



**Government
of South Australia**

Department for Communities
and Social Inclusion

Department for Communities and Social Inclusion

2016-17 Annual Report

Department for Communities and Social Inclusion

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Date presented to Minister: 29 September 2017

To:

Hon Zoe Bettison MP

Minister for Communities and Social Inclusion
Minister for Social Housing
Minister for the Status of Women
Minister for Multicultural Affairs
Minister for Youth
Minister for Volunteers

Hon Katrine Hildyard MP

Minister for Disabilities

This annual report is presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, *Public Finance and Audit Act 1987* and other legislation as required, and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the Department for Communities and Social Inclusion by:

Tony Harrison

Chief Executive



29 September 2017

Date

Signature

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Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

Agency purpose or role

The Department for Communities and Social Inclusion (DCSI) brings together a range of services, funding and policy responsibilities which together support safety, equality, opportunity and justice across South Australia, particularly for the most vulnerable and disadvantaged in our community.

DCSI has lead responsibility on behalf of the South Australian Government in the areas of disability policy, funding and services; social housing and homelessness; affordable living programs; youth justice; domestic violence; problem gambling; screening services and disaster relief and recovery. The department provides a wide range of grants to community organisations; leads the government's agenda to build thriving communities and promote resilience; and provides services to help older people remain safe at home. DCSI also has lead policy responsibility in relation to women; multicultural affairs; youth; volunteers and carers.

The department is committed to ensuring that all South Australians have access to quality services that protect and enhance the community's wellbeing and provide support to people when they need it.

Objectives

- Support independence and participation
- Make our communities stronger
- Provide the best services

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Deliver services which improve outcomes for children and young people who offend. This includes custodial and community-based services which promote rehabilitation and reduce offending, whilst keeping the community safe.	The South Australian community benefits from the rehabilitation of young people who have offended, aligning with the <i>Safe communities, healthy neighbourhoods</i> priority of the South Australian Government.
Help people in financial hardship, including through a range of concessions, rebates and initiatives which provide assistance to people in need.	A key element of the State Government's <i>An affordable place to live</i> strategic priority is to assist families who are struggling with cost of living pressures.

Key strategy	SA Government objective
Provide housing options that are affordable and suitable. This includes social housing, homelessness services and private rental assistance.	The National Affordable Housing Agreement and National Partnership Agreements on remote housing and homelessness set out the government's commitment to social housing services.
Progress the full and equal participation of women in the social, political and economic life of South Australia, including through strategies which target the unacceptable level of family violence.	Through <i>Achieving Women's Equality: South Australia's Women's Policy</i> , the government is committed to achieving women's equal participation in all aspects of life.
Increase opportunities for identified populations and communities.	The government has committed to a Thriving Communities agenda, in communities facing long term disadvantage, as well as to strategies to support diverse population groups across the state.
Provide efficient and effective employment-related screening assessments.	The South Australian Government aims to achieve safe environments for children and other vulnerable people.
Implement changes in departmental arrangements, functions and staffing in light of the transition to the National Disability Insurance Scheme (NDIS) and Commonwealth Aged Care Reforms.	In response to national reforms designed to provide more funding and choice to people with disability and older people, the government is transferring management of Domiciliary Care and some State Government disability services to the non-government sector.
Increase service and productivity through access to services and systems on any device, anytime, anywhere.	The <i>Digital by Default Declaration</i> commits the State Government to modernising the public sector by transforming its services through the use of digital technology.

Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Comments
Concessions and Rebates	<p>During 2016-17, the department achieved the target of providing an estimated 1.6 million concessions to eligible DCSI clients. This included the provision of 180,936 Cost of Living Concession (COLC) payments.</p> <p>In the past year, the department strengthened processes to ensure that only eligible customers receive a concession. The department also continued to implement the Cost of Living Information (COLIN) System to administer COLC payments.</p>	The department's concessions and rebates programs provide financial support towards household costs for eligible South Australians. Assistance is provided through a range of concessions and rebates which provide valuable assistance to households on low or fixed incomes who are experiencing cost-of-living pressures.

Program name	Indicators of performance/effectiveness/efficiency	Comments
Grants SA	<p>From 1 June 2016, DCSI has distributed one-off grants to not-for-profit community organisations through the grants program, Grants SA. This program brings together four one-off grant programs - the Charitable and Social Welfare Fund (Community Benefit SA), Multicultural SA one-off grants, Volunteer Training Grants and the Volunteer Support Fund. In 2016-17, \$3 million in funding was provided to support 318 projects.</p> <p>In February 2017, DCSI completed an internal six-month review of Grants SA. The findings of the review confirmed the benefits to the community of simpler processes which reduced red tape, and that opening all year round with more flexible guidelines increased accessibility for the community.</p>	<p>Grants SA aligns with the government's commitment to reduce red tape, simplify grant processes and make it easier for community groups to access grants.</p> <p>Grant processes have been simplified with all funding assessed against the same criteria. Applicants use the same system to apply, receive payment, report and acquit their funding.</p>
Ceduna Service Reform	<p>In 2016-17, the Ceduna Service Reform implemented multi-agency action groups to address the four identified priorities of improved alcohol and other drug policy responses; justice issues; a consistent approach among 'first response' agencies; and better use of data and funding in monitoring and decision making.</p> <p>The data indicators for the Ceduna Service Reform show seasonal fluctuations and monthly variations due to a transient target population. There is a general trend emerging in the intended direction on most indicators.</p> <p>Data collection for the Street Beat initiative has also been refined through the development of a mobile application to ensure the collection of real time data.</p>	<p>The Ceduna Service Reform is contributing to a reduction in alcohol and other drug related fatalities or injuries by developing a service system that is coordinated, responsive, active and culturally competent.</p>
Transition to the NDIS	<p>As stated in the National Disability Insurance Agency (NDIA) quarterly report as at 30 June 2017, there were 11,634 NDIS participants with an approved plan in South Australia and 482 supported in the Early Childhood Early Intervention (ECEI) gateway.</p> <p>This equates to 12,116 participants which is 94% of the agreed transitional Bilateral Agreement target (12,887 participants) as at 30 June 2017.</p>	<p>The 12,116 participants can now receive the support they need to realise their potential and have greater choice and control over their lives. This includes about how and where they live their life.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Screening Services	<p>The DCSI Screening Unit seeks to complete at least 95% of screening applications within 30 business days.</p> <p>In 2016-17, around 96% received in that year were finalised within 30 business days.</p>	<p>Finalising the majority of screening applications within 30 business days is a key element in creating and maintaining child-safe organisations and safe environments for other vulnerable people.</p>
Private Rental Assistance Program	<p>During 2016-17, 29,210 customers were provided with bond guarantees (including cash bonds) through the Private Rental Assistance Program (PRAP) so they could secure private rental accommodation. This represents an increase of 8.8% from the 26,842 customers assisted in 2015-16.</p> <p>In October 2016, Housing SA implemented PR Connect, a new online system which enables people to confirm their eligibility and apply online for private rental assistance through the sa.gov.au website. In 2016-17, over 29,900 applications were submitted online through PR Connect.</p>	<p>PRAP supports low-income households to access private rental properties, providing bond guarantees (including cash bonds), rent in advance and rent in arrears (for existing tenancies).</p> <p>As at 30 June 2017, 50% of the 21,137 applicants on the public and Aboriginal housing register had received assistance through PRAP.</p>
Specialist Homelessness Services	<p>During 2016-17, the South Australian Specialist Homelessness Services (SHS) sector, including domestic violence services, assisted 22,401 clients who are homeless or at risk of homelessness with a range of services.</p> <p>80% of clients who were rough sleeping on intake were subsequently supported into accommodation.</p>	<p>Early intervention to prevent homelessness and services to assist people access safe and stable housing contributes to a prosperous and safe South Australia.</p>
Youth Justice	<p>On 1 December 2016, the department's Youth Justice Division was recognised in legislation through the implementation of the <i>Youth Justice Administration Act 2016</i> and associated Regulations. This has enshrined in law the best practice and service to young people and the community that Youth Justice provides.</p> <p>In 2016-17, 388 young people were admitted to the Adelaide Youth Training Centre and 448 young people commenced one or more community based orders.</p>	<p>The Youth Justice service delivery model is oriented towards challenging young people to take responsibility for their actions whilst recognising that children and young people have specific developmental needs - different to those of adults - and consequently require a different response.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
Transition of Domiciliary Care Clients	During 2016-17, Domiciliary Care focused on transitioning clients with high needs to service providers funded to provide Home Care Packages under the new Commonwealth Government aged care arrangements. As at 30 June 2017, 362 clients required transition, compared to 640 at 30 June 2016.	The successful transition of clients to Home Care Package providers will ensure that they are supported by the appropriate level of care and are able to live independently in the community.

Legislation administered by the agency

Carers Recognition Act 2005
Cost of Living Concessions Act 1986
Disability Services Act 1993
Housing Agreement Act 1991
Housing Improvement Act 2016
Julia Farr Services (Trusts) Act 2007
Not-for-Profit Sector Freedom to Advocate Act 2013
South Australian Multicultural and Ethnic Affairs Commission Act 1980
Supported Residential Facilities Act 1992
Volunteers Protection Act 2001
Youth Justice Administration Act 2016

Organisation of the agency

Community Services
 Corporate Services
 Disability and Domiciliary Care Services
 Disability SA
 Finance and Business Services
 Housing SA
 NDIS Reform
 Office for Women
 Office of the Chief Executive
 People and Culture
 Youth Justice
<http://www.dcsi.sa.gov.au/about-us>

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

The Department for Health and Ageing, which includes the Office for the Ageing, reports to Minister Bettison as the Minister responsible for the Ageing portfolio.

Employment opportunity programs

Program name	Result of the program
DCSI Graduate Program	The annual DCSI Graduate Program helps to secure the department's future workforce. Recruitment for the 2017 program began in July 2016, with 17 successful graduates commencing with the department in January/February 2017 on 12-month contracts.
<i>Jobs4Youth</i>	<i>Jobs4Youth</i> is a State Government initiative to increase youth employment in the South Australian Public Sector. In 2016-17, the department recruited four Administrative Trainees on 12-month contracts, with six graduates from the 2017 DCSI Graduate Program fulfilling the department's annual program allocation.

Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
The department's Performance Development Framework provides a clear, structured approach to workforce development by supporting managers and employees to establish and maintain effective Performance Development Reviews. All completed Performance Development Reviews must be recorded on HR21.	The percentage of employees with a Performance Development Review increased from 51.8% in 2015-16 to 58% in 2016-17. As at 30 June 2017, 76.9% of Performance Development Reviews were current, with 58% reviewed in the 2016-17 financial year and 18.9% reviewed in the previous financial year but are still current. Of the remaining 23.1%, 9.5% had expired and 13.6% were not recorded.

Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
Health & Safety Plan 2016-2018 <p>The Health and Safety Plan enables DCSI leaders and local management to improve divisional and workplace health, safety and wellbeing through targeted initiative and key performance indicators.</p>	<p>The <i>Health & Safety Plan 2016-2018</i> is based on the four key pillars of the government's <i>Building Safety Excellence in the Public Sector</i> strategy, contributes to South Australian public sector performance targets and aligns the department with the expectations of the Audit and Verification System for Safety and Injury Management (AVS) in the public sector.</p>
Risk Management <p>The department maintains a responsive health and safety system to reduce the likelihood of serious harm or injuries to its workforce.</p>	<p>Target 2 of the government's <i>Building Safety Excellence in the Public Sector</i> strategy encourages agencies to investigate and eliminate the root cause of work-related injuries. The target is a 30% reduction in new workplace injury claims by June 2022 from the 2012 baseline of 365 claims.</p> <p>During 2016-17, there were 247 new workplace injury claims, compared to 287 in 2015-16 (a 14% reduction).</p>
Early Intervention <p>The department provides an integrated hazard and incident reporting system which initiates hazard alerts to key stakeholders.</p> <p>All hazards, incidents and injuries are reviewed and early intervention measures actioned in the recovery and return to work process, with the support of workplace managers and the affected employees.</p>	<p>Target 6 of <i>Building Safety Excellence in the Public Sector</i> seeks to ensure that a rehabilitation assessment is completed within two business days of an injury being notified. The target for the department is a ten per cent improvement by June 2020 from the 2014-15 baseline of 85%.</p> <p>During 2016-17, 94.78% of new claims had a return to work assessment within two business days, compared to 78.55% in 2015-16.</p>
Health and Safety Representatives <p>Health and Safety Representatives (HSRs) are elected to provide a means for workers to raise safety issues, and follow a process with management to resolve them.</p>	<p>The department has strengthened its HSR network to improve representation, consultation, cooperation and issue resolution. There are currently 92 elected HSRs and 13 Deputy HSRs across the department.</p>

Fraud detected in the agency

Category/nature of fraud	Number of instances
Missing funds/property	1

Strategies implemented to control and prevent fraud

During 2016-17, six fraud-related matters warranted further investigation. Of these, one matter was confirmed over this reporting period as fraud relating to missing funds/property.

In December 2016, the Incident Management Unit (IMU) was established through the centralisation of various functions across the department. The IMU now undertakes all investigations relating to potential fraud, misconduct or maladministration. This ensures consistency and efficiency in the department's response to incidents and potential fraud and has strengthened controls and investigatory capacity.

Internal Audit also considers the risk of fraud in their audit program. This includes assessment of the current control environment to ensure effective protection against fraud and maladministration as a standard objective for most audit reviews.

The department's *Fraud and Corruption Control Policy* and *Fraud and Corruption Control Plan* document processes for identifying, responding to and reporting alleged fraud and other similar malpractices. DCSI also continues to create and maintain a culture of zero tolerance for fraud and corruption.

Data for the past five years is available at: <https://data.sa.gov.au/data/organization/dept-for-communities-and-social-inclusion> under Government Reporting and Policy.

Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993* 0

Data for the past five years is available at: <https://data.sa.gov.au/data/organization/dept-for-communities-and-social-inclusion> under Government Reporting and Policy.

Executive employment in the agency

Executive classification	Number of executives
EXEC0E	1
SAES1	31
SAES2	9

Data for the past five years is available at: <https://data.sa.gov.au/data/organization/dept-for-communities-and-social-inclusion> under Government Reporting and Policy.

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
All consultancies below \$10,000 each	Three consultancies which involve a Domiciliary Care Equipment Services pricing model review and the development of a Community Support Services business case.	\$15,216
Consultancies above \$10,000 each		
KPMG	NDIS industry and workforce development analysis with five sub-projects including: <ul style="list-style-type: none"> • delivery of a draft project plan; • development of a data tool to support analysis; • assessment of market development risk and opportunities; • assessment of industry and workforce impacts; and • delivery of report findings. 	\$332,238
KPMG	Professional advisory services in relation to the future commercialisation and/or transition to the non-government sector of Disability and Domiciliary Care Services.	\$102,884
KPMG	Development of a report assessing options for the delivery of government run residential accommodation services.	\$101,628
PwC	Development of a financial model to enable full unit pricing for Domiciliary Care services.	\$64,001
Flinders University of South Australia	Literature review and a qualitative inquiry process to improve referral pathways to gambling help services.	\$29,396
Total all consultancies		\$645,363

Data for the past five years is available at: <https://data.sa.gov.au/data/organization/dept-for-communities-and-social-inclusion> under Government Reporting and Policy.

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

The audited financial statements of the department provide a true and fair view of the financial position of the department as at 30 June 2017 and its financial performance and cash flows during the financial year.

The total comprehensive result for the department for the year ended 30 June 2017 was \$5.9 million.

Other financial information

The department complies with across government monitoring and reporting requirements. This includes monthly reporting to the Department of Treasury and Finance on year to date performance and end of year projections.

DCSI administers certain revenues, expenses, assets and liabilities on behalf of its Ministers, which are disclosed in the administered financial statements. The total comprehensive result of the Administered Items for the year ended 30 June 2017 was \$11.2 million.

Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions

Under the *South Australian Multicultural and Ethnic Affairs Commission Act 1980*, the South Australian Multicultural and Ethnic Affairs Commission (SAMEAC) is required to present an annual report on its operations to the Minister for Multicultural Affairs by 30 September.

The Minister is required to table the report in both Houses of Parliament within 12 sitting days of receiving the report. The report is made publicly available at www.multicultural.sa.gov.au/sameac/annual-reports.

Section B: Reporting required under any other act or regulation

Name and date of act or regulation

Julia Farr Services (Trusts) Act 2007

9 - Annual report

- (1) The administrative unit of the Public Service that is primarily responsible for assisting a Minister in relation to the provision of disability services in the State must include in its annual report for each financial year a statement that sets out, insofar as is reasonably practicable, the following information, as at 30 March of the financial year to which the report relates, with respect to the persons who are residents of the Fullarton campus on 30 June 2007:
 - (a) the number of persons resident at the Fullarton campus;
 - (b) with respect to the persons resident at a place other than the Fullarton campus, a broad description of the nature of their accommodation;
 - (c) during the preceding period of 12 months -
 - (i) the processes used to plan and implement the relocation of any person to accommodation other than the Fullarton campus;
 - (ii) the number of persons who returned to accommodation at the Fullarton campus, and the circumstances of their return.
- (2) A report under subsection (1) should be prepared in a manner that does not identify a particular person.

As at 30 March 2017, 69 people with disability were living at the Fullarton campus, now known as Highgate Park. Those who have moved out have returned to the community, to family homes or supported accommodation. This includes four to five person group homes, clusters of units, and houses accommodating up to six residents. These purpose-built and modified dwellings provide 24 hour, seven day a week accommodation support in community settings.

All people living at Highgate Park have participated in a Person-Centred Planning process which supports people living with disability to achieve personal, social and economic participation. The implementation of the NDIS and allocation of 100 new homes for people with disability as part of the State Government's 1,000 Homes in 1,000 Days initiative, will significantly increase the community living options for residents of Highgate Park. Residents and their families will be consulted regarding future accommodation options.

No people returned to Highgate Park during the preceding 12 months and there were no new admissions.

Name and date of act or regulation

Youth Justice Administration Act 2016

Part 2 - Administration of youth justice

9 - Chief Executive's annual report

- (1) The Chief Executive must, not later than 30 September in each year, submit to the Minister a report on -
- (a) the operation of this Act and the work of the Department in relation to the administration of this Act for the financial year ending on the preceding 30 June; and
 - (b) any other matter as the Minister may direct.

On 1 December 2016, the *Youth Justice Administration Act 2016* and Youth Justice Administration Regulations 2016 came into operation. The legislation embeds a service model based on contemporary practice by reflecting that assessment, case planning and rehabilitation programs are key to reducing re-offending.

The Act provides that there is to be a Training Centre Visitor to provide independent monitoring and ensure that the rights of residents of training centres are upheld. The South Australian Guardian for Children and Young People has been appointed as the Training Centre Visitor.

To prepare for the implementation of the Act, DCSI undertook a comprehensive review of operational practices across all services provided by the Youth Justice Division to align with the requirements of the new legislation. Youth Justice staff were actively engaged in processes to implement the Act and Regulations to ensure operational practices are consistent with the requirements of the legislation.

The Act seeks to respond to the over-representation of Aboriginal and Torres Strait Islander young people, through specific provisions that ensure best practice approaches are taken during their supervision. The Act requires that there is an Aboriginal and Torres Strait Islander Youth Justice Principle. This is the first time such a Principle has been applied in the youth justice context in South Australia. The proposed wording of the Principle was developed with key Aboriginal stakeholders for inclusion in the Youth Justice Administration Regulations.

The Youth Justice Division is developing improvements to information technology systems to increase the capacity to record and analyse client data to monitor compliance with the legislation, regularly review practice and provide reports and records as required by the Training Centre Visitor.

Name and date of act or regulation

Water Industry Act 2012

Part 10 - Miscellaneous

87 - Consumer Advocacy and Research Fund

- (6) The administrative unit of the Public Service that is, under the Minister, responsible for the administration of this Act must, on or before 30 September in each year, present a report to that Minister on the operation of the Fund during the previous financial year.
- (7) A report under subsection (6) may be incorporated into the annual report of the relevant administrative unit.

During 2016-17, the department funded a number of activities through the auspices of the Consumer Advocacy and Research Fund (CARF) to support research or advocacy in relation to water usage that promotes the interests of consumers with disability, on low-income and/or in regional areas. The fund receives \$250,000 (indexed) per annum, primarily from water retail licence fees.

Projects which received CARF funding in 2016-17 included:

- the *Minor and Intermediate Retailers Research and Advocacy Project* (conducted by the South Australian Financial Counsellors Association (SAFCA)) that sought to build the evidence base of consumer issues related to minor and intermediate retailers and ensure robust policy and regulatory mechanisms exist;
- the *Water Consumers Living With Disability Project* (conducted by JFA Purple Orange) that documented issues arising for people living with disability in respect of the use of, cost of, quality of or access to water; and
- the *Tenants and Water Charges Project* (conducted by Uniting Communities) which will seek to ensure robust complementary measures exist that support the interests and needs of all water consumers in South Australia, including vulnerable people. This project is due for completion in late 2017.

Reporting required under the *Carers' Recognition Act 2005*

The *Carers' Recognition Act* is deemed applicable for the following: Department for Communities and Social Inclusion, Department for Education and Child Development, Department for Health and Ageing, Department of State Development, Department of Planning, Transport and Infrastructure, South Australia Police and TAFE SA.

Section 7: Compliance or non-compliance with section 6 of the Carers Recognition Act 2005 and (b) if a person or body provides relevant services under a contract with the organisation (other than a contract of employment), that person's or body's compliance or non-compliance with section 6.

Under section 6 of the *Carers Recognition Act 2005*, the department is required to ensure all officers, staff and agents have an awareness and understanding of the principles of the Carers Charter, which promotes consultation with carers or their representatives in policy development and service planning. The department must also consider carers in their interaction with government services and carers who are public sector employees.

The following summarises the actions of the department in 2016-17 to ensure compliance with section 6:

- staff gained an awareness and understanding of the Act and Carers Charter through induction and ongoing development and training;
- flexible carer leave arrangements were made available across the department;
- the We Care Action Plan (*We Care: Our Plan for South Australian Carers*) was reviewed by the Community Services Division, which continues to assist other government departments who work with carers;
- the Youth Justice Division published a Young Carers fact sheet for staff and updated resources to ensure assessments consider the caring responsibilities of young people admitted to training centres;
- Carers SA were funded to design and pilot an innovative program framework for young carers, which will be launched at the International Carers Conference in October 2017;
- Carer Support were funded to develop the *Caring in the Aboriginal Community* online learning/training package;
- South Australian Home and Community Care (SA HACC) program funding continued to be provided to statewide carer support organisations for a range of carer services;
- responsibilities under the Carers Charter were regularly raised at carers' network meetings, across-government meetings and community forums;
- NDIS Reform consulted with the carers sector and distributed the *My NDIS Pathway* toolkit to parents of children entering the NDIS, community services networks, non-government organisations and carer service providers;
- carers and continuity in client services remain a priority during the transfer of Domiciliary Care to the non-government sector; and
- Carer Support Network SA is represented on the department's Key Influencers Stakeholder Forum, to facilitate the rollout of the NDIS in South Australia.

In addition to the above, the Community Services Division meets regularly with statewide carer support organisations to discuss current issues and is working intensively with DCSI-funded carer support services around issues in relation to the NDIS and the proposed Commonwealth Integrated Carer Support Service model. The department also consulted with Commonwealth Government departments and South Australian carer service providers to identify supports for young and CALD carers, who are priority cohorts for both the Commonwealth and State Governments.

Section C: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

Public complaints received by the Department for Communities and Social Inclusion	
Category of complaints by subject	Number of instances
Service Delivery	66
Staff Competence and Conduct	58
Service Access (including delays and availability)	38
Communication (including inadequate/no response to a complaint, inadequate information and staff not returning phone calls)	31
Maintenance	26
Administrative Services	13
Disruptive Tenancy	6
Fees or Cost	3
Other Complaints	4

Data for the past five years is available at: <https://data.sa.gov.au/data/organization/dept-for-communities-and-social-inclusion> under Government Reporting and Policy.

Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Delays in processing screening applications	The DCSI Screening Unit has introduced a number of process and technology improvements to help improve the delivery of screening services including: an online application form; an organisational portal for employers to verify screening checks; an improved screening database; and a credit card payment system.
Delays in access to equipment through the NDIS	The Domiciliary Equipment Service (DES) is providing clients with further information about the NDIS planning process and maintaining records of delays in the equipment approval process. Identified issues are escalated to the NDIA to inform them of business process improvements being sought for NDIS participants.
Accessibility of internet site	In 2016-17, all DCSI websites were redeveloped to be modern and mobile-friendly. The websites are now easier to use and navigate regardless of the device or screen size being used, which allows a more interactive experience for customers.

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Delays in payment of some concessions	A number of process improvements have been introduced that cease the involvement of third parties in the administration of some concessions, such as concessions for council-provided water and community wastewater management systems. This has resulted in a more streamlined customer experience with an electronic funds transfer payment of the concession, direct to eligible customers.

Appendix: Audited financial statements 2016-17

Correction: Note 34 of the audited financial statements (Remuneration of board and committee members) incorrectly states that the appointment of Ms Jayne Stinson to the Premier's Council for Women expired on 31 May 2017. Ms Stinson advised the Premier of her decision to resign from the Council on 5 May 2017.



Certification of the financial statements

We certify that the:

- financial statements of the Department for Communities and Social Inclusion:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's Instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority as at 30 June 2017 and the result of its operations and cash flows for the financial year.
- internal controls employed by the Department for Communities and Social Inclusion over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the financial year.

A blue ink signature of Tony Harrison, written over a horizontal line.

Tony Harrison

Chief Executive

15 / 9 / 2017

A blue ink signature of Andrew Thompson, written over a horizontal line.

Andrew Thompson

Chief Financial Officer

15 / 9 / 2017



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To the Chief Executive Department for Communities and Social Inclusion

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Communities and Social Inclusion for the financial year ended 30 June 2017.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Communities and Social Inclusion as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated 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 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- Disaggregated Disclosures - Expenses and Income for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2017
- a Statement of Administered Financial Position as at 30 June 2017
- a Statement of Administered Changes in Equity for the year ended 30 June 2017
- a Statement of Administered Cash Flows for the year ended 30 June 2017
- a Schedule of Expenses and Income attributable to Administered Activities for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Department for Communities and Social Inclusion. 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 promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial report

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

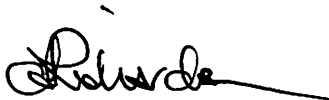
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Andrew Richardson

Auditor-General

20 September 2017

Department for Communities and Social Inclusion

Financial Statements

For the year ended 30 June 2017

Department for Communities and Social Inclusion
Statement of Comprehensive Income
for the year ended 30 June 2017

		2017	2016
	Note	\$'000	\$'000
Expenses			
Employee benefits	5	376 959	402 075
Supplies and services	6	285 762	273 484
Depreciation and amortisation	7	11 603	8 287
Grants, subsidies and client payments	8	567 113	534 887
Net loss from disposal of non-current assets	13	22	-
Other expenses	9	98 482	70 128
Total expenses		1 339 941	1 288 861
Income			
Revenues from rent, fees and charges	10	116 765	120 799
Commonwealth revenues	11	75 181	70 709
Interest revenues	12	1	1
Net gain from disposal of non-current assets	13	-	114
Other revenues	14	27 947	22 186
Total income		219 894	213 809
Net cost of providing services		(1 120 047)	(1 075 052)
Revenues from SA Government			
Revenues from SA Government	15	1 125 904	1 061 822
Total net revenues from SA Government		1 125 904	1 061 822
Net result		5 857	(13 230)
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in revaluation surplus		-	23 519
Total other comprehensive income		-	23 519
Total comprehensive result		5 857	10 289

The net result and total comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Department for Communities and Social Inclusion
Statement of Financial Position
as at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	17	146 010	141 443
Receivables	18	27 211	22 795
Inventories	19	419	470
		173 640	164 708
Non-current assets classified as held for sale	20	28 075	33 069
Total current assets		201 715	197 777
Non-current assets			
Receivables	18	15 587	15 057
Property, plant and equipment	21	180 722	185 523
Capital works in progress	22	3 746	1 965
Intangible assets	23	2 531	2 568
Total non-current assets		202 586	205 113
Total assets		404 301	402 890
Current liabilities			
Payables	25	49 910	42 717
Employee benefits	26	60 799	68 529
Provisions	27	8 314	11 036
Other current liabilities	28	1 738	1 950
Total current liabilities		120 761	124 232
Non-current liabilities			
Payables	25	5 165	5 381
Employee benefits	26	56 078	57 173
Provisions	27	17 005	18 187
Other non-current liabilities	28	2 985	3 769
Total non-current liabilities		81 233	84 510
Total liabilities		201 994	208 742
Net assets		202 307	194 148
Equity			
Contributed capital	29	74 325	74 325
Retained earnings	29	84 977	73 051
Asset revaluation surplus	29	43 005	46 772
Total equity		202 307	194 148
The total equity is attributable to the SA Government as owner.			
Unexpended funding commitments	16		
Unrecognised contractual commitments	31		
Contingent assets and liabilities	32		

The above statement should be read in conjunction with the accompanying notes.

Department for Communities and Social Inclusion
Statement of Change in Equity
for the year ended 30 June 2017

		Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
	Note				
Balance at 30 June 2015		74 325	23 253	86 348	183 926
Prior period adjustments		-	-	(67)	(67)
Restated balance at 30 June 2015		74 325	23 253	86 281	183 859
Net result for 2015-16		-	-	(13 230)	(13 230)
Gain on revaluation of property, plant and equipment		-	23 519	-	23 519
Total comprehensive result for 2015-16		-	23 519	(13 230)	10 289
Balance at 30 June 2016		74 325	46 772	73 051	194 148
Prior period adjustments		-	-	2 302	2 302
Restated balance at 30 June 2016		74 325	46 772	75 353	196 450
Net result for 2016-17		-	-	5 857	5 857
Total comprehensive result for 2016-17		-	-	5 857	5 857
Transfer to retained earnings of net increment realised on sale of land and buildings		-	(3 767)	3 767	-
Balance at 30 June 2017	29	74 325	43 005	84 977	202 307

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Department for Communities and Social Inclusion
Statement of Cash Flows
for the year ended 30 June 2017

		2017	2016
		Inflows	Inflows
		(Outflows)	(Outflows)
		\$'000	\$'000
Cash flows from operating activities	Note		
Cash outflows			
Employee benefits payments		(388 994)	(377 888)
Payments for supplies and services		(414 282)	(384 598)
Payments of grants and subsidies		(566 969)	(533 945)
Cash used in operations		(1 370 245)	(1 296 431)
Cash inflows			
Fees and charges		117 087	115 528
Receipts from Commonwealth		52 028	48 309
Interest received		1	1
GST recovered from the ATO		57 528	55 429
Other receipts		27 661	25 132
Cash generated from operations		254 305	244 399
Cash flows from SA Government			
Receipts from SA Government		1 125 904	1 061 822
Cash generated from SA Government		1 125 904	1 061 822
Net cash provided by/(used in) operating activities	33	9 964	9 790
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment (including work in progress)		(10 328)	(10 020)
Cash used in investing activities		(10 328)	(10 020)
Cash inflows			
Proceeds from sale of property, plant and equipment		4 931	157
Cash generated from investing activities		4 931	157
Net cash provided by/(used in) investing activities		(5 397)	(9 863)
Net increase/(decrease) in cash and cash equivalents		4 567	(73)
Cash and cash equivalents at the beginning of the period		141 443	141 516
Cash and cash equivalents at the end of the period	17	146 010	141 443

The above statement should be read in conjunction with the accompanying notes.

Department for Communities and Social Inclusion
Disaggregated Disclosures – Expenses and Income
for the year ended 30 June 2017

Activities (refer note 4)	Thriving Communities		Domiciliary and Community Care Services		Social Housing	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses						
Employee benefits	71 022	74 160	26 664	34 213	67 215	67 583
Supplies and services	21 747	22 474	16 777	17 944	4 442	4 355
Depreciation and amortisation	3 924	2 674	1 024	650	14	13
Grants, subsidies and client payments	28 314	25 997	31 065	34 763	223 247	214 367
Net loss from disposal of non-current assets	3	-	-	-	-	-
Other expenses	143	210	303	117	5	6
Total expenses	125 153	125 515	75 833	87 687	294 923	286 324
Income						
Revenues from rent, fees and charges	17 779	17 739	4 415	4 550	67 351	68 669
Commonwealth revenues	773	612	26 093	28 258	9 785	8 870
Interest revenues	-	-	1	1	-	-
Net gain from disposal of non-current assets	-	(6)	-	(3)	-	-
Other revenues	4 695	3 906	677	2 152	479	758
Total income	23 247	22 251	31 186	34 958	77 615	78 297
Net cost of providing services	(101 906)	(103 264)	(44 647)	(52 729)	(217 308)	(208 027)
Revenues from SA Government						
Revenues from SA Government	-	-	-	-	-	-
Net revenues from SA Government	-	-	-	-	-	-
Net result	(101 906)	(103 264)	(44 647)	(52 729)	(217 308)	(208 027)

Department for Communities and Social Inclusion
Disaggregated Disclosures – Expenses and Income
for the year ended 30 June 2017

Activities (refer note 4)	Disability SA		Disability Services		NDIS and Service Reform	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses						
Employee benefits	33 505	37 042	173 434	184 712	5 119	4 365
Supplies and services	181 655	167 355	58 861	60 059	2 280	1 297
Depreciation and amortisation	812	847	5 771	4 048	58	55
Grants, subsidies and client payments	282 675	259 590	534	160	1 278	10
Net loss from disposal of non-current assets	-	-	19	-	-	-
Other expenses	36 312	35 158	352	513	61 367	34 124
Total expenses	534 959	499 992	238 971	249 492	70 102	39 851
Income						
Revenues from rent, fees and charges	7 134	7 131	19 506	22 058	580	652
Commonwealth revenues	32 760	30 199	2 374	2 770	3 396	-
Interest revenues	-	-	-	-	-	-
Net gain from disposal of non-current assets	-	(5)	-	129	-	(1)
Other revenues	6 589	4 566	15 471	10 495	36	309
Total income	46 483	41 891	37 351	35 452	4 012	960
Net cost of providing services	(488 476)	(458 101)	(201 620)	(214 040)	(66 090)	(38 891)
Revenues from SA Government						
Revenues from SA Government	-	-	-	-	-	-
Total net revenues from SA Government	-	-	-	-	-	-
Net result	(488 476)	(458 101)	(201 620)	(214 040)	(66 090)	(38 891)

Department for Communities and Social Inclusion
Disaggregated Disclosures – Expenses and Income
for the year ended 30 June 2017

Activities (refer note 4)	General/Not Attributable		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses				
Employee benefits	-	-	376 959	402 075
Supplies and services	-	-	285 762	273 484
Depreciation and amortisation	-	-	11 603	8 287
Grants, subsidies and client payments	-	-	567 113	534 887
Net loss from disposal of non-current assets	-	-	22	-
Other expenses	-	-	98 482	70 128
Total expenses	-	-	1 339 941	1 288 861
Income				
Revenues from rent, fees and charges	-	-	116 765	120 799
Commonwealth revenues	-	-	75 181	70 709
Interest revenues	-	-	1	1
Net gain from disposal of non-current assets	-	-	-	114
Other revenues	-	-	27 947	22 186
Total income	-	-	219 894	213 809
Net cost of providing services	-	-	(1 120 047)	(1 075 052)
Revenues from SA Government				
Revenues from SA Government	1 125 904	1 061 822	1 125 904	1 061 822
Total net revenues from SA Government	1 125 904	1 061 822	1 125 904	1 061 822
Net result	1 125 904	1 061 822	5 857	(13 230)

The above statement should be read in conjunction with the accompanying notes.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

1. Objectives of the Department for Communities and Social Inclusion
2. Significant accounting policies
3. New and revised accounting standards and policies
4. Activities of the department
5. Employee benefits expense
6. Supplies and services
7. Depreciation and amortisation expense
8. Grants, subsidies and client payments
9. Other expenses
10. Revenues from rent, fees and charges
11. Commonwealth revenues
12. Interest revenues
13. Net gain/(loss) from disposal of non-current assets
14. Other revenues
15. Revenues from SA Government
16. Unexpended funding commitments
17. Cash and cash equivalents
18. Receivables
19. Inventories
20. Non-current assets classified as held for sale
21. Property, plant and equipment
22. Capital works in progress
23. Intangible assets
24. Fair value measurements
25. Payables
26. Employee benefits
27. Provisions
28. Other liabilities
29. Equity
30. Financial instruments / financial risk management
31. Unrecognised contractual commitments
32. Contingent assets and liabilities
33. Cash flow reconciliation
34. Remuneration of board and committee members
35. Related party transactions
36. Budgetary reporting and explanations of major variances between budget and actual amounts
37. Transactions with SA Government
38. Residential Aged Care sector reporting
39. Events after balance date

Department for Communities and Social Inclusion

Notes to and forming part of the financial statements

for the year ended 30 June 2017

1 Objectives of the Department for Communities and Social Inclusion

The Department for Communities and Social Inclusion (DCSI/the department) is committed to ensuring that all South Australians, particularly the most vulnerable and disadvantaged, have access to high quality services that protect and enhance the community's wellbeing and provide support to people when they need it. The department has a commitment to delivering better and more connected services to the vulnerable and disadvantaged in our community, and to build engaged, socially inclusive, strong and vibrant communities.

The work of the department supports the achievement of the South Australian Government Strategic Priorities. The department serves the Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Disabilities, Minister for Youth, Minister for Volunteers, Minister for the Status of Women, and Minister for Multicultural Affairs.

The department has responsibility for the delivery of specific programs to the public with respect to activities assigned to the department under various Acts as delegated, by the respective Ministers, to the Chief Executive of the department.

The department also functions as a service provider to the South Australian Housing Trust (SAHT). The financial affairs of SAHT do not form part of the department's financial report.

1.1 Transition to the National Disability Insurance Scheme (NDIS) and Commonwealth Aged Care Reform

Background

The NDIS and Commonwealth aged care reforms change the way disability and aged care services are funded, managed and delivered in South Australia. These reforms rely on there being a diverse range of providers within the disability and aged care services market to give clients choice and control. In South Australia, the NDIS will come into full effect from 1 July 2018 and the Commonwealth aged care reforms from 1 July 2020. Both reforms will enable clients to buy services from the provider of their choice.

Impact on DCSI services to clients

South Australia was one of the first states to sign up to the NDIS. Children up to age 14 started entering the NDIS under a trial in South Australia from July 2013, followed by young people aged 15 to 17 from January 2017.

From 1 July 2017, adults will begin entering the NDIS, depending where they live. People living in northern Adelaide, Barossa, Light and Lower North will be the first to enter from 1 July 2017, followed by:

- Tea Tree Gully, Limestone Coast and Murray and Mallee from 1 October 2017
- Fleurieu and Kangaroo Island, Southern Adelaide, Eyre and Western, Far North and Yorke and Mid North from 1 January 2018
- Adelaide Hills, Eastern Adelaide and Western Adelaide from 1 April 2018.

More than 32 000 South Australians will receive services under the full scheme, up from approximately 17 000 pre-NDIS. The disability sector will grow significantly, with jobs in the sector to double from approximately 6 000 to 12 000.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

1 Objectives of the Department for Communities and Social Inclusion (continued)

1.1 Transition to the National Disability Insurance Scheme (NDIS) and Commonwealth Aged Care Reform (continued)

Impact on the department

With the implementation of the NDIS and the Commonwealth aged care reforms, there will be changes to DCSI's disability and domiciliary care services.

In February 2017, the State Government announced its decision to transfer Domiciliary Care and some disability services to non-government management. The State Government also announced that it would continue to provide supported community accommodation services through a commercial trading entity under NDIS.

DCSI's Domiciliary Care services will be transferred to non-government management by June 2018. The public Expression of Interest (EOI) closed in mid-July 2017. It is expected that there will be a selective request for tender following the EOI.

In relation to the other services proposed to transition to non-government management, work is continuing in consultation with staff, clients and the non-government sector to plan how and when this will occur.

2 Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987* (PFAA).

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (AAS) and comply with Treasurer's Instructions (TI) and Accounting Policy Statements (APS) promulgated under the provisions of the PFAA.

The department has applied AAS that are applicable to not-for-profit entities, as the department is a not-for-profit entity.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

2.2 Basis of preparation

The preparation of the financial statements requires the use of certain accounting estimates, where management is required to exercise its judgement in the process of applying the department's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The preparation of the financial statements also requires compliance with APS issued pursuant to section 41 of the PFAA. In the interest of public accountability and transparency, the APS require the following note disclosures which have been included in this financial report:

- revenues, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature. A threshold of \$0.1 million for separate identification of these items applies
- expenses incurred as a result of engaging consultants
- employee targeted voluntary separation package (TVSP) information
- employees whose normal remuneration is equal to or greater than the base executive remuneration level (within \$0.01 million bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the department to those employees
- board/committee member and remuneration information, where a board or committee member is entitled to receive income from membership other than direct out of pocket reimbursement
- the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The existence of the department and the ongoing delivery of current programs and services are dependent on government policy and on continuing appropriations by Parliament.

2.3 Reporting entity

The department is a government department of the State of South Australia, established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of the department (refer to the disaggregated disclosure for details of the department's controlled activities).

The department does not control any other entity and has no interests in unconsolidated structured entities. Transactions and balances relating to administered resources are not recognised as departmental income, expenses, assets and liabilities. As administered items are significant in relation to the department's overall financial performance and position, they are disclosed in the administered financial statements. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for departmental items.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

2.4 Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where the department has applied an accounting policy retrospectively, such items are reclassified retrospectively in the financial statements.

The restated comparative amounts do not replace the original financial statements for the preceding period.

Prior period adjustments

There were prior period adjustments made during the 2016-17 financial year, relating to corrections to leave liability entitlements and assets which were previously recorded as an expense.

The prior period adjustments are summarised as follows:

- additions of land \$0.3 m
- additions and disposals of plant and equipment at written down value \$0.15 m
- corrections to leave liability \$1.85 m.

2.5 Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

2.6 Taxation

DCSI is not subject to income tax. DCSI is liable for Payroll Tax, Fringe Benefits Tax, Goods and Services Tax (GST), and Emergency Services Levy.

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

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

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

2.7 Events after balance date

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2017 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2017.

Note disclosure is made about events between 30 June 2017 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2017 and which may have a material impact on the results of subsequent years.

Refer to note 1.1 relating to the transition to the NDIS and Commonwealth Aged Care Reform.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

2.8 Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. The department has a clearly identifiable operating cycle of twelve months. Therefore assets and liabilities that will be realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

2.9 Non-current assets

Acquisition and recognition

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

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

The department capitalises all non-current tangible assets with a value of \$0.01 million or greater.

Works in progress (WIP) are projects which are incomplete as at reporting date.

Depreciation and amortisation

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.

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.

Land and non-current assets held for sale are not depreciated.

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	40-50
Leasehold improvements	Life of lease
Plant and equipment	5-15
Motor vehicles	3-5
Computer equipment	3-5
Computer software	3-5
Independent living equipment program (ILEP)	3-5

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

2.9 Non-current Assets (continued)

Revaluation of non-current assets

In accordance with APF III *Asset Accounting Framework*, all non-current tangible assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current assets or groups of assets is performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is equal to or greater than three years.

The department revalues its land and buildings in accordance with APF III. However, 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, when they are revalued to fair value.

The department has taken the exemption available under APF III paragraph APS 3.18 to take the asset revaluation adjustment to the asset revaluation surplus on a class basis rather than an individual asset basis.

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 assets.

Any revaluation increment is credited to the revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in the revaluation surplus for that asset class.

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

The department's land and buildings were subject to a full site revaluation as at 30 June 2016. The professional valuer engaged to perform the independent valuations was Mrs Brooke Parish, API Certified Practising Valuer (Property), Australian Valuation Solutions Pty Ltd.

Impairment

The department holds its property, plant and equipment and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible; accordingly the recoverable amount will be close to or greater than fair value.

The department also expects for all other non-current tangible assets that any costs of disposal will be negligible, and the recoverable amount to be close to or greater than fair value.

An impairment loss was recognised in 2015-16 and 2016-17, refer note 20.1.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The department only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria (identifiability, control, and the existence of future economic benefits), the recognition criteria (probability of future economic benefits and cost can be reliably measured) and when the amount of expenditure is greater than or equal to \$0.01 million.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

2.9 Non-current Assets (continued)

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed.

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.

The department classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurement, 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.

The department has no assets categorised into level 1.

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

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

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million, or an estimated useful life that was less than three years, are deemed to approximate fair value.

Asset classes where written down cost is deemed to be fair value include:

- Leasehold improvements
- Capital works in progress
- Plant and equipment
- Motor vehicles
- Computer equipment
- Independent living equipment program

Refer notes 21 and 24 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

2.10 Liabilities

Employee benefits

These benefits accrue for employees 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.

Salary and wages, annual leave, skills and experience retention leave and sick leave

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

The annual leave liability and the skills and experience retention leave liability 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 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.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over 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.

The liability for long service leave in 2015-16 was significantly impacted by the department moving to the Department of Treasury and Finance (DTF) methodology of preparing the long service leave actuarial assessment to be consistent with the whole of Government approach. Previously, the liability for long service leave was determined through an actuarial assessment undertaken by Mercer (Australia) Pty Ltd.

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

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

2 Significant accounting policies (continued)

2.10 Liabilities (continued)

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement. The department has not entered into any finance leases. The department has entered into operating leases.

Operating leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the lease term, which is representative of the pattern of benefits derived from the leased assets.

Lease incentives

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset. Incentives received to enter into operating leases are recognised as a liability.

The aggregate benefits of lease incentives received by the department in respect of operating leases have been recorded as a reduction of rental expense over the lease term, on a straight line basis.

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.

2.11 Unrecognised contractual commitments and contingent assets and liabilities

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

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. At 30 June 2017, the department recognised a contingent asset in note 32.

Unrecognised contractual commitments (refer to note 31), and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO. If GST is not recoverable from, or payable to, the ATO, the commitments or contingencies are disclosed on a gross basis.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

3 New and revised accounting standards and policies

The department did not voluntarily change any of its accounting policies during 2016-17.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the department for the period ending 30 June 2017.

AASB 16 *Leases* will apply for the first time for the year to reporting periods beginning on or after 1 January 2019. The amended standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease payments will no longer be expensed in the Statement of Comprehensive Income on a straight line basis. Rather, they will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

It is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.

The classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows and recorded as commitments, which are not captured in the Statement of Financial Position.

The department has not yet quantified the impact of applying AASB 16 *Leases* to its operating lease arrangements and the resulting impact on the Statement of Comprehensive Income, the Statement of Financial Position and the commitments disclosure in the notes to the financial statements.

AASB 15 *Revenue from Contracts with Customers* will replace the existing AASB 118 *Revenue* and applies to reporting periods beginning on or after 1 January 2019. AASB 15 *Revenue from Contracts with Customers* introduces a five step process for revenue recognition with the core principle being to recognise revenue 'when control of a good or service transfers to a customer'. This is effectively when performance obligations have been met, rather than the former model of 'where the risk and rewards of ownership reside'. AASB 15 *Revenue from Contracts with Customers* will generally result in increased disclosures.

The department has not yet quantified the impact of applying AASB 15 *Revenue from Contracts with Customers* and the resulting impact on the statement of comprehensive income.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

4 Activities of the department

In achieving its objectives, the department provides a range of services classified into the following activities for 2016-17.

4.1 2016-17

Activity 1: Thriving Communities

This program develops, implements and contributes to initiatives and services which improve outcomes for individuals, families and communities, in partnership with other key stakeholders, including not-for-profit organisations. The program includes affordable living programs and state concessions; programs and grants which promote opportunity, build community capacity and help communities prosper; community sector partnerships and development; the coordination of state recovery efforts; youth justice programs; and initiatives which advance and support gender equality. High-level strategic and policy advice is provided across government in areas including the status of women, volunteering, carers, multicultural affairs and youth.

Activity 2: Domiciliary and Community Care Services

This program includes a range of services which enable vulnerable and ageing South Australians to live safely in the community. This includes Domiciliary Care Services, services provided through the South Australian Home and Community Care (HACC) program, and services directed to people living in Supported Residential Facilities (SRF).

Activity 3: Social Housing

The focus of this program is to develop, implement and provide housing service responses for people who are at risk or in high need and to work with government and non-government agencies to improve the standard of existing affordable social housing across the state.

This program encompasses the management of grants for housing services to low income households, support to people who are at risk or in high need, including specialist homelessness and domestic violence services; the management of public housing; metropolitan, rural and remote Aboriginal housing; the regulation of community housing; and emergency relief and recovery services. The program also provides social housing strategy, policy development and advice to the government.

Activity 4: Disability SA

The role of Disability SA is to lead disability policy development and planning in South Australia; provide a single access point for people with disability from intake through to service delivery; and arrange for funding to go to individuals and service providers through the most effective and transparent means.

Activity 5: Disability Services

Disability Services is the Government of South Australia's service provider for people with disabilities.

Activity 6: NDIS and Service Reform

NDIS and Service Reform is responsible for the coordination and implementation of the NDIS across DCSI and the Government of South Australia. NDIS and Service Reform works closely with the National Disability Insurance Agency (NDIA) and the Commonwealth Government to deliver an agreed program of work to manage the transition to the NDIS and the implementation of Commonwealth aged care reforms. This includes the provision of strategic advice and developing and finalising national policy settings, as well as planning and oversight in the transition of DCSI Disability and Domiciliary Care Services to the NDIS and under Commonwealth aged care reforms.

4.2 2015-16

The 2015-16 amounts for these programs differ from the amounts presented in the 2015-16 audited financial statements to reflect 2016-17 changes to departmental functions and refinements to the allocation of corporate overheads. As such, the 2015-16 amounts have been adjusted for comparative purposes.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

5 Employee benefits expense

	2017	2016
	\$'000	\$'000
Salaries and wages	283 802	282 348
TVSPs	823	2 796
Long service leave	4 336	21 408
Annual leave	29 622	29 196
Skills and experience retention leave	1 502	1 516
Superannuation	31 654	33 361
Workers' compensation	6 473	12 675
Payroll tax	17 311	17 686
Other employee related expenses	1 436	1 089
Total employee benefits expenses	376 959	402 075

Targeted voluntary separation packages (TVSPs)

	2017	2016
	\$'000	\$'000
Amounts paid to these employees:		
TVSPs	823	2 796
Annual leave, long service leave and skills and experience retention leave paid to those employees	317	353
Net cost to the department	1 140	3 149

Number of employees that were paid or had payable TVSPs during the reporting period was 12 (2016: 49).

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

5 Employee benefits expense (continued)

Remuneration of employees

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

	2017	2016
	Number	Number
\$145 000 - 147 000 *	n/a	1
\$147 001 - 157 000	10	11
\$157 001 - 167 000	6	4
\$167 001 - 177 000	6	2
\$177 001 - 187 000	4	5
\$187 001 - 197 000	3	6
\$197 001 - 207 000	5	3
\$207 001 - 217 000	1	5
\$217 001 - 227 000	2	1
\$227 001 - 237 000	2	-
\$237 001 - 247 000	-	1
\$247 001 - 257 000	1	-
\$257 001 - 267 000	1	1
\$267 001 - 277 000	2	2
\$277 001 - 287 000	1	2
\$287 001 - 297 000	2	-
\$297 001 - 307 000	1	-
\$367 001 - 377 000	-	1
\$437 001 - 447 000	1	-
Total	48	45

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2015-16.

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, fringe benefits tax, any other salary sacrifice benefits and termination payments. The total remuneration received by these employees for the year was \$9.65 m (2016: \$8.77 m).

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

6 Supplies and services

	2017	2016
	\$'000	\$'000
Accommodation and property related	24 769	26 568
Advertising and promotions	783	325
Brokerage care services	180 859	168 143
Business services	6 645	6 246
Client related expenses	6 300	5 927
Communication and computing	15 287	15 253
Contractors and agency staff	9 898	9 376
Consultants	616	205
Drugs and medical supplies	1 815	1 787
Homelessness services	4 207	4 125
Insurance	769	769
Interpreter and translator fees	74	74
Managed payments	1 209	1 246
Minor equipment	9 487	9 700
Motor vehicles	6 120	6 337
Printing, stationery, postage and periodicals	1 929	2 309
Repairs and maintenance	4 666	4 254
Seminars, courses and training	805	765
Travel and accommodation	1 145	1 174
Other	8 035	8 564
Total supplies and services (excluding audit fees)	285 418	273 147
Audit fees paid/payable to the Auditor-General's Department relating to work performed under the PFAA *	344	337
Total audit fees	344	337
Total supplies and services (including audit fees)	285 762	273 484

* No other services were provided by the Auditor-General's Department.

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

	2017	2017	2016	2016
	Number	\$'000	Number	\$'000
Below \$10 000	3	15	1	7
Above \$10 000	4	601	5	198
Total paid/payable to consultants engaged	7	616	6	205

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
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7 Depreciation and amortisation expense

	2017	2016
	\$'000	\$'000
Depreciation		
Buildings and improvements	5 297	3 001
Computing equipment	6	1
Motor vehicles	10	37
Independent living equipment program	2 231	1 932
Other plant and equipment	384	334
Total depreciation	7 928	5 305
Amortisation		
Leasehold improvements	2 175	1 980
Computer software	1 500	1 002
Total amortisation	3 675	2 982
Total depreciation and amortisation	11 603	8 287

8 Grants, subsidies and client payments

Grants, subsidies and client payments by program	2017	2016
	\$'000	\$'000
Disability Grants	281 220	257 648
Grants to SAHT (State Contribution including Tax Equivalents Regime)	86 904	81 368
Grants to SAHT (Commonwealth Contribution)	74 494	73 477
Specialist Homelessness Services	63 396	59 520
Home and Community Care	26 730	30 852
Family and Community Development	11 051	10 690
Supported Residential Facilities	3 995	5 820
Financial Hardship Programs (formerly Affordable Living Programs)	4 858	4 540
Aboriginal Community Benefit Grants	2 008	1 841
Office for Youth	1 591	1 777
NDIS Sector Development	1 246	-
Other	9 620	7 354
Total grants, subsidies and client payments	567 113	534 887

Grants, subsidies and client payments by recipient type

Non-Government Organisations (NGOs)	8.1	363 505	340 553
SAHT		161 398	154 845
Individualised Funding		16 898	15 128
SA Health Units		11 424	11 716
Local Government		8 095	7 334
SA Government Entities - Other		3 219	2 659
Commonwealth & Other State/Territory Governments		1 187	1 344
Universities		575	314
Glasses SA (formerly Spectacles SA)		345	502
Other		467	492
Total grants, subsidies and client payments		567 113	534 887

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

8.1 Funding to Non-Government Organisations

	2017	2016
	\$'000	\$'000
Minda Incorporated	54 035	50 443
Community Accommodation and Respite Agency Inc (CARA)	36 179	29 921
Community Living Australia	15 716	13 756
Lighthouse Disability	15 224	13 835
Anglicare SA	14 905	14 487
Centacare Catholic Family Services	12 212	11 826
Orana Inc	11 007	10 011
Uniting Communities	10 101	9 318
Community Living Options Inc	9 282	7 254
Spastic Centres of South Australia (SCOSA) Inc	8 098	7 997
EBL Disability Services Inc	7 500	5 665
Novita Children's Services Inc	6 638	13 251
Royal District Nursing Service of SA Inc	5 996	5 852
UnitingCare Wesley Port Adelaide Inc	5 706	5 254
Life Without Barriers	5 441	5 625
Baptist Care SA Inc	5 403	2 471
Disability Living Inc	5 084	4 811
UnitingCare Wesley Country SA	4 747	4 632
Hills Community Options Inc	4 481	3 657
Homecare Plus	4 014	3 455
The Salvation Army	3 957	3 691
Autism Association of SA Inc	3 723	5 419
Anglican Community Care Inc	3 294	3 144
Royal Society for the Blind of SA Inc	3 151	3 040
Community Living Project Inc	2 734	2 889
St John's Youth Services Inc	2 712	2 605
Bedford Phoenix Inc	2 690	2 440
Comrec Australia Pty Ltd	2 617	2 631
Kincare Homecare SA	2 559	1 728
Barkuma Inc	2 535	2 461
Guide Dogs Association of SA and NT Inc	2 476	2 459
Uniting Care Wesley Adelaide Inc	2 430	2 415
Amandus Lutheran Disability Services Inc	2 272	2 013
Individual Supported Accommodation Service Inc	2 256	2 039
Calvary Home Care Services	2 129	1 874
Offenders Aid and Rehabilitation Services of SA Inc	1 991	1 917
Barossa Enterprises	1 934	1 507
Central Eastern Domestic Violence Service	1 932	2 523
SYC Ltd	1 929	1 942
Lutheran Community Care	1 829	1 758
Hutt Street Centre	1 792	1 421
Southern Junction Community Services Inc	1 790	1 723
Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council	1 760	1 714
Southern Adelaide Domestic Violence Service	1 728	1 662
Catholic Diocese of Port Pirie	1 600	1 681
Incompro Aboriginal Association Inc	1 600	458
Lifestyle Assistance and Accommodation Service Inc	1 562	1 475
Northern Domestic Violence Service Inc	1 460	1 406
Good Shepherd Microfinance	1 441	1 113

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

The Trustee for the Nextt Health Trust	1 426	375
Xlent Disability Services	1 330	1 160
Windamere Park	1 239	1 213
Enhanced Lifestyles Inc	1 234	1 164
Relationships Australia SA	1 207	1 162
Victim Support Service Inc	1 195	515
Women's Safety Services SA Inc	1 171	545
Aboriginal Family Support	1 069	1 031
St Vincent De Paul Society SA Inc	1 035	1 009
Community Bridging Services	1 027	1 059
Northern Carer's Network Inc	1 014	979
Helping Hand Aged Care	591	1 134
Endeavour Foundation	588	3 577
Sorento Care Limited	-	1 606
Other	41 727	37 355
Total funding to Non-Government Organisations	363 505	340 553

Payments to Non-Government Organisations greater than \$1.0 m are individually disclosed above. Payments less than \$1.0 m are included in 'Other'.

9 Other expenses

	2017	2016
	\$'000	\$'000
Aged Care and Disability Services Reform – payment to the Commonwealth *	59 353	57 400
Bad and doubtful debts	136	-
Assets transferred at nil consideration **	600	-
Impairment loss	116	1 006
NDIS payments	38 194	11 698
Other	83	24
Total other expenses	98 482	70 128

* From 1 July 2011, as part of the National Health Reform Agreement, funding and program responsibility for basic community care services and packaged community care and residential care delivered through the Commonwealth aged care program, for people under the age of 65 years (under the age of 50 for Indigenous Australians) was assumed by the South Australian Government. The State reflects these changed responsibilities through a payment to the Commonwealth for the services it provides to clients that are the responsibility of the State under the terms of the agreement. During 2015–16, these arrangements were incorporated in the 'Transition to a National Disability Insurance Scheme' bilateral agreement.

** Transfer of Lot 3, The Parks Community Centre to Port Adelaide Enfield Council.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

10 Revenues from rent, fees and charges

	2017	2016
	\$'000	\$'000
Employee services *	66 989	69 832
Insurance recoveries	160	23
Recoveries	8 189	9 239
Business services **	16 220	15 620
Fees, fines and penalties	16 351	16 326
Rent	168	190
Patient and client fees	8 688	9 569
Total revenues from rent, fees and charges	116 765	120 799

* Represents the recovery of costs for the provision of employee related services to SAHT.

** Represents services provided to SAHT as per the Memorandum of Administrative Arrangements (MOAA).

11 Commonwealth revenues

	2017	2016
	\$'000	\$'000
National Partnership Payments - Homelessness	8 870	8 870
Commonwealth Home Support Programme	26 093	28 257
Aged Care and Disability Services Reform – Specialist Disability Services *	31 260	30 200
Residential Aged Care	2 374	2 770
NDIS Sector Development	4 896	-
Other	1 688	612
Total Commonwealth revenues	75 181	70 709

* From 1 July 2011, as part of the National Health Reform Agreement, funding and policy responsibility for basic community care services and specialist disability services delivered by the States in accordance with their responsibilities under the National Disability Agreement for people aged 65 years and over (50 years and over for Indigenous Australians) was assumed by the Commonwealth Government. These changed responsibilities are reflected through a contribution from the Commonwealth for services provided to clients which are the responsibility of the Commonwealth under the terms of the agreement. During 2015–16, these arrangements were incorporated in the 'Transition to a National Disability Insurance Scheme' bilateral agreement.

12 Interest revenues

	2017	2016
	\$'000	\$'000
Interest on funds held	1	1
Total interest revenues	1	1

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

13 Net gain/(loss) from disposal of non-current assets

	2017	2016
	\$'000	\$'000
Land and buildings		
Proceeds from disposal	4 878	-
Less net book value of assets disposed	(4 878)	(24)
Net gain/(loss) from disposal of land and buildings	-	(24)
Plant and equipment		
Proceeds from disposal	53	157
Less net book value of assets disposed	(75)	(19)
Net gain/(loss) from disposal of plant and equipment	(22)	138
Total assets		
Proceeds from disposal	4 931	157
Less net book value of assets disposed	(4 953)	(43)
Total net gain/(loss) from disposal of total assets	(22)	114

Gain/loss from the disposal of non-current assets is recognised when control of the asset has passed to the buyer and determined by comparing proceeds with carrying amount. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

14 Other revenues

	2017	2016
	\$'000	\$'000
NDIS revenue	12 021	7 234
Minor equipment	167	372
Hire charges	1 434	1 250
Other grants from SA Government agencies	10 831	9 151
Community Development Fund	3 000	3 000
Other	494	1 179
Total other revenues	27 947	22 186

15 Revenues from SA Government

	2017	2016
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	1 125 583	1 050 235
DTF - Contingency Funds	321	11 587
Total revenue from SA Government	1 125 904	1 061 822

Appropriations are recognised as revenues when the department obtains control over the funding. Control over appropriations is normally obtained upon receipt.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

16 Unexpended funding commitments

The department is engaged in a variety of funding programs involving State and Commonwealth sources which provide monies to the department on the premise that these funds are expended in a manner consistent with the terms of the program.

As at 30 June 2017, the department had outstanding funding commitments to the following programs:

Operating funding commitments	2017	2016
	\$'000	\$'000
Parks Community Centre Redevelopment	730	600
NDIS Sector Development Funding	659	-
Disability Reform Consultancy	281	618
National Affordable Housing Agreement (NAHA) and National Partnership Agreement on Homelessness (NPAH)	152	551
Community Passenger Networks	110	-
Riverland Storms Recovery - Assessment and Support	94	-
Community Visitors Scheme - Mental Health	91	58
National Outcome Standards for Perpetrator Interventions (NOSPI)	68	-
Intervention Orders	44	44
Living Safe Together Intervention Program - Countering Violent Extremism	36	135
Pinery Bushfire	32	109
24/7 Street Beat Co-ordinator	31	48
Magill Decommissioning and Demolition	27	84
Aboriginal Forum	22	-
National Consultant, Disaster Recovery	18	-
Community Development and Employment Program	-	100
Strathmont Devolution and Community Living Program Stage 3	-	49
Home and Community Care Program	-	30
Total operating funding commitments	2 395	2 426
Capital funding commitments		
Adelaide Youth Training Centre - Major Security Works	879	838
Cost of Living Information System	121	256
Continuous Monitoring of Screening	-	1 930
Adelaide Youth Training Centre - New Centre at Goldsborough Road	160	783
DCSI Minor Projects - Screening Unit System	-	234
Total capital funding commitments	1 160	4 041
Total unexpended funding commitments	3 555	6 467

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
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17 Cash and cash equivalents

	2017	2016
	\$'000	\$'000
Special deposit account with the Treasurer *	145 709	141 021
Advance accounts	100	100
Other deposits	201	322
Total cash and cash equivalents	146 010	141 443

Deposits with the Treasurer

* This includes \$124.17 m (2016: \$125.99 m) held within the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use and can only be used in accordance with the Treasurer's or Under-Treasurer's approval. Cash is measured at nominal amounts.

18 Receivables

	2017	2016
	\$'000	\$'000
Current		
Debtors	11 022	8 204
Less allowance for doubtful debts	(415)	(614)
Employee related services recoverable	10 456	11 478
Overpaid salaries	491	510
Prepayments	814	712
Goods and Services Tax receivable	4 843	2 505
Total current receivables	27 211	22 795
Non-current		
Debtors	512	510
Employee related services recoverable	15 075	14 547
Total non-current receivables	15 587	15 057
Total receivables	42 798	37 852

Department for Communities and Social Inclusion
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18 Receivables (continued)

18.1 Movement in the allowance for doubtful debts

The allowance for doubtful debts is recognised when there is objective evidence that a receivable is impaired.

An allowance for doubtful debt has been expensed in note 9 for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2017 \$'000	2016 \$'000
Movements in the allowance for doubtful debts		
Carrying amount at the beginning of the period	614	935
Increase/(decrease) in the allowance	58	(239)
Amounts written off	(257)	(82)
Carrying amount at the end of the period	415	614

In 2016-17, the department has recognised a bad and doubtful debt expense of \$0.06 m. In 2015-16, the department recognised a bad and doubtful debt recovery of \$0.24 m.

Interest rate and credit risk

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

Other than 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 to non-public sector debtors.

Maturity analysis of receivables - refer to note 30.6

Categorisation of financial instruments and risk exposure information - refer to note 30.

19 Inventories

	2017 \$'000	2016 \$'000
Inventories held for distribution at cost - stores	419	470
Total inventories	419	470

Inventories are stated at the lower of cost and their net realisable value. Inventories held for use by the department are measured at cost, with cost being allocated in accordance with the first-in, first-out method.

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20 Non-current assets classified as held for sale

	2017	2016
	\$'000	\$'000
Land	28 075	33 069
Total non-current assets held for sale	28 075	33 069

Non-current assets classified as held for sale represents land and buildings which are surplus to the department's requirements.

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset's sale is expected to be completed one year from the date of classification.

Non-current assets classified as held for sale are presented separately from the other assets in the Statement of Financial Position.

20.1 Reconciliation of non-current assets held for sale movement

	2017	2016
	\$'000	\$'000
Carrying amount at the beginning of the period	33 069	18 000
Impairment loss	(116)	(1 006)
Transfers from property, plant and equipment	-	10 065
Revaluation increment	-	6 010
Assets sold	(4 878)	-
Total non-current assets held for sale	28 075	33 069

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21 Property, plant and equipment

	2017	2016
	\$'000	\$'000
Land and buildings		
Site land at valuation (fair value)	67 025	67 325
Buildings and improvements at valuation (fair value)	101 833	101 833
Less accumulated depreciation - buildings and improvements	(5 297)	-
Total land and buildings	163 561	169 158
Leasehold improvements		
Leasehold improvements at cost (deemed fair value)	16 644	16 746
Less accumulated amortisation - leasehold improvements	(10 346)	(8 398)
Total leasehold improvements	6 298	8 348
Plant and equipment		
Computing equipment at cost (deemed fair value)	451	450
Less accumulated depreciation - computing equipment at cost	(438)	(431)
Motor vehicles at cost (deemed fair value)	164	219
Less accumulated depreciation - motor vehicles at cost	(129)	(195)
Independent living equipment program at cost (deemed fair value)	17 760	14 216
Less accumulated depreciation - Independent living equipment program at cost	(11 063)	(9 150)
Other plant and equipment at cost (deemed fair value)	6 467	5 069
Less accumulated depreciation - other plant and equipment at cost	(2 349)	(2 161)
Total plant and equipment	10 863	8 017
Total property, plant and equipment	180 722	185 523

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21 Property, plant and equipment (continued)

21.1 Reconciliation of land, buildings and leasehold improvements

The following table shows the movement of land, buildings and improvements, and leasehold improvements during 2016-17.

	Site land \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Total \$'000
Carrying amount at the beginning of the period	67 325	101 833	8 348	177 506
Purchases	-	-	30	30
Prior period adjustments	300	-	-	300
Depreciation and amortisation for the year	-	(5 297)	(2 175)	(7 472)
Assets transferred out at nil consideration	(600)	-	-	(600)
Transfers from works in progress	-	-	95	95
Carrying amount at the end of the period	67 025	96 536	6 298	169 859

The following table shows the movement of land, buildings and improvements, and leasehold improvements during 2015-16.

	Site land \$'000	Buildings and improvements \$'000	Leasehold improvements \$'000	Total \$'000
Carrying amount at the beginning of the period	71 347	93 370	8 319	173 036
Purchases	-	-	1 779	1 779
Prior period adjustments	-	-	(27)	(27)
Disposals	-	-	(23)	(23)
Revaluation increment	5 012	12 497	-	17 509
Depreciation and amortisation for the year	-	(3 001)	(1 980)	(4 981)
Transfers between other classes	-	(288)	267	(21)
Transfers from works in progress	-	286	13	299
Transferred to assets held for sale	(9 034)	(1 031)	-	(10 065)
Carrying amount at the end of the period	67 325	101 833	8 348	177 506

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21 Property, plant and equipment (continued)

21.2 Reconciliation of plant and equipment

The following table shows the movement of plant and equipment during 2016-17.

	Computing equipment \$'000	Motor vehicles \$'000	Independent living equipment program \$'000	Other plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	19	24	5 066	2 908	8 017
Purchases	-	-	3 526	67	3 593
Prior period adjustments	-	-	168	(16)	152
Disposals	-	-	(60)	(15)	(75)
Depreciation and amortisation for the year	(6)	(10)	(2 231)	(384)	(2 631)
Transfers from works in progress	-	21	228	1 558	1 807
Carrying amount at the end of the period	13	35	6 697	4 118	10 863

The following table shows the movement of plant and equipment during 2015-16.

	Computing equipment \$'000	Motor vehicles \$'000	Independent living equipment program \$'000	Other plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	-	62	5 387	2 715	8 164
Purchases	-	-	1 410	33	1 443
Prior period adjustments	-	(9)	(13)	(9)	(31)
Disposals	-	-	-	(24)	(24)
Depreciation and amortisation for the year	(1)	(37)	(1 932)	(334)	(2 304)
Transfers between other classes	-	-	-	21	21
Transfers from works in progress	20	4	214	506	744
Other movement	-	4	-	-	4
Carrying amount at the end of the period	19	24	5 066	2 908	8 017

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22 Capital works in progress

	2017	2016
	\$'000	\$'000
Property, plant and equipment in progress at cost	3 746	1 965
Total capital works in progress	3 746	1 965

The following table shows the movement of capital works in progress

	2017	2016
	\$'000	\$'000
Carrying amount at the beginning of the period	1 965	2 312
Purchases	5 331	3 294
Transfers to completed works	(3 365)	(3 641)
WIP adjustments	(185)	-
Carrying amount of capital work in progress	3 746	1 965

23 Intangible assets

	2017	2016
	\$'000	\$'000
Internally developed intangible assets		
Computer software at cost	5 966	4 504
Less accumulated amortisation - computer software	(3 435)	(1 936)
Total intangible assets	2 531	2 568

The following table shows the movement of intangible assets.

	2017	2016
	\$'000	\$'000
Carrying amount at the beginning of the period	2 568	972
Transfers from works in progress	1 463	2 598
Amortisation for the year	(1 500)	(1 002)
Carrying amount at the end of the period	2 531	2 568

Impairment

There were no indications of impairment on intangible assets for 2016-17 and 2015-16.

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24 Fair value measurements

Fair value hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. DCSI categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2017.

The department had no valuations categorised into level 1.

Fair value measurements at 30 June 2017

	Note	Level 2 \$'000	Level 3 \$'000	2017 \$'000
Recurring fair value measurements				
Land	21	67 025	-	67 025
Buildings	21	29 676	66 860	96 536
Leasehold improvements	21	-	6 298	6 298
Plant and equipment	21	-	10 863	10 863
Total recurring fair value measurements		96 701	84 021	180 722
Non-recurring fair value measurements				
Land held for sale	20	28 075	-	28 075
Total non-recurring fair value measurements		28 075	-	28 075
Total		124 776	84 021	208 797

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2016.

The department had no valuations categorised into level 1.

Fair value measurements at 30 June 2016

	Note	Level 2 \$'000	Level 3 \$'000	2016 \$'000
Recurring fair value measurements				
Land	21	67 325	-	67 325
Buildings	21	33 063	68 770	101 833
Leasehold improvements	21	-	8 348	8 348
Plant and equipment	21	-	8 017	8 017
Total recurring fair value measurements		100 388	85 135	185 523
Non-recurring fair value measurements				
Land held for sale	20	33 069	-	33 069
Total non-recurring fair value measurements		33 069	-	33 069
Total		133 457	85 135	218 592

Valuation techniques and inputs

Valuation techniques used to derive level 3 fair values together with the reconciliation of level 3 fair value measurements are detailed at note 2. There were no changes in valuation techniques during 2016-17 and 2015-16.

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

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24 Fair value measurements (continued)

Reconciliation of level 3 recurring fair value measurements at 30 June 2017

	Buildings	Plant & equipment	Leasehold improvements
	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	68 770	8 017	8 348
Acquisitions	-	3 593	30
Prior period adjustments	-	152	-
Disposals	-	(75)	-
Transfer from work in progress	-	1 807	95
Closing balance at the end of period	68 770	13 494	8 473
Gains/(losses) for the period recognised in net result			
Depreciation / amortisation	(1 910)	(2 631)	(2 175)
Subtotal	(1 910)	(2 631)	(2 175)
Carrying amount at the end of the period	66 860	10 863	6 298

Reconciliation of level 3 recurring fair value measurements at 30 June 2016

	Buildings	Plant & equipment	Leasehold improvements
	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	66 611	8 164	8 319
Acquisitions	-	1 443	1 779
Prior period adjustments	-	(31)	(27)
Transfer out of level 3	(2 063)	-	-
Disposals	-	(24)	(23)
Transfer between asset classes	-	21	267
Transfer from work in progress	149	744	13
Other movement	-	4	-
Closing balance at the end of period	64 697	10 321	10 328
Gains/(losses) for the period recognised in net result			
Depreciation / amortisation	(1 369)	(2 304)	(1 980)
Subtotal	(1 369)	(2 304)	(1 980)
Gains/(losses) for the period recognised in other comprehensive result			
Revaluation increment/(decrement)	5 442	-	-
Subtotal	5 442	-	-
Carrying amount at the end of the period	68 770	8 017	8 348

There have been no transfers of assets between level 2 and 3 fair value hierarchy levels in 2016-17. The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

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25 Payables

	2017	2016
	\$'000	\$'000
Current		
Creditors	30 220	28 179
Accrued expenses	10 862	4 733
Employee benefit on-costs *	8 479	9 593
Other	349	212
Total current payables	49 910	42 717
Non-current		
Employee benefit on-costs *	5 165	5 381
Total non-current payables	5 165	5 381
Total payables	55 075	48 098

* Employment on-costs include Payroll Tax, workers' compensation levies and superannuation contributions. 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.

Interest rate and credit risk

Payables are measured at nominal amounts.

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

Maturity analysis of payables - refer to note 30.6

Categorisation of financial instruments and risk exposure information - refer to note 30

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26 Employee benefits

	2017	2016
	\$'000	\$'000
Current		
Annual leave	32 322	32 169
Long service leave	17 911	20 420
Skills and experience retention leave	2 040	2 156
Accrued salaries and wages	8 526	13 784
Total current employee benefits	60 799	68 529
Non-current		
Long service leave	56 078	57 173
Total non-current employee benefits	56 078	57 173
Total employee benefits	116 877	125 702

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

DTF use the Budget Management System (BMS) to perform an actuarial valuation of long service leave for the whole of government. The actuarial assessment performed by the DTF also left the salary inflation rate at 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The actuarial valuation, which is essentially a net present value calculation, is heavily influenced by inputs:

- the long term salary inflation rate was 4% in 2016, and remains the same for 2017
- the discount rate has increased from 2% to 2.5% which has caused the liability to decrease
- the duration over which the liability is to be paid has increased from 9 years in 2016 to 9.5 years in 2017.

The valuation of the long service liability has decreased due to changes in assumptions in calculating the actuarial valuation and the increase in interest rates.

27 Provisions

		2017	2016
		\$'000	\$'000
Current	Note		
Insurance	27.1	100	110
Workers' compensation	27.2	8 214	10 781
Other provisions	27.3	-	145
Total current provisions		8 314	11 036
Non-current			
Insurance	27.1	80	80
Workers' compensation	27.2	16 925	18 107
Total non-current provisions		17 005	18 187
Total provisions		25 319	29 223

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27 Provisions (continued)

A liability has been reported to reflect unsettled workers' compensation claims. The workers' compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2017 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). 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.

27.1 Reconciliation of insurance

The following table shows the movement of insurance during 2016-17.

	Public liability	Property	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	150	40	190
Increase to provision due to new claims	11	3	14
Reduction due to payments	(11)	-	(11)
Net revision of estimates	(10)	(3)	(13)
Carrying amount at the end of the period	140	40	180

The following table shows the movement of insurance during 2015-16.

	Public liability	Property	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	180	35	215
Increase to provision due to new claims	17	2	19
Reduction due to payments	(10)	-	(10)
Net revision of estimates	(37)	3	(34)
Carrying amount at the end of the period	150	40	190

27.2 Reconciliation of workers' compensation

	2017	2016
	\$'000	\$'000
Carrying amount at the beginning of the period	28 888	30 828
Increase to provision due to revision of estimates	5 993	8 235
Reduction due to payments	(9 742)	(10 175)
Carrying amount at the end of the period	25 139	28 888

27.3 Reconciliation of other provisions

	2017	2016
	\$'000	\$'000
Carrying amount at the beginning of the period	145	3 402
Increase to provision due to revision of estimates	-	145
Reduction due to payments	(145)	(3 402)
Carrying amount at the end of the period	-	145

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28 Other liabilities

	2017	2016
	\$'000	\$'000
Current		
Unclaimed monies	226	177
Unearned revenue	728	989
Lease incentive	784	784
Total current other liabilities	1 738	1 950
Non-current		
Lease incentive	2 985	3 769
Total non-current other liabilities	2 985	3 769
Total other liabilities	4 723	5 719

29 Equity

	2017	2016
	\$'000	\$'000
Contributed capital	74 325	74 325
Retained earnings	84 977	73 051
Asset revaluation surplus	43 005	46 772
Total equity	202 307	194 148

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

30 Financial instruments / financial risk management

30.1 Financial risk management

Departmental risk management policies are in accordance with the *Risk Management Policy Statement 2009* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The department is exposed to financial risk - liquidity risk, credit risk and market risk. There have been no changes in risk exposure since the last reporting period.

30.2 Liquidity risk

Liquidity risk arises where the department is unable to meet its financial obligations as they are due to be settled. The department is funded principally from appropriation by the SA Government. The department works with DTF to determine the cash flows associated with its government approved program of work and to ensure funding is provided through the SA Government budgetary process to meet the expected cash flows. The department settles undisputed accounts within 30 days from the date of the invoice or the date the invoice is first received.

The department considers its liquidity risk is minimal based on past experience and current assessment of risk.

The carrying amount of financial liabilities shown at note 30.6 represent the department's maximum exposure to financial liabilities.

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30 Financial instruments / financial risk management (continued)

30.3 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Refer to note 30.6 for the carrying amounts of each of the following categories of financial assets and liabilities: receivables; and payables measured at cost.

DCSI does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable. The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer notes 2, 18 and 25).

30.4 Credit risk

Credit risk arises when there is the possibility of the department's debtors defaulting on their contractual obligations resulting in financial loss to the department.

The department has minimal concentration of credit risk to the non-public sector. The department does not engage in high risk hedging for its financial assets.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Other than receivables, there is no evidence to indicate that financial assets are impaired. Refer to note 18 for information on the allowance for impairment in relation to receivables.

30.5 Ageing analysis of financial assets

The following table discloses the ageing of financial assets, past due including impaired assets:

	Current \$'000	Past due			Total \$'000
		Overdue for < 30 days \$'000	Overdue for 30 - 60 days \$'000	Overdue for > 60 days \$'000	
2017					
Not Impaired					
Receivables	225	4 072	4 017	818	9 132
Impaired					
Receivables	-	-	-	(415)	(415)
	225	4 072	4 017	403	8 717
2016					
Not Impaired					
Receivables	3 507	636	96	627	4 866
Impaired					
Receivables	-	-	-	(614)	(614)
	3 507	636	96	13	4 252

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30 Financial instruments / financial risk management (continued)

Table 30.6 Maturity analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2017 Carrying amount \$'000	2017 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	17, 33	146 010	146 010	-	-
Receivables ⁽¹⁾⁽²⁾	18	37 141	21 715	7 152	8 274
Total financial assets		183 151	167 725	7 152	8 274
Financial liabilities					
Payables	25	41 431	41 431	-	-
Total financial liabilities		41 431	41 431	-	-
Category of financial asset and financial liability	Notes	2016 Carrying amount \$'000	2016 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents	17, 33	141 443	141 443	-	-
Receivables ⁽¹⁾⁽²⁾	18	34 898	19 841	7 056	8 001
Total financial assets		176 341	161 284	7 056	8 001
Financial liabilities					
Payables	25	33 124	33 124	-	-
Total financial liabilities		33 124	33 124	-	-

⁽¹⁾ 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 etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

⁽²⁾ Receivable amounts disclosed here exclude prepayments. Prepayments are presented in note 18 as prepaid supplies and services in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

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31 Unrecognised contractual commitments

Capital commitments

	2017	2016
	\$'000	\$'000
Within one year	353	262
Total capital commitments	353	262

Operating lease commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

	2017	2016
	\$'000	\$'000
Within one year	12 742	12 452
Later than one year but not longer than five years	24 886	35 568
Later than five years	3 865	5 062
Total operating lease commitments	41 493	53 082

The department has many lease agreements. These leases are for administrative purposes and vary in length. Lease payments are monthly and predominantly paid in advance. Some lease agreements have renewal options for a determined period, exercisable by both the lessor and lessee.

32 Contingent assets and liabilities

Contingent assets

The department has a contingent asset for 2016-17. DCSI has a potential claim with a service provider who is in liquidation. DCSI is currently not in a position to determine if recovery is possible or for how much.

Contingent liabilities

The department is not aware of any contingent liabilities.

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33 Cash flow reconciliation

	2017 \$'000	2016 \$'000
Reconciliation of cash and cash equivalents at the end of the period		
Cash and cash equivalents disclosed in the Statement of Financial Position	146 010	141 443
Balance as per the Statement of Cash Flows	146 010	141 443
Reconciliation of net cash provided by (used in) operating activities to net cost of providing services		
Net cash provided by (used in) operating activities	9 964	9 790
Less revenues from SA Government	(1 125 904)	(1 061 822)
	(1 115 940)	(1 052 032)
Add/less non-cash items		
Depreciation and amortisation	(11 603)	(8 287)
Lease incentive amortisation	(784)	(4 553)
Assets transferred out at nil consideration	(600)	-
Impairment of non-current assets	(116)	(1 006)
Gain/(loss) from disposal of non-current assets	(22)	114
Movements in assets and liabilities		
Increase/(decrease) in receivables	4 946	8 916
Increase/(decrease) in inventories	(51)	136
(Increase)/decrease in payables and provisions	(3 846)	5 797
(Increase)/decrease in employee benefits	6 973	(23 283)
(Increase)/decrease in other liabilities	996	(854)
Net cost of providing services	(1 120 047)	(1 075 052)

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34 Remuneration of board and committee members

There are various committees, forums, groups, panels and councils that have been created to assist the department in meeting its objectives. In addition, there are committees that have been created by the Minister. Where any of the members are remunerated, certain disclosures are required under the APF.

All members of the board/committees, including those who may have resigned or their term had expired during the financial year, are listed below:

Risk Management and Audit Committee

Patetsos, Mary *	Chair
Bull, Peter ⁽¹⁾	
Holdich, Geoff *	
Sneddon, Yvonne *	
Young, Lynn ⁽¹⁾	

* External members (including the Chair).

The Risk Management and Audit Committee is responsible for overseeing risk management, internal controls, financial reporting, auditing and monitoring compliance with laws, policies and relevant codes of conduct, and reports to the Chief Executive.

Gambling Advisory Committee

Woehlert, Wally	Chair	
Cross, Judith Margaret		term expired 30 September 2016
Guppy, Warren John		
Nguyen, Lan		appointed 19 October 2016
Penfold, Mike		

Premier's Council for Women

Silva, Miriam Amena	Chair	appointed 1 July 2016	
Hagias-Tramontin, Maria	Deputy Chair	reappointed 1 July 2016	
Hallahan, Lorna Elizabeth		reappointed 31 January 2017	
Lee, Anna		appointed 1 August 2016	
Marrone, Leah ⁽¹⁾		appointed 1 August 2016	
Matthias, Kaylene (Kay)		reappointed 31 January 2017	
Mundkur, Anuradha (Anu)		reappointed 31 January 2017	
O'Loughlin, Evelyn		appointed 1 August 2016	
Pascale, Louise		appointed 1 August 2016	
Saunders, Nerida Michelle ⁽¹⁾			
Stinson, Jayne		appointed 1 August 2016	term expired 31 May 2017
Welgraven, Vicky ⁽¹⁾		appointed 1 August 2016	

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

34 Remuneration of board and committee members (continued)

South Australian Multicultural and Ethnic Affairs Commission

Portolesi, Grace	Chair
Schueler, Norman Anthony	Deputy Chair
Chen, Yu	
Dieu, Michelle (Swee Ming)	
Fantasia, Angelo-Raffaele	
Madan, Vikram	
Marial, Madok Deng Mabok	
Masika, Joseph Julius ⁽¹⁾	
Nguyen, Hiep Quoc	
Nowak, Teresa	
Ppiros, Peter	
Silva, Miriam Amena	
Skaka, Sumeja	
Skalban, Malgorzata (Gosia) ⁽¹⁾	

State Emergency Relief Fund Committee

Ullianich, Joseph John (Joe)	Chair	
Chooi, Angela ⁽¹⁾		
Faggotter, Veronica Margaret (Ronnie) ⁽¹⁾		
Grear, Brenton Paul ⁽¹⁾		appointed 8 December 2016
Pelton, Grant Anthony ⁽¹⁾		resigned 14 October 2016
Ross, Justin David ⁽¹⁾		
Bayley, Lorinda		term expired 30 November 2016
Kunoth, Leanne Rose		term expired 30 November 2016
Parish, Christopher William		term expired 30 November 2016
Harding, Janine Maree		term expired 30 November 2016

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

34 Remuneration of board and committee members (continued)

Total remuneration received, or due to be receivable by members was \$0.11 m (2016: \$0.12 m).

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

	2017	2016
\$nil	22	24
\$1 - \$9 999	21	25
\$10 000 - \$19 999	1	-
\$20 000 - \$29 999	-	-
\$30 000 - \$39 999	1	1
Total number of members	45	50

⁽¹⁾ In accordance with the Premier and Cabinet's Circular PC016 *Remuneration for Government Appointed Part-time Board and Committee*, government employees did not receive any remuneration for board/committee duties during the financial year.

Benefits given by the department to superannuation funds or otherwise in connection with the retirement of members were \$0.01 m (2016: \$0.01 m).

During the financial year, no loans were made to members. At the reporting date, no outstanding loans exist with members.

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

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

35 Related party transactions

The department is a government administrative unit and is wholly owned and controlled by the Crown.

Related parties of the department include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Significant transactions with government related entities

The department had no significant transactions with government related entities unless disclosed elsewhere in the financial report.

Collectively, but not individually significant transactions with government related entities.

Quantitative information about transactions and balances between DCSI and other SA Government controlled entities is disclosed at note 37.

Key management personnel

The department has 21 key management personnel including:

- the Minister for Communities and Social Inclusion, Social Housing, Youth, Volunteers, Status of Women and Multicultural Affairs
- the Minister for Disabilities
- members of the Executive Leadership Team (Chief Executive, Deputy Chief Executive and 11 other members)
- staff members who were past members of the Executive Leadership Team or who acted for members of the Executive Leadership Team for 30 consecutive days or more during the year (6 members).

These key management personnel have had responsibility for the strategic direction and management of the department during the year. The compensation detailed below excludes salaries and other benefits the Ministers receive. The Ministers' remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

	2017
	\$'000
Salaries and other short term employee benefits	2 542
Post-employment benefits	775
Total compensation	3 317

Transactions with key management personnel and other related parties

The department had no material transactions or balances and/or transactions outside normal day-to-day operations to disclose.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

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

Budget information refers to the amounts presented to Parliament in the original budgeted financial statements in respect of the reporting period (2016-17 Budget Paper 4). Budget information has been included for the Statement of Comprehensive Income and for Investment Expenditure. Budget information has not been included for the Statement of Financial Position or Statement of Cash Flows as the information in these statements are not budgeted for on the same basis and/or determined in a different manner to financial statement information. These original budgeted amounts have been presented and classified on a basis that is consistent with line items in the financial statements. However, these amounts have not been adjusted to reflect revised budgets or administrative restructures/machinery of government changes.

The budget process is not subject to audit.

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.

	Variance note	Budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000
Statement of Comprehensive Income				
Expenses				
Employee benefits		394 918	376 959	(17 959)
Supplies and services		274 776	285 762	10 986
Depreciation and amortisation		8 961	11 603	2 642
Grants, subsidies and client payments		559 591	567 113	7 522
Net loss from disposal of non-current assets		1 908	22	(1 886)
Other expenses		81 107	98 482	17 375
Total expenses		1 321 261	1 339 941	18 680
Income				
Revenues from rent, fees and charges		114 266	116 765	2 499
Commonwealth revenues		98 690	75 181	(23 509)
Interest revenues		-	1	1
Other revenues		15 748	27 947	12 199
Total income		228 704	219 894	(8 810)
Net cost of providing services		1 092 557	1 120 047	27 490
Revenues from/(payments to) SA Government				
Revenues from SA Government		1 090 488	1 125 904	35 416
Payments to SA Government		(17 150)	-	17 150
Total net revenues from SA Government		1 073 338	1 125 904	52 566
Net result		(19 219)	5 857	25 076
Total comprehensive result		(19 219)	5 857	25 076

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

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

Investing expenditure

		Budget	Actual	
	Variance	2017	2017	Variance
Investing expenditure summary	note	\$'000	\$'000	\$'000
Total new and existing projects	a	6 489	4 585	(1 904)
Total annual programs	b	2 389	4 316	1 927
Total investing expenditure		8 878	8 901	23

Variance explanation

- a) The total existing project expenditure was lower than original budget primarily due to the re-profiling of projects costs associated with the Cost of Living Information System and major security works at the Adelaide Youth Training Centre. These projects have been subject to budget carryover requests.
- b) The total annual program was higher than original budget primarily due to the ongoing demand for disability equipment in the Domiciliary Equipment Service.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

37 Transactions with SA Government

		SA Government		Non-SA Government		Total	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Expenses							
Employee benefits expense	5	23 784	30 361	353 175	371 714	376 959	402 075
Supplies and services	6						
Accommodation and property related		16 439	17 652	8 330	8 916	24 769	26 568
Advertising and promotions		25	35	758	290	783	325
Brokerage care services		1 797	985	179 062	167 158	180 859	168 143
Business services		6 619	6 219	26	27	6 645	6 246
Client related expenses		89	61	6 211	5 866	6 300	5 927
Communication and computing		2 560	4 265	12 727	10 988	15 287	15 253
Contractors and agency staff		912	584	8 986	8 792	9 898	9 376
Consultants		-	-	616	205	616	205
Homelessness services		4 207	4 125	-	-	4 207	4 125
Drugs and medical supplies		7	4	1 808	1 783	1 815	1 787
Insurance		768	769	1	-	769	769
Interpreter and translator fees		-	-	74	74	74	74
Managed payments		1 164	1 193	45	53	1 209	1 246
Minor equipment		1 147	1 482	8 340	8 218	9 487	9 700
Motor vehicles		5 687	6 467	433	(130)	6 120	6 337
Printing, stationery, postage and periodicals		21	23	1 908	2 286	1 929	2 309
Repairs and maintenance		736	624	3 930	3 630	4 666	4 254
Seminars, courses and training		73	84	732	681	805	765
Travel and accommodation		-	-	1 145	1 174	1 145	1 174
Other		1 623	1 364	6 412	7 200	8 035	8 564
Audit fees paid / payable to the Auditor-General's Department		344	337	-	-	344	337
Depreciation and amortisation expense	7	-	-	11 603	8 287	11 603	8 287
Grants, subsidies and client payments	8	176 041	169 220	391 072	365 667	567 113	534 887
Other expenses	9						
Aged Care and Disability Services Reform – payment to the Commonwealth		-	-	59 353	57 400	59 353	57 400
Bad and doubtful debts		-	-	136	-	136	-
Assets transferred at nil consideration		-	-	600	-	600	-
Impairment loss		-	-	116	1 006	116	1 006
NDIS payments		-	-	38 194	11 698	38 194	11 698
Other		5	5	78	19	83	24
Total expenses		244 048	245 859	1 095 871	1 043 002	1 339 919	1 288 861

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

37 Transactions with SA Government (continued)

		SA Government		Non-SA Government		Total	
	Note	2017	2016	2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
<i>Revenue from rent, fees and charges</i>	10						
Employee services		66 989	69 832	-	-	66 989	69 832
Insurance recoveries		160	23	-	-	160	23
Recoveries		4 310	4 894	3 879	4 345	8 189	9 239
Business services		16 220	15 620	-	-	16 220	15 620
Fees, fines and penalties		10 520	10 704	5 831	5 622	16 351	16 326
Rent		130	150	38	40	168	190
Patient and client fees		-	-	8 688	9 569	8 688	9 569
<i>Commonwealth revenues</i>	11	-	-	75 181	70 709	75 181	70 709
<i>Interest revenues</i>	12	1	1	-	-	1	1
<i>Other revenues</i>	14						
NDIS revenue		-	-	12 021	7 234	12 021	7 234
Minor equipment		124	-	43	372	167	372
Hire charges		972	-	462	1 250	1 434	1 250
Community development fund		3 000	3 000	-	-	3 000	3 000
Other grants from SA Government agencies		10 160	9 151	671	-	10 831	9 151
Other		205	727	289	452	494	1 179
Total income		112 791	114 102	107 103	99 593	219 894	213 695
Financial assets							
<i>Cash and cash equivalents</i>	17	146 010	141 443	-	-	146 010	141 443
<i>Receivables</i>	18						
Debtors		7 457	5 120	4 077	3 594	11 534	8 714
Employee related services recoverable		25 531	26 025	-	-	25 531	26 025
Overpaid salaries		-	-	491	510	491	510
Prepayments		78	209	736	503	814	712
Total financial assets		179 076	172 797	5 304	4 607	184 380	177 404
Financial liabilities							
<i>Payables</i>	25						
Creditors		22 086	16 811	8 134	11 368	30 220	28 179
Accrued expenses		4 402	-	6 460	4 733	10 862	4 733
Employee benefit on-costs		6 346	6 576	7 298	8 398	13 644	14 974
Other		51	15	298	197	349	212
<i>Employee benefits</i>	26	-	-	116 877	125 702	116 877	125 702
<i>Other liabilities</i>	28						
Unclaimed monies		-	-	226	177	226	177
Unearned revenue		71	-	657	989	728	989
Lease incentive		3 769	4 553	-	-	3 769	4 553
Total financial liabilities		36 725	27 955	139 950	151 564	176 675	179 519

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

38 Residential Aged Care sector reporting

The *Aged Care Act 1997* (the Act) provides for the regulation and funding of aged care services. Persons who are approved under the Act to provide aged care services (approved providers) can be eligible to receive subsidy payments in respect of the care they provide to approved care recipients.

In accordance with the Act, the department must prepare an audited General Purpose Financial Report (GPFR) for the residential aged care facilities provided at Highgate and Northgate.

The financial statements for the regulated aged care services reflect an allocation of the department's income, expenses, assets and liabilities, as recorded in the department's financial records, to the regulated activities. The financial statements have been prepared using the department's accounting policies described in note 2.

The former Julia Farr Services (JFS) was an approved provider of residential aged care (RAC) with 32 places licensed by the Commonwealth Department of Health and Ageing. Effective 1 July 2007, the Governor proclaimed the dissolution of JFS and all assets and liabilities vested in or held by JFS were transferred, assigned to or vested in the Minister for Disabilities. Certain assets held by the former JFS are subject to the terms and conditions of the Home for Incurables Trust and the Minister for Disabilities has been appointed as trustee. The trust assets are administered but not controlled by the department, hence they are not included in the accounts of the department.

The former Intellectual Disability Services Council (IDSC) was also an approved provider of residential aged care with 32 places licensed by the Commonwealth Department of Health and Ageing. On 29 June 2006, the Governor proclaimed to dissolve IDSC in association with reforms to the governance arrangements within the South Australian Government with respect to the management of the provision of disability services.

Statement of Comprehensive Income
for the year ended 30 June 2017

	Highgate	Northgate
NAPS ID*:	1021	3051
RACS ID**:	6402	6203
	\$'000	\$'000
Expenses		
Employee benefit expenses	3 729	3 043
Supplies and services	1 122	694
Depreciation and amortisation	14	189
Total expenses	4 865	3 926
Income		
Rent, fees and charges	774	598
Commonwealth revenues	1 023	1 350
Total income	1 797	1 948
Net cost of providing services	(3 068)	(1 978)
Net result	(3 068)	(1 978)

* National Approved Provider System (NAPS)

** Residential Aged Care Service (RACS)

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

38 Residential Aged Care sector reporting (continued)

Statement of Financial Position
as at 30 June 2017

	Highgate	Northgate
NAPS ID:	1021	3051
RACS ID:	6402	6203
	\$'000	\$'000
Current assets		
Receivables	4	3
Total current assets	4	3
Non-current assets		
Receivables	8	5
Property, plant and equipment	-	9 626
Total non-current assets	8	9 631
Total assets	12	9 634
Current liabilities		
Payables	19	41
Employee benefits	601	453
Provisions	166	113
Total current liabilities	786	607
Non-current liabilities		
Payables	56	51
Employee benefits	609	558
Provisions	379	257
Total non-current liabilities	1 044	866
Total liabilities	1 830	1 473
Net assets	(1 818)	8 161

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

38 Residential Aged Care sector reporting (continued)

Statement of Comprehensive Income
for the year ended 30 June 2016

	Highgate	Northgate
NAPS ID:	1021	3051
RACS ID:	6402	6203
	\$'000	\$'000
Expenses		
Employee benefit expenses	4 019	3 709
Supplies and services	1 297	810
Depreciation and amortisation	11	143
Total expenses	5 327	4 662
Income		
Rent, fees and charges	903	719
Commonwealth revenues	1 278	1 492
Total income	2 181	2 211
Net cost of providing services	(3 146)	(2 451)
Net result	(3 146)	(2 451)

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

38 Residential Aged Care sector reporting (continued)

Statement of Financial Position
as at 30 June 2016

	Highgate	Northgate
NAPS ID:	1021	3051
RACS ID:	6402	6203
	\$'000	\$'000
Current assets		
Receivables	57	31
Total current assets	57	31
Non-current assets		
Receivables	10	8
Property, plant and equipment	-	9 815
Total non-current assets	10	9 823
Total assets	67	9 854
Current liabilities		
Payables	182	251
Employee benefits	799	661
Provisions	184	155
Total current liabilities	1 165	1 067
Non-current liabilities		
Payables	58	56
Employee benefits	648	625
Provisions	316	266
Total non-current liabilities	1 022	947
Total liabilities	2 187	2 014
Net assets	(2 120)	7 840

39 Events after balance date

There are no known events after balance date that affect this general purpose financial report in a material manner, refer to note 2.7.

Department for Communities and Social Inclusion

Administered Financial Statements

For the year ended 30 June 2017

Department for Communities and Social Inclusion
Statement of Administered Comprehensive Income
for the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Administered expenses			
Employee benefits		695	474
Supplies and services		1 550	3 992
Depreciation and amortisation		2 395	1 887
Grants, subsidies and client payments	A4	186 823	196 080
Client Trust Fund payments	A14	13 462	14 005
Total administered expenses		204 925	216 438
Administered income			
Grants and contributions		10 126	10 185
Rent, fees and charges		473	2 688
Interest revenues		363	500
Client Trust Fund receipts	A14	13 394	14 337
Net gain on revaluation of investment property		-	114
Other income		384	1 559
Total administered income		24 740	29 383
Net cost of providing services		(180 185)	(187 055)
Revenues from SA Government			
Revenues from SA Government		191 383	188 085
Total revenues from SA Government		191 383	188 085
Net result		11 198	1 030
Other comprehensive income			
Net loss on revaluation of property, plant and equipment		-	(885)
Total other comprehensive income		-	(885)
Total comprehensive result		11 198	145

The net result and total comprehensive result are attributable to SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Department for Communities and Social Inclusion
Statement of Administered Financial Position
as at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Administered current assets			
Cash and cash equivalents	A7	68 577	61 937
Receivables		189	873
Total current assets		68 766	62 810
Administered non-current assets			
Property, plant and equipment	A8.1	27 343	27 429
Investment property	A8.2	1 400	1 400
Capital works in progress	A8.3	-	1 499
Intangibles	A8.4	10	15
Total non-current assets		28 753	30 343
Total assets		97 519	93 153
Administered current liabilities			
Payables		12 953	19 785
Total current liabilities		12 953	19 785
Total liabilities		12 953	19 785
Net assets		84 566	73 368
Administered equity			
Retained earnings		57 083	45 885
Asset revaluation surplus		27 483	27 483
Total equity		84 566	73 368

The total equity is attributable to the SA Government as owner

Unexpended funding commitments	A6
Unrecognised contractual commitments	A10
Contingent assets and liabilities	A12

The above statement should be read in conjunction with the accompanying notes.

Department for Communities and Social Inclusion
Statement of Administered Changes in Equity
for the year ended 30 June 2017

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2015	28 368	44 855	73 223
Net result for 2015-16	-	1 030	1 030
Loss on revaluation of property, plant and equipment	(885)	-	(885)
Total comprehensive result for 2015-16	(885)	1 030	145
Balance at 30 June 2016	27 483	45 885	73 368
Net result for 2016-17	-	11 198	11 198
Total comprehensive result for 2016-17	-	11 198	11 198
Balance at 30 June 2017	27 483	57 083	84 566

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

Department for Communities and Social Inclusion
Statement of Administered Cash Flows
for the year ended 30 June 2017

		2017	2016
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(695)	(440)
Concessions		(160 535)	(151 204)
Payments of grants, subsidies and client payments		(33 718)	(34 996)
Payments for supplies and services		(155)	(1 767)
Client Trust Fund payments		(13 588)	(14 006)
Cash used in operations		(208 691)	(202 413)
Cash inflows			
Rent, fees and charges		486	2 631
Grants and contributions		10 126	10 185
Interest received		363	500
Client Trust Fund receipts		13 394	14 643
Other receipts		384	1 566
Cash generated from operations		24 753	29 525
Cash flows from SA Government			
Receipts from SA Government		191 383	188 085
Cash generated from SA Government		191 383	188 085
Net cash provided by (used in) operating activities	A11	7 445	15 197
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(805)	(1 499)
Cash used in investing activities		(805)	(1 499)
Cash provided by (used in) investing activities		(805)	(1 499)
Net increase/(decrease) in cash and cash equivalents		6 640	13 698
Cash and cash equivalents at the beginning of the period		61 937	48 239
Cash and cash equivalents at the end of the period	A7	68 577	61 937

The above statement should be read in conjunction with the accompanying notes.

Department for Communities and Social Inclusion
Schedule of Expenses and Income attributable to Administered Activities
for the year ended 30 June 2017

	Gambler's Rehabilitation Fund		Community Benefit SA Program		Home for Incurables Trust		Disability Services Donations and Bequests	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Administered expenses								
Employee benefits	-	-	-	-	-	-	-	-
Supplies and services	986	909	148	200	136	169	11	8
Depreciation and amortisation	5	13	-	-	2 390	1 874	-	-
Grants, subsidies and client payments	5 822	6 162	4 189	7 382	471	460	-	-
Client Trust Fund payments	-	-	-	-	-	-	-	-
Total administered expenses	6 813	7 084	4 337	7 582	2 997	2 503	11	8
Administered income								
Grants and contributions	5 845	5 864	4 000	4 000	-	-	-	-
Rent, fees and charges	63	-	70	22	322	401	-	-
Interest revenues	16	31	-	-	77	143	5	7
Client Trust Fund receipts	-	-	-	-	-	-	-	-
Net gain on revaluation of investment property	-	-	-	-	-	114	-	-
Other income	364	362	-	-	-	-	11	2
Total administered income	6 288	6 257	4 070	4 022	399	658	16	9
Net cost of providing services	(525)	(827)	(267)	(3 560)	(2 598)	(1 845)	5	1
Revenues from SA Government								
Revenues from SA Government	324	253	-	-	-	-	-	-
Total revenues from SA Government	324	253	-	-	-	-	-	-
Net result	(201)	(574)	(267)	(3 560)	(2 598)	(1 845)	5	1

Department for Communities and Social Inclusion
Schedule of Expenses and Income attributable to Administered Activities
for the year ended 30 June 2017

	Supported Residential Facilities Indemnity Fund		Client Trust Accounts		Minister's Salary		Domiciliary Care Donations and Requests	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Administered expenses								
Employee benefits	-	-	-	-	695	474	-	-
Supplies and services	-	-	-	-	-	-	12	3
Depreciation and amortisation expenses	-	-	-	-	-	-	-	-
Grants, subsidies and client payments	-	-	-	-	-	-	-	-
Client Trust Fund payments	-	-	13 462	14 005	-	-	-	-
Total administered expenses	-	-	13 462	14 005	695	474	12	3
Administered income								
Grants and contributions	-	-	-	-	-	-	-	-
Rent, fees and charges	-	-	-	-	-	-	-	-
Interest revenues	1	1	250	287	-	-	8	11
Client Trust Fund receipts	-	-	13 394	14 337	-	-	-	-
Net gain on revaluation of investment property	-	-	-	-	-	-	-	-
Other income	-	2	-	-	-	-	-	-
Total administered income	1	3	13 644	14 624	-	-	8	11
Net cost of providing services	1	3	182	619	(695)	(474)	(4)	8
Revenues from SA Government								
Revenues from SA Government	-	-	-	-	695	474	-	-
Total revenues from SA Government	-	-	-	-	695	474	-	-
Net result	1	3	182	619	-	-	(4)	8

Department for Communities and Social Inclusion
Schedule of Expenses and Income attributable to Administered Activities
for the year ended 30 June 2017

	Concessions		Community Service Obligations		State Emergency Relief Fund		Duke of Edinburgh Trust	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses								
Employee benefits	-	-	-	-	-	-	-	-
Supplies and services	-	-	-	-	257	2 526	-	177
Depreciation and amortisation expenses	-	-	-	-	-	-	-	-
Grants, subsidies and client payments	152 796	161 047	19 312	19 130	-	-	-	50
Client Trust Fund payments	-	-	-	-	-	-	-	-
Total administered expenses	152 796	161 047	19 312	19 130	257	2 526	-	227
Administered income								
Grants and contributions	5	49	-	-	-	-	-	-
Rent, fees and charges	18	2 179	-	-	-	-	-	-
Interest revenues	-	-	-	-	6	18	-	2
Client Trust Fund receipts	-	-	-	-	-	-	-	-
Net gain on revaluation of investment property	-	-	-	-	-	-	-	-
Other income	-	-	-	-	9	1 193	-	-
Total administered income	23	2 228	-	-	15	1 211	-	2
Net cost of providing services	(152 773)	(158 819)	(19 312)	(19 130)	(242)	(1 315)	-	(225)
Revenues from SA Government								
Revenues from SA Government	161 848	164 478	24 624	19 130	-	1 000	-	-
Total revenues from SA Government	161 848	164 478	24 624	19 130	-	1 000	-	-
Net result	9 075	5 659	5 312	-	(242)	(315)	-	(225)

Department for Communities and Social Inclusion
Schedule of Expenses and Income attributable to Administered Activities
for the year ended 30 June 2017

	Personal Alert Systems Rebate Scheme		Consumer Advocacy & Research Fund		Homelessness Social Impact Bond		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Administered expenses								
Employee benefits	-	-	-	-	-	-	695	474
Supplies and services	-	-	-	-	-	-	1 550	3 992
Depreciation and amortisation	-	-	-	-	-	-	2 395	1 887
Grants, subsidies and client payments	2 680	1 690	353	159	1 200	-	186 823	196 080
Client Trust Fund payments	-	-	-	-	-	-	13 462	14 005
Total administered expenses	2 680	1 690	353	159	1 200	-	204 925	216 438
Administered income								
Grants and contributions	-	-	276	272	-	-	10 126	10 185
Rent, fees and charges	-	-	-	86	-	-	473	2 688
Interest revenues	-	-	-	-	-	-	363	500
Client Trust Fund receipts	-	-	-	-	-	-	13 394	14 337
Net gain on revaluation of investment property	-	-	-	-	-	-	-	114
Other income	-	-	-	-	-	-	384	1 559
Total administered income	-	-	276	358	-	-	24 740	29 383
Net cost of providing services	(2 680)	(1 690)	(77)	199	(1 200)	-	(180 185)	(187 055)
Revenues from SA Government								
Revenues from SA Government	2 692	2 750	-	-	1 200	-	191 383	188 085
Total revenues from SA Government	2 692	2 750	-	-	1 200	-	191 383	188 085
Net result	12	1 060	(77)	199	-	-	11 198	1 030

The above statement should be read in conjunction with the accompanying notes.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the Year Ended 30 June 2017

A1	Significant accounting policies
A2	Programs of administered items
A3	Consultants
A4	Grants, subsidies and client payments
A5	Concessions
A6	Unexpended funding commitments
A7	Cash and cash equivalents
A8	Property, plant and equipment
A9	Fair value measurement
A10	Unrecognised contractual commitments
A11	Cash flow reconciliation
A12	Contingent assets and liabilities
A13	Budgetary reporting and explanations of major variances
A14	Client Trust Accounts
A15	Disability Services Donations and Bequests
A16	Domiciliary Care Donations and Bequests
A17	Duke of Edinburgh Trust
A18	Consumer Advocacy & Research Fund
A19	State Emergency Relief Fund
A20	Supported Residential Facilities Indemnity Fund
A21	Home for Incurables Trust

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

Administered items of the Department for Communities and Social Inclusion

A1 Significant accounting policies

All DCSI accounting policies are contained in note 2 Significant accounting policies of the controlled financial statements. The policies outlined in note 2 apply to both the department's controlled, and where relevant, administered financial statements.

A2 Programs of administered items

Client Trust Accounts

Disability Services Donations and Bequests

Domiciliary Care Donations and Bequests

Duke of Edinburgh Trust

Consumer Advocacy & Research Fund

State Emergency Relief Fund

Home for Incurables Trust*

Gambler's Rehabilitation Fund

Community Benefit SA Program (Charitable and Social Welfare Fund)

Supported Residential Facilities Indemnity Fund

Minister's Salary

Concessions

Community Service Obligations

Personal Alert Systems Rebate Scheme

Homelessness Social Impact Bond

* Effective 1 July 2007, the Minister for Disabilities became the trustee of the Home for Incurables Trust by virtue of the vesting of assets and liabilities of the former Julia Farr Services (JFS). Separate financial information pertaining to the Home for Incurables Trust is in note A21.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A3 Consultants

	2017	2017	2016	2016
	Number	\$'000	Number	\$'000
Above \$10 000	1	29	1	69
Total paid/payable to consultants engaged	1	29	1	69

A4 Grants, subsidies and client payments

	2017	2016
	\$'000	\$'000
Gamblers Rehabilitation	5 822	6 162
Community Benefit SA Program	4 189	7 382
Home for Incurables Trust	471	460
Duke of Edinburgh Trust	-	50
Concessions	A5 152 796	161 047
Community Service Obligations	19 312	19 130
Personal Alert Systems Rebate Scheme	2 680	1 690
Consumer Advocacy & Research	353	159
Homelessness Social Impact Bond	1 200	-
Total grants, subsidies and client payments	186 823	196 080

A5 Concessions

	2017	2016
	\$'000	\$'000
Water and sewerage rates	47 118	49 485
Energy	34 635	39 016
Council rates	5	220
Transport	31 035	31 398
Emergency services levy	6 147	6 436
Cost of living	31 973	32 827
Emergency electricity payments	427	-
Other	1 456	1 665
Total concessions	152 796	161 047

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A6 Unexpended funding commitments

The department is engaged in a variety of funding programs involving State and Commonwealth sources who provide monies to the department on the premise that these funds are expended in a manner consistent with the terms of the program.

As at 30 June 2017, the department had outstanding funding commitments to the following programs:

	2017	2016
	\$'000	\$'000
Community Benefit SA Program	445	13
Gambler's Rehabilitation Fund	238	335
Consumer Advocacy and Research Fund	120	-
Personal Alert Systems Rebate Scheme	-	809
State Emergency Relief Fund	-	138
Total operating funding commitments	803	1 295
Highgate Park - Upgrade of critical infrastructure	156	874
Highgate Park facilities works	155	160
Total capital funding commitments	311	1 034
Total unexpended funding commitments	1 114	2 329

A7 Cash and cash equivalents

	2017	2016
	\$'000	\$'000
Special deposit account with the Treasurer	51 667	44 149
Special deposit account with SAFA	16 153	16 936
Other deposits	757	852
Total cash and cash equivalents	68 577	61 937

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A8 Property, plant and equipment

A8.1 Property, plant and equipment

	2017	2016
	\$'000	\$'000
Land and buildings		
Site land (fair value)	11 250	11 250
Buildings and improvements (fair value)	15 732	15 732
Less: accumulated depreciation - buildings and improvements	(2 283)	(12)
Total land and buildings	24 699	26 970
Other plant and equipment		
Other plant and equipment at cost (deemed fair value)	2 824	520
Less: accumulated depreciation - other plant and equipment at cost	(180)	(61)
Total other plant and equipment	2 644	459
Total property, plant and equipment	27 343	27 429

The following table shows the movement of land, buildings and improvements and plant and equipment during 2016-17.

	Site land	Buildings and	Plant and	Total
	\$'000	improvements	equipment	\$'000
2017				
Carrying amount at the beginning of period	11 250	15 720	459	27 429
Depreciation	-	(2 271)	(119)	(2 390)
Transfers from capital works in progress	-	-	2 304	2 304
Carrying amount at the end of period	11 250	13 449	2 644	27 343

The following table shows the movement of land, buildings and improvements and plant and equipment during 2015-16.

	Site land	Buildings and	Plant and	Total
	\$'000	improvements	equipment	\$'000
2016				
Carrying amount at the beginning of period	15 160	14 534	494	30 188
Depreciation	-	(1 839)	(35)	(1 874)
Net revaluation (decrement)/increment	(3 910)	3 025	-	(885)
Carrying amount at the end of period	11 250	15 720	459	27 429

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A8.2 Investment property

	2017	2016
	\$'000	\$'000
Investment building	600	786
Revaluation increment/(decrement)	-	(186)
Fair value at the end of the period	600	600

	2017	2016
	\$'000	\$'000
Investment land	800	500
Revaluation increment/(decrement)	-	300
Fair value at the end of the period	800	800

Total investment property at the end of the period	1 400	1 400
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Investment properties are held to earn rentals and/or for capital appreciation. Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the department.

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as income or expense in the period that they arise. Investment properties are not depreciated however are tested for impairment.

Rental income from the leasing of investment properties is recognised in the Statement of Comprehensive Income as part of other income, on a straight line basis over the lease term.

The following table shows the movement of investment property during 2016-17

	Investment land	Investment building	Total
	\$'000	\$'000	\$'000
2017			
Carrying amount at the beginning of the period	800	600	1 400
Carrying amount at the end of period	800	600	1 400

The following table shows the movement of investment property during 2015-16

	Investment land	Investment building	Total
	\$'000	\$'000	\$'000
2016			
Carrying amount at the beginning of the period	500	786	1 286
Net revaluation (decrement)/increment	300	(186)	114
Carrying amount at the end of period	800	600	1 400

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A8.3 Capital works in progress

	2017	2016
	\$'000	\$'000
Property, plant and equipment	-	1 499
Total capital works in progress	-	1 499

The following table shows the movement of capital works in progress for 2016-17.

	Capital works in progress	Total
	\$'000	\$'000
2017		
Carrying amount at the beginning of period	1 499	1 499
Purchases	805	805
Transfers to completed work	(2 304)	(2 304)
Carrying amount at the end of period	-	-

The following table shows the movement of capital works in progress for 2015-16.

	Capital works in progress	Total
	\$'000	\$'000
2016		
Carrying amount at the beginning of period	-	-
Purchases	1 499	1 499
Carrying amount at the end of period	1 499	1 499

A8.4 Intangible assets

	2017	2016
	\$'000	\$'000
Computer software - at cost (deemed fair value)	40	40
Less accumulated amortisation	(30)	(25)
Total intangible assets	10	15

The following table shows the movement in intangible assets

	2017	2016
	\$'000	\$'000
Carrying amount at the beginning of period	15	28
Amortisation	(5)	(13)
Carrying amount at the end of period	10	15

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A9 Fair value measurement

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The department categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

Fair value measurements recognised in the Statement of Financial Position are categorised into the following levels at 30 June 2017.

The department had no valuations categorised into level 1.

Fair value measurement as at 30 June 2017

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land	11 250	-	11 250
Buildings	13 449	-	13 449
Plant and equipment	-	2 644	2 644
Investment property	1 400	-	1 400
Total recurring fair value measurements	26 099	2 644	28 743

Fair value measurement as at 30 June 2016

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land	11 250	-	11 250
Buildings	15 720	-	15 720
Plant and equipment	-	459	459
Investment property	1 400	-	1 400
Total recurring fair value measurements	28 370	459	28 829

There have been no transfers of assets between level 2 and 3 fair value hierarchy levels in 2016-17. The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques and inputs

There were no changes in valuation techniques during 2016-17.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A9 Fair value measurement (continued)

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

Reconciliation of level 3 recurring fair value measurements at 30 June 2017

	Plant and equipment \$'000
Opening balance at the beginning of the period	459
Transfers from capital works in progress	<u>2 304</u>
Carrying amount at the end of the period	<u>2 763</u>
Gains / (losses) for the year recognised in net result	
Depreciation	<u>(119)</u>
Subtotal	<u>(119)</u>
Carrying amount at the end of the year	<u>2 644</u>

Reconciliation of level 3 recurring fair value measurements at 30 June 2016

	Plant and equipment \$'000
Opening balance at the beginning of the period	<u>494</u>
Carrying amount at the end of the period	<u>494</u>
Gains / (losses) for the year recognised in net result	
Depreciation	<u>(35)</u>
Subtotal	<u>(35)</u>
Carrying amount at the end of the period	<u>459</u>

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A10 Unrecognised contractual commitments

Capital commitments

	2017	2016
	\$'000	\$'000
Within one year	8	804
Total capital commitments	8	804

A11 Cash flow reconciliation

	2017	2016
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	68 577	61 937
Balance as per the Statement of Cash Flows	68 577	61 937
Reconciliation of net cash provided by/(used in) operating activities to net cost of providing services		
Net cash provided by operating activities	7 445	15 197
Less revenues from SA Government	(191 383)	(188 085)
Add/less non-cash items		
Depreciation and amortisation	(2 395)	(1 887)
Net gain from revaluation of investment property	-	114
Movements in assets and liabilities		
Increase/(decrease) in receivables	(684)	(704)
(Increase)/decrease in payables	6 832	(11 690)
Net cost of providing services	(180 185)	(187 055)

A12 Contingent assets and liabilities

Contingent assets

The department is not aware of any contingent assets.

Contingent liabilities

The department is not aware of any contingent liabilities.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A13 Budgetary reporting and explanations of major variances

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.

		Original budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000
Statement of Comprehensive Income	Note			
Administered expenses				
Employee benefits		709	695	(14)
Supplies and services		870	1 550	680
Depreciation and amortisation		2 055	2 395	340
Grants, subsidies and client payments		205 878	186 823	(19 055)
Client Trust Fund payments		15 069	13 462	(1 607)
Total administered expenses		224 581	204 925	(19 656)
Administered income				
Grants and contributions		10 121	10 126	5
Rent, fees and charges		472	473	1
Interest revenues		418	363	(55)
Client Trust Fund receipts		14 741	13 394	(1 347)
Other income		378	384	6
Total administered income		26 130	24 740	(1 390)
Net cost of providing services		198 451	180 185	(18 266)
Revenues from SA Government				
Revenues from SA Government		196 019	191 383	(4 636)
Total net revenues from SA Government		196 019	191 383	(4 636)
Net result		(2 432)	11 198	13 630

		Original budget 2017 \$'000	Actual 2017 \$'000	Variance \$'000
Investing expenditure summary				
Total existing programs	a	126	816	690
Total investing expenditure		126	816	690

- a. The total existing project expenditure was higher than original budget primarily due to works undertaken as part of the upgrade of Highgate Park. A budget carryover transferred funds from 2015-16 to fund these works.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A14 Client Trust Accounts

The department acts as trustee of client trust accounts, including clients of the former Intellectual Disability Services Council Incorporated (IDSC) and the former JFS. These amounts cannot be used by the department to achieve its own objectives, and accordingly are not included in the controlled financial statements. Client Trust receipts include interest revenue of \$0.25 m (2016: \$0.29 m).

	2017	2016
	\$'000	\$'000
Opening balance at the beginning of the period	13 741	12 850
Prior period adjustments*	-	272
Add receipts	13 644	14 624
Less expenses	(13 462)	(14 005)
Closing balance at the end of the period	13 923	13 741

*There were no prior period adjustments in 2016-17.

A15 Disability Services Donations and Bequests

The department receives and administers donations and bequests held by Disability Services. Both donations and bequests must be used to benefit the community and public and cannot be used by the department to achieve its own objectives.

	2017	2016
	\$'000	\$'000
Opening balance at the beginning of the period	388	354
Prior period adjustments*	-	33
Add receipts	16	9
Less expenses	(11)	(8)
Closing balance at the end of the period	393	388

* There were no prior period adjustments in 2016-17.

A16 Domiciliary Care Donations and Bequests

The department receives and administers donations and bequests held by Domiciliary Care. Both donations and bequests must be used to benefit the community and public and cannot be used by the department to achieve its own objectives.

	2017	2016
	\$'000	\$'000
Opening balance at the beginning of the period	595	580
Prior period adjustments*	-	7
Add receipts	8	11
Less expenses	(12)	(3)
Closing balance at the end of the period	591	595

* There were no prior period adjustments in 2016-17.

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A17 Duke of Edinburgh Trust

This account was established to support the delivery of the Duke of Edinburgh Award. The department no longer manages the delivery of the Award and will transfer the remaining administration of funds to a non-Government organisation to support disadvantaged South Australians to participate in the Duke of Edinburgh's Award program.

	2017	2016
	\$'000	\$'000
Opening balance at the beginning of the period	23	248
Add receipts	-	2
Less expenses	-	(227)
Closing balance at the end of the period	23	23

A18 Consumer Advocacy & Research Fund

The Consumer Advocacy & Research Fund (the Fund) was established under the *Water Industry Act 2012* part 10, section 87. The Fund commenced on 1 July 2012 and supports research or advocacy that promotes the interests of consumers with a disability, on a low income or located in a regional area of the state.

	2017	2016
	\$'000	\$'000
Opening balance at the beginning of the period	547	348
Add receipts	276	358
Less expenses	(353)	(159)
Closing balance at the end of the period	470	547

A19 State Emergency Relief Fund

The State Emergency Relief Fund (the Fund) is established as part of the *Emergency Management Act 2004*. The Fund's main purpose is to provide financial support for the relief of persons who suffer injury, loss or damage as a result of a declared emergency within South Australia. As at 30 June 2017, the fund held \$0.07 m (2016:\$0.31 m) and earned interest of \$0.01 m (2016: \$0.02 m).

The South Australian Pinery Fire Appeal commenced in 2015-16 as a result of fires causing major damage in Owen, Hamley Bridge, Wasleys, Kapunda, Freeling, Tarlee and Greenock. Collections for the SA Pinery Fire Appeal officially closed on 30 June 2016. The total donations received for the year was \$0.01 m. As at 30 June 2017, the total disbursed to SA Pinery Fire victims was \$0.26 m with the remainder to be transferred to the funds corporate account.

	2017	2016
	\$'000	\$'000
Opening balance at the beginning of the period	307	622
Add receipts	16	2 211
Less expenses	(258)	(2 526)
Closing balance at the end of the period	65	307

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A20 Supported Residential Facilities Indemnity Fund

	2017	2016
	\$'000	\$'000
Opening balance at the beginning of the period	47	44
Fees - councils*	-	2
Interest	1	1
Closing balance at the end of the period	48	47

This note has been prepared to meet the requirements of section 56 (11) of the *Supported Residential Facilities Act 1992* in reporting upon the operations of the Supported Residential Facilities Indemnity Fund (the Fund).

*Under the *Supported Residential Facilities Act 1992*, certain premises which provide residential accommodation are required to be licensed. That licence fee is payable to the local councils who monitor the residential accommodation. The Act requires the councils to remit 10% of fees collected for deposit in the Fund within 28 days after the end of the financial year in which the fees are received.

A21 Home for Incurables Trust

As part of wide ranging reforms relating to the delivery of disability services by the department, effective 1 July 2007, JFS was dissolved and all assets and liabilities vested in or held by JFS were transferred or assigned or vested with the Minister for Disabilities. Certain assets held by the former JFS are subject to the terms and conditions of the Home for Incurables Trust. The original Trust was established in June 1879 and was varied by the Supreme Court on 7 November 1997.

The former Board of JFS was trustee of the Home for Incurables Trust and on dissolution, the Board of JFS resolved to resign as trustee of the Home for Incurables Trust. The Minister for Disabilities is the trustee for the Home for Incurables Trust.

The role of the Trust is " ... to apply property vested in it for the purpose of providing for persons whose ability to live independently is temporarily or permanently impaired or in jeopardy as a consequence of an acquired brain injury or degenerative neurological condition or a physical condition resulting in disability including but not limiting the foregoing in any way whatsoever, the following services and facilities;

(a) by providing for them, in a variety of residential, centre and community based settings

- (i) accommodation
- (ii) nursing, medical, allied health and attendant care service
- (iii) personal and community support services
- (iv) technical and personal support aids
- (v) rehabilitation, respite and recreational services
- (vi) out patient and day care services
- (vii) measures and services to enhance their quality of life

(b) by providing facilities for education research with respect to such persons

(c) by providing any services and facilities ancillary or in relation to the foregoing or by providing additional services and facilities that may be appropriate from time to time."

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

The following income, expenses, assets and liabilities of the Home for Incurables Trust have been included in the administered items financial statements, but are separately disclosed in the following schedules in accordance with the governance requirements of the Trust.

Schedule of expenses and income - Home for Incurables Trust	2017	2016
as at 30 June 2017	\$'000	\$'000
Expenses		
Supplies and services	136	169
Depreciation and amortisation	2 390	1 874
Grants, subsidies and client payments	471	460
Total expenses	2 997	2 503
Income		
Rental income	322	401
Interest	77	143
Net gain on revaluation of investment property	-	114
Total income	399	658
Net result	(2 598)	(1 845)
Other comprehensive income		
Revaluation surplus	-	(885)
Total comprehensive income	-	(885)
Total comprehensive result	(2 598)	(2 730)
Schedule of Financial Position - Home for Incurables Trust	2017	2016
for the year ended 30 June 2017	\$'000	\$'000
Current assets		
Special deposits with the Treasurer	437	641
Deposits with SAFA	2 987	4 020
Receivables	126	-
Total current assets	3 550	4 661
Non-current assets		
Property, plant and equipment	27 343	27 429
Investment property	1 400	1 400
Capital works in progress	-	1 499
Total non-current assets	28 743	30 328
Total assets	32 293	34 989
Current liabilities		
Payables	2	100
Total current liabilities	2	100
Total liabilities	2	100
Net assets	32 291	34 889

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
for the year ended 30 June 2017

A21 Home for Incurables Trust (continued)

**Schedule of Changes in Equity - Home for Incurables Trust
for the year ended 30 June 2017**

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 30 June 2015	28 368	9 251	37 619
Net result for 2015-16	-	(1 845)	(1 845)
Net loss on revaluation of property, plant and equipment	(885)	-	(885)
Total comprehensive result for 2015-16	(885)	(1 845)	(2 730)
Balance at 30 June 2016	27 483	7 406	34 889
Net result for 2016-17	-	(2 598)	(2 598)
Total comprehensive result for 2016-17	-	(2 598)	(2 598)
Balance at 30 June 2017	27 483	4 808	32 291

**Schedule of Administered Cash Flows - Home for Incurables Trust
for the year ended 30 June 2017**

	2017 Inflows (Outflows) \$'000	2016 Inflows (Outflows) \$'000
Cash flows from operating activities		
Cash outflows		
Supplies and services	(234)	(90)
Grants, subsidies and client payments	(471)	(460)
Cash used in operations	(705)	(550)
Cash inflows		
Interest revenue	77	143
Rental revenue	196	402
Cash generated from operations	273	545
Net cash (used in) / provided by operating activities	(432)	(5)
Cash flows from investing activities		
Cash outflows		
Payments for plant, equipment and investments	(805)	(1 499)
Cash used in investing activities	(805)	(1 499)
Net cash (used in)/provided by investing activities	(805)	(1 499)
Net increase/(decrease) in cash	(1 237)	(1 504)
Cash at the beginning of the period	4 661	6 165
Cash at the end of the period	3 424	4 661

Department for Communities and Social Inclusion
Notes to and forming part of the financial statements
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A21 Home for Incurables Trust (continued)

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents as reported in the Schedule of Assets and Liabilities - Home for Incurables Trust includes cash on hand, deposits held at call and other short-term, highly liquid investments with maturities of three months or less that are readily convertible to cash and which are subject to insignificant risk of changes in value. Cash is measured at nominal value.

Reconciliation of property, plant and equipment - Home for Incurables Trust

Property, plant and equipment	2017 \$'000	2016 \$'000
Land and buildings		
Site land (fair value)	11 250	11 250
Buildings and improvements (fair value)	15 732	15 732
Less accumulated depreciation - buildings and improvements	(2 283)	(12)
Total land and buildings	24 699	26 970
Property, plant and equipment		
Other plant and equipment at cost (deemed fair value)	2 824	520
Less accumulated depreciation - other plant and equipment at cost	(180)	(61)
Total plant and equipment	2 644	459
Total property, plant and equipment	27 343	27 429

Department for Communities and Social Inclusion
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A21 Home for Incurables Trust (continued)

Reconciliation of land, buildings, plant and equipment - Home for Incurables Trust

The following table shows the movement of land, buildings and improvements and plant and equipment for the Home for Incurables Trust during 2016-17

	Site land \$'000	Buildings and improvements \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	11 250	15 720	459	27 429
Depreciation and amortisation for the period	-	(2 271)	(119)	(2 390)
Transfers from work in progress	-	-	2 304	2 304
Carrying amount at the end of the period	11 250	13 449	2 644	27 343

The following table shows the movement of land, buildings and improvements and plant and equipment for the Home for Incurables Trust during 2015-16

	Site land \$'000	Buildings and improvements \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	15 160	14 534	494	30 188
Depreciation and amortisation for the period	-	(1 839)	(35)	(1 874)
Revaluation increment/(decrement)	(3 910)	3 025	-	(885)
Carrying amount at the end of the period	11 250	15 720	459	27 429

Department for Communities and Social Inclusion
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A21 Home for Incurables Trust (continued)

Reconciliation of capital work in progress - Home for Incurables Trust

The following table shows the movement of capital work in progress for the Home for Incurables Trust during 2016-17

	2017	2016
	\$'000	\$'000
Carrying amount at the beginning of the year	1 499	-
Purchases	805	1 499
Transfers to completed works	(2 304)	-
Total capital work in progress	-	1 499

Investment property - Home for Incurables Trust

	2017	2016
	\$'000	\$'000
Investment building	600	786
Revaluation increment / (decrement)	-	(186)
Fair value at the end of the period	600	600

	2017	2016
	\$'000	\$'000
Investment land	800	500
Revaluation increment / (decrement)	-	300
Fair value at the end of the period	800	800
Total investment property at the end of the period	1 400	1 400