million for the export ready coaching program.

Payments made to SA Government in 2018-19 are due to the return of surplus cash pursuant to the cash alignment policy.

In 2019 there were nil appropriations from the Governor's Appropriation Fund pursuant to the *Public Finance and Audit Act 1987*.

4.2. Fees and charges

	2019 \$'000
Immigration application fees	1 158
Total fees and charges	1 158

The functions of Immigration SA were transferred to the Department for Innovation and Skills effective from 1 April 2019 as per note 1.3.

Department for Trade, Tourism and Investment
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4.3. Commonwealth grants and payments

	2019
	\$'000
Grants	
TradeStart	363
Employment Facilitator Services for Regional Employment Trials Program	<u>41</u>
Total Commonwealth grants and payments	<u>404</u>

The existing TradeStart Agreement expired on 30 June 2018. The Australian Trade and Investment Commission (Austrade) exercised its option under Clause 4 of the agreement to extend the contract term to 30 June 2019. The department has been selected by Austrade as the successful tenderer to deliver TradeStart services in South Australia for 2019-2023. The contract term for the Employment Facilitator Services for Regional Employment Trials Program is from 1 October 2018 to 30 June 2020.

4.4. Interest and investment

	2019
	\$'000
Dividends received	<u>100</u>
Total interest and investment	<u>100</u>

The dividend received related to Scope Global Pty Ltd which was transferred to the Department of Treasury and Finance effective from 1 April 2019 as per note 1.3.

4.5. Resources received free of charge

	2019
	\$'000
Services received free of charge - Shared Services SA	<u>141</u>
Total resources received free of charge	<u>141</u>

On 21 November 2016, approval was given by Cabinet to cease the intra-government charging model for services provided by Shared Services SA (SSSA) to general government sector agencies. As a result of this change, effective from 2018, SSSA is directly appropriation funded for the services provided by SSSA to general government agencies.

Under AASB 1004 *Contributions*, the contribution of services provided by SSSA to government agencies are disclosed in the financial statements as income because the fair value of the services can be reliably measured and the services would have been purchased if they had not been donated. A corresponding expense is recognised in the financial statements (note 3.1).

4.6. Other income

	2019
	\$'000
Recoveries	608
Other income	<u>95</u>
Total other income	<u>703</u>

Recoveries include funding from other government agencies for reimbursement of accommodation and salaries and contribution to department led projects including scholarships and grant payments.

Department for Trade, Tourism and Investment
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5. Non-financial assets

5.1. Property, plant and equipment

	2019
	\$'000
<u>Plant and equipment</u>	
Plant and equipment at cost (deemed fair value)	103
Accumulated depreciation at the end of the period	(67)
Total plant and equipment	36
<u>Buildings and leasehold improvements</u>	
Buildings and leasehold improvements at fair value	4 568
Accumulated depreciation at the end of the period	(3 952)
Total buildings and leasehold improvements	616
<u>Works of art</u>	
Works of art at fair value	53
Total works of art	53
Total property, plant and equipment	705

Property, plant and equipment assets with a value equal to or in excess of \$10 000 are capitalised, with the exception of works of art. All works of art are capitalised irrespective of their value.

Property, plant and equipment is recorded at fair value. Detail about the department's approach to fair value is set out in note 11.2.

Plant and equipment includes \$17 300 of fully depreciated plant and equipment still in use.

Reconciliation 2018-19

	Plant and equipment	Buildings and leasehold improvements	Works of art	Capital works in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	-	-	-	-	-
Additions	-	232	-	-	232
Other movements	-	441	-	(29)	412
Depreciation	(4)	(734)	-	-	(738)
Acquisition through administrative restructuring	40	677	53	29	799
Carrying amount at 30 June 2019	36	616	53	-	705

Department for Trade, Tourism and Investment
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6. Financial assets

6.1. Cash and cash equivalents

	2019
	\$'000
Deposits with the Treasurer – Operating Account	30 237
Deposits with the Treasurer – Accrual Appropriation	2 857
Deposits at call - overseas offices	344
Total cash and cash equivalents	33 438

Deposits with the Treasurer

The department has two deposit accounts with the Treasurer:

- a general operating account;
- an Accrual Appropriation Excess Funds Account.

Although the department controls the money in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

The office has two overseas deposit accounts in China and the United Kingdom. The carrying amount of cash and cash equivalents represents nominal value in Australian dollars.

Department for Trade, Tourism and Investment
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6.2. Non-cash financing and investing activities

Details with respect to the restructuring of administrative arrangements are set out in note 1.3. The following restructures were not reflected in the Statement of Cash Flows.

- Effective 1 July 2018 six employees relating to the government's trade, investment and export functions of the Department of Primary Industries and Regions were transferred into the department. This restructure resulted in the department assuming net liabilities of \$0.2 million.
- Effective from 1 January 2019 three employees from the corporate finance function of the Department for Innovation and Skills transferred into the department. This restructure resulted in the department assuming net liabilities of \$0.2 million.
- Effective from 1 April 2019 the employees for China Strategy and the Office of the State Coordinator-General of the Department of the Premier and Cabinet transferred into the department. This restructure resulted in the department assuming net liabilities of \$0.1 million and \$0.9 million respectively.
- Effective from 1 April 2019 the Industry and Business Growth, Case Management and Regions, Industry, Policy and Analytics and four corporate staff of the Department for Innovation and Skills transferred into the department. This restructure resulted in the department assuming net liabilities of \$1.9 million.
- Effective from 1 April 2019 one employee for Agribusiness Trade from the Department of Primary Industries and Regions transferred into the department. This restructure resulted in the department assuming net liabilities of \$0.1 million.

6.3. Receivables

	2019 \$'000
<u>Current</u>	
<u>Trade receivables</u>	
From government entities	262
From non-government entities	43
Less allowance for doubtful debts	(8)
Total trade receivables	297
Prepayments	129
GST input tax recoverable	130
Accrued revenue	352
Other receivables	14
Total current receivables	922

Department for Trade, Tourism and Investment
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6.3. Receivables (continued)

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

The net amount of GST payable to the ATO is included as part of receivables.

Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand.

There is no concentration of credit risk.

Refer to note 11.3 for further information on risk management.

Impairment of receivables

	2019
	\$'000
Carrying amount at the beginning of the period	<u>-</u>
Increase in allowance	<u>8</u>
Carrying amount at the end of the period	<u>8</u>

Refer to note 9.2 for details regarding credit risk and the methodology for determining impairment.

6.4. Investments

	2019
	\$'000
Carrying amount at the beginning of the period	-
Net assets received from an administrative restructure	6 901
Net assets transferred as a result of an administrative restructure	<u>(6 901)</u>
Total investments at the end of the period	<u>-</u>

The *Public Sector (Reorganisation of Public Sector Operations No.2) Notice 2018* (dated 21 June 2018) proclaimed that effective from 1 July 2018 the investment for Scope Global Pty Ltd within the Department for Innovation and Skills (formerly the Department of State Development) will be transferred into the Department for Trade, Tourism and Investment.

The Chief Executive of the Department for Trade, Tourism and Investment (dated 28 March 2019) approved the transfer of the investment for Scope Global Pty Ltd to the Department of Treasury and Finance effective from 1 April 2019.

Department for Trade, Tourism and Investment
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7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

7.1. Payables

	2019
	\$'000
<u>Current</u>	
Trade payables	281
Accrued expenses	9 785
Employment on-costs	470
Total current payables	<u>10 536</u>
<u>Non-current</u>	
Employment on-costs	425
Total non-current payables	<u>425</u>
Total payables	<u>10 961</u>

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Employment on-costs

Employment on-costs include payroll tax, Return to Work SA levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave was 41% in 2019. The average factor for the calculation of employer superannuation cost on-cost was 9.8% in 2019. These rates are used in the employment on-cost calculation.

Department for Trade, Tourism and Investment
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7.2. Provisions

	2019
	\$'000
<u>Current</u>	
Provision for workers compensation	25
Total current provisions	25
<u>Non-current</u>	
Provision for workers compensation	39
Make good provision	441
Total non-current provisions	480
Total provisions	505
Carrying amount at the beginning of the period	-
Additional provisions recognised	505
Carrying amount at the end of the period	505

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2019 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

7.3. Other liabilities

	2019
	\$'000
<u>Current</u>	
Lease incentive	100
Unearned revenue	121
Total current other liabilities	221
Total other liabilities	221

Department for Trade, Tourism and Investment
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8. Other disclosures

8.1. Cash flow

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

Cash flow reconciliation

	2019
	\$'000
<u>Reconciliation of cash and cash equivalents at the end of the reporting period</u>	
Cash and cash equivalents disclosed in the Statement of Financial Position	33 438
Balance as per the Statement of Cash Flows	<u>33 438</u>
<u>Reconciliation of net cash provided in operating activities to net cost of providing services</u>	
Net cash provided in operating activities	13 182
Less revenues from SA Government	(59 520)
Add payments to SA Government	3 717
<u>Add / (less) non-cash items</u>	
Depreciation expense of non-current assets	(738)
Amortisation of lease incentive	240
Bad and doubtful debts expense	(8)
Resources received free of charge	141
Other asset movements	(29)
Resources provided free of charge	(141)
Transfer in for administrative restructure	12 223
Transfer out for administrative restructure	(675)
<u>Movement in assets and liabilities</u>	
Increase in receivables	930
(Increase) in payables	(10 960)
(Increase) in other liabilities	(460)
(Increase) in provisions	(64)
(Increase) in employee benefits	(6 915)
Net cost of providing services	<u>(49 077)</u>

Department for Trade, Tourism and Investment
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9. Changes in accounting policy

9.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government
- removal of the additional requirement to report a statement of equity for administered items
- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 10.3.

9.2. AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, the department adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9 as follows:

- *AASB 101 Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the Statement of Comprehensive Income. In prior years, this information was presented as part of other expenses.
- *AASB 7 Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, *AASB 9 Financial Instruments* was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018.

The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

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9.2. AASB 9 Financial Instruments (continued)

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the department are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of services.

This model generally results in earlier recognition of credit losses than the previous one.

Trade receivables

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The department has adopted the simplified approach under *AASB 9 Financial Instruments* and measured lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision.

This resulted in an increase of the loss allowance on 1 July 2018 of \$7 500 for trade receivables external to government.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the government's high quality credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

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10. Outlook

10.1. Unrecognised contractual commitments

Commitments for the payment of other contracts and grant agreements in existence at the reporting date but not recognised as liabilities are payable as follows:

Other commitments

	2019
	\$'000
Within one year	15 985
Later than one year but not later than five years	<u>10 615</u>
Total other commitments	<u>26 600</u>

Amounts disclosed include commitments arising from agreements with contractors, consultants, ICT contracts and grant recipients.

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10.1. Unrecognised contractual commitments (continued)

Operating lease commitments

	2019
	\$'000
<u>Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:</u>	
Within one year	1 345
Later than one year but not later than five years	4 937
Later than five years	456
Total operating lease commitments	6 738
Representing:	
Cancellable operating leases	170
Non-cancellable operating leases	6 568
Total operating lease commitments	6 738

The department's operating leases relate to office accommodation and motor vehicles. Office accommodation is leased from the Department of Planning, Transport and Infrastructure - Building Management Accommodation and Property Services, TAFE SA and two private companies for the overseas offices. The leases are non-cancellable with terms ranging up to five years with some leases having the right of renewal. Motor vehicles are leased from the South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia, with lease periods of up to three years.

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10.2. Contingent assets and liabilities

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

The department is not aware of any contingent assets.

Contingent assets

Where specific conditions relating to a financial assistance grant are not met, the department may request the amount granted be repaid by the grantee.

There are no known contingent assets arising from these present obligations as at 30 June 2019.

Contingent liabilities

The department may have a contingent liability under a financial assistance agreement with a company. The department may be liable to make additional future payments per the conditions of the agreement but is unable to determine the amount of the future payment at reporting date.

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10.3. Impact of standards and statements not yet effective

The department has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

Treasurer's Instructions (Accounting Policy Statements) 2019 issued by the Treasurer on 22 March 2019 are effective for the 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note 9.1. There are no Accounting Policy Statements that are not yet effective.

The material impacts on the department are outlined below.

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

The department will adopt AASB 15 – *Revenue from Contracts with Customers* and AASB 1058 – *Income of Not-for-Profit Entities* from 1 July 2019.

Objective

AASB 15 introduces a 5-step approach to revenue recognition. The objective of AASB 15 is that recognition of revenue depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. It provides extensive guidance as to how to apply this revenue recognition approach to a range of scenarios. *AASB 15 – Revenue from Contracts* replaces *AASB 111 – Construction Contracts* and *AASB 118 – Revenue*.

AASB 1058 introduces consistent requirements for the accounting of non-reciprocal transactions by not-for-profit entities, in conjunction with AASB 15. These requirements closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. AASB 1058 replaces parts of *AASB 1004 – Contributions*.

Impact on 2019-20 financial statements

Adopting AASB 15 and AASB 1058 is expected to have an immaterial impact on the timing of recognition of revenue by the department.

Related accounting policies

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the department must adopt for the transition to *AASB 15 – Revenue from Contracts with Customers* and *AASB 1058 – Income of Not-for-Profit Entities*. These requirements include that the department will:

- apply AASB 15 and AASB 1058 retrospectively. The cumulative effect of initially applying the Standards will be recognised at 1 July 2019. Comparatives will not be restated
- not apply the AASB 15 and the AASB 1058 completed contracts practical expedient
- apply the AASB 15 practical expedient for all contract modifications that occur before the date of initial application.

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that the department will:

- apply, where permitted, the short-term licences recognition exemption.
- adopt \$15,000 as the threshold to determine whether a licence is a licence for which the transaction price is of low value and will apply the low value licence recognition exemption for all low value licences.
- not recognise volunteer services when the services would not have been purchased if they had not been donated.

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10.3. Impact of standards and statements not yet effective (continued)

AASB 16 – Leases

The department will adopt *AASB 16 – Leases* from 1 July 2019.

Objective

AASB 16 sets out a comprehensive model for lease accounting that addresses recognition, measurement, presentation and disclosure of leases. The outcome will be that lease information disclosed will give users of financial statements a basis to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. *AASB 16 Leases* replaces *AASB 117 Leases and Interpretation 4 Determining whether an Arrangement contains a Lease*, *Interpretation 115 Operating Leases – Incentives and Interpretation*, and *Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Impact on 2019-20 financial statements

The department has assessed the estimated impact on the Statement of Financial Position of adopting AASB 16 with the transition requirements mandated by the *Treasurer's Instructions (Accounting Policy Statements)*.

AASB 16 requires lessees to recognise assets and liabilities for all leases, not subject to a recognition exemption or scoped out of the application of AASB 16. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position for the first time. Lease incentive liabilities previously recognised will be written off against the right-of-use assets or retained earnings depending on the nature of the incentive.

AASB 16 is expected to have a material impact on the Statement of Financial Position. The department has estimated the impact of this change and the results as at 1 July 2019.

The estimated impact is based on applying AASB 16's transition approach to those leases identified as leases by the department prior to 1 July 2019. The incremental borrowing rates applied to estimate the lease liability were SAFA's forecast interest rates for principal and interest loans to SA Government agencies for 1 July 2019 as at 5 June 2019.

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10.3. Impact of standards and statements not yet effective (continued)

The estimated impact is set out below.

	as at 1 July 2019 \$'000
<u>Assets</u>	
Right-of-use assets	2 199
<u>Liabilities</u>	
Lease liabilities	(2 131)
Other liabilities (lease incentive liabilities)	(16)
Net impact on equity	52

AASB 16 will also impact on the Statement of Comprehensive Income. The operating lease expense previously included in supplies and services will mostly be replaced with:

- a depreciation expense that represents the use of the right-of-use asset; and
- borrowing costs that represent the cost associated with financing the right-of-use asset.

The estimated impact on 2019-20 Statement of Comprehensive Income is set out below.

	2020 \$'000
Depreciation and amortisation	348
Supplies and services	(299)
Borrowing costs	35
Net impact on net cost of providing services	84

Related accounting policies

The *Treasurer's Instructions (Accounting Policy Statements) 2019* sets out key requirements that the department must adopt for the transition from *AASB 117 Leases* to *AASB 16 Leases*. These requirements include that the department will:

- apply AASB 16 retrospectively, the cumulative effect of initially applying the Standard will be recognised at 1 July 2019 and comparatives will not be restated
- only apply AASB 16 to contracts that were previously identified as containing a lease applying AASB 117 and related interpretations
- not transition operating leases for which the lease term ends before 30 June 2020.

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10.3. Impact of standards and statements not yet effective (continued)

The *Treasurer's Instructions (Accounting Policy Statements) 2019* also sets out requirements for on-going application. These requirements include that department will:

- not apply AASB 16 to leases of intangible assets
- adopt \$15,000 as the threshold to determine whether an underlying asset is a low value asset and must apply the low value asset recognition exemption to all low value assets
- apply the short-term leases recognition exemption for all classes of underlying asset. Note an exemption has been applied to not apply this for vehicle leases with SAFA
- separate non-lease components from lease components
- adopt the revaluation model, where permitted
- where required, apply the relevant lessee's incremental borrowing rate published by the Department of Treasury and Finance
- on initial recognition not record at fair-value leases that have significantly below-market terms and conditions principally to enable the department to further its objectives, unless they have already been recorded at fair-value prior to 1 July 2019.

10.4. Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2019 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2019.

Note disclosure is made about events between 30 June 2019 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2019 and which may have a material impact on the results of subsequent years as set out below.

There are no known events after the reporting period.

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11. Measurement and risk

11.1. Long service leave liability – measurement

AASB 119 *Employee Benefits* contains the calculation methodology for the long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of long service leave liability. The yield on long-term Commonwealth Government bonds was 1.25% for 2019.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service liability of \$0.4 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

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

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience.

11.2. Fair value

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

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

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

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when its fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

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11.2. Fair value (continued)

Fair value hierarchy

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

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date
- Level 2 - not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly), and
- Level 3 - not traded in an active market and are derived from unobservable inputs.

The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

During 2019, the department had no valuations categorised into level 1 and level 2; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

All assets are classified at level 3 and movement schedules are in note 5.1.

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11.3. Financial Instruments

Financial risk management

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

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

Liquidity risk

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

Refer to notes 7.1 for further information.

Credit risk

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

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

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The department uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the department considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the department's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the department is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	-	0.37%	-
1 - 30 days past due	-	0.48%	-
31 - 60 days past due	-	1.35%	-
61 - 90 days past due	-	1.97%	-
More than 90 days past due	8	100.00%	8
Loss Allowance	8		8

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11.3. Financial Instruments (continued)

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the department's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the department and a failure to make contractual payments for a period of greater than 90 days past due.

Receivables with a contractual amount of \$7 500 transferred to provision of doubtful debt during the year are still subject to enforcement activity.

The department considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

Market risk

The department does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The department does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in T1 23 *Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. The department's interest bearing liabilities are managed through the South Australian Government Financing Authority (SAFA) and any movement in interest rates are monitored on a daily basis. The department has minor exposure to foreign currency loss due to overseas transactions including the department's overseas representation offices. The loss in 2019 was \$10 000.

Categorisation of financial instruments

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

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11.3. Financial Instruments (continued)

Classification applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

Given that the department was established on 1 July 2018, this section does not apply as it reflects how the financial assets and liabilities would have been classified in the previous reporting period. However, it has been included for completeness to compare new classification requirements from 1 July 2018 and reflected in the next section.

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Held-to-maturity investments;
- Loan and receivables;
- Financial liabilities measured at cost.

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

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer to notes 6.3 and 7.1)
- Held-to-maturity investments are initially recognised at fair value, then subsequently held at amortised cost. This is the most representative of fair value in the circumstances (refer to note 6.4).

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11.3. Financial Instruments (continued)

Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows;
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The department measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	2019 Carrying amount / fair value \$'000	2019 Contractual maturities	
			Current \$'000	
Financial assets				
Cash and cash equivalents	6.1	33 438	33 438	
Financial assets at amortised cost				
Receivables	6.3	401	401	
Total financial assets		33 839	33 839	
Financial liabilities				
Financial liabilities at amortised cost				
Payables	7.1	9 989	9 989	
Total financial liabilities		9 989	9 989	

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

The receivable amounts disclosed here exclude prepayments as they are not financial assets. Prepayments are presented in note 6.3.

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12. Disclosure of Administered Items

12.1. Disclosure of administered items as at 30 June 2019

The department disburses parliamentary salaries and allowances pursuant to the *Agent-General Act 1901* and the *Parliamentary Remuneration Act 1990* on behalf of the State Government.

	2019
	\$'000
<u>Administered expenses</u>	
Employee benefits expenses	412
Total administered expenses	412
<u>Administered income</u>	
Other income	47
Total administered income	47
<u>Revenues from SA Government</u>	
Revenue from SA Government	352
<u>Administered current assets</u>	
Cash and cash equivalents	(60)
Receivables	47
Total current assets	(13)

Budget performance

	Original DTTI		
	Administered		
	budget ⁽¹⁾	Actual	Variance
	2019	2019	2019
	\$'000	\$'000	\$'000
Statement of Comprehensive Income			
<u>Administered Expenses</u>			
Employee benefits expenses	364	412	48
Total administered expenses	364	412	48
<u>Administered income</u>			
Other income	-	47	47
Total administered income	-	47	47
Net cost of providing services	(364)	(365)	(1)
<u>Revenues from SA Government</u>			
Revenues from SA Government	364	352	(12)
Net result	-	(13)	(13)
Total comprehensive result	-	(13)	(13)

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12.1. Disclosure of administered items as at 30 June 2019 (continued)

Explanations are required to be provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses.

There are no material variances between original budget and actual amount.

⁽¹⁾ These budgeted amounts have not been subject to audit. Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2018-19 Budget Papers, Budget Paper 4). These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures / machinery of government changes.