Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of my report. I am independent of the Department for Education and its controlled entities. 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 (including Independence Standards)* have been met.

[redacted]

but is not a guarantee that an audit conducted in accordance with Australian Auditing

[redacted]

Department for Education
Certificate of Financial Statements
for the year ended 30 June 2021

We certify that the:

- financial statements of the Dep [illegible]

- internal controls employed by the Department for Education for the financial year over its fi [illegible]

[illegible]

Rick Persse
Chief Executive
17 September 2021

Chris Bernardi
Chief Financial Officer
17 September 2021

Department for Education
Statement of Financial Position
as at 30 June 2021

	Note	2021 Consolidated $'000	2020 Consolidated $'000	2021 Department $'000	2020 Department $'000
Current assets					
Cash and cash equivalents	6.1	1 160 267	1 029 556	617 063	531 782
Receivables	6.2	60 011	59 183	42 280	37 419
Other financial assets	6.3	77	76	-	-
Inventories	5.5	6 054	6 193	-	-
Non-current assets classified as held for sale	5.6	6 681	1 397	6 681	1 397
Total current assets		**1 233 090**	**1 096 405**	**666 024**	**570 598**
Non-current assets					
Receivables	6.2	2 220	2 202	5 846	6 151
Other financial assets	6.3	156	166	-	-
Property, plant and equipment	5.1	5 461 650	4 649 723	5 417 690	4 611 784
Right of use assets	5.2	179 364	184 042	177 335	181 534
Intangible assets	5.4	15 600	16 402	15 600	16 402
Total non-current assets		**5 658 990**	**4 852 535**	**5 616 471**	**4 815 871**
Total assets		**6 892 080**	**5 948 940**	**6 282 495**	**5 386 469**
Current liabilities					
Payables	7.1	176 550	117 286	203 311	149 736

Department for Education
Statement of Changes in Equity
for the year ended 30 June 2021

Consolidated	Contributed capital	Revaluation surplus	Retained earnings	Total equity

NOTES TO THE FINANCIAL STATEMENTS

1.

The Department for Education (the department) is a government department of the state of South Australia. The department is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of the department (refer to the disaggregated sc

Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to the d
and position, they are disclosed in the administered financial statements which follows the controlled general purpose financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

1.2.

Purpose

The Department for Education provides a range of integrated education, training and child development services to

Department for Education
Expenses and income by program
for the year ended 30 June 2021
Consolidated

	Early Childhood Development		School Education		Total	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Income						
Appropriation	211 299	185 768	2 789 620	2 485 315	3 000 919	2 671 083
Commonwealth sourced grants and funding	32 918	33 423	627 066	581 016	659 984	614 439
Sale of goods and services	6 716	6 682	130 390	157 733	137 106	164 415
Grants and transfers	1 951	2 114	56 051	67 353	58 002	69 467
Investment income	134	518	1 914	7 721	2 048	8 239

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Department for Education
Assets and liabilities by program
for the year ended 30 June 2021
Consolidated

	Early Childhood Development		School Education		Total
	2021	2020	2021	2020	

1.3.

The COVID-19 pandemic has impacted on the operations of the department and the impacts are included under the

1.4.

	Original budget 2021 $'000	Actual 2021 $'000	Variance 2021 $'000
Investing expenditure summary			
Total new projects	3 891	2 417	(1 474)
Total existing projects	579 711	523 019	(56 692)
Total annual projects	13 178	10 695	(2 483)
Total Public Private Partnerships	186 148	178 773	(7 375)

2.
[redacted]

	2021 Consolidated $'000	2020 Consolidated $'000	2021 Department $'000	2020 Department $'000
Appropriation from the Consolidated Account pursuant to the *Appropriation Act*	3 000 919	2 671 083		

Executive remuneration

The number of employees whose remuneration received or receivable falls within the following bands:	**2021 Consolidated Number of executives[1]**	**2020 Consolidated Number of executives[1]**	**2021 Consolidated Number of employees[2]**	**2020 Consolidated Number of employees[2]**
$154 001 to $174 000	12	7	354	268
$174 001 to $194 000	11	3	102	110
$194 001 to $214 000	20	17	80	66
$214 001 to $234 000	5	4	15	12
$234 001 to $254 000	5	4	9	7
$254 001 to $274 000	2	4	2	4
$274 001 to $294 000				

4.

4.1.

	2021 Consolidated $'000	2020 Consolidated $'000	2021 Department $'000	2020 Department $'000

Mino 206.9 12.96 ref* EMC q56.664 648.1 206.9 1

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:

	2021 Consolidated Number	2021 Consolidated $'000	2020 Consolidated Number	2020 Consolidated $'000
Below $10 000	2	10	4	28
$10 000 or above	27	1 911	21	1 509
Total paid / payable to the consultants engaged	**29**	**1 921**	**25**	**1 537**

4.2.

	2021 Consolidated $'000	2020 Consolidated $'000	2021 Department $'000	2020 Department $'000
Recurrent grants paid to				

4.3.

	2021 Consolidated	2020 Consolidated	2021	2020

6.2.

	2021 Consolidated $'000	2020 Consolidated $'000	2021 Department $'000	2020 Department $'000
Current				
Fees, charges and other receivables				
From government entities	3 004	1 440	8 928	4 800
From non-government entities	30 327	32 881	10 306	11 221
Less impairment loss on receivables	(6 821)	(5 620)	(1 700)	(545)
Total fees, charges and other receivables	**26 510**	**28 701**	**17 534**	**15 476**
Statutory receivables				
GST recoverable from the ATO	22 090	14 150	18 849	11 026
Loan receivables	11	2	672	704
Total statutory receivables	**22 101**	**14 152**	**19 521**	**11 730**
Prepayments	8 479	6 373	5 176	2 807
Accrued revenues	2 921	9 957	49	7 406
Total current receivables	**60 011**	**59 183**	**42 280**	**37 419**
Non-current				
Statutory receivables				
Workers compensation receivable	2 135	2 096	2 135	2 096
Loan receivables	85	106	3 711	4 055
Total non-current receivables	**2 220**	**2 202**	**5 846**	**6 151**
Total receivables	**62 231**	**61 385**	**48 126**	**43 570**

Fees, charges and other r

6.2.

Allowance for impairment loss on receivables

	2021 Consolidated $'000	2020 Consolidated $'000	2021 Department $'000	2020 Department $'000
Carrying amount at the beginning of the period	5 620	5 422	545	573
Increase/(decrease) in allowance recognised in profit or loss	2 996	2 254	1 155	49
Amounts written off	(1 795)	(2 056)	-	(77)
Carrying amount at the end of the period	**6 821**	**5 620**	**1 700**	**545**

All of the above impairment losses are from receivables arising from contracts with customers.

Refer to note 10.3 for details of credit risk and the methodology for determining impa determining im e

8.

8.1.

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

9.

9.1.

Commitments include operating and capital arrangements arising from contractual sources and are disclosed at aBT/F6 12 Tf1 0 0

10.

10.1.

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

The actuarial assessment performed by the Department for Treasury and Finance (DTF) has provided the basis for the measurement of long service leave 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 the education sector across government. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

AASB 119 Employee Benefits 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 increased to 1.0% (2020: 0.50%).

The actuarial assessment performed by DTF left the salary inflation rate at 2.5% (2020: 2.5%) for long service leave liability and 2% (2020: 2%) for annual leave and skills and experience retention leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of $18.6 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 impact on annual leave and skills and experience retention leave liabilities was immaterial.

The split for long service leave between current and non-current is based on the departments best estimate of the amount to be paid in the coming year based on actual prior years long service leave taken.

10.2.

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 measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value or minimal value, they are recorded at fair value in the Statement of Financial Position.

Revaluation of non-current assets

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

The department revalues its buildings and improvements and leasehold improvements at least every three years. However if at any time, management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Land is revalued annually if the revaluation is considered to be material in nature.

Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation where they are revalued to fair value.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Impairment of non-current assets

Reconciliation of level 3 recurring fair value measurements as at 30 Junhe financial statements

10.3.

Financial risk management

Risk management is managed by the department and departmental risk management policies are in accordance with the *SA Government Risk Management Guide*

The following tables relate to the department s assessment of credit risk. This provides information about the exposure to the expected credit loss for non-government debtors. Credit risk has been assessed at the school level, however information is not collected or obtained from schools to allow for the disclosure of consolidated information.

Table 1. General receivables non-government debtors

$285 000 was impaired based on objective evidence.

	Debtor gross carrying amount $'000	Loss %	Lifetime expected losses $'000
2021			
Current (not past due)	579	0.19%	1
1-30 days past due	20	0.60%	-
31-60 days past due	115	1.49%	2
61-90 days past due			