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To the Chief Executive Attorney-General's Department

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Attorney-General's Department 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 Attorney-General's Department as at 30 June 2019, its financial performance and its cash flows for year then ended in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 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
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2019
- Disaggregated Disclosures – Assets and Liabilities as at 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2019
- a Statement of Administered Financial Position as at 30 June 2019
- a Statement of Administered Cash Flows for the year ended 30 June 2019
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2019
- a Schedule of Assets and Liabilities attributable to administered activities as at 30 June 2019
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Executive Director - Finance, People and Performance.

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 Attorney-General's Department. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* have been met.

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

Responsibilities of the Chief Executive for the financial report

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

Auditor's responsibilities for the audit of the financial report

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

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

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



Andrew Richardson

Auditor-General

19 September 2019

**Attorney-General's Department
(AGD)**

Financial Statements

For the year ended 30 June 2019

Attorney-General's Department
Statement of Certification
for the year ended 30 June 2019

We certify that the attached general purpose financial statements for the Attorney-General's Department:

- 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 Attorney-General's Department
- present a true and fair view of the financial position of the Attorney-General's Department as at 30 June 2019 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Attorney-General's Department for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Caroline Meador
Chief Executive

17 September 2019



Andrew Swanson FCPA
Executive Director - Finance, People and Performance

17 September 2019

Attorney-General's Department
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Expenses			
Employee benefits	2.3	147 182	164 114
Supplies and services	3.1	57 947	70 183
Grants and subsidies	3.2	7 887	10 414
Depreciation and amortisation	3.3	6 902	5 946
Other expenses	3.4	873	869
Net loss from disposal of non-current assets	3.5	481	443
Total expenses		221 272	251 969
Income			
Fees and charges	4.2	82 958	106 358
Recoveries	4.3	11 451	18 931
Services received free of charge	4.4	2 288	2 089
Grants and subsidies	4.5	339	232
Other income	4.6	2 309	2 143
Total income		99 345	129 753
Net cost of providing services		(121 927)	(122 216)
Revenues from / (payments to) SA Government			
Revenues from SA Government	4.1	108 429	114 797
Total net revenues from SA Government		108 429	114 797
Net result		(13 498)	(7 419)
Total comprehensive result		(13 498)	(7 419)

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

Attorney-General's Department
Statement of Financial Position
as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	6.1	27 004	23 927
Receivables	6.2	12 159	17 978
Lease incentives receivable		-	2 966
Total current assets		39 163	44 871
Non-current assets			
Property, plant and equipment	5.1	9 710	21 001
Intangible assets	5.2	11 332	13 698
Total non-current assets		21 042	34 699
Total assets		60 205	79 570
Current liabilities			
Payables	7.1	9 021	11 716
Employee benefits	2.4	17 258	17 206
Provisions	7.2	626	893
Lease incentives liability		404	468
Other current liabilities	7.3	213	171
Total current liabilities		27 522	30 454
Non-current liabilities			
Payables	7.1	2 886	3 251
Employee benefits	2.4	31 473	35 330
Provisions	7.2	663	839
Lease incentives liability		877	1 492
Total non-current liabilities		35 899	40 912
Total liabilities		63 421	71 366
Net assets		(3 216)	8 204
Equity			
Asset revaluation surplus		4 534	4 534
Retained earnings		(7 750)	3 670
Total equity		(3 216)	8 204

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

Attorney-General's Department
Statement of Changes in Equity
for the year ended 30 June 2019

		Asset revaluation surplus	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000
Balance at 30 June 2017		4 534	11 089	15 623
Net result for 2017-18		-	(6 795)	(6 795)
Error Correction		-	(624)	(624)
Total comprehensive result for 2017-18		-	(7 419)	(7 419)
Balance at 30 June 2018		4 534	3 670	8 204
Net result for 2018-19		-	(13 498)	(13 498)
Total comprehensive result for 2018-19		-	(13 498)	(13 498)
Transactions with SA Government as owner				
Net assets received from an administrative restructure	1.3	-	4 650	4 650
Net assets transferred from an administrative restructure	1.3	-	(2 572)	(2 572)
Balance at 30 June 2019		4 534	(7 750)	(3 216)

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

Attorney-General's Department
Statement of Cash Flows
for the year ended 30 June 2019

		2019 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash outflows			
Employee benefits payments		(144 700)	(163 377)
Payments for supplies and services		(68 983)	(85 908)
Grants and subsidies		(9 565)	(12 594)
Parental leave scheme		(520)	(535)
Other payments		(982)	(1 051)
Cash used in operations		(224 750)	(263 465)
Cash inflows			
Fees and charges		96 849	108 706
Recoveries		12 674	18 481
GST recovered from the ATO and customers		2 748	6 418
Grants and subsidies		510	2 028
Receipts for paid parental leave scheme		523	524
Other receipts		3 149	1 733
Cash generated from operations		116 453	137 890
Cash flows from SA government			
Receipts from SA government		108 429	115 087
Cash generated from SA government		108 429	115 087
Net cash provided by / (used in) operating activities	8.2	132	(10 488)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(3 050)	(3 131)
Purchase of intangible assets		(1 756)	(3 706)
Cash used in investing activities		(4 806)	(6 837)
Net cash provided by / (used in) investing activities		(4 806)	(6 837)
Cash flows from financing activities			
Cash outflows			
Cash transferred for administrative restructure		(36)	-
Cash used in financing activities		(36)	-
Cash inflows			
Cash received from lease incentive		2 896	-
Cash received from restructuring activities		4 891	-
Cash generated from financing activities		7 787	-
Net cash provided by / (used in) financing activities		7 751	-
Net increase / (decrease) in cash and cash equivalents		3 077	(17 325)
Cash and cash equivalents at the beginning of the reporting period		23 927	41 252
Cash and cash equivalents at the end of the reporting period	6.1	27 004	23 927

The accompanying notes form part of these financial statements.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

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Attorney-General's Department
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Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1 About the Attorney-General's Department

The Attorney-General's Department (the department) is a not-for-profit government department of the State of South Australia, established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown.

The department produces both controlled and administered financial statements. The controlled financial statements include income, expenses, assets and liabilities, controlled or incurred by the department in its own right. The administered financial statements include income, expenses, assets and liabilities which the department administers on behalf of the SA Government but does not control. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for controlled items.

For the purposes of accrual accounting and external financial reporting, the Ombudsman, South Australian Civil and Administrative Tribunal and Office for the Public Advocate are included in the controlled reporting entity of the department.

Administered items of the department include:

- Child Abuse Program
- Crown Solicitor's Trust Account
- Fines Enforcement and Recovery Unit - Revenue
- Legal Services Commission - Grants
- Native Title
- Royal Commission - Response Units
- SA Computer Aided Dispatch Project
- SA Government Radio Network
- Special Acts - Payment of Ministerial Salary and Allowances
- Special Acts - Payment of Statutory Officer Salaries
- State Rescue Helicopter Service
- Taxation Receipts
- Victims of Crime Fund

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

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*; and
- 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.

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; and
- receivables and payables, which are stated with the amount of GST included.

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

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.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.2. Objectives and programs

Objectives

The objective of the Attorney-General's Department is to help create an inclusive, safe and fair South Australia. The department promotes justice through protecting rights and holding people to account according to the law, improving safety and contributing to an efficient and fair justice system.

Programs

Information about the department's activities are set out in the disaggregated disclosures schedule. An activity is a grouping of related sub activities that contribute to the achievement of agency and government objectives.

Legal and Justice Services

Legal and Justice Services promotes justice by holding people to account according to the law, improving safety and contributing to an efficient and fair justice system.

Legal and Justice Services includes the provision of legal services by the Crown Solicitor's Office, Office for the Director of Public Prosecutions and Solicitor-General. This activity also includes the functions of the Parliamentary Counsel, Justice Technology Services, the South Australian Civil and Administrative Tribunal and Forensic Science SA.

Consumer and Business Services

The purpose of Consumer and Business Services is to protect consumers, support and regulate business and record significant life events in South Australia. Consumer and Business Services has a diverse role including licensing and registration, dispute resolution, legislative compliance, policy development and providing education and awareness campaigns to ensure an informed community that is able to conduct business fairly, efficiently, competitively and safely.

Advocacy and Guardianship Services

The *Guardianship and Administration Act 1993* establishes the Public Advocate to provide services to promote and protect the rights of people with a mental incapacity and/or a medical illness. The Office of the Public Advocate provides advocacy, guardianship, information, investigation, education and dispute resolution services to fulfil the statutory responsibilities of the Public Advocate.

Equal Opportunity

The Commissioner for Equal Opportunity is responsible for administering the *Equal Opportunity Act 1984* and promoting equality of opportunity for all South Australians. This is achieved through the administration of anti-discrimination legislation, examining and responding to complaints of discrimination and providing information, education and training to encourage compliance with the legislation.

Ombudsman

The Ombudsman investigates and attempts to resolve complaints against state and local government agencies under the *Ombudsman Act 1972*, and identifies and deals with misconduct and maladministration in public administration on referral by the Independent Commissioner against Corruption. The objective of this function is to ensure that the public receives fair treatment from government bodies and that public administration is reasonable and just.

Industrial Relations

Industrial Relations provide services to ensure the rights and obligations of employees are protected and the relevant law applied to prevent and resolve workplace disputes. This activity includes the functions of SafeWork SA and the South Australian Employment Tribunal. SafeWork SA transferred to the Department of Treasury and Finance effective from 1 July 2018. The South Australian Employment Tribunal transferred to the Department of Treasury and Finance effective 1 October 2018.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

1.2. Objectives and programs (continued)

Fines Enforcement and Recovery

The Fines Enforcement and Recovery Unit manage overdue fines issued by authorities across South Australia, including expiation notices and court imposed pecuniary sums. This activity also includes the recovery of Victims of Crime and Criminal Injury Compensation debts.

State Records

State Records provides statutory services for the management of, and access to, the state's archival collection of state and local government records and provides advice on records and information management, legislation, policy and practices.

Other

Certain items of the department are not allocated to activities.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

Expenses and income by program	Legal and Justice Services		Consumer and Business Services		Advocacy and Guardianship Services		Equal Opportunity	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses								
Employee benefits	(100 327)	(95 408)	(23 276)	(20 033)	(4 118)	(3 356)	(1 587)	(1 563)
Supplies and services	(38 555)	(37 387)	(6 351)	(7 962)	(886)	(935)	(511)	(636)
Grants and subsidies	(7 594)	(8 860)	(278)	(414)	(4)	(2)	(5)	(5)
Depreciation and amortisation	(3 371)	(2 363)	(1 623)	(929)	(40)	(57)	(34)	(36)
Other expenses	(788)	(856)	(30)	(11)	(54)	-	-	-
Net loss from disposal of non-current assets	(117)	-	(7)	-	(53)	(16)	-	-
Total expenses	(150 752)	(144 874)	(31 565)	(29 349)	(5 155)	(4 366)	(2 137)	(2 240)
Income								
Fees and charges	44 001	42 457	38 701	37 038	-	-	-	-
Recoveries	8 146	8 752	68	82	32	32	348	463
Services received free of charge	-	-	-	-	-	-	-	-
Grants and subsidies	338	187	1	-	-	45	-	-
Other income	-	50	2 130	1 378	-	-	-	-
Total income	52 485	51 446	40 900	38 498	32	77	348	463
Net cost of providing services	(98 267)	(93 428)	9 335	9 149	(5 123)	(4 289)	(1 789)	(1 777)
Revenues from / (payments to) SA Government								
Revenue from SA Government	-	4 136	-	-	-	-	-	-
Total net revenues from SA Government	-	4 136	-	-	-	-	-	-
Net result	(98 267)	(89 292)	9 335	9 149	(5 123)	(4 289)	(1 789)	(1 777)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

Expenses and income by program	Ombudsman		Industrial Relations		Fines Enforcement and Recovery		State Records	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses								
Employee benefits	(3 136)	(2 853)	(1 914)	(27 750)	(9 381)	(9 470)	(3 359)	(3 504)
Supplies and services	(781)	(747)	(1 377)	(13 743)	(5 750)	(6 112)	(3 734)	(2 605)
Grants and subsidies	-	(6)	(2)	(1 120)	(3)	(5)	(1)	(2)
Depreciation and amortisation	(114)	(144)	(32)	(1 123)	(1 421)	(556)	(267)	(640)
Other expenses	(1)	-	-	(2)	-	-	-	-
Net loss from disposal of non-current assets	(304)	-	-	-	-	(427)	-	-
Total expenses	(4 336)	(3 750)	(3 325)	(43 738)	(16 555)	(16 570)	(7 361)	(6 751)
Income								
Fees and charges	-	-	-	26 677	-	-	256	186
Recoveries	637	533	2 159	8 871	7	194	54	4
Services received free of charge	-	-	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	-	-	-	-
Other income	-	-	39	601	36	42	104	72
Total income	637	533	2 198	36 149	43	236	414	262
Net cost of providing services	(3 699)	(3 217)	(1 127)	(7 589)	(16 512)	(16 334)	(6 947)	(6 489)
Revenues from / (payments to) SA Government								
Revenue from SA Government	-	-	-	-	-	-	-	-
Total net revenues from SA Government	-	-	-	-	-	-	-	-
Net result	(3 699)	(3 217)	(1 127)	(7 589)	(16 512)	(16 334)	(6 947)	(6 489)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

Expenses and income by program

	Other		Total	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Expenses				
Employee benefits	(84)	(177)	(147 182)	(164 114)
Supplies and services	(2)	(56)	(57 947)	(70 183)
Grants and subsidies	-	-	(7 887)	(10 414)
Depreciation and amortisation	-	(98)	(6 902)	(5 946)
Other expenses	-	-	(873)	(869)
Net loss from disposal of non-current assets	-	-	(481)	(443)
Total expenses	(86)	(331)	(221 272)	(251 969)
Income				
Fees and charges	-	-	82 958	106 358
Recoveries	-	-	11 451	18 931
Services received free of charge	2 288	2 089	2 288	2 089
Grants and subsidies	-	-	339	232
Other income	-	-	2 309	2 143
Total income	2 288	2 089	99 345	129 753
Net cost of providing services	2 202	1 758	(121 927)	(122 216)
Revenues from / (payments to) SA Government				
Revenue from SA Government	108 429	110 661	108 429	114 797
Total net revenues from SA Government	108 429	110 661	108 429	114 797
Net result	110 631	112 419	(13 498)	(7 419)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

Assets and liabilities by program	Legal and Justice Services		Consumer and Business Services		Advocacy and Guardianship Services		Equal Opportunity	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets								
Cash and cash equivalents	173	173	4 826	-	-	-	-	-
Receivables	9 551	8 544	2 021	5 899	-	-	2	201
Lease incentives receivable	2	490	(1)	533	-	15	-	11
Total current assets	9 726	9 207	6 846	6 432	-	15	2	212
Non-current assets								
Property, plant and equipment	4 963	3 471	3 322	3 783	271	106	63	81
Intangible assets	6 148	8 707	939	848	-	-	-	-
Total non-current assets	11 111	12 178	4 261	4 631	271	106	63	81
Total assets	20 837	21 385	11 107	11 063	271	121	65	293
Current liabilities								
Payables	(6 261)	(6 347)	(1 245)	(1 362)	(85)	(105)	(27)	(109)
Employee benefits	(11 978)	(9 947)	(3 012)	(2 242)	(417)	(304)	(138)	(135)
Provisions	-	-	-	-	-	-	-	-
Lease incentives liability	(206)	(77)	(138)	(84)	(11)	(2)	(3)	(2)
Other current liabilities	(13)	(31)	(26)	-	-	-	-	-
Total current liabilities	(18 458)	(16 402)	(4 421)	(3 688)	(513)	(411)	(168)	(246)
Non-current liabilities								
Payables	(2 079)	(1 966)	(471)	(417)	(58)	(49)	(23)	(20)
Employee benefits	(22 679)	(21 356)	(5 131)	(4 543)	(634)	(537)	(242)	(218)
Provisions	-	-	-	-	-	-	-	-
Lease incentives liability	(449)	(246)	(298)	(267)	(25)	(8)	(6)	(6)
Total non-current liabilities	(25 207)	(23 568)	(5 900)	(5 227)	(717)	(594)	(271)	(244)
Total liabilities	(43 665)	(39 970)	(10 321)	(8 915)	(1 230)	(1 005)	(439)	(490)
Net assets	(22 828)	(18 585)	786	2 148	(959)	(884)	(374)	(197)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

Assets and liabilities by program	Fines Enforcement							
	Ombudsman		Industrial Relations		and Recovery		State Records	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current assets								
Cash and cash equivalents	-	-	-	46	-	-	-	-
Receivables	270	173	3	2 722	213	389	99	50
Lease incentives receivable	-	58	-	1 698	(1)	30	-	131
Total current assets	270	231	3	4 466	212	419	99	181
Non-current assets								
Property, plant and equipment	120	407	-	12 009	190	209	781	935
Intangible assets	-	-	-	17	4 245	4 126	-	-
Total non-current assets	120	407	-	12 026	4 435	4 335	781	935
Total assets	390	638	3	16 492	4 647	4 754	880	1 116
Current liabilities								
Payables	(92)	(113)	3	(1 831)	(1 039)	(1 758)	(274)	(91)
Employee benefits	(379)	(369)	-	(2 983)	(963)	(936)	(355)	(289)
Provisions	-	-	-	(765)	-	-	(626)	(128)
Lease incentives liability	(5)	(9)	-	(268)	(8)	(5)	(33)	(21)
Other current liabilities	-	-	-	(19)	(33)	(47)	(141)	(74)
Total current liabilities	(476)	(491)	3	(5 866)	(2 043)	(2 746)	(1 429)	(603)
Non-current liabilities								
Payables	(43)	(67)	-	(536)	(142)	(136)	(65)	(60)
Employee benefits	(472)	(725)	-	(5 820)	(1 556)	(1 475)	(703)	(656)
Provisions	-	-	-	(740)	-	-	(663)	(99)
Lease incentives liability	(11)	(29)	-	(855)	(17)	(15)	(71)	(67)
Total non-current liabilities	(526)	(821)	-	(7 951)	(1 715)	(1 626)	(1 502)	(882)
Total liabilities	(1 002)	(1 312)	3	(13 817)	(3 758)	(4 372)	(2 931)	(1 485)
Net assets	(612)	(674)	6	2 675	889	382	(2 051)	(369)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

Assets and liabilities by program	Other		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Current assets				
Cash and cash equivalents	22 005	23 708	27 004	23 927
Receivables	-	-	12 159	17 978
Lease incentives receivable	-	-	-	2 966
Total current assets	22 005	23 708	39 163	44 871
Non-current assets				
Property, plant and equipment	-	-	9 710	21 001
Intangible assets	-	-	11 332	13 698
Total non-current assets	-	-	21 042	34 699
Total assets	22 005	23 708	60 205	79 570
Current liabilities				
Payables	(1)	-	(9 021)	(11 716)
Employee benefits	(16)	(1)	(17 258)	(17 206)
Provisions	-	-	(626)	(893)
Lease incentives liability	-	-	(404)	(468)
Other current liabilities	-	-	(213)	(171)
Total current liabilities	(17)	(1)	(27 522)	(30 454)
Non-current liabilities				
Payables	(5)	-	(2 886)	(3 251)
Employee benefits	(56)	-	(31 473)	(35 330)
Provisions	-	-	(663)	(839)
Lease incentives liability	-	1	(877)	(1 492)
Total non-current liabilities	(61)	1	(35 899)	(40 912)
Total liabilities	(78)	-	(63 421)	(71 366)
Net assets	21 927	23 708	(3 216)	8 204

Attorney-General's Department
Notes to and forming part of the financial statements
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1.3. Changes to the department

As a result of administrative arrangements outlined in the South Australian Government Gazette on 29 November 2018, 14 June 2018 and 27 September 2018 respectively, the:

- Independent Gambling Authority was abolished, and the functions were consolidated within Consumer and Business Services effective 1 December 2018.
- department relinquished responsibility for SafeWork SA, a business unit of the department. Assets and liabilities relating to this business unit were transferred to the Department of Treasury and Finance effective 1 July 2018.
- department relinquished responsibility for South Australian Employment Tribunal (SAET), a business unit of the department. Assets and liabilities relating to this business unit were transferred to the Department of Treasury and Finance effective 1 October 2018.

Transferred in

Total income and expenses attributable to the Independent Gambling Authority for the period ending 1 December 2018 were:	IGA 1 July 2018 to 1 December 2018 \$'000	Total \$'000
Employee benefits expenses	405	405
Supplies and services	144	144
Amortisation	18	18
Grants and sponsorship	22	22
Total expenses	589	589
Revenue from SA Government	781	781
Interest revenues	27	27
Total income	808	808
Net result	219	219

On transfer of the Independent Gambling Authority the department recognised the following assets and liabilities

	IGA 1 December 2018 \$'000	Total \$'000
Cash	4 891	4 891
Receivables	16	16
Intangibles	50	50
Total assets	4 957	4 957
Payables	84	84
Employee benefits expense	223	223
Total liabilities	307	307
Total net assets received	4 650	4 650

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. The net assets transferred were treated as a contribution by the government as owner.

Attorney-General's Department
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1.3. Changes to the department (continued)

Transferred out

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 distribution to the government as owner.

The following assets and liabilities were transferred to the Department of Treasury and Finance:	South Australian Employment Tribunal		Total \$'000
	SafeWork 1	1 October 2018	
	July 2018 \$'000	\$'000	
Cash	36	-	36
Receivables	147	36	183
Property, plant and equipment	9 697	1 639	11 336
Intangibles	17	-	17
Other assets	93	-	93
Total assets	9 990	1 675	11 665
Payables	1 241	121	1 362
Employee benefits expense	6 390	1 134	7 524
Provisions	183	24	207
Total liabilities	7 814	1 279	9 093
Total net assets transferred	2 176	396	2 572

Attorney-General's Department
Notes to and forming part of the financial statements
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1.4. Budget performance

The budget performance table compares the departments 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 budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
Statement of Comprehensive Income	Note			
Expenses				
Employee benefits		143 621	147 182	3 561
Supplies and services		53 589	57 947	4 358
Grants and subsidies		8 511	7 887	(624)
Depreciation and amortisation		5 167	6 902	1 735
Other expenses		1 062	873	(189)
Net loss from disposal of non-current assets		-	481	481
Total expenses		211 950	221 272	9 322
Income				
Fees and charges		81 973	82 958	985
Recoveries		10 732	11 451	719
Services received free of charge		-	2 288	2 288
Grants and subsidies		1 514	339	(1 175)
Other income		3 735	2 309	(1 426)
Total income		97 954	99 345	1 391
Net cost of providing services		113 996	121 927	7 931
Revenues from / (payments to) SA government				
Revenues from SA government	a	98 225	108 429	10 204
Total net revenues from SA Government		98 225	108 429	10 204
Net result		(15 771)	(13 498)	2 273

Attorney-General's Department
Notes to and forming part of the financial statements
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1.4. Budget performance (continued)

		Original budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
Investing expenditure summary	Note			
Total existing projects	b	5 214	3 967	(1 247)
Total annual program		827	1 065	238
Total investing expenditure		6 041	5 032	(1 009)

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

- a Revenues from SA government were greater than the original budget mainly due to additional funding being received from the Treasurer's Contingency fund for TVSPs and additional funding as a result of the Independent Gambling Authority transferring to Consumer and Business Services within Attorney-General's Department.
- b Investing expenditure for existing projects was lower than the original budget mainly due to budget adjustments approved in 2018-19 to carryover unspent funding.

1.5. Significant transactions with government related entities

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

- \$24.7m fees and charges received from various SA Government entities for legal services provided by the Crown Solicitor's Office.
- \$18.7m lease payments to Department of Planning, Transport and Infrastructure for accommodation.
- \$13.1m fees and charges received from various SA Government entities for network services provided by Justice Technology Services. Refer note 4.2.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the department include the Attorney-General, the Chief Executive Officer and the 11 members of the Executive Management Group who have responsibility for the strategic direction and management of the department.

Total compensation for key management personnel was \$3.61 million in 2018-19 and \$4.55 million in 2017-18.

The compensation detailed below excludes salaries and other benefits the Attorney-General receives. The Attorney-General'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*. Compensation detailed below excludes the salaries and other benefits the Public Trustee receives as key management personnel, as these are reflected in the Public Trustee financial statements.

	2019	2018
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	3 047	3 366
Post-employment benefits	296	334
Other long-term employment benefits	272	177
Termination benefits	-	669
Total compensation	3 615	4 546

Salaries and other short term employee benefits include salaries and wages, terminal annual leave and SERL, fringe benefits tax paid and salary sacrifice. Post-employment benefits include employer superannuation. Other long-term employment benefits include terminal long service leave only.

Transactions with key management personnel and other related parties

Refer to note 2.1 above for key management personnel compensation. There are no other material transactions or balances to disclose with key management personnel or related parties.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.2. Board and committee members

Members during the 2018-19 financial year were:

Audit and Risk Management Committee

T Brumfield*
D Contala
A Gale*
M Hanson*
P J Martin
D Soulio*
M Turner*

SA Classification Council**

B E Biggins*
A J Dale*
A P Durkin*
G S Karzis
J J Redman

State Records Council

R K Foster
S E Marsden
H J Merritt
K Nicholas *
H P Onopko
D J Rathman (appointed: 30 November 2018)
S Smith* (appointment ceased 28 October 2018)
N L Sumner * (appointment ceased 28 October 2018)
I T Sutherland
M Webster-Bradman (appointed: 3 May 2019)
K White (appointed: 24 October 2018)

**The SA Classification Council is currently in abeyance until amendments have been made to the Classification.

SA Sentencing Advisory Council

S Abbott
P J Alexander
T M A Dibden*
R C Healy
I D Leader-Elliott
J Martin*
S McDonald *
G Mead *
E F Nelson
P Newitt *
J R Sulan
J L Rice

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.2. Board and committee members (continued)

SA Civil and Administrative Tribunal

M S Alvino	M T Kennedy
R M Armour	A G King
M Bagato (now M Berg)	J Lammersma
J Bakas	C Larkin (appointment expired 30 March 2019)
J Barnes (appointment expired 21 December 2018)	A Lazarevich
K J Bean (appointed :1 January 2019)	C D Lester
A Bills	R Maerschel
G B Box	H R Mares
S Carlton	K P McEvoy
L Clark *	J L McGrath
S Clark (appointment expired 8 February 2019)	P K Mickan
D T Coyte	K J Millar
J Cowdroy	A V Moroney
C J D'Arcy	M Murphy
B M Day (appointment ceased 7 February 2019)	D R R Parker
M Demosthenous	J M Petrie
P J Duffy	A M Radin
J S Dunstone	N J Rainford
A C Faulkner	D J Rathman (appointment expired 30 March 2019)
A D Files	G L Rawson
J D Forgan	J C Richardson
M Fuller	M Rischbieth (appointment expired 30 March 2019)
S Georgiadis	K A Ryan
L Gilfillan	R R Schroeder
J Gipslis	M A Stevens
S E Gooch (appointed: 1 January 2019)	E F Skinner
T D Griffin	E Stratton-Smith
D E Gursansky	L M Sudano (appointment expired 30 September 2018)
B G Harvey (appointed: 1 January 2019)	G N Twohig
L Hastwell	D J Watkins (appointment expired 30 March 2019)
J Hughes	D P Watson
J Hundertmark	C Wilson
A R Hunter	
J Irving	
B E Johns	

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.2. Board and committee members (continued)

Health Practitioners Tribunal

C P Alderman *	J C McMahon
J G Angove	J R Middleton
M L B Ardlie	A M Milich *
C C Bindon	C E Miller
A Booth *	A M Milln
G Brideson	N Moffat
M J Chamney	M R Moy
B A Coombe	N B Murray
K R Davis	M F O'Keefe *
S L De Lacey	K O Osborne
A D Delloso *	J Pappin
L E Denley	A C Patten
J S Dunstone	M B Pattison
M C Eckert	A C Phillips
C D Field	A M Pierce
J D Fuller	C A Pilkington *
N C Galatis	C J Pirone
P C Gaughwin	G R Pitcher
P A Glover	K L Plastow
E Golding	K A Poulish *
L H Goudas *	C Pratten *
M F Greig	T L R Quarmby
D E Gursansky	S M Raphael
N M Haensel *	D T Riseley
B R Hamlyn	S D Rogers
W A Harvey *	L Rose *
R C S Heah	J F Scott
A M Hill	L J Selga
A C Holliday *	B A Simondson
R F Hordern	A J Sluggett
R A Hussey *	J E Smith
L T Huynh	B H Steele
R J Johns	D R Suyapto
E Kalaitzidis	K A Szekely
D M A Kay	A P Targett *

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.2. Board and committee members (continued)

K J Kevan	A Thomas
S Kondopoulos *	K A Thornton *
Z L Lagana	D Tsiopelas
Y Y Lu *	A L Van Essen
M J Lundberg	C A Wagner
P D Marin	K J Walkley *
R J Marotti *	A C Walls *
V A Matthews	H Wang
K H McEwen	C Whiteford *
	L M Whiteway
	L K M Wiles
	C J Wilson *

* In accordance with the Department of Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

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

	2019	2018
\$0 - \$19 999	167	202
\$20 000 - \$39 999	12	4
\$40 000 - \$59 999	5	8
\$60 000 - \$79 999	3	5
\$80 000 - \$99 999	1	1
\$100 000 - \$119 999	2	1
\$120 000 - \$139 999	2	1
\$160 000 - \$179 999	1	-
Total number of members	193	222

The total remuneration received or receivable by members was \$1.71 million (\$1.67 million). Amounts paid to a superannuation plan for board/ committee members was \$0.15 million (2018: \$0.11 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

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

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.3. Employee benefits expenses

	2019	2018
	\$'000	\$'000
Salaries and wages	103 423	123 268
Employment on-costs - superannuation	12 142	14 565
Annual leave	9 295	11 319
Targeted voluntary separation packages (refer below)	6 844	361
Employment on-costs - payroll tax	6 670	7 666
Long service leave (LSL)	6 415	4 309
Board fees	1 707	1 674
Skills and experience retention leave (SERL)	637	795
Workers' compensation	46	124
Other employee related expenses	3	33
Total employee benefits expenses	147 182	164 114

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.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.3. Employee benefits expenses (continued)

Executive remuneration

The number of officers whose remuneration received or receivable falls within the following bands:	2019 Number	2018 Number
\$149 000 to \$151 000*	N/A	5
\$151 001 to \$171 000**	59	56
\$171 001 to \$191 000**	20	20
\$191 001 to \$211 000**	11	6
\$211 001 to \$231 000**	17	20
\$231 001 to \$251 000**	7	8
\$251 001 to \$271 000**	5	5
\$271 001 to \$291 000	4	2
\$291 001 to \$311 000**	6	4
\$311 001 to \$331 000	2	4
\$331 001 to \$351 000	2	3
\$351 001 to \$371 000**	-	5
\$371 001 to \$391 000	2	-
\$391 001 to \$411 000	-	1
\$431 001 to \$451 000**	2	1
\$451 001 to \$471 000	1	-
\$471 001 to \$491 000	-	2
\$491 001 to \$511 000	1	1
\$511 001 to \$531 000	-	1
\$571 001 to \$591 000	-	2
\$591 001 to \$611 000	4	2
\$651 001 to \$671 000**	1	-
\$711 001 to \$731 000**	1	-
\$751 001 to \$771 000**	1	-
\$1 091 000 to \$1 111 000 **	-	1
Total number of officers	146	149

* The \$149 000 to \$151 000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2017-18.

** Includes payment of long service leave, annual leave, termination benefits for officers who have left the department.

Total remuneration received or due and receivable by these officers was \$33.3 million (\$34.6 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

Attorney-General's Department
Notes to and forming part of the financial statements
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2.3. Employee benefits expenses (continued)

Executive remuneration by category

	2019	2018
	Number	Number
Legal	100	105
Executive	13	15
Other	33	29
Total number of officers	146	149

	2019	2018
	\$'000	\$'000
Targeted voluntary separation packages (TVSPs)		
Amounts paid during the reporting period to separated employees:		
TVSPs	6 844	361
Annual leave, LSL and SERL paid to those employees	1 348	33
	8 192	394
Less:		
Recovery from the Department of Treasury and Finance	(8 022)	-
Net cost to the department	170	394

Number of employees who received a TVSP during the reporting period was: 75 4

2.4. Employee benefits liability

	2019	2018
	\$'000	\$'000
Current		
Annual leave	8 380	10 444
Accrued salaries and wages	4 108	2 625
Long service leave	4 012	3 185
Skills and experience retention leave	758	952
Total current employee benefits	17 258	17 206
Non-current		
Long service leave	31 473	35 330
Total non-current employee benefits	31 473	35 330
Total employee benefits	48 731	52 536

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

2.4. Employee benefits liability (continued)

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 and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

Long service leave

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

Attorney-General's Department
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	2018
	\$'000	\$'000
Information and communications technology	16 518	17 807
Operating lease minimum payments	16 339	19 409
Accommodation	3 669	4 482
Shared Services SA charges	2 403	2 144
Outsourced services	2 128	2 648
Office expenses	1 854	2 716
Contract staff	1 641	1 518
Telephone related expenses	1 397	1 549
Laboratory supplies	1 343	1 391
Staff payments	1 343	2 267
Legal fees	1 332	1 576
Repairs, maintenance and minor purchases	1 201	1 675
Promotions and publications	703	1 066
Consultants	647	876
Motor vehicle expenses	467	1 308
Tax payments	460	749
Storage and archive costs	380	470
Other	4 122	6 532
Total supplies and services	57 947	70 183

Refer to note 4.4 for an explanation on Shared Services SA charges.

Operating lease payments

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

Consultants

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

	2019	2019	2018	2018
	Number	\$'000	Number	\$'000
Below \$10 000	6	31	23	94
Between \$10 000 and \$50 000	8	193	21	509
\$50 000 or above	4	423	3	273
Total paid / payable to the consultants engaged	18	647	47	876

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

3.2. Grants and subsidies

	2019	2018
	\$'000	\$'000
Community Legal Centres	5 202	5 457
Policy and Research	1 095	905
Operation Flinders	465	456
Native Title	330	880
Crime Prevention and CCTV	249	1 026
Consumer and Business Services	210	297
SafeWork SA	-	976
Other	336	417
Total grants and subsidies	7 887	10 414

For contributions payable, the contribution will be recognised as a liability and expense when the entity has a present obligation to pay the contribution and expense recognition criteria are met.

All contributions paid by the department have been contributions with unconditional stipulations.

Contributions can be either for general assistance or a particular purpose and will usually be subject to terms and conditions set out in a contract, correspondence, or by legislation governing the contribution.

3.3. Depreciation and amortisation

	2019	2018
	\$'000	\$'000
Depreciation		
Plant and equipment	599	726
Information technology	134	148
Buildings and other structures	-	159
Total depreciation	733	1 033
Amortisation		
Intangible assets	3 747	2 188
Leasehold improvements	2 422	2 725
Total amortisation	6 169	4 913
Total depreciation and amortisation	6 902	5 946

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

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.

Land and library collections are not depreciated.

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate. There were no changes to accounting estimates for the year ended 30 June 2019.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

3.3. Depreciation and amortisation (continued)

Useful lives

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

Class of asset	Useful life (years)
Buildings and Other Structures	5-80
Leasehold Improvements	Life of lease
Plant and equipment	1-16
Intangible Assets	1-10
Information Technology	3-12
Radio Network Assets	5-40

The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

3.4. Other expenses

	2019	2018
	\$'000	\$'000
Witness expenses	479	538
Other *	394	331
Total other expenses	873	869

* In addition, audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$268 000 (\$278 000). No other services were provided by the Auditor-General's Department.

3.5. Net loss from the disposal of property, plant and equipment

	2019	2018
	\$'000	\$'000
Leasehold improvements		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	481	301
Net loss from disposal of leasehold improvements	481	301
Plant and equipment		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	-	138
Net loss from disposal of plant and equipment	-	138
Information Technology		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	-	4
Net loss from disposal of information technology	-	4
Total assets		
Total proceeds from disposal	-	-
Less total carrying amount of assets disposed	481	443
Total net loss from disposal of property, plant and equipment	481	443

Losses on disposal are recognised at the date control of the asset is passed to the buyer and are determined after deducting the carrying amount of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

4. Income

4.1. Revenues from / (payments to) SA Government

	2019 \$'000	2018 \$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	104 308	110 661
Commonwealth grants received via Treasury and Finance	4 121	4 136
Total revenues from SA Government	108 429	114 797
Net revenues from SA Government	108 429	114 797

Appropriations

Appropriations are recognised on receipt.

Total revenues from Government consist of \$98 million (\$102.7 million) for operational funding and \$6 million (\$7.9 million) for capital projects. For details on the expenditure associated with the operational funding received and capital funding received refer to notes 3.1 to 3.4.

Refer to note 1.3 for details on additional funding transferred to and from the department as a result of the administrative restructure.

There were no material variations between the amount appropriated and the expenditure associated with this appropriation.

4.2. Revenues from fees and charges

	2019 \$'000	2018 \$'000
Licence and regulatory fees	34 438	60 249
Legal services	24 918	23 688
Network services	13 096	12 506
Recovery of expenditure	8 601	8 131
Forensic services	1 432	1 380
Other	473	404
Total revenues from fees and charges	82 958	106 358

Revenues from fees and charges are derived from the provision of goods and services to other SA Government agencies and to the public. This revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

4.3. Recoveries

	2019 \$'000	2018 \$'000
Recovery of expenditure for:		
Crown Solicitor's Office	4 287	5 513
South Australia Employment Tribunal	1 993	8 049
Office of the Director of Public Prosecutions	864	702
Forensic services	725	758
Ombudsman SA	637	533
Justice Policy and Analytics	493	475
Consumer and Business Services	202	140
Other	2 250	2 761
Total recoveries	11 451	18 931

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4.4. Services received free of charge

	2019	2018
	\$'000	\$'000
Services received free of charge	2 288	2 089
Total services received free of charge	2 288	2 089

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 (see note 3.1).

4.5. Grants and subsidies

	2019	2018
	\$'000	\$'000
Grants and subsidies		
Child Protection Fund	170	170
National Centre for Clinical Research on Emerging Drugs (NCCRED)	110	-
Other	59	62
Total grants and subsidies	339	232

Contribution (grants)

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

Contributions can be either for general assistance or a particular purpose and will usually be subject to terms and conditions set out in a contract, correspondence, or by legislation governing the contribution.

Generally, the department has obtained control or the right to receive for:

- contributions with unconditional stipulations - this will be when the agreement becomes enforceable; that is the earlier of when the receiving entity has formally been advised that the contribution (for example, grant application) has been approved; agreement/contract is executed; and/or the contribution is received
- contributions with conditional stipulations - this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

All contributions received by the department have been contributions with unconditional stipulations attached and have been recognised as an asset and income upon receipt.

4.6. Other income

	2019	2018
	\$'000	\$'000
Other	2 309	2 143
Total other income	2 309	2 143

Other income consists of refunds and other recoveries.

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5. Non-financial assets

5.1. Property, plant and equipment

	2019 \$'000	2018 \$'000
Land and buildings		
Land at fair value	-	590
Buildings at fair value	-	5 600
Accumulated depreciation	-	(462)
Total land and buildings	-	5 728
Leasehold improvements		
Leasehold improvements at fair value	23 890	30 046
Accumulated amortisation	(16 738)	(17 576)
Total leasehold improvements	7 152	12 470
Plant and equipment		
Plant and equipment at fair value	13 490	14 481
Accumulated depreciation	(11 766)	(12 492)
Total plant and equipment	1 724	1 989
Information technology		
Information technology at fair value	3 475	7 375
Accumulated depreciation	(3 105)	(7 061)
Total information technology	370	314
Library collections		
Library collections at cost (deemed fair value)	407	407
Total library collections	407	407
Capital work in progress		
Capital work in progress at cost	57	93
Total capital work in progress	57	93
Total property, plant and equipment	9 710	21 001

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

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.

Impairment

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Carrying amount of library collections

All items within the library collection had a 'fair value at the time of acquisition that was less than \$1.5 million or had an estimated useful life that was less than three years', and have not been revalued. The carrying value of these items are deemed to approximate fair value.

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5.1. Property, plant and equipment (continued)

Reconciliation 2018-19

The following table shows movement in property, plant and equipment during 2018-19:

	Land and buildings	Leasehold improvements	Plant and equipment	Information technology	Library collections	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	5 728	12 470	1 989	314	407	93	21 001
Additions	-	-	558	190	-	2 302	3 050
Depreciation and amortisation	-	(2 422)	(599)	(134)	-	-	(3 155)
Transfer out from restructure	(5 728)	(4 752)	(224)	-	-	-	(10 704)
Transfers to/(from) work in progress	-	2 338	-	-	-	(2 338)	-
Disposals	-	(482)	-	-	-	-	(482)
Carrying amount at the end of the period	-	7 152	1 724	370	407	57	9 710

Reconciliation 2017-18

The following table shows movement in property, plant and equipment during 2017-18:

	Land and buildings	Leasehold improvements	Plant and equipment	Information technology	Library collections	Capital work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	5 870	11 878	2 384	359	407	320	21 218
Additions	17	29	446	104	-	3 388	3 984
Depreciation and amortisation	(159)	(2 725)	(726)	(148)	-	-	(3 758)
Transfers to/(from) work in progress	-	3 592	23	-	-	(3 615)	-
Disposals	-	(301)	(138)	(4)	-	-	(443)
Other	-	(3)	-	3	-	-	-
Carrying amount at the end of the period	5 728	12 470	1 989	314	407	93	21 001

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5.2. Intangible assets

	2019 \$'000	2018 \$'000
Computer software		
Internally developed computer software	21 428	20 486
Accumulated amortisation	(10 804)	(7 655)
Total internally generated computer software	<u>10 624</u>	<u>12 831</u>
 Computer software intangible work in progress		
Intangible work in progress at cost	708	867
Total work in progress	<u>708</u>	<u>867</u>
 Total intangible assets	<u><u>11 332</u></u>	<u><u>13 698</u></u>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

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5.2. Intangible assets (continued)

Intangibles reconciliation 2018-19

The following table shows movement in intangibles during 2018-19:

	Computer software	Intangible work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	12 831	867	13 698
Additions	-	1 982	1 982
Transfers to/(from) work in progress	1 508	(1 508)	-
Depreciation and amortisation	(3 747)	-	(3 747)
Transfers out from restructure	(17)	(633)	(650)
Transfers in from restructure	49	-	49
Carrying amount at the end of the period	10 624	708	11 332

Intangibles reconciliation 2017-18

The following table shows movement in intangibles during 2017-18:

	Computer software	Intangible work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	2 420	9 760	12 180
Additions	112	3 594	3 706
Transfers to/(from) work in progress	12 487	(12 487)	-
Depreciation and amortisation	(2 188)	-	(2 188)
Carrying amount at the end of the period	12 831	867	13 698

6. Financial assets

6.1. Cash and cash equivalents

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	26 964	23 841
Cash on hand (including petty cash)	40	86
Total cash and cash equivalents	27 004	23 927

Cash is measured at nominal amounts.

Deposits with the Treasurer

The Department has two deposit accounts with the Treasurer: a general operating account and an Accrual Appropriation Excess Funds Account. Although the Department controls the money in the Accrual Appropriation Account, its use must be approved by the Treasurer. Funds included in this account total \$5.7 million (\$21.7 million). The department does not earn interest on its deposits with the Treasurer.

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6.2. Receivables

	2019	2018
	\$'000	\$'000
Current		
Receivables	8 899	15 288
Less allowance for doubtful debts	(17)	(19)
	<u>8 882</u>	<u>15 269</u>
GST receivable	1 895	1 566
Prepayments	1 382	1 143
Total current receivables	<u>12 159</u>	<u>17 978</u>
 Total receivables	 <u><u>12 159</u></u>	 <u><u>17 978</u></u>

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	2018
	\$'000	\$'000
Carrying amount at the beginning of the period	19	9
Increase/(decrease) in the allowance	(2)	10
Carrying amount at the end of the period	<u>17</u>	<u>19</u>

Attorney-General's Department
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7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

7.1. Payables

	2019 \$'000	2018 \$'000
Current		
Accrued expenses	5 926	8 295
Employment on-costs	2 122	2 499
Creditors	931	881
Other current payables	42	41
Total current payables	9 021	11 716
Non-current		
Employment on-costs	2 886	3 251
Total non-current payables	2 886	3 251
Total payables	11 907	14 967

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.

The net amount of GST recoverable from the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax, WorkCover 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.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained at 41% and the average factor for the calculation of employer superannuation on-cost has changed from the 2018 rate (9.9%) to 9.8%. These rates are used in the employment on-cost calculation. The net financial effect of the change in the superannuation on-cost rate on employment on-costs and employee benefit expense is immaterial.

Paid parental leave scheme

Other current payables include paid parental leave scheme payable amounts which the department has received from the Commonwealth Government to forward onto eligible employees via the department's standard payroll processes. That is, the department is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

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7.2. Provisions

	2019 \$'000	2018 \$'000
Current		
Provision for workers' compensation	626	893
Total current provisions	626	893
Non-current		
Provision for workers' compensation	663	839
Total non-current provisions	663	839
Total provisions	1 289	1 732
Movement in provisions		
Carrying amount at the beginning of the period	1 732	1 865
Additional provisions recognised	46	124
Reductions arising from payments/ other sacrifice of future economic benefits	(489)	(257)
Carrying amount at the end of the period	1 289	1 732

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	2018 \$'000
Current		
Other	213	171
Total current other liabilities	213	171

Other liabilities relate to unclaimed monies and accounts receivable refunds.

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8. Other disclosures

8.1. Equity

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

8.2. 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	2018 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	27 004	23 927
Balance as per the Statement of Cash Flows	27 004	23 927
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services		
Net cash provided by/(used in) operating activities	132	(10 488)
Less revenues from SA Government	(108 429)	(114 797)
Add / (less) non-cash items		
Depreciation and amortisation	(6 902)	(5 946)
Services received free of charge - expense	(2 288)	(2 089)
Services received free of charge - income	2 288	2 089
Net gain/(loss) from disposal of non-current assets	(481)	(443)
Non-current assets accrual in payables	226	853
Movement in assets and liabilities		
Increase/(decrease) in receivables	(5 654)	5 622
Increase/(decrease) in lease incentive receivable	(70)	67
(Increase)/decrease in payables	1 876	2 746
(Increase)/decrease in employee benefits	(3 498)	(759)
(Increase)/decrease in provisions	236	133
(Increase)/decrease in lease incentive liability	679	673
(Increase)/decrease in other liabilities	(42)	123
Net cost of providing services	(121 927)	(122 216)

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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.

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 year, this information was presented as part of other expenses if material. For 30 June 2019, the impairment was considered immaterial to warrant a separate disclosure in the statement of comprehensive income.
- *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.

All financial assets and financial liabilities are recognised at amortised cost.

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9.2. AASB 9 Financial Instruments (continued)

On 1 July 2018, the department has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity, loans and receivables and available for sale.

Reclassification of financial instruments on adoption of AASB 9

On the date of initial application, the department's financial instruments were as follows, with any reclassifications noted.

	Measurement category		Carrying amount		
	AASB 139	AASB 9	AASB 139 at 30 June 2018 \$'000	Re- measurement \$'000	AASB 9 at 1 July 2018 \$'000
<u>Current financial assets</u>					
Trade receivables	Loans and receivables	Amortised cost	15 269	-	15 269
<u>Current financial liabilities</u>					
Trade payables	Amortised cost	Amortised cost	8 010	-	8 010
Other financial liabilities	Amortised cost	Amortised cost	171	-	171

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.

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10. Outlook

10.1. Unrecognised contractual commitments

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

Operating lease commitments

Commitments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2019	2018
	\$'000	\$'000
Within one year	17 348	18 795
Later than one year but not longer than five years	59 918	65 898
Later than five years	83 213	95 345
Total operating lease commitments	160 479	180 038

The accommodation and office equipment leases are non-cancellable leases with rental payable monthly in advance.

Contingent rental provisions within the accommodation lease agreements provide for the minimum lease payments to be increased on specified rent review dates. Options exist to renew the accommodation leases at the end of the term of the lease.

	2019	2018
	\$'000	\$'000
Other commitments		
Within one year	15 621	4 416
Later than one year but not longer than five years	561	4 723
Total other commitments	16 182	9 139

Representing:

Grants ⁽¹⁾	13 397	4 420
Motor vehicles ⁽²⁾	403	1 445
Capital	-	28
Other ⁽³⁾	2 382	3 246
Total	16 182	9 139

⁽¹⁾ Grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement.

⁽²⁾ Agreements for the provision of motor vehicles to executive officers or sections (that is, pool vehicles) are leased from South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. There are no purchase options available to the department.

⁽³⁾ Other commitments relate to purchase orders placed for goods and services before 30 June 2019 and maintenance agreements.

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 or liabilities.

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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 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.

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 not expected to have a material impact on the timing of recognition of revenue by the department.

Revenue earned in prior periods but not yet receivable is recorded as a contract asset in the Statement of Financial Position. Revenue received in prior periods but not yet recognised is recorded as a contract liability in the Statement of Financial Position. The estimated impact on the Statement of Financial Position of adopting AASB 15 and AASB 1058 is immaterial.

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 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 interest rates for principal and interest loans to SA Government agencies.

The estimated impact is set out below.

	as at 1 July 2019 \$'000
<u>Assets</u>	
Right-of-use assets	57 117
<u>Liabilities</u>	
Lease liabilities	(59 886)
Other liabilities (lease incentive liabilities)	2 881
Net impact on equity	112

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	7 094
Supplies and services	(7 534)
Borrowing costs	1 194
Net impact on net cost of providing services	754

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

The amounts disclosed are current estimates only. The department is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the department has applied the optional exemptions to not recognise the leases liability and right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. There is an exception for motor vehicle leases, where Treasurer's approval has been granted not to apply this exemption to leases with a term remaining of less than 12 months.

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. 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.

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.
- 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 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 published in the SA Government Gazette, the employees of Office of Small Business Commissioner (OSBC) will transfer to the Attorney-General's Department from the Department for Innovation and Skills from 1 July 2019. Accordingly, the assets, liabilities and obligations of OSBC will also transfer to the department from 1 July 2019.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

11. Measurement and risk

11.1. Long service leave liability – measurement

AASB 119 *Employee Benefits* contains the calculation methodology for 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. These assumptions are based on employee data over SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2018 (2.5%) to 2019 (1.25%).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$3.2 million and employee benefits expense of \$3.2 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.

The current portion of long service leave reflects the department's past experience of long service leave which is expected to continue in future.

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 their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal cost as part of a restructuring of administrative arrangements then the assets are recognised at book value, that is the amount recorded by the transferor Public Authority immediately prior to restructure.

11.2. Fair value (continued)

Revaluation

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

The revaluation process is reviewed by the Chief Finance Officer.

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

Every six years, the department revalues its leasehold improvements, plant and equipment, IT Equipment, Buildings and other structures and Radio Network. 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. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

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.

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.

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

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

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

The carrying amount of non-financial assets with a 'fair value at the time of acquisition that was less than \$1.5 million or had an estimated useful life that was less than three years' are deemed to approximate fair value.

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 and 2018, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

11.2. Fair value (continued)

Fair value classification - non-financial assets at 30 June 2019

	Level 2	Level 3	2019
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Leasehold improvements	-	7 152	7 152
Information technology	-	370	370
Library collections	-	407	407
Plant and equipment	-	1 724	1 724
Total recurring fair value measurements	-	9 653	9 653
Total fair value measurements	-	9 653	9 653

Fair value classification - non-financial assets at 30 June 2018

	Level 2	Level 3	2018
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land and buildings	590	5 138	5 728
Leasehold improvements	-	12 470	12 470
Information technology	-	314	314
Library collections	-	407	407
Plant and equipment	-	1 989	1 989
Total recurring fair value measurements	590	20 318	20 908
Total fair value measurements	590	20 318	20 908

Land and buildings

An independent valuation of land and buildings and leasehold improvements was performed by Martin Burns, M.B.A., B.App.Sc. Property Resource Management, AAPI, an independent Certified Practising Valuer of Liquid Pacific as at 30 June 2015.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life that less than three years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

11.2. Fair value (continued)

Reconciliation of level 3 recurring fair value measurements as at 30 June 2019

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

	Land and buildings	Leasehold improvements	Information technology	Library collections	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	5 138	12 470	314	407	1 989	20 318
Additions	-	-	190	-	558	748
Transfers to/(from) work in progress	-	2 338	-	-	-	2 338
Transfer out from restructure	(5 138)	(4 752)	-	-	(224)	(10 114)
Disposals	-	(482)	-	-	-	(482)
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation	-	(2 422)	(134)	-	(599)	(3 155)
Total gains/(losses) recognised in net result	-	(2 422)	(134)	-	(599)	(3 155)
Carrying amount at the end of the period	-	7 152	370	407	1 724	9 653

Reconciliation of level 3 recurring fair value measurements as at 30 June 2018

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

	Land and buildings	Leasehold improvements	Information technology	Library collections	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000		\$'000
Carrying amount at the beginning of the period	5 280	11 878	359	407	2 384	20 308
Additions	17	29	104	-	446	596
Transfers to/(from) work in progress	-	3 592	-	-	23	3 615
Disposals	-	(301)	(4)	-	(138)	(443)
Other	-	(3)	3	-	-	-
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation	(159)	(2 725)	(148)	-	(726)	(3 758)
Total gains/(losses) recognised in net result	(159)	(2 725)	(148)	-	(726)	(3 758)
Carrying amount at the end of the period	5 138	12 470	314	407	1 989	20 318

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 and 7.2 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.

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 120 days past due.

11.3. Financial instruments (continued)

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.

In the comparative period, the impairment of receivables was assessed based on the incurred loss model. The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

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 *TI 23 Management of Foreign Currency Exposures*.

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

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.

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

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

- Loan and receivables
- Financial liabilities measured at cost.

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 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; and
- 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.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

11.3. Financial instruments (continued)

Category of financial asset and financial liability	Note	2019	2019 Contractual maturities	
		Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	6.1	27 004	27 004	-
Financial assets at amortised cost				
Receivables	6.2	8 882	8 882	-
Total financial assets		35 886	35 886	-

Financial liabilities				
Financial liabilities at amortised cost				
Payables	7.1	6 025	6 025	-
Other financial liabilities	7.3	213	54	159
Total financial liabilities		6 238	6 079	159

Category of financial asset and financial liability	Note	2018	2018 Contractual maturities	
		Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	6.1	23 927	23 927	-
Loans and receivables				
Receivables	6.2	15 269	15 269	-
Total financial assets		39 196	39 196	-

Financial liabilities				
Financial liabilities at amortised cost				
Payables	7.1	8 010	8 010	-
Other financial liabilities	7.3	171	31	140
Total financial liabilities		8 181	8 041	140

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. 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 amortised cost.

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2

**Attorney-General's Department
(AGD)**

Administered Financial Statements

For the year ended 30 June 2019

Attorney-General's Department
Statement of Administered Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Administered expenses			
Payments to Consolidated Account	A4.1	353 087	347 411
Grants and subsidies	A3.3	62 480	80 517
Victims of Crime payments		24 868	18 875
Government Radio Network		21 115	21 592
State Rescue Helicopter Service		17 182	16 032
Employee benefits	A2.1	10 323	12 108
Depreciation and amortisation	A3.4	7 296	5 499
Net loss from disposal of non-current assets	A3.1	7 776	4 803
National Redress Scheme	A3.2	-	146 423
Other	A3.5	31 028	27 942
Total administered expenses		535 155	681 202
Administered income			
Taxation	A4.2	269 072	267 782
Revenues from SA Government	A4.1	120 300	156 139
Fines and related fees		91 237	91 267
Government Radio Network		34 057	32 334
Victims of Crime levies		23 095	38 984
Recoveries and other income	A4.5	13 041	11 321
Fees and charges		2 782	3 012
Interest revenues	A4.4	2 064	3 907
Grants and subsidies	A4.3	1 989	1 972
Total administered income		557 637	606 718
Net result		22 482	(74 484)
Total comprehensive result		22 482	(74 484)

The accompanying notes form part of these financial statements.

Attorney-General's Department
Statement of Administered Financial Position
as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Administered current assets			
Cash and cash equivalents	A6.1	307 975	278 539
Receivables	A6.2	29 558	29 870
Total current assets		337 533	308 409
Administered non-current assets			
Property, plant and equipment	A5.1	88 931	96 742
Intangible assets	A5.2	271	236
Total non-current assets		89 202	96 978
Total assets		426 735	405 387
Administered current liabilities			
Payables	A7.1	8 723	7 672
Employee benefits	A2.2	678	1 013
Other current liabilities	A7.2	34 255	35 999
Total current liabilities		43 656	44 684
Administered non-current liabilities			
Payables	A7.1	147	374
Employee benefits	A2.2	1 487	2 750
Total non-current liabilities		1 634	3 124
Total liabilities		45 290	47 808
Net assets		381 445	357 579
Administered equity			
Asset revaluation surplus		18 311	18 311
Retained earnings		363 134	339 268
Total equity		381 445	357 579

The total equity is attributable to the SA Government as owner.

The accompanying notes form part of these financial statements.

Attorney-General's Department
Statement of Administered Cash Flows
for the year ended 30 June 2019

		2019 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash outflows			
Payments to Consolidated Account		(352 766)	(347 073)
Grant payments		(64 065)	(67 153)
Victims of Crime payments		(24 868)	(18 875)
Employee benefit payments		(10 504)	(11 519)
National Redress Scheme		-	(146 423)
Other payments		(69 453)	(64 359)
Cash used in operations		(521 656)	(655 402)
Cash inflows			
Taxation receipts		269 072	267 782
Receipts from SA Government		120 300	142 668
Fines and related fees		91 427	92 002
Government Radio Network		34 057	29 320
Victims of Crime levies		23 095	38 984
Fees and charges		2 782	3 012
Interest receipts		2 221	3 877
Grants and subsidies		1 989	1 972
Other receipts		13 105	10 709
Cash generated from operations		558 048	590 326
Net cash provided by / (used in) operations	A8.1	36 392	(65 076)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(6 625)	(29 959)
Cash used in investing activities		(6 625)	(29 959)
Net cash provided by / (used in) investing activities		(6 625)	(29 959)
Cash flows from financing activities			
Cash outflows			
Cash transferred for administrative restructure		(331)	-
Cash used in financing activities		(331)	-
Net cash provided by / (used in) financing activities		(331)	-
Net increase / (decrease) in cash and cash equivalents		29 436	(95 035)
Cash and cash equivalents at the beginning of the period		278 539	373 574
Cash and cash equivalents at the end of the period	A6.1	307 975	278 539

The accompanying notes form part of these financial statements.

Attorney-General's Department
Schedule of Expenses and Income attributable to Administered Programs
for the year ended 30 June 2019

Administered programs - refer note A1.1	Consumer and Business Services		Victims of Crime		Public Safety	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses						
Payments to Consolidated Account	(271 642)	(270 551)	-	-	(1 078)	(1 071)
Grants and subsidies	-	-	(6 088)	(4 424)	(528)	(513)
Victims of Crime payments	-	-	(24 868)	(18 875)	-	-
Government Radio Network	-	-	-	-	(21 115)	(21 592)
State Rescue Helicopter Service	-	-	-	-	(17 182)	(16 032)
Employee benefits	-	-	(1 840)	(1 281)	(3 494)	(3 195)
Depreciation and amortisation	-	-	-	-	(7 282)	(5 456)
Net loss from disposal of non-current assets	-	-	-	-	(7 776)	(4 803)
National Redress Scheme	-	-	-	(146 423)	-	-
Other	(2 211)	(1 075)	(3 010)	(2 451)	(4 569)	(5 096)
Total administered expenses	(273 853)	(271 626)	(35 806)	(173 454)	(63 024)	(57 758)
Administered income						
Taxation	269 072	267 782	-	-	-	-
Revenues from SA Government	-	-	8 855	8 639	39 092	55 491
Fines and related fees	-	-	-	-	-	-
Government Radio Network	-	-	-	-	34 057	32 334
Victims of Crime levies	-	-	23 095	38 984	-	-
Commonwealth revenues	-	-	-	-	-	-
Recoveries and other income	1 641	1 052	2 935	3 341	8 052	6 882
Fees and charges	2 782	3 012	-	-	-	-
Interest revenues	38	38	2 018	3 859	-	-
Grants and subsidies	-	-	-	-	1 789	1 772
Total administered income	273 533	271 884	36 903	54 823	82 990	96 479
Net result	(320)	258	1 097	(118 631)	19 966	38 721

Attorney-General's Department
Schedule of Expenses and Income attributable to Administered Programs
for the year ended 30 June 2019

Administered programs - refer note A1.1

	Legal Aid		Fines Enforcement and Recovery	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Administered expenses				
Payments to Consolidated Account	-	-	(79 615)	(75 048)
Grants and subsidies	(40 792)	(61 189)	-	-
Victims of Crime payments	-	-	-	-
Government Radio Network	-	-	-	-
State Rescue Helicopter Service	-	-	-	-
Employee benefits	-	-	-	-
Depreciation and amortisation	-	-	-	-
Net loss from disposal of non-current assets	-	-	-	-
National Redress Scheme	-	-	-	-
Other	-	-	(12 792)	(16 123)
Total administered expenses	(40 792)	(61 189)	(92 407)	(91 171)
Administered income				
Taxation	-	-	-	-
Revenues from SA Government	40 740	61 167	-	-
Fines and related fees	-	-	91 237	91 267
Government Radio Network	-	-	-	-
Victims of Crime levies	-	-	-	-
Commonwealth revenues	-	-	-	-
Recoveries and other income	-	-	-	-
Fees and charges	-	-	-	-
Interest revenues	-	-	-	-
Grants and subsidies	-	-	-	-
Total administered income	40 740	61 167	91 237	91 267
Net result	(52)	(22)	(1 170)	96

Attorney-General's Department
Schedule of Expenses and Income attributable to Administered Programs
for the year ended 30 June 2019

Administered programs - refer note A1.1

	Other		Total	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Administered expenses				
Payments to Consolidated Account	(752)	(741)	(353 087)	(347 411)
Grants and subsidies	(15 072)	(14 391)	(62 480)	(80 517)
Victims of Crime payments	-	-	(24 868)	(18 875)
Government Radio Network	-	-	(21 115)	(21 592)
State Rescue Helicopter Service	-	-	(17 182)	(16 032)
Employee benefits	(4 989)	(7 632)	(10 323)	(12 108)
Depreciation and amortisation	(14)	(43)	(7 296)	(5 499)
Net loss from disposal of non-current assets	-	-	(7 776)	(4 803)
National Redress Scheme	-	-	-	(146 423)
Other	(8 446)	(3 197)	(31 028)	(27 942)
Total administered expenses	(29 273)	(26 004)	(535 155)	(681 202)
Administered income				
Taxation	-	-	269 072	267 782
Revenues from SA Government	31 613	30 842	120 300	156 139
Fines and related fees	-	-	91 237	91 267
Government Radio Network	-	-	34 057	32 334
Victims of Crime levies	-	-	23 095	38 984
Commonwealth revenues	-	-	-	-
Recoveries and other income	413	46	13 041	11 321
Fees and charges	-	-	2 782	3 012
Interest revenues	8	10	2 064	3 907
Grants and subsidies	200	200	1 989	1 972
Total administered income	32 234	31 098	557 637	606 718
Net result	2 961	5 094	22 482	(74 484)

Attorney-General's Department
Schedule of Assets and Liabilities attributable to Administered Programs
as at 30 June 2019

Administered programs - refer note A1.1	Consumer and Business Services		Victims of Crime		Public Safety	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered current assets						
Cash and cash equivalents	33 018	31 097	153 247	152 667	104 911	78 476
Receivables	21 393	21 400	1 068	1 417	6 777	6 598
Total current assets	54 411	52 497	154 315	154 084	111 688	85 074
Administered non-current assets						
Property, plant and equipment	-	-	-	-	88 923	96 720
Intangible assets	-	-	-	-	271	236
Total non-current assets	-	-	-	-	89 194	96 956
Total administered assets	54 411	52 497	154 315	154 084	200 882	182 030
Administered current liabilities						
Payables	(1 724)	-	(831)	(1 719)	(6 115)	(5 296)
Employee benefits	-	-	(128)	(129)	(323)	(290)
Other current liabilities	(23 227)	(22 718)	-	-	(1 492)	(3 528)
Total current liabilities	(24 951)	(22 718)	(959)	(1 848)	(7930)	(9 114)
Administered non-current liabilities						
Payables	-	-	(32)	(31)	(71)	(62)
Employee benefits	-	-	(354)	(333)	(743)	(671)
Total non-current liabilities	-	-	(386)	(364)	(814)	(733)
Total liabilities	(24 951)	(22 718)	(1 345)	(2 212)	(8 744)	(9 847)
Net assets	29 460	29 779	152 970	151 872	192 138	172 183

Attorney-General's Department
Schedule of Assets and Liabilities attributable to Administered Programs
as at 30 June 2019

Administered programs - refer note A1.1	Trust Accounts		Legal Aid		Fines Enforcement and Recovery	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Administered current assets						
Cash and cash equivalents	2 483	2 753	(272)	2	7 142	8 320
Receivables	-	-	-	-	95	41
Total current assets	2 483	2 753	(272)	2	7 237	8 361
Administered non-current assets						
Property, plant and equipment	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-
Total non-current assets	-	-	-	-	-	-
Total administered assets	2 483	2 753	(272)	2	7 237	8 361
Administered current liabilities						
Payables	-	-	(52)	(22)	107	97
Employee benefits	-	-	-	-	-	-
Other current liabilities	(2 483)	(2 753)	-	-	(7 053)	(7 000)
Total current liabilities	(2 483)	(2 753)	(52)	(22)	(6 946)	(6 903)
Administered non-current liabilities						
Payables	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-
Total liabilities	(2 483)	(2 753)	(52)	(22)	(6 946)	(6 903)
Net assets	-	-	(324)	(20)	291	1 458

Attorney-General's Department
Schedule of Assets and Liabilities attributable to Administered Programs
as at 30 June 2019

Administered programs - refer note A1.1

	Other		Total	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Administered current assets				
Cash and cash equivalents	7 446	5 224	307 975	278 539
Receivables	225	414	29 558	29 870
Total current assets	7 671	5 638	337 533	308 409
Administered non-current assets				
Property, plant and equipment	8	22	88 931	96 742
Intangible assets	-	-	271	236
Total non-current assets	8	22	89 202	96 978
Total administered assets	7 679	5 660	426 735	405 387
Administered current liabilities				
Payables	(108)	(732)	(8 723)	(7 672)
Employee benefits	(227)	(594)	(678)	(1 013)
Other current liabilities	-	-	(34 255)	(35 999)
Total current liabilities	(335)	(1 326)	(43 656)	(44 684)
Administered non-current liabilities				
Payables	(44)	(281)	(147)	(374)
Employee benefits	(390)	(1 746)	(1 487)	(2 750)
Total non-current liabilities	(434)	(2 027)	(1 634)	(3 124)
Total liabilities	(769)	(3 353)	(45 290)	(47 808)
Net assets	6 910	2 307	381 445	357 579

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

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Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A1. Basis of preparation and accounting policies

The basis of preparation for the administered financial statements is the same as the basis outlined in note 1.1 of the Department's controlled financial statements. The Department applies the same accounting policies to the administered financial statements as set out in the notes to the department's financial statements.

A1.1. Objectives/Activities of the department's Administered Items

The department's administered items are structured to contribute to seven main programs, these are:

Consumer and Business Services

This administered program recognises activities in relation to the receipt of payments associated with Gaming Machines and Gaming Taxation. It also recognises receipts and payments associated with Betting Services, Racing Operations and Lottery Licences.

Victims of Crime

This administered program relates to receipts and payments associated with the *Victims of Crime Act 2001* (the Act). The Act provides for payment of compensation to persons who suffer injury as a result of criminal acts and the recovery from the offenders. Payments to victims and the monies recovered from offenders are processed through an interest bearing special deposit account.

Public Safety

This administered program relates to the activities of the State Rescue Helicopter Service as well as the SA Computer Aided Dispatch (SACAD) system, and the SA Government Radio Network (SAGRN).

Trust Accounts

This administered program relates to activities associated with the Crown Solicitor's Trust Account. The department receives monies which are held in trust pending the outcome of future events or settlements. The department does not have direct control over these funds and acts in the capacity as trustee. Beneficiaries include other government departments for the sale of government property and claims from individuals.

Legal Aid

This administered program relates to grant payments made to the Legal Services Commission. The department receives annual specific grant funding from the Commonwealth which, together with the State Government component, is paid to the Legal Services Commission. The Commonwealth grant funding provides legal assistance for matters arising under Commonwealth law, while the State Government grant funding is expended on state law matters.

Fines Enforcement and Recovery

This administered program relates to the collection of revenue by the Fines Enforcement and Recovery Unit.

Other

This administered program reflects the financial performance and position of various other administered activities, which, administratively, fall under the department.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A1.2. Changes to the Attorney-General's Department

As a result of administrative arrangements outlined in the South Australian Government Gazette on 27 September 2018, the department relinquished responsibility for South Australian Employment Tribunal (SAET). Assets and liabilities relating to this business unit were transferred to the Department of Treasury and Finance effective 1 October 2018.

Transferred out

	South Australian Employment Tribunal 1 October 2018 \$'000	TOTAL \$'000
Cash	331	331
Total assets	331	331
Payables	258	258
Employee benefits expense	1 457	1 457
Total liabilities	1 715	1 715
Total net assets transferred	(1 384)	(1 384)

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 distribution to the government as owner.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A1.3. Budget performance

The budget performance table compares the departments 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 budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
Statement of Administered Comprehensive Income	Note			
Administered Expenses				
Payments to Consolidated Account		362 123	353 087	(9 036)
Grants and subsidies	a	39 891	62 480	22 589
Victims of Crime payments		21 365	24 868	3 503
Government Radio Network		21 246	21 115	(131)
State Rescue Helicopter Service		17 097	17 182	85
Employee benefits		12 514	10 323	(2 191)
Depreciation and amortisation		10 997	7 296	(3 701)
Net loss from disposal of non-current assets		-	7 776	7 776
Other		20 532	31 028	10 496
Total administered expenses		505 765	535 155	29 390
Administered Income				
Taxation		276 893	269 072	(7 821)
Revenues from SA Government	a	105 084	120 300	15 216
Fines and related fees		83 800	91 237	7 437
Government Radio Network		33 091	34 057	966
Victims of Crime levies		43 311	23 095	(20 216)
Recoveries and other income		11 179	13 041	1 862
Fees and charges		403	2 782	2 379
Interest revenues		6 096	2 064	(4 032)
Grants and subsidies		4 070	1 989	(2 081)
Total administered income		563 927	557 637	(6 290)
Net result		58 162	22 482	(35 680)
Total comprehensive result		58 162	22 482	(35 680)

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A1.3. Budget performance (continued)

		Original budget 2019 \$'000	Actual 2019 \$'000	Variance \$'000
Investing expenditure summary	Note			
Total existing projects	b	39 389	7 206	(32 183)
Total investing expenditure		39 389	7 206	(32 183)

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

- a Grants and subsidies expenses was greater than the original budget mainly due to a revision to the timing of grant payments to the Legal Services Commission. Revenues from SA Government income were also greater than the original budget due to this.
- b The decrease in investing expenditure compared to original budget is mainly due to funding for the SA Government Radio Network which will be carried over into 2019-20.

A1.4. Significant transactions with government related entities

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

- Victims of crime levies received from various SA Government entities of \$10.4m.
- Recoveries received from various SA Government entities of \$31.1m for the usage of Government Radio Network assets.
- Recoveries received from various SA Government entities of \$7.2m for the usage of the State Rescue Helicopter Service.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A2. Board, committees and employees

A2.1. Employee benefits expenses

	2019	2018
	\$'000	\$'000
Salaries and wages	8 442	8 834
Employment on-costs - superannuation	1 021	1 413
Employment on-costs - other	386	529
Annual leave	324	623
Long service leave	97	687
Other	40	-
Skills and experience retention leave	13	22
Total employee benefits expenses	10 323	12 108

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.

Executive remuneration

The number of officers, including judicial officers, whose remuneration received or receivable falls within the following bands:	2019 Number	2018 Number
\$149 000 to \$151 000*	-	n/a
\$151 001 to \$171 000**	4	2
\$171 001 to \$191 000	-	1
\$211 001 to \$231 000	1	1
\$271 001 to \$291 000	-	1
\$291 001 to \$311 000	1	-
\$351 001 to \$371 000	1	-
\$371 001 to \$391 000	1	1
\$391 001 to \$411 000**	-	1
\$431 001 to \$451 000	-	2
\$491 001 to \$511 000	-	1
\$511 001 to \$531 000	-	1
\$551 001 to \$571 000	-	2
\$591 001 to \$611 000	-	1
\$611 001 to \$631 000	1	-
\$651 001 to \$671 000	1	1
Total number of officers	10	15

* The \$149 000 to \$151 000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2017-18.

** Includes payment of long service leave, annual leave, and retention leave paid out on separation for officers who have left the department.

Total remuneration received or due and receivable by these officers was \$3.2 million (\$5.8 million).

The table includes all officers who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of officers reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, fringe benefits tax and any other salary sacrifice benefits.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A2.2. Employee benefits liability – Administered items

	2019	2018
	\$'000	\$'000
Current		
Annual leave	346	573
Long service leave	184	244
Accrued salaries and wages	126	166
Skills and experience retention leave	22	30
Total current employee benefits	<u>678</u>	<u>1 013</u>
Non-current		
Long service leave	1 487	2 750
Total non-current employee benefits	<u>1 487</u>	<u>2 750</u>
Total employee benefits	<u><u>2 165</u></u>	<u><u>3 763</u></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 nominal amounts.

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

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

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note A11.1.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A3. Expenses

Employee benefits expenses are disclosed in note A2.1.

A3.1. Net gain / (loss) from the disposal of non-current assets

	2019 \$'000	2018 \$'000
Government Radio Network assets		
Proceeds from disposal	-	-
Less carrying amount of assets disposed	7 776	4 803
Net loss from disposal of Government Radio Network assets	7 776	4 803
Total assets		
Total proceeds from disposal	-	-
Less total carrying amount of assets disposed	7 776	4 803
Total net loss from disposal of non-current assets	7 776	4 803

A3.2. National Redress Scheme

	2019 \$'000	2018 \$'000
National Redress Scheme	-	146 423
Total National Redress Scheme	-	146 423

This represents a payment to SAICORP in 2018 with respect to the costs associated with South Australia participating in the National Redress Scheme for survivors of institutional child sexual abuse.

A3.3. Grants and subsidies

	2019 \$'000	2018 \$'000
Legal Services Commission	40 792	61 189
Independent Commissioner Against Corruption and Office for Public Integrity	13 676	13 471
Victims of Crime	6 088	4 424
Expensive Criminal Cases	950	258
Other	974	1 175
Total grants and subsidies	62 480	80 517

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A3.4. Depreciation and amortisation

	2019 \$'000	2018 \$'000
Depreciation		
Government Radio Network assets	7 169	5 398
Buildings and other structures	55	55
Plant and equipment	6	4
Total depreciation	7 230	5 457
Amortisation		
Leasehold improvements	11	42
Intangible assets	55	-
Total amortisation	66	42
Total depreciation and amortisation	7 296	5 499

A3.5. Other expenses

	2019 \$'000	2018 \$'000
Suitor payments	12 792	16 121
Claims	5 978	607
Transfer from Victims of Crime Fund	2 855	2 110
Information and communications technology	2 840	3 101
Legal fees	1 633	1 577
Gaming Machine Trading Round disbursements	1 358	980
Operating lease minimum payments	518	469
Office expenses	498	342
Accommodation	345	401
Contract staff	242	436
Consultants	227	156
Other expenses	1 742	1 642
Total other expenses	31 028	27 942

Operating lease payments

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

Consultants

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

	2019 Number	2019 \$'000	2018 Number	2018 \$'000
Below \$10 000	5	10	7	18
Between \$10 000 and \$50 000	6	144	7	138
\$50 000 or above	1	73	-	-
Total paid / payable to the consultants engaged	12	227	14	156

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A4. Income

A4.1. Revenues from / (payments to) SA Government

	2019 \$'000	2018 \$'000
Revenues from SA Government		
Appropriations from Consolidated Account pursuant to the Appropriations Act	89 747	126 184
Appropriations received from the Treasurer's Contingency Fund	1 438	-
Appropriations under other Acts	12 314	13 311
Commonwealth grants received via Treasury and Finance	16 801	16 644
Total revenues from SA Government	120 300	156 139
 Net revenues from SA Government	 120 300	 156 139

Total revenues from Government consist of \$80.3 million (2018: \$98.5 million) for operational funding and \$23.2 million (2018: \$27.4 million) for capital projects. There was no material variations between the amount appropriated and the expenditure associated with this appropriation. Refer to notes A2.1, A3.3, A3.5 and A5.1 for details on the expenditure associated with operational funding and capital funding received.

Payments to Consolidated Account

Payments to the SA Government include taxation revenue and fines and related fees paid directly to the Consolidated Account.

A4.2. Taxation revenue

	2019 \$'000	2018 \$'000
Taxation gaming machines	268 950	267 657
Taxation off-course totalisator	122	125
Total taxation revenue	269 072	267 782

A4.3. Grants and subsidies

	2019 \$'000	2018 \$'000
Grants from SA Government agencies		
State Rescue Helicopter Service	1 499	1 482
SA Computer Aided Dispatch	290	290
Other	200	200
Total grants and subsidies	1 989	1 972

A4.4. Interest revenues

	2019 \$'000	2018 \$'000
Interest from the Department of Treasury and Finance	2 064	3 907
Total interest revenues	2 064	3 907

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A4.5. Recoveries and other income

	2019	2018
	\$'000	\$'000
State Rescue Helicopter Service	7 404	6 152
Confiscation of profits	1 916	2 095
Gaming Machine Trading Round revenue	1 633	1 045
Recoveries from offenders	992	1 208
SA Computer Aided Dispatch	648	730
Other	448	91
Total recoveries and other income	13 041	11 321

A5. Non-financial assets

A5.1. Property, plant and equipment

	2019	2018
	\$'000	\$'000
Buildings and other structures		
Buildings and other structures at cost (deemed fair value)	1 933	1 933
Accumulated depreciation	(619)	(564)
Total buildings & other structures	1 314	1 369
Leasehold improvements		
Leasehold improvements at cost (deemed fair value)	162	162
Accumulated amortisation	(162)	(151)
Total leasehold improvements	-	11
Plant and equipment		
Plant and equipment at cost (deemed fair value)	28	73
Accumulated depreciation	(10)	(49)
Total plant and equipment	18	24
Information technology		
Information technology at cost (deemed fair value)	1 693	2 963
Accumulated depreciation	(1 693)	(2 963)
Total information technology	-	-
Capital work in progress		
Capital work in progress at cost (deemed fair value)	7 678	69 620
Total capital work in progress	7 678	69 620
Government Radio Network assets		
Government Radio Network assets at cost (deemed fair value)	116 348	64 898
Accumulated depreciation	(36 427)	(39 180)
Total Government Radio Network assets	79 921	25 718
Total property, plant and equipment	88 931	96 742

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A5.1. Property, plant and equipment (continued)

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Detail about the department's approach to fair value is set out in note A11.2.

Valuation of land and buildings

Valuations of land and buildings and leasehold improvements were performed by Martin Burns, M.B.A., B.App.Sc. Property Resource Management, AAPI, an independent Certified Practising Valuer of Liquid Pacific as at 30 June 2015.

Valuations of buildings and improvements and radio network assets were performed by an independent valuer, Mark Ochota, Principal Consultant of UXC Consulting as at 30 June 2016.

Impairment

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Property, plant and equipment movement schedule – Administered items

The following table shows movement in property, plant and equipment during 2018-19:

	Leasehold improvements	Information technology	Plant and equipment	Capital work in progress
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	11	-	24	69 620
Additions	-	-	-	7 206
Depreciation and amortisation	(11)	-	(6)	-
Transfers to/(from) to work in progress	-	-	-	(69 148)
Carrying amount at the end of the period	-	-	18	7 678

	Buildings and other structures	Government Radio Network assets	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 369	25 718	96 742
Additions	-	-	7 206
Depreciation and amortisation	(55)	(7 169)	(7 241)
Transfers to/(from) to work in progress	-	69 148	-
Disposal	-	(7 776)	(7 776)
Carrying amount at the end of the period	1 314	79 921	88 931

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A5.1. Property, plant and equipment (continued)

The following table shows movement in property, plant and equipment during 2017-18:

	Leasehold improvements	Information technology	Plant and equipment	Capital work in progress
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	53	-	15	40 744
Additions	-	-	13	29 710
Depreciation and amortisation	(42)	-	(4)	-
Transfers to/(from) to work in progress	-	-	-	(834)
Carrying amount at the end of the period	11	-	24	69 620

	Buildings and other structures	Government Radio Network assets	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 424	35 085	77 321
Additions	-	-	29 723
Depreciation and amortisation	(55)	(5 398)	(5 499)
Transfers to/(from) to work in progress	-	834	-
Disposal	-	(4 803)	(4 803)
Carrying amount at the end of the period	1 369	25 718	96 742

A5.2. Intangible assets

	2019 \$'000	2018 \$'000
Intangible assets		
Intangible assets at cost	338	248
Accumulated amortisation	(67)	(12)
Total intangible assets	271	236

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A5.2. Intangible assets (continued)

The following table shows movement in intangibles during 2018-19:

	Intangibles	Intangible work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	236	-	236
Additions	90	-	90
Depreciation and amortisation	(55)	-	(55)
Carrying amount at the end of the period	271	-	271

The following table shows movement in intangibles during 2017-18:

	Intangibles	Intangible work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	-	-
Additions	-	236	236
Transfers from (to) work in progress	236	(236)	-
Depreciation and amortisation	-	-	-
Carrying amount at the end of the period	236	-	236

A6. Financial assets

A6.1. Cash and cash equivalents

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	307 975	278 539
Total cash and cash equivalents	307 975	278 539

Cash is measured at nominal amounts.

Interest rate risk

Deposits with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Attorney-General's Department
Notes to and forming part of the financial statements
for the year ended 30 June 2019

A6.2. Receivables

	2019 \$'000	2018 \$'000
Current		
Receivables	26 799	26 932
Prepayments	998	899
Accrued interest	181	338
Other	1 580	1 701
Total current receivables	29 558	29 870
Total receivables	29 558	29 870

Receivables are raised for all goods and services provided for which payment has not been received. Receivables are normally settled within 30 days. Receivables, prepayments and accrued revenues are non-interest bearing.

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 A11.3 for further information on risk management.

A7. Liabilities

Employee benefits liabilities are disclosed in note A2.1.

A7.1. Payables – Administered items

	2019 \$'000	2018 \$'000
Current		
Creditors and accruals	8 640	7 518
Employment on costs	83	154
Total current payables	8 723	7 672
Non-current		
Employment on costs	147	374
Total non-current payables	147	374
Total payables	8 870	8 046

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.

Refer to note A11.3 for further information on risk management.

Employment on-costs

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

The Department of Treasury and Finance (DTF) has performed an actuarial assessment of long service leave as at 30 June 2019. The percentage of the proportion of long service leave taken as leave has remained at 41% and the average factor for the calculation of employer superannuation on-cost is 9.8% (9.9%). These rates are used in the employment on-cost calculation. The financial effect of the change in the superannuation on-cost rate on employment on-costs and employee benefit expense is immaterial.

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A7.2. Other liabilities – Administered items

	2019	2018
	\$'000	\$'000
Current		
Gaming, fines and other receipts payable to the DTF	28 701	28 380
Crown Solicitor's Trust Account	2 483	2 753
Other	3 071	4 866
Total other current liabilities	34 255	35 999
Total other liabilities	34 255	35 999

Crown Solicitor's Trust Account

	2019	2018
	\$'000	\$'000
Movement in Trust account		
Balance at the beginning of the period	2 753	4 119
Receipts	79 747	41 873
Payments	(80 017)	(43 239)
Balance at the end of the period	2 483	2 753

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A8. Other disclosures

A8.1. Cash flow reconciliation – Administered items

	2019 \$'000	2018 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	307 975	278 539
Balance as per the Statement of Cash Flows	307 975	278 539
Reconciliation of net cash provided by / (used in) operating activities to net cost of providing services		
Net cash provided by/(used in) operating activities	36 392	(65 076)
Add / (less) non-cash items		
Depreciation and amortisation	(7 296)	(5 499)
Gain/(loss) on disposal of non-current assets	(7 776)	(4 803)
Assets in payables	672	-
Movement in assets and liabilities		
Increase/(decrease) in receivables	(312)	2 926
(Increase)/decrease in payables	(1083)	858
(Increase)/decrease in employee benefits	141	(533)
(Increase)/decrease in other liabilities	1 744	(2 357)
Net result	22 482	(74 484)

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A9. Changes in accounting policy

A9.1. Treasurer's Instructions (Accounting Policy Statement)

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 A10.3.

A9.2. 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.

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 year, this information was presented as part of other expenses if material. For 30 June 2019, the impairment was considered immaterial to warrant a separate disclosure in the statement of comprehensive income.
- *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.

All financial assets and financial liabilities are recognised at amortised cost.

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A9.2. AASB 9 Financial Instruments (continued)

On 1 July 2018, the department has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity, loans and receivables and available for sale.

Reclassification of financial instruments on adoption of AASB 9

On the date of initial application, the department's financial instruments were as follows, with any reclassifications noted.

	Measurement category		AASB 139 at 30 June 2018 \$'000	Carrying amount	
	AASB 139	AASB 9		Re- measurement \$'000	AASB 9 at 1 July 2018 \$'000
<u>Current financial assets</u>					
Trade receivables	Loans and receivables	Amortised cost	6 730	-	6 730
<u>Current financial liabilities</u>					
Trade payables	Amortised cost	Amortised cost	8 629	-	8 629

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.

A10. Outlook

A10.1. Unrecognised contractual commitments – Administered items

Operating lease commitments

Commitments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are as follows:

	2019 \$'000	2018 \$'000
Within one year	1 081	2 159
Later than one year but not longer than five years	2 702	6 586
Later than five years	2 032	251
Total operating lease commitments	5 815	8 996

The accommodation and office equipment leases are non-cancellable leases with rental payable monthly in advance.

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A10.1. Unrecognised contractual commitments – Administered items (continued)

Contingent rental provisions within the accommodation lease agreements provide for the minimum lease payments to be increased on specified rent review dates. Options exist to renew the accommodation leases at the end of the term of the lease.

Leases receivable contracted for at the reporting date but not recognised as assets are receivable as follows:

	2019	2018
	\$'000	\$'000
Within one year	1 159	1 273
Later than one year but not longer than five years	2 245	1 927
Later than five years	821	311
Total operating lease commitments	4 225	3 511

When acting as lessor leases are non-cancellable leases for access rights to State owned land sites. The leases have terms ranging from 1 to 25 years with some having a right of renewal.

Other commitments

	2019	2018
	\$'000	\$'000
Within one year	65 913	60 891
Later than one year but not longer than five years	45 858	67 063
Total other commitments	111 771	127 954
Grants ⁽¹⁾	16 326	33 127
Motor vehicles ⁽²⁾	64	-
Capital ⁽³⁾	29 801	35 533
Other ⁽⁴⁾	65 580	59 294
Total other commitments	111 771	127 954

⁽¹⁾ Grant amounts payable under agreements in respect of which the grantee has yet to provide the services required under the agreement. The grant commitments as at 30 June 2019 relates to the National Partnership Agreement on Legal Assistance Services between the Commonwealth of Australia and the States and Territories.

⁽²⁾ Agreements for the provision of motor vehicles to executive officers or sections (that is, pool vehicles) are leased from South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. There are no purchase options available to the department.

⁽³⁾ Includes the SA Government Radio Network Upgrade.

⁽⁴⁾ Other commitments relate to annual service and maintenance for the SA Computer Aided Dispatch, SA Government Radio Network and State Rescue Helicopter Service.

A10.2. Contingent assets and liabilities – Administered items

The department is not aware of any contingent assets or liabilities.

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A10.3. 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 2018-19 reporting period and are addressed below in relation to Standards not yet effective and in note A9.1. There are no Accounting Policy Statements that are not yet effective.

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 not expected to have a material impact on the timing of recognition of revenue by the department.

Revenue earned in prior periods but not yet receivable is recorded as a contract asset in the Statement of Financial Position. Revenue received in prior periods but not yet recognised is recorded as a contract liability in the Statement of Financial Position. The estimated impact on the Statement of Financial Position of adopting AASB 15 and AASB 1058 is immaterial.

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 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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A10.3. 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 interest rates for principal and interest loans to SA Government agencies.

The estimated impact is set out below.

	as at 1 July 2019 \$'000
<u>Assets</u>	
Right-of-use assets	16 995
<u>Liabilities</u>	
Lease liabilities	(16 927)
Net impact on equity	68

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	12 795
Supplies and services	(12 782)
Borrowing costs	142
Net impact on net cost of providing services	155

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A10.3. Impact of standards and statements not yet effective (continued)

The amounts disclosed are current estimates only. The department is continuing to refine its calculations of lease assets and liabilities for 2019-20 financial reporting purposes and expects that these figures will change. This includes accounting for non-lease components and clarifying lease terms and treatment of contractual rent increases.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the department has applied the optional exemptions to not recognise the leases liability and right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term. There is an exception for motor vehicle leases, where Treasurer's approval has been granted not to apply this exemption to leases with a term remaining of less than 12 months.

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. 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.

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.
- 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.

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A11. Measurement and risk

A11.1. Long service leave liability – measurement

AASB 119 *Employee Benefits* contains the calculation methodology for 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. These assumptions are based on employee data over SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2018 (2.5%) to 2019 (1.25%).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$154 000 and employee benefits expense of \$154 000. 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.

The current portion of long service leave reflects the department's past experience of long service leave which is expected to continue in future.

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A11.2. Fair value measurement

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the 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 their fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recognised at book value, that is the amount recorded by the transferor Public Authority immediately prior to restructure.

Revaluation

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

The revaluation process is reviewed by the Chief Finance Officer.

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

Every six years, the department revalues its leasehold improvements, plant and equipment, IT Equipment, Buildings and other structures and Radio Network. 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. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

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.

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.

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

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

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

The carrying amount of non-financial assets with a 'fair value at the time of acquisition that was less than \$1.5 million or had an estimated useful life that was less than three years' are deemed to approximate fair value.

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 and 2018, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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A11.2. Fair value measurement (continued)

Fair value classification - non-financial assets at 30 June 2019

	Level 3	Total
	\$'000	\$'000
Recurring fair value measurements		
Government Radio Network assets	79 921	79 921
Buildings and other structures	1 314	1 314
Plant and equipment	18	18
Total recurring fair value measurements	81 253	81 253
Total fair value measurements	81 253	81 253

Fair value classification - non-financial assets at 30 June 2018

	Level 3	Total
	\$'000	\$'000
Recurring fair value measurements		
Government Radio Network assets	25 718	25 718
Buildings and other structures	1 369	1 369
Leasehold improvements	11	11
Plant and equipment	24	24
Total recurring fair value measurements	27 122	27 122
Total fair value measurements	27 122	27 122

A11.3. Financial instruments – Administered items

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

Financial liabilities principally represent taxation receipts payable to the Treasurer. Therefore the department's exposure to liquidity risk is insignificant due to the nature of the financial instruments held and current assessment of risk.

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.

Market risk

Cash administered by the department is subject to interest rate risk.

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A11.3. Financial instruments – Administered items (continued)

Categorisation of financial instruments

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

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

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

- Loan and receivables
- Financial liabilities measured at cost.

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; and
- 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.

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A11.3. Financial instruments – Administered items (continued)

Category of financial asset and financial liability	Note	2019	2019 Contractual maturities
		Carrying amount/ Fair value \$'000	Within 1 year \$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents	A6.1	307 975	307 975
Financial assets at amortised cost			
Receivables	A6.2	6 730	6 730
Total financial assets		314 705	314 705
Financial liabilities			
Financial liabilities at amortised cost			
Payables	A7.1	8 629	8 629
Other financial liabilities	A7.2	34 255	34 255
Total financial liabilities		42 884	42 884

Category of financial asset and financial liability	Note	2018	2018 Contractual maturities
		Carrying amount/ Fair value \$'000	Within 1 year \$'000
Financial assets			
Cash and cash equivalents			
Cash and cash equivalents	A6.1	278 539	278 539
Loans and receivables			
Receivables	A6.2	7 038	7 038
Total financial assets		285 577	285 577
Financial liabilities			
Financial liabilities at amortised cost			
Payables	A7.1	7 507	7 507
Other financial liabilities	A7.2	35 999	35 999
Total financial liabilities		43 506	43 506

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A11.3. Financial instruments – Administered items (continued)

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. 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 amortised cost.

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note A6.2.