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**Government
of South Australia**

DEPARTMENT OF HUMAN SERVICES

2020-21 Annual Report

DEPARTMENT OF HUMAN SERVICES

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To:

Hon Michelle Lensink MLC
Minister for Human Services

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, Public Sector Regulations 2010, *Public Finance and Audit Act 1987*, *Carers Recognition Act 2005*, *Gaming Machines Act 1992*, *Julia Farr Services (Trusts) Act 2007*, *Water Industry Act 2012*, *Youth Justice Administration Act 2016*, and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting Requirements*.

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 of Human Services by:

Lois Boswell

Chief Executive



Date: 30 September 2021

Signature

From the Chief Executive



In accordance with the *Public Sector Act 2019*, I am pleased to present the annual report for the South Australian Department of Human Services (DHS) for the year ended 30 June 2021. The annual report provides a snapshot of the achievements and operations of DHS, including the financial performance of the department, in the 2020-21 financial year.

The past 12 months was another challenging, yet rewarding year as we continued to respond to the COVID-19 pandemic and implement service reform across the department.

The South Australian Government has continued to provide additional financial and emergency assistance to families and non-government organisations adversely impacted by the pandemic.

In the past year, we have been responsible for the administration of a range of measures including the once-off boost payment of \$500 and bringing forward the 2020-21 Cost of Living Concession payment, the International Student Support Package, the Residential Rental Grant Scheme, and the South Australian COVID-19 Cluster Isolation Payment.

We have also allocated the final funding committed to South Australia under the National Partnership on COVID-19 Domestic and Family Violence Responses to address the impact of COVID-19 on domestic, family and sexual violence.

Since March 2021, we have been working closely with SA Health on the COVID-19 vaccination rollout to disability clients and staff. Disability care residents and disability care support workers were amongst the first prioritised groups to receive the vaccine. Specific sites were established to ensure vaccines could be administered to people with a disability and their support staff in a safe place, including at the Northgate Aged Care Service and Highgate Park. Appropriate arrangements were also put in place for regional sites.

A focus for the department over the past year has been the development and introduction of a legislative framework to provide stronger safeguards for the use of unauthorised restrictive practices by NDIS service providers. In May 2021, both Houses of Parliament passed the Disability Inclusion (Restrictive Practices - NDIS) Amendment Bill 2021, which will amend the *Disability Inclusion Act 2018* and ensure that South Australia is compliant with the National Principles for restrictive practice authorisation.

The amendments will be supported by regulations and guidelines that provide additional clarity and detail about the interpretation and implementation of the legislative requirements. The authorisation scheme will commence from 2022.

To strengthen safeguards for disability clients, we also undertook a three month CCTV pilot in two southern suburbs supported accommodation homes. Commencing in April 2021, the pilot investigated the effectiveness of CCTV as an additional safeguarding measure, while maintaining the privacy and dignity of the residents in their own home.

The pilot was assessed by surveying families, guardians and staff and reviewing incidents reported during the three month trial period. Based on the success and feedback of the initial pilot, we will now trial the use of CCTV cameras in at least five further homes.

We have continued to reform the Child and Family Support System, which supports the most vulnerable families with early intervention services to help keep children safe at home. This includes launching the new Intensive Family Support Services on 31 March 2021, to replace the former Targeted Intervention Service and Family Preservation Service. Delivered by seven non-government organisations, the new services have a focus on targeting families with the right support at the right time and measuring their outcomes.

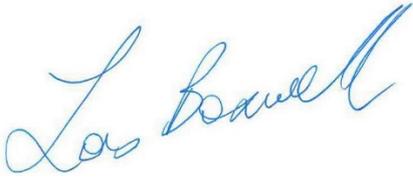
Following a review of the South Australian Home and Community Care (SA HACC) program, a more contemporary program was developed that better reflects the current environment and community needs. Key components of the new Community Connections program started on 3 May 2021, with the program designed to support socially isolated people whose independence and quality of life is at risk and who are unable to benefit from alternate services such as the NDIS, Mental Health and My Aged Care.

We have also established a further four Safety Hubs to provide a single-entry point for integrated services in regional South Australia. The Hubs are a safe local place where women can speak confidentially to trained workers or volunteers, who can provide information, support, and referrals to appropriate services.

Other highlights of the past 12 months include:

- establishing a new Statewide Perpetrator Response service to bolster early intervention services for South Australians at-risk of committing domestic violence
- finalising a review of personal alert technology available under the Personal Alert Systems Rebate Scheme, now known as Personal AlertSA
- launching the new *Volunteering Strategy for South Australia 2021-2027*, which builds on the foundation created by the state's previous strategy
- transitioning Domiciliary Equipment Service and the Independent Living Centre to new arrangements under the NDIS
- NDIS worker checks commencing on 1 February 2021
- releasing the inaugural report on the operation of the State Disability Inclusion Plan, which provides and update on progress made against the actions in Inclusive SA.

In closing, I would like to thank all DHS staff for their dedication and commitment during another demanding and challenging year.



Lois Boswell

Chief Executive

Department of Human Services

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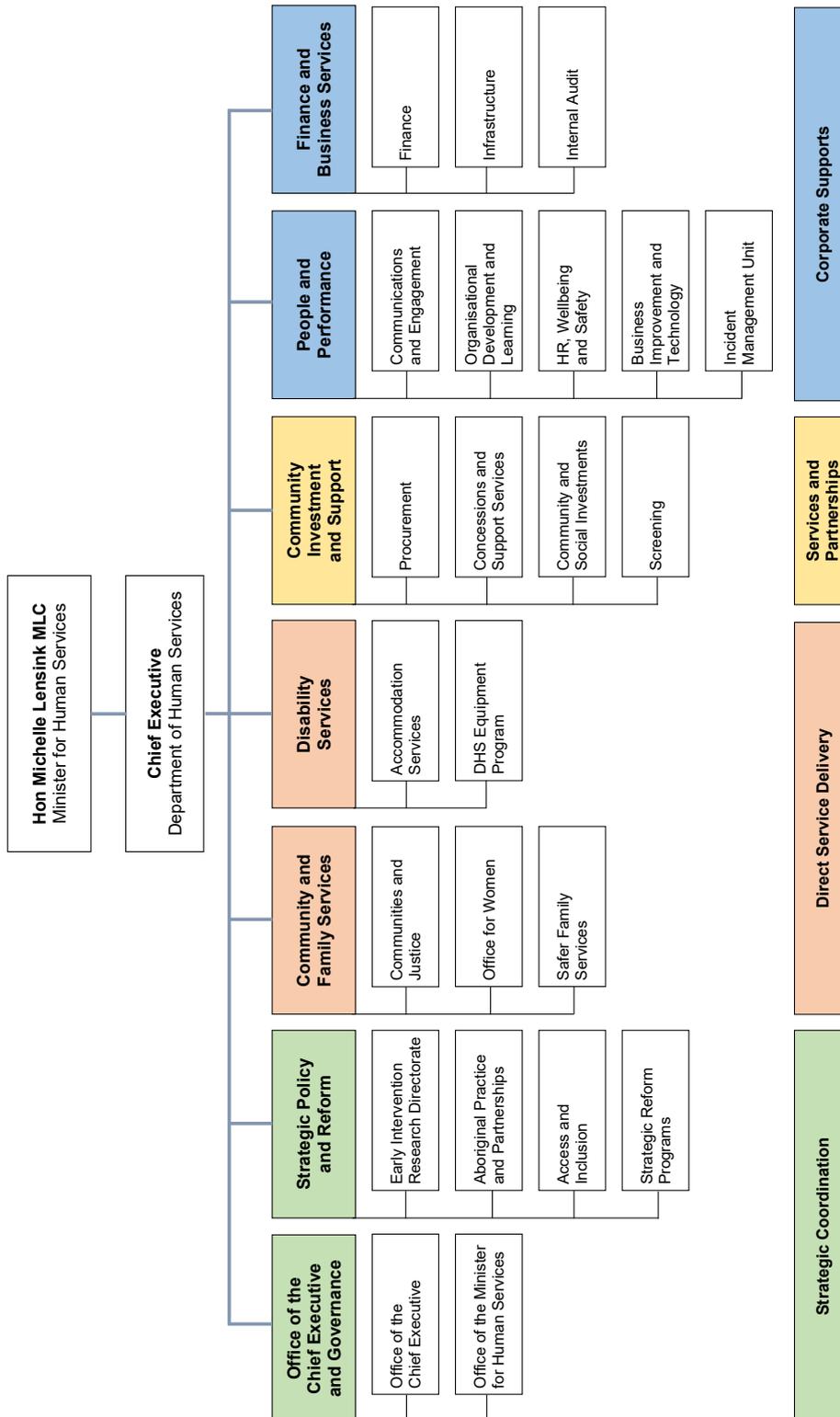
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Overview: about the agency

Our strategic focus

| | |
|---|--|
| Our Purpose | The Department of Human Services delivers strategies, programs and services that improve the wellbeing and safety of South Australians. |
| Our Vision | Fairness, opportunity and choice for all South Australians. |
| Our Values | <ul style="list-style-type: none"> • Service • Professionalism • Trust • Respect • Collaboration and Engagement • Honesty and Integrity • Courage and Tenacity • Sustainability |
| Our functions, objectives and deliverables | <p>The department's strategic goals are:</p> <ul style="list-style-type: none"> • Better services and programs that make a lasting difference for individuals, families and communities. • A customer-focused organisation that puts people first. • Accountable, efficient, open and collaborative government. • A motivated, skilled, safe and inclusive workforce. <p>The department:</p> <ul style="list-style-type: none"> • Commissions human services across the not for profit sector. • Invests in the community through grants and funding. • Provides core services in areas including: <ul style="list-style-type: none"> ▪ youth justice ▪ disability services ▪ concessions and rebates ▪ employment-related screening ▪ family safety and support • Leads government reform agendas, including disability inclusion and the transition to the National Disability Insurance Scheme (NDIS), intensive family support services and women's equality and safety. |

Our organisational structure



The above organisational chart reflects the structure of the department as at 30 June 2021. The current chart is available at www.dhs.sa.gov.au/about-us.

Changes to the agency

During 2020-21 there were the following changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

The new organisational structure came into effect on 1 March 2021, to support an organisational model that is designed around four streams: strategic coordination, direct service delivery, services and partnerships and corporate supports.

Changes to the department's structure included:

- The establishment of the Strategic Policy and Reform Division, bringing together the full body of policy and program reform across the department as a central unit, which will use its expertise to partner with other divisions to deliver reform.
- Integrating Youth Justice Services and the Office for Women into the Community and Family Services Division, to further integrate domestic violence policy and support with child and youth policy, and strengthen service delivery to shared client groups.
- The establishment of the Community Investment and Support Division, which brings together all procurement, sector business and customer support functions.

The aim of the new structure is to ensure the department remains adaptive to operational requirements, and staff and services are aligned to functional areas that reflect their specialist skills to provide the best possible experience for our client group and create efficiencies and a more collaborative approach to functions.

Our Minister



Hon Michelle Lensink MLC Minister for Human Services

Minister Lensink is responsible for the Human Services portfolio.

Through DHS, the Minister has responsibility for the administration of concessions and rebates, financial resilience programs, provision of statutory youth justice services, screening services, advancing the inclusion of people with disability, early intervention and support services and lead policy responsibility in relation to youth, volunteers and carers.

Key priorities of the Minister include the prevention of domestic and family violence and the reform of DHS Accommodation Services to operate under the NDIS.

Our Executive team

DHS Executive Leadership Team as at 30 June 2021

Lois Boswell, Chief Executive

Lois Boswell was appointed to the position of Chief Executive in September 2020 and is responsible for the overall leadership and strategic direction of the department. Prior to then, Lois served as the Acting Chief Executive since March 2020 and was the department's Deputy Chief Executive from 2016.

Nick Ashley, Chief Financial Officer, Finance and Business Services

Appointed to the role of Chief Financial Officer in May 2021, Nick oversees the Finance and Business Services Division which is responsible for budgeting, financial analysis, monitoring and reporting, management accounting and strategic financial advice. The division also monitors financial compliance, coordinates financial authorisations and provides financial and accounting policy advice.

Nick is also currently responsible for the functions of Procurement and Community and Social Investments within the Community Investment and Support Division, which includes the administration of grant funding to the not-for-profit sector.

Katherine Hawkins, Executive Director, Strategic Policy and Reform

Established in March 2021, the Strategic Policy and Reform Division is responsible for delivering policy and program reform in partnership with other divisions across the department. This includes the design, delivery and commissioning of intensive family services support programs and strategies. The division is responsible for strategies to support young South Australians and the LGBTIQ+ community, and for leading the implementation of the Volunteering Strategy for South Australia.

Ann-Marie Hayes, Executive Director, Community and Family Services

The Community and Family Services Division is comprised of:

- Communities and Justice, which is responsible for the statutory supervision of young people in contact with the justice system, including the administration of the Kurlana Tapa Youth Justice Centre. The Directorate is also responsible for strategies and funding to support people with exceptional needs, children with a disability in voluntary out-of-home care and targeted Aboriginal populations.
- Safer Family Services, which is responsible for the provision of intensive family support and assistance to children and their families at risk of harm, neglect and family violence, especially those with multiple and complex needs.
- The Office for Women, which has a strong focus on addressing domestic, family and sexual violence and supporting the full and equal participation of women in all aspects of life in South Australia. The Office for Women also provides statewide information and referral services through the Women's Information Service.

Joe Young, Executive Director, Disability Services

The Disability Services Division, through the Accommodation Services Directorate, provides supported independent living services to people with disability living at community based groups homes and the Northgate Aged Care Service. The division also includes the DHS Equipment Program, which funds and arranges equipment and home modifications for South Australians who are not eligible for these services through Commonwealth Government funding options.

Sue-Ann Charlton, Executive Director, People and Performance

Appointed in November 2020, Sue-Ann is responsible for the People and Performance Division which provides strategic advice and leadership, and implements operational strategies that support the recruitment, performance, development, management and wellbeing of DHS employees.

In addition, Sue-Ann is responsible for:

- Incident Management Unit, an independent function within the division, which is responsible for the efficient management of incidents involving DHS clients and staff members, including Critical Client Incidents.
- Business Improvement and Technology Directorate, which is responsible for providing information, systems and technology support to the department.
- Communications and Engagement, which is responsible for the provision of media management, digital communications and design, communications advice and support across the department, events and sector engagement.

Kelly Biggins, Acting Executive Director, Community Investment and Support

Appointed to the role of Acting Executive Director in May 2021, Kelly oversees the following functions within the Community Investment and Support Division:

- DHS Screening Unit, which provides screening checks that help protect children and vulnerable adults.
- Concessions and Support Services, which administers a range of concessions and rebates that provide assistance to low income South Australians, and is responsible for the operations of the DHS Interpreting and Translating Centre.

Karen Chee, Acting Director, Office of the Chief Executive and Governance

The Office of the Chief Executive and Governance is responsible for a range of functions including executive support to the Chief Executive, corporate governance, Cabinet coordination and Parliamentary business, correspondence and briefings, coordination of policy advice on inter-governmental and intra-governmental matters, Royal Commission responses, risk management, business continuity and legal services. The Director also has reporting responsibility for staff in the Office of the Minister for Human Services.

Legislation administered by the agency

Carers Recognition Act 2005

Child Safety (Prohibited Persons) Act 2016

Children's Protection Law Reform (Transitional Arrangements and Related Amendments) Act 2017

Cost of Living Concessions Act 1986

Disability Inclusion Act 2018

Disability Services Act 1993

Julia Farr Services (Trusts) Act 2007

Not-for-Profit Sector Freedom to Advocate Act 2013

Supported Residential Facilities Act 1992

Volunteers Protection Act 2001

Youth Justice Administration Act 2016

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

The South Australian Housing Trust, trading as the SA Housing Authority, is responsible to the Minister for Human Services for the delivery of better housing opportunities for all South Australians.

The agency's performance

Performance at a glance

Achievements during the 2020-21 financial year include:

- Allocating approximately \$175 million in household and transport concessions to approximately 227,000 eligible South Australians.
- Distributing approximately \$1.8 million in COVID-19 Support Grants to 246 projects through Grants SA.
- Through the Gamblers Rehabilitation Fund, approximately \$5.69 million was allocated to 12 gambling help services in each State Government region and 16 targeted services.
- Distributing an estimated \$12.98 million through the Family and Community Development Fund to services which advance the welfare of children, youth and vulnerable South Australians.
- Administering donations to those people affected by the Cudlee Creek and Kangaroo Island fires. While the SA Bushfire Appeal officially closed on 31 July 2020, funds were still received after this date. As at 30 June 2021, just over \$9 million had been distributed through 2,979 gift payments.
- Receiving and finalising 229,720 screening applications, with 70.9% of applications finalised by the Screening Unit in one week or less (162,876).
- Completing 70,457 interpreting assignments and 1,207 translating assignments through the DHS Interpreting and Translating Centre.
- Recording 35,549 contacts with clients of the Women's Information Service (WIS), compared to 63,663 in 2019-20. This outcome reflects the impact of COVID-19 lockdowns on the WIS shopfront and outreach centres.
- Providing 879 free pairs of standard glasses to eligible Aboriginal customers. DHS partnered with Vision 2020 Australia to provide 350 free pairs from May 2020 and has now embedded this practice into the GlassesSA program.

Agency response to COVID-19

During 2020-21, the department continued to administer and deliver payments to support vulnerable South Australians whose income and employment prospects were significantly impacted by COVID-19. This included:

- The once-off \$500 cash boost and bringing forward the 2020-21 **Cost of Living Concession** (COLC) payable to eligible homeowners and tenants receiving Centrelink JobSeeker Payment. As at 30 June 2021, more than 7,400 households had received payments totalling \$4.6 million in 2020-21.
- The **International Student Support Package** provides \$500 emergency cash grants to support international students impacted by coronavirus restrictions. In the past 12 months, over 4,200 payments were made to students totalling approximately \$2.8 million.

- **SA COVID-19 Cluster Isolation Payment** provides \$300 to people who miss work due to a COVID-19 cluster or public health direction and do not have paid leave or income support. During 2020-21, 694 recipients received payments totalling \$208,200.
- **Residential Rental Grant Scheme** with two rounds of grants up to \$1,000 (to landlords) for residential tenants on JobSeeker or JobKeeper in rental hardship. During 2020-21, 370 payments were made totalling \$262,279.
- The allocation of \$4.1 million through the **Vulnerable South Australians Support Package**, which provided non-government organisations with additional funding for food relief, emergency relief and financial resilience and wellbeing to support vulnerable families and communities impacted by COVID-19.

In 2019-20, the Commonwealth Government provided additional funding to each state and territory through the **National Partnership on COVID-19 Domestic and Family Violence Responses** to address the impact of COVID-19 on domestic, family and sexual violence. Under the National Partnership, South Australia received \$9.796 million over the 2019-20 and 2020-21 financial years in four rounds.

In the past 12 months the department allocated funding through Round 3 and 4 which included:

- \$1.75 million to implement the new Safe and Secure Housing program to support victim-survivors find appropriate housing
- \$1.5 million to introduce the Safe and Well Kids program to support children and young people who are experiencing domestic violence
- a further \$1.05 million for the continuation of perpetrator services and new perpetrator interventions for young men
- a further \$600,000 for Individual Safety and Support Packages
- \$325,000 to fast-track five additional regional Safety Hubs.

Through the **DHS Interpreting and Translating Centre**, the department also provided translation and interpreting services to support South Australian Government departments to communicate with, and deliver services to, non-English speaking people and families. This included:

- providing telephone interpreting services to the COVID-19 Help Line, the Hotel Quarantine teams, and in the mental health sector, especially for those in quarantine
- engaging highly skilled and experienced translators to translate critical public health information on COVID-19 symptoms, risk factors, testing and treatment and vaccinations
- providing support to SA Health clinicians and hospital staff to communicate with non-English speaking patients with COVID-19 and their families
- supporting SA Health to conduct phone interviews with people testing positive to COVID-19 and their close contacts, and supporting interstate contact tracing teams, including in Melbourne.

Through the **DHS Screening Unit**, the department assisted essential organisations and workers with screenings to enable replacement or temporary workers more quickly in areas of high risk and high need, particularly within the health sector and disability care.

Agency contribution to whole of Government objectives

DHS contributed to the achievement of the South Australian Government’s objectives as follows:

| Key objective | Agency’s contribution |
|---------------|--|
| More jobs | <p>On 12 March 2021, the State Government announced a recruitment drive to hire 175 trainee disability support workers over two years to work in DHS Accommodation Services. The \$9.5 million initiative is part of the Government’s 2020-21 State Budget commitment of \$32.9 million over four years to support 750 additional traineeship and apprenticeship places in government agencies and funded projects. As at 30 June 2021, 39 trainee roles had been filled in Accommodation Services following an advertisement and recruitment process from March to mid-May 2021.</p> |
| Lower costs | <p>During 2020-21, DHS continued to administer a wide range of concessions and rebates that provide valuable assistance to households on low or fixed incomes who are experiencing cost-of-living pressures. These include:</p> <ul style="list-style-type: none"> • Cost of Living Concession (COLC) payment made to low income households in recognition of cost of living pressures. Households can direct the concession towards their greatest need, whether that is electricity, gas, water bills or council rates. • Energy concession, which is applied as a reduction on the customer’s bill from their energy retailer. This arrangement is administered under a service agreement between DHS and energy retailers. • Medical Heating and Cooling concession for South Australians on a low income or pension who have a qualifying medical condition, and who require the use of medical heating or cooling in their home to prevent a severe exacerbation of their condition. • Water and Sewerage Concession Scheme, which provides a concession that is calculated as up to 30% of a recipients’ total water bill for a financial year (subject to minimum and maximum amounts) and a maximum sewerage rate remission of \$118.40 per annum. |

| Key objective | Agency's contribution |
|----------------------|---|
| | <ul style="list-style-type: none"> • Residential Parks Concessions Scheme, which provides eligible residents of a residential park with a quarterly concession to assist with their utility costs. • Emergency Services Levy (fixed property) Remission, which provides eligible South Australian residents up to \$46 per year on the Emergency Services Levy (ESL) (fixed property) for their principal place of residence. • Transport concession, which provide a 50% reduction (approximately) on the price of Adelaide Metro tickets. • Emergency Electricity Payment Scheme, with up to \$400 every three years for families experiencing financial crisis who cannot meet their electricity debts. Payments are made directly to the customer's energy provider. • Funeral AssistanceSA, which provides a basic dignified funeral, including associated costs, to those who have insufficient assets to cover funeral costs. • GlassesSA, which provides low-cost prescription glasses from participating optometrists and free contact lenses for specified eye conditions. • Personal AlertSA, with rebates of up to \$380 for the purchase and installation of approved personal safety monitored devices and up to \$200 yearly for monitoring services. <p>During 2020-21, the DHS Screening Unit continued to provide free screening to volunteers, benefiting over 50,000 volunteers and saving volunteers and organisations over \$2.9 million.</p> |
| Better Services | <p>Intensive Family Support Services</p> <p>The recommissioned Intensive Family Support Services commenced on 31 March 2021, replacing the Targeted Intervention Service and Family Preservation Service. The new model is based on the most recent research regarding interventions that work for families whose children are at risk of entering the child protection system. Services include risk and safety planning, are trauma responsive and culturally safe.</p> <p>A total of \$52 million has been allocated over four years, with services being delivered across metropolitan Adelaide and the regions by Centacare Catholic Family Services, Centacare Catholic Country SA, Relationships Australia South Australia, Kornar Winmil Yunti, Uniting Country SA, Anglican Community Care and Aboriginal Family Support Services.</p> |

| Key objective | Agency's contribution |
|---------------|--|
| | <p>Community Connections Program</p> <p>The SA HACC program permanently ceased on 30 April 2021 and was replaced by a new Community Connections program, which was developed following sector engagement. The new program has been established to support socially isolated people to increase their independence and to build strong, sustainable social and community connections.</p> <p>The Community Connections program addresses a service gap for people who are not eligible for mainstream programs such as the NDIS, My Aged Care or National Carer Gateway, but who need extra support to build social networks and community connections to regain their independence. Key components of the new program commenced on 3 May 2021 following a tender process, with formal commencement beginning on 1 July 2021.</p> <p>Personal AlertSA</p> <p>During 2020-21, DHS completed a review of personal alert technology under the Personal Alert Systems Rebate Scheme, and rebranded the scheme to Personal AlertSA (PASA). Following a tender process, new suppliers and products have been available to PASA customers from 1 February 2021.</p> <p>The scheme now offers a broader and more contemporary range of device styles with improved capabilities. All devices now have falls detection and 4G technology, with some also having GPS capabilities. The GPS devices, available in both a pendant and Smartwatch style, can increase people's independence as users remain connected to their personal alert support when participating in the community.</p> |

Agency specific objectives and performance

| <p>Agency Objective: Modernising Services - Services reflect the changing needs of South Australians with a focus on efficiency and sustainable outcomes.</p> | |
|--|---|
| Indicators | Performance |
| <p>Child and Family Safety Networks are implemented across South Australia.</p> | <p>The Child and Family Assessment Referral Networks (CFARNS) program provides local level coordination to parents and children with complex needs, as well as intensive case management support. There are currently four CFARNS in South Australia, with three operated by DHS and one by Relationships Australia.</p> <p>During 2020-21, ten new statewide local coordination sites called Child and Family Safety Networks (CFSNs) were established to supplement CFARNS. The CFSNs facilitate local level resource sharing, service coordination and advice.</p> |
| <p>Implementation of the Social Impact Framework to better guide investment in community services.</p> | <p>A Social Impact Framework has been developed to provide consistent rigour in how DHS designs and commissions future programs to maximise impact, and to achieve balance in investment across different needs groups, geographical locations and service types. The department consulted with funded peak bodies and there was general support for the potential of the Framework to better inform DHS investment in programs and services.</p> <p>The Social Impact Framework will be launched in early 2021-22.</p> |
| <p>Employment-related screenings and processes are streamlined.</p> | <p>The Screening Unit reviewed the types of screenings provided and explored opportunities to streamline and reduce costs for organisations and applicants. Consultation with around 60 government agencies and large to medium use organisations commenced in late November 2020.</p> <p>Broader consultation was delayed due to the commencement of NDIS worker checks.</p> |

| | |
|--|---|
| <p>Agency Objective: Modernising Services - Services reflect the changing needs of South Australians with a focus on efficiency and sustainable outcomes.</p> | |
| <p>Indicators</p> | <p>Performance</p> |
| <p>Commencement of capital works to consolidate contemporary youth custodial services at a single improved site.</p> | <p>In the 2020-21 State Budget, the Government committed \$18.7 million over three years to consolidate the provision of youth custodial services into a single site at Goldsborough Road to provide young people in custody with access to better facilities and programs. An architect has been appointed to the project, with the Department for Infrastructure and Transport engaged as the project specialist with responsibility for managing project procurement processes.</p> <p>During 2020-21, the department worked closely with key stakeholders to ensure the new infrastructure considers the needs of Aboriginal young people, young people with complex needs and both the physical and psychological influence of the environment. Following extensive consultation, the concept design was presented to staff and key stakeholders, including the Training Centre Visitor.</p> |
| <p>Digitisation of Family Safety Meetings is finalised to improve the collection and sharing of data.</p> | <p>The department worked with an external vendor to finalise the digitisation of Family Safety Meetings through the development of an online Family Safety Portal, which will improve the collection and sharing of data and support online meetings. The Office for Women developed the specific digitisation functions, policies and procedures which support digitisation, and worked with key stakeholders, including South Australia Police, to ensure the portal meets the business needs of all Family Safety Meeting members.</p> <p>The testing stages of the Family Safety Portal identified the need for additional system enhancements to ensure that information is secure. This has resulted in a delay in the full rollout of the portal.</p> |

| <p>Agency Objective: Modernising Services - Services reflect the changing needs of South Australians with a focus on efficiency and sustainable outcomes.</p> | |
|--|--|
| Indicators | Performance |
| <p>Independent Living Centre services are transitioned to new arrangements under the NDIS.</p> | <p>As funding previously supporting the work of the Independent Living Centre (ILC) was redirected to the NDIS as part of the State’s contribution, options were considered about how to continue to deliver ILC services into the future. In late 2018, market sounding was undertaken with the department calling for a Registration of Interest and Request for Information. This identified the Catalyst Foundation’s interest and capability to deliver ILC services.</p> <p>In February 2021, the department accepted a proposal from Catalyst to continue operating some ILC services post 30 June 2021. On 1 July 2021 Catalyst commenced providing independent information and advice on equipment and technology, community education and attendance at expos, under the ILC banner.</p> |
| <p>Accommodation Services continues to be reformed to operate in line with the NDIS.</p> | <p>DHS Accommodation Services has continued to embed improvements in its service and work towards registration with the Quality and Safeguarding Commission to operate commercially.</p> <p>Service improvements include:</p> <ul style="list-style-type: none"> • establishment of a service agreement between clients and Accommodation Services • consistent training and development for all staff • improved reporting through anonymous complaints option for staff, clients and families • review of all restrictive practices in use and working to ensure all appropriate documentation is completed. <p>An audit by external providers against NDIS Quality and Safeguarding Commission requirements was conducted in November 2020. Initial feedback from the external auditors was that Accommodation Services is on track for successful registration for three areas of the service in 2021. These areas are community nursing, transport and community participation.</p> |

| <p>Agency Objective: Modernising Services - Services reflect the changing needs of South Australians with a focus on efficiency and sustainable outcomes.</p> | |
|--|---|
| Indicators | Performance |
| <p>Services provided by the Domiciliary Equipment Service are transitioned to the non-government sector.</p> | <p>As part of the State Government’s strategy to transition out of state disability services, DHS released a public tender in August 2020 for the supply of equipment to deliver services provided by the Domiciliary Equipment Service (DES). On 14 December 2020, DES closed with ALTER, a non-government supplier, commencing a contract to deliver refurbished and readily-available loan equipment services to DHS Equipment Program clients.</p> <p>The DHS Equipment Program was established to fund South Australians who are otherwise ineligible for equipment and home modifications through Commonwealth Government funding options.</p> |
| <p>A new Aboriginal Language Interpreting Service is developed within the Interpreting and Translating Centre.</p> | <p>The department is working with the Department of the Premier and Cabinet, Aboriginal organisations and communities, TAFE SA, the National Accreditation Authority for Translators and Interpreters, and other government and non-government service agencies to create a new Aboriginal Language Interpreting Service (ALIS) within the DHS Interpreting and Translating Centre. The ALIS is an initiative under the <i>South Australian Government Aboriginal Affairs Action Plan 2021-2022</i> to address a significant shortage of trained and readily available Aboriginal language interpreters.</p> <p>An ALIS Project Team commenced in the Interpreting and Translating Centre in May 2021, and is responsible for designing and implementing the new service. A phased roll out of the new service is scheduled to commence in late 2021.</p> |

| <p>Agency Objective: Modernising Services - Services reflect the changing needs of South Australians with a focus on efficiency and sustainable outcomes.</p> | |
|--|--|
| Indicators | Performance |
| <p>Commencement of NDIS worker checks in South Australia.</p> | <p>NDIS worker checks commenced across all Australian states and territories on 1 February 2021, with the exception of the Northern Territory where they commenced on 1 July 2021. NDIS worker checks are:</p> <ul style="list-style-type: none"> • valid for five years • portable across roles, organisations and jurisdictions • subject to ongoing monitoring of national police records and misconduct and disciplinary records of the NDIS Commission. <p>The introduction of NDIS worker checks represented an unprecedented achievement of the states, territories, and the Commonwealth coming together to agree on a nationally consistent screening policy designed to help NDIS providers keep people with disability safe from harm.</p> |

| <p>Agency Objective: Building Inclusion, Independence and Resilience - Accessible communities where all South Australians can participate, achieve their aspirations, and build resilience and independence.</p> | |
|---|--|
| Indicators | Performance |
| <p>Development and launch of the Second Volunteering Strategy for South Australia.</p> | <p>The department partnered in a four-stage development process to produce and launch the second Volunteering Strategy. The first two stages involved consultation and were undertaken during 2019-20. Stage three involved the development of the second Strategy document, integrating feedback from key stakeholders including an online consultation process hosted on YourSAy from 17 February to 26 March 2021.</p> <p>Stage four was the public launch, with the <i>Volunteering Strategy for South Australia 2021-2027</i> launched at the annual National Volunteer Week Parade on 17 May 2021.</p> |

| <p>Agency Objective: Building Inclusion, Independence and Resilience - Accessible communities where all South Australians can participate, achieve their aspirations, and build resilience and independence.</p> | |
|--|--|
| Indicators | Performance |
| <p>Strategies in the <i>Strong Futures: SA Youth Action Plan 2020-2022</i> continue to be implemented.</p> | <p>DHS provided funding to a range of programs and initiatives aligned to the priorities of the Youth Action Plan including:</p> <ul style="list-style-type: none"> • Funding to the Youth Affairs Council of South Australia (YACSA) (\$414,774 in 2020-21), for sector support and advocacy as the peak representative body for South Australian young people and the youth sector. • COVID-19 Recovery Grant to YACSA (\$120,000 in 2020-21), to fund a dedicated 12-month Recovery Project Officer to support the youth sector in meeting its recovery needs. • COVID-19 Recovery Grant to the Working Women’s Centre (\$120,000 in 2020-21), to fund a 12-month Youth Project Officer to provide awareness raising and education to priority groups, undertake research on the impact of COVID-19 on these groups and develop the centre’s recovery efforts. • \$550,000 to the Local Government Association SA for a program of one-off youth-led COVID-19 recovery grants. Launched on 17 August 2020, councils are implementing 14 youth-led recovery projects across 23 local government areas. • Funding to the Port Augusta Social Vision Program (\$271,188 in 2020-21), which includes two components, the Port Augusta Youth Centre and the Salvation Army Youth Safe Transport Service, that support better outcomes for vulnerable and/or at-risk young people in Port Augusta. |

| <p>Agency Objective: Building Inclusion, Independence and Resilience - Accessible communities where all South Australians can participate, achieve their aspirations, and build resilience and independence.</p> | |
|--|--|
| Indicators | Performance |
| <p>Women’s Leadership and Economic Security Strategy is finalised.</p> | <p>The finalisation of the Women’s Leadership and Economic Security Strategy was delayed due to COVID-19, to ensure that it responded to changed circumstances and supported women’s economic wellbeing in recovery. On 5 March 2021, a Roundtable was held with a range of leaders from South Australian businesses including members of the Chiefs for Gender Equity, to discuss the key priorities that should inform the Strategy.</p> <p>Key issues identified through the Roundtable were included in the <i>Women’s Leadership and Economic Security Strategy 2021-2024</i>, which was finalised and launched in August 2021. The Strategy targets three crucial areas of employment and entrepreneurship, leadership and recognition and financial wellbeing.</p> |
| <p>Actions continue to be progressed under <i>Young People Connected, Communities Protected: South Australia’s Youth Justice State Plan 2020-2023</i>.</p> | <p>Several actions under the Youth Justice State Plan have been realigned with new or ongoing projects. Of 14 actions due by 30 June 2021 (based on revised due dates), or considered ongoing business, nine have been completed and five are in progress.</p> <p>Completed deliverables during 2020-21 include:</p> <ul style="list-style-type: none"> • further development and marketing of the Youth Justice Victims’ Register to empower victims of crime and consider their voices in understanding the impacts of crime • investment in new technologies, including the installation of body scanners at the Kurlana Tapa Youth Justice Centre to reduce the need for partially clothed searches • implementation of an electronic logging system at Kurlana Tapa. |

| <p>Agency Objective: Building Inclusion, Independence and Resilience - Accessible communities where all South Australians can participate, achieve their aspirations, and build resilience and independence.</p> | |
|--|--|
| Indicators | Performance |
| <p>State authorities are supported to publish their Disability Access and Inclusion Plans.</p> | <p>The department supported State authorities by developing a guideline that outlines the requirements State authorities must meet when developing and consulting on the development of their Disability Access and Inclusion Plans (DAIPs). The guideline was made available on the Inclusive SA website along with other resources including a toolkit and DAIP template.</p> <p>A community of practice forum was also established that enabled agencies to share information and learnings. Three virtual forums were held in mid-August 2020 covering the topics of consultation, data collection and preparation for publishing.</p> |
| <p>First annual report prepared on the operation of the State Disability Inclusion Plan.</p> | <p>The first annual report on the operation of the <i>State Disability Inclusion Plan 2019-2023</i> (Inclusive SA) was tabled in both Houses of Parliament on 18 February 2021, as required under the <i>Disability Inclusion Act 2018</i>. DHS conducted cross-government consultation to prepare the annual report, which outlines the progress State authorities have made on the actions in Inclusive SA.</p> <p>Of the 39 actions outlined in Inclusive SA, two have been completed (Action 3 and Action 20) and all others are 'In progress' with varying timeframes for implementation, as set by the responsible State authority.</p> |
| <p>Community consultation is undertaken to guide the development of options for the future of the Highgate Park site.</p> | <p>Think Human was engaged by the department to undertake community consultation on options for the future of the Highgate Park site and the Home for the Incurables Trust that owns it. Consultation was undertaken between July and October 2020, with more than 360 people involved in the consultation process. The consultation focussed on people with lived experience of disability from metropolitan Adelaide and regional South Australia, Aboriginal people living with disability, and subject matter experts working in the disability sector.</p> <p>Highgate Park will now be sold with any proceeds used to promote greater community inclusion and benefit people living with disability. The full consultation report is available on the DHS website.</p> |

| <p>Agency Objective: Intervening Earlier - Vulnerable South Australians receive the right support early to reduce risk and build individual and community wellbeing.</p> | |
|---|---|
| Indicators | Performance |
| <p>Continue reform of the Child and Family Support System.</p> | <p>In the past year, the department continued to reform the Child and Family Support System to achieve the best outcomes for families and children. This includes the:</p> <ul style="list-style-type: none"> • establishment of the Adult Supporting Kids (ASK) website for families seeking information and support regarding child safety • establishment of a new pathways service to ensure centralised referral management, service matching and enable future reporting on outcomes for government and non-government delivered intensive family services • development of a South Australian nuanced Cultural and Trauma Responsiveness training package in conjunction with SNAICC (Secretariat of National Aboriginal and Islander Child Care), to be delivered by local Aboriginal Community Controlled Organisations (ACCOs) • commencement of a two-year pilot in Central and Southern Adelaide of Breathing Space* (run by Centacare), a service targeting young women whose children have been removed and placed in the child protection system. <p><i>* Correction: The department's 2019-20 annual report incorrectly reported on page 17 that a Breathing Space program was established in the Northern suburbs.</i></p> |
| <p>Safety Hubs are extended into regional South Australia.</p> | <p>As at 30 June 2021, six Safety Hubs have been established in regional South Australia to provide targeted information and referrals for women and their children to enable access to the local level support they require.</p> <p>In the past year, the following four Safety Hubs have been delivered:</p> <ul style="list-style-type: none"> • KWY Port Augusta Safety Hub, opened November 2020 • The Haven at Gawler, opened December 2020 • The Haven at Mount Barker, opened March 2021 • The Haven at Mount Gambier, opened May 2021. <p>Safety Hubs were previously established at Murray Bridge (launched in August 2019) and Berri (launched in September 2019).</p> |

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| <p>Agency Objective: Intervening Earlier - Vulnerable South Australians receive the right support early to reduce risk and build individual and community wellbeing.</p> | |
| <p>Indicators</p> | <p>Performance</p> |
| <p>Early support and intervention services are established for perpetrators of domestic violence.</p> | <p>During 2019-20, the focus of the South Australian perpetrator response was the establishment of a telephone information and referral service to enable frontline workers and self-referring perpetrators of domestic and family violence to make early contact and be linked with specialist perpetrator responses. The new service is supported with the allocation of \$400,000 per annum, indexed from 2021-22, in the 2020-21 State Budget.</p> <p>To establish the new statewide early intervention counselling service, providers were invited to respond to a Request for Tender between April and May 2021. Following a comprehensive evaluation process, No to Violence (NTV), a nationwide non-government organisation, was selected to deliver the Statewide Perpetrator Response from 1 July 2021. The procurement process assessed all tenderers against a range of evaluation criteria including the capacity to deliver, knowledge of and experience with the client group, community networks and communications.</p> |
| <p>Strategies to increase safeguards for people with disability are supported.</p> | <p>In response to the Safeguarding Task Force Supplementary Report, the State Government allocated \$1.2 million over three years in the 2020-21 State Budget for the establishment of a new statewide advocacy service. Following a tender process, Uniting Communities was selected to provide the service which commenced in December 2020. The statewide individual advocacy service provides legal representation for people to challenge NDIS decisions, as well as educate and empower people with disability to advocate for themselves.</p> <p>In addition to the new advocacy service, the role of the Disability Advocate, Dr David Caudrey, has been extended until 2023. This position has played a key role in collating evidence about how the transition to the NDIS has progressed in South Australia and capturing any unintended systemic gaps as a result of the disability reform process.</p> |

| <p>Agency Objective: Intervening Earlier - Vulnerable South Australians receive the right support early to reduce risk and build individual and community wellbeing.</p> | |
|---|---|
| Indicators | Performance |
| <p>Therapeutic environment strengthened at the Kurlana Tapa Youth Justice Centre.</p> | <p>The therapeutic environment at the Kurlana Tapa Youth Justice Centre is being strengthened through the development of an Enhanced Support Team, which will pilot a model of therapeutic care and focus on intensive behaviour support planning and interventions for young people with complex needs, including those with a disability. The Enhanced Support Team comprises allied health professionals with disability expertise and commenced in August 2021.</p> <p>The department also commenced the development of a Sensory Modulation Framework to provide children and young people with the knowledge and resources to help them understand their sensory processing needs and to develop self-regulation skills. The Framework will include a set of practical recommendations on how to modify environments to respond to the varied sensory processing needs of children and young people in custody.</p> |
| <p>Implementation of the Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment in South Australia.</p> | <p>During 2020-21, DHS provided feedback through the Attorney-General's Department (AGD) in regard to the implementation of a National Preventative Mechanism (NPM) for Youth Justice Services under the Optional Protocol to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT).</p> <p>AGD is leading the implementation of OPCAT in South Australia, with each state and territory required to nominate a NPM as the independent monitor to undertake preventative visits to places of detention. The draft South Australian OPCAT Implementation Bill 2021 designates the Training Centre Visitor as the NPM in respect of children and young people detained in the Kurlana Tapa Youth Justice Centre.</p> |

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|---|---|
| <p>Agency Objective: Intervening Earlier - Vulnerable South Australians receive the right support early to reduce risk and build individual and community wellbeing.</p> | |
| <p>Indicators</p> | <p>Performance</p> |
| <p>Establishment of the Aboriginal Cultural Trail and Connection Space at Kurlana Tapa.</p> | <p>Aboriginal Elders, children and young people were engaged in the design and development of the Aboriginal Cultural Trail and Connection Space at Kurlana Tapa, which was officially opened on 23 February 2021. This initiative provides a unique space for Aboriginal children and young people in custody at the Kurlana Tapa Youth Justice Centre.</p> <p>The cultural trail and connection space include a Restorative Connection Shelter, Desert Dance space, Ibis Theatre, a Kurna Shield Shelter, Metal Coolamon, waterhole and fire pit, which will be used for a range of educational, cultural, language and recreational activities.</p> |
| <p>Acceleration of the Transition to Home program to enable discharge-ready people with disability to move from hospital to community accommodation.</p> | <p>The Transition to Home (T2H) step down program was implemented in March 2020, as part of South Australia’s existing Long Stay Transition to Discharge Project. The T2H program facilitates the timely discharge of people with disability from hospital into the community.</p> <p>In the past year, DHS continued working with the Department of Health and Wellbeing, Local Hospital Networks and the National Disability Insurance Agency (NDIA) to accelerate the T2H program to enable discharge-ready people with disability move to community accommodation. The program increased from 20 to 24 beds, three service coordinators were appointed, and clients were provided with capacity building.</p> |

Corporate performance summary

The following is a summary of the key corporate service achievements in 2020-21:

- DHS achieved reaccreditation as a White Ribbon Workplace for the next three years, reaffirming our commitment to combating gendered-based violence, challenging disrespectful behaviours and fostering greater inclusivity and equality for all women. To achieve reaccreditation, the department successfully met 15 criteria under three standards to create a safer and more respectful workplace.
- In October 2020, the department released its first Disability Access and Inclusion Plan, which supports Inclusive SA, the *State Disability Inclusion Plan 2019-2023*. Developed following extensive consultation with staff and the community, the *DHS Disability Access and Inclusion Plan 2020-2024* outlines the actions the department will progress over the next four years to improve the accessibility and inclusiveness of our services and supports for people with disability.
- The *Aboriginal Recruitment Guide* was launched in October 2020, which supports managers to undertake culturally inclusive recruitment and provides advice on the avenues that are available to assist in the recruitment of Aboriginal people.
- On 17 March 2021, the Screening Unit connected to the Working with Children Check (WWCC) National Reference System (NRS), which enables the exchange of information about negative WWCC decisions across Australia. Integration to the WWCC NRS represents the ongoing commitment of the Government to continually improve the WWCC scheme and information sharing capabilities to contribute to the protection of children across Australia.
- The *DHS Aboriginal Workforce Strategy 2021-2023* was officially launched on 28 May 2021. The Strategy outlines the department's commitment to action through four key focus areas with specific actions that will support DHS to be a department of first choice for Aboriginal people.
- The department's Australian Service Excellence Team maintained the Australian Service Excellence Standard's (ASES) international accreditation rating with the International Society for Quality in Health Care External Evaluation Association (IEEA). ASES is owned by DHS and designed with the non-government community service organisations to improve management practices, business systems and service delivery.

Employment opportunity programs

| Program name | Performance |
|---|--|
| Skilling SA Public Sector Project | Five trainees under 30 years of age were employed by the department under this initiative, which is being led by the Office of the Commissioner for Public Sector Employment (OCPSE). Three Aboriginal trainees, including two of the five aforementioned trainees, were hosted in the department through a Group Training Organisation. |
| Aboriginal Workforce Employment Initiatives | During 2020-21, 22 Aboriginal people were employed by the department, with three appointed to identified Aboriginal employment positions. There were a further eight appointments from the OCPSE Aboriginal Employment Register. |
| Disability Support Traineeships | A total of 39 trainee disability support workers, out of a goal of 175 over two years, were employed by the department and appointed to positions within Accommodation Services. |

Agency performance management and development systems

| Performance management and development system | Performance |
|---|---|
| <p>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 Plans (PDPs).</p> <p>PDPs are to be formally discussed at least twice per year in annual and mid-cycle Performance Development Reviews. Reporting the completion of Performance Development Reviews on HR21 is mandatory to meet the department's reporting requirements.</p> | <p>The percentage of employees with a Performance Development Review in the last 12 months has increased from 67.9% in 2019-20 to 73.9% in 2020-21.</p> <p>As at 30 June 2021, 58.4% of Performance Development Reviews were current, having been reviewed within the last six months.</p> <p>Of the remaining reviews:</p> <ul style="list-style-type: none"> • 15.5% had expired being over six months • 14.7% had expired being over 12 months • 6.8% were not recorded for staff with at least 90 days of service • 4.6% were not recorded for staff with less than 90 days of service. |

Work health, safety and return to work programs

| Program name | Performance |
|--|---|
| <p>Work Health & Safety and Injury Management Audit and Verification</p> | <p>In the past year, the department participated in a verification audit of its Work Health and Safety (WHS) and Injury Management (IM) system. The WHS and IM systems are conforming with legislative requirements, with some areas identified for improvement.</p> <p>The WHS Verified Self-Assessment (VSA) audit, conducted by Deloitte, is an element of the broader Audit and Verification Systems (AVS) program managed by OCPSE. The VSA provides the participating agency with an independently verified assessment of its Safety Management System and a view on the implementation of that system at a series of selected worksites.</p> <p>The IM audit, conducted by ReturnToWorkSA, is designed to protect the integrity and fairness of the scheme through worksite inspections, audits and evaluation against legislation, regulations and service standards.</p> |
| <p>Safety Management System</p> | <p>A review of the Safety Management System (SMS) was undertaken which identified various gaps and determined that it was antiquated in its approach. A fully revised SMS was developed that is contemporary, considers the altered risk profile of our department and provides clear line of site to <i>Building Safety Excellence in the Public Sector</i>, and reflects internal policy, objectives and risks.</p> <p>The new SMS has been approved and implemented.</p> |
| <p>Mental Health First Aid Skilled Workplace</p> | <p>The department has maintained the 'Gold' standard accreditation as a Mental Health First Aid (MHFA) Skilled Workplace for our investment in developing mental health first aid skills in our people. The department has also demonstrated a strong commitment to embedding the MHFA program into our culture through senior leadership support, relevant policies, development of a Mental Health Strategy and continuous improvement.</p> |
| <p>Influenza Vaccination Program</p> | <p>The DHS Influenza Vaccination Program is part of the department's health and wellbeing initiative, contributing to infection control strategies and the prevention of seasonal pandemic influenza. All staff are encouraged to participate in the voluntary program. The program promotes a healthy workplace, reduces influenza-related absenteeism, increases productivity and engagement, and prevents flu spreading to other staff and clients.</p> |

| Program name | Performance |
|-------------------------------------|--|
| Wellbeing and Safety Webinar Series | <p>In conjunction with Corporate Health Group, the department's Employee Assistance Provider (EAP), a new series of webinars were developed to provide employees and managers with tools, knowledge and support to improve their mental health and wellbeing.</p> <p>The webinar topics are:</p> <ul style="list-style-type: none"> • Employee Wellbeing Check • Resilience at Work • Change (accepting a new landscape) • Fatigue/Sleep Hygiene • Emerging Mental Health Issues. <p>Corporate Health Group also facilitated a webinar for staff with family and friends in India. The 45 minute online session provided an avenue for staff to share their experiences and concerns and discuss support services available for staff and their family.</p> |
| MySAFETY | <p>In August 2020, the department transitioned to MySAFETY, the State Government's new work health and safety system.</p> <p>Staff use MySAFETY to report the following as they occur:</p> <ul style="list-style-type: none"> • workplace hazards • workplace incidents, with or without injury • client incidents • feedback - complaints, compliments and suggestions • bullying concerns. |
| Teamgage | <p>Teamgage was implemented across the department in 2019-20 as part of our commitment to building a strong workplace culture where staff feel supported and heard. The online platform builds employee engagement by regularly collecting workplace feedback.</p> <p>In May 2021, a question was included seeking staff feedback on wellbeing and safety. This enables the DHS Wellbeing and Safety Unit and divisions to monitor and address identified concerns and potential risks.</p> |

| Workplace injury claims | 2020-21 | 2019-20 | % Change (+ / -) |
|--|----------------|----------------|-------------------------|
| Total new workplace injury claims | 197 | 210 | -6.2% |
| Fatalities | 0 | 0 | 0 |
| Seriously injured workers ¹ | 1 | 1 | 0 |
| Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1,000 FTE) | 44.7 | 32.2 | +38.8% |

Note: The information in the above table in regard to the total number of new workplace injury claims and frequency rate per 1,000 FTE is reflective of the total number of claims received. Of the 197 claims received in 2020-21, only 147 were accepted as compensable. The Building Safety Excellence in the Public Sector targets are based on 'accepted' claims only.

¹ Number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5).

| Work health and safety regulations | 2020-21 | 2019-20 | % Change (+ / -) |
|--|----------------|----------------|-------------------------|
| Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>) | 3 | 9 | -66.7% |
| Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>) | 3 | 0 | +300% |

| Return to work costs ² | 2020-21 | 2019-20 | % Change (+ / -) |
|--|----------------|----------------|-------------------------|
| Total gross workers compensation expenditure | \$8.90m | \$8.81m | +1.0% |
| Income support payments - gross ³ | \$4.43m | \$2.94m | +50.7% |

² Before third party recovery

³ The increase in income support payments is attributable to the increases in the average payment, number of days lost and rate of significant injury.

Data for previous years is available at: [Data.SA - DHS Annual Report - Annual report data](#)

Executive employment in the agency

| Executive classification | Number of executives |
|---------------------------------|-----------------------------|
| EXEC0E | 1 |
| SAES1 | 19 |
| SAES2 | 6 |

The number of executives is based on the number as at 30 June 2021.

Data for previous years is available at: [Data.SA - DHS Annual Report - Annual report data](#)

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

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2020-21 are attached to this report.

| Statement of Comprehensive Income | 2020-21 Budget \$000s | 2020-21 Actual \$000s | Variation* \$000s | 2019-20 Actual \$000s |
|--|-----------------------|-----------------------|-------------------|-----------------------|
| Total Income | 1,076,700 | 1,087,481 | 10,781 | 1,142,743 |
| Total Expenses | 1,099,255 | 1,087,142 | -12,113 | 1,086,080 |
| Net Result | -22,555 | 339 | 22,894 | 56,663 |
| Changes in property, plant and equipment asset revaluation surplus | - | -9,510 | -9,510 | 2,544 |
| Total Comprehensive Result | -22,555 | -9,171 | 13,384 | 59,207 |

* Variation between 2020-21 Budget and 2020-21 Actual

The 2020-21 Actual total comprehensive result is a deficit of \$9.171 million, which is \$13.384 million favourable when compared to the 2020-21 Budget. This is primarily due to a decision to transfer Crown land, formerly occupied by the Strathmont Centre, to the Department for Environment and Water.

This decision resulted in the budgeted return of anticipated sale proceeds to the consolidated account not occurring, leading to the improvement compared to the projected deficit. This improvement was partially offset by a decrement applied to the asset revaluation surplus following an asset valuation.

| Statement of Financial Position | 2020-21 Budget \$000s | 2020-21 Actual \$000s | Variation* \$000s | 2019-20 Actual \$000s |
|---------------------------------|-----------------------|-----------------------|-------------------|-----------------------|
| Current assets | 241,154 | 225,811 | -15,343 | 217,629 |
| Non-current assets | 144,339 | 123,368 | -20,971 | 169,165 |
| Total assets | 385,493 | 349,179 | -36,314 | 386,794 |
| Current liabilities | 89,202 | 66,894 | -22,308 | 71,572 |
| Non-current liabilities | 76,490 | 74,388 | -2,102 | 72,867 |
| Total liabilities | 165,692 | 141,282 | -24,410 | 144,439 |
| Net assets | 219,801 | 207,897 | -11,904 | 242,355 |
| Equity | 219,801 | 207,897 | -11,904 | 242,355 |

* Variation between 2020-21 Budget and 2020-21 Actual

The net decrease in net assets between the 2020-21 Budget and 2020-21 Actual result is mainly due to the:

- reduction in current assets, reflecting lower than anticipated cash held
- reduction in non-current assets, reflecting the impact of asset revaluation and the transfer of Crown land to the Department for Environment and Water
- net reduction in liabilities, reflecting the impact of actuarial revaluations of liabilities for long service leave and workers compensation.

Consultants disclosure

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

Consultancies below \$10,000 each

| Consultancies | Purpose | Actual payment |
|--|---------|----------------|
| All consultancies below \$10,000 each - combined | Various | \$4,614 |

Consultancies above \$10,000 each

| Consultancies | Purpose | Actual payment |
|-----------------------------------|--|----------------|
| Certifii HCS Pty Ltd | Certification audit of Accommodation Services against NDIS Practice Standards | \$10,800 |
| Deloitte Access Economics Pty Ltd | To provide advice and assist with the development of a strategy aimed at improving the employment and economic situation of women in South Australia | \$70,159 |
| Ernst & Young | Review sector pay and conditions between Disability Modern Award and Enterprise Bargaining Agreement | \$32,743 |
| KPMG | Cultural Review of Kurlana Tapa Youth Justice Centre | \$51,687 |

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| Consultancies | Purpose | Actual payment |
|--|---|-----------------------|
| KPMG | Policy advice on government owned Specialist Disability Accommodation housing | \$14,967 |
| KPMG | Review of regulation of Supported Residential Facilities | \$48,697 |
| Maven Consultancy | To provide guidance on Allied Health Professionals engaged in countering violent extremism intervention | \$28,800 |
| Peter Hibbert Family Trust | Data breach root cause analysis and recommendations for future improvement | \$11,440 |
| PricewaterhouseCoopers | Review of the Critical Client Incident Policy | \$19,039 |
| Quantum Certification Services Pty Ltd | Independent gap analysis for the NDIS Practice Standards | \$22,444 |
| Reconciliation South Australia Incorporated | To assist in the development of the revised Reconciliation Action Plan | \$16,000 |
| SNAICC - National Voice for our Children (Aboriginal And Torres Strait Islander Corporation) | Undertake the Culturally Responsive and Trauma Informed Service Delivery Pilot Project to develop training programs for staff | \$113,822 |
| Think Human Pty Ltd | To facilitate community engagement regarding the future of the Home for the Incurables Trust | \$70,313 |
| Torque Holdings Pty Ltd | Independent audit of Registered Training Organisation materials and advice on systemic issues identified | \$13,950 |
| | Total | \$524,861 |

Data for previous years is available at: [Data.SA - DHS Annual Report - Annual report data](#)

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

Contractors disclosure

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

Contractors below \$10,000

| Contractors | Purpose | Actual payment |
|--|----------------|-----------------------|
| All contractors below \$10,000 each - combined | Various | \$265,033 |

Contractors above \$10,000 each

| Contractors | Purpose | Actual payment |
|-----------------------------|---|-----------------------|
| Anne Nicolaou Consulting | Review Clinical Governance and Practice Framework and draft Safe and Well Roadmap | \$11,700 |
| BAJMAA Pty Ltd | Relocation of office furniture | \$16,485 |
| Bookabee Services Australia | Facilitation of a two-day staff training program on Aboriginal sensitivity and respect | \$23,430 |
| Boundary Solutions Pty Ltd | Installation, maintenance and support of access control, CCTV and electronic security systems | \$179,456 |
| Community Data Solutions | Community business intelligence projects | \$197,973 |
| Connected Self Pty Ltd | Development of framework, practice guidelines and implementation plan for trauma responsive project | \$42,457 |
| Contact 121 Pty Ltd | Call centre service fees for Accommodation Services | \$14,785 |
| Creative Systems Pty Ltd | Supply and installation of office equipment and furniture | \$102,955 |

| Contractors | Purpose | Actual payment |
|--|--|-----------------------|
| Dana Shen - DS Consultancy | Review Aboriginal gambling help services and provide advice about the best way to support Aboriginal people and their communities in relation to gambling harm | \$48,100 |
| Dana Shen - DS Consultancy | Trauma responsive and healing system framework | \$13,000 |
| Detail Studio Pty Ltd | Fit out of office spaces at Riverside, new training rooms and accessible bathroom at Endeavour House | \$16,950 |
| Exon Security & Alarms | Supply and installation of CCTV and security systems | \$39,240 |
| Finsbury Green Pty Ltd | Supply and installation of graphic window film | \$15,533 |
| Flinders University | Review of DHS demographic data and report for DHS Yunga Nungas evaluation | \$26,136 |
| Greencap Pty Ltd | Asbestos management register update | \$14,405 |
| Healthcare Australia Pty Ltd | Provision of occupational therapy services | \$28,494 |
| Inlingua Text Pty Ltd | Professional typesetting services for translated documents | \$15,400 |
| JTWO Solutions Pty Ltd | Assessment of cloudstep application | \$13,700 |
| KPPM Strategy | Review of gambling help services targeting at-risk populations and provide advice about the service elements needed in the design of future contracts | \$22,500 |
| Landscape Construction Service Pty Ltd | Landscaping for Kurlana Tapa Youth Justice Centre cultural space | \$13,785 |

| Contractors | Purpose | Actual payment |
|---|--|-----------------------|
| Lorraine Merrick | Targeted consultation process with Aboriginal organisations to better understand the unique needs of Aboriginal people under the Community Connections program and develop options for the practical implementation of the new service model | \$27,500 |
| Mossop Construction + Interiors | Alterations to office spaces (including mail room) and construction of new training rooms and accessible bathroom | \$126,211 |
| NEC Australia Pty Ltd | Hire of System Centre Configuration Manager Engineer | \$60,047 |
| Objective Corporation Limited | Objective Consulting Services Program | \$21,250 |
| Parenting Research Centre Inc | Evaluation of Northern and Western Intensive Family Support pilot programs | \$109,036 |
| PricewaterhouseCoopers Consulting (Australia) Pty Limited | Community and Family Services Business continuity plan, communication and toolkit | \$23,052 |
| Procurement Partners Pty Ltd | Facilitation of probity services for recommissioning of Intensive Family Support Services to Early Intervention Research Directorate | \$26,983 |
| SA Commercial Blinds Pty Ltd | Supply and installation of blinds | \$104,600 |
| Sally Rhodes Consultancy Services | Counselling services to clients | \$91,890 |
| Signarama Norwood | Supply and installation of graphics at Riverside | \$22,896 |
| Steelguard Industries Pty Ltd | Installation of TV security housings | \$156,780 |
| Strategic Solutions Co | Preparation and facilitation of workshop | \$11,200 |

| Contractors | Purpose | Actual payment |
|---|--|-----------------------|
| Summarize | Services provided to enable business intelligence solutions in Microsoft platform for DHS Equipment Services | \$103,935 |
| SYSLINX Pty Ltd | Update of concessions system to allow the administration of the Switch for Solar program, which is a joint initiative with the Department for Energy and Mining | \$26,630 |
| T & T Electrical Services P/L | Supply and installation of new network outlets | \$11,266 |
| The Australian Centre for Social Innovation Inc | To develop a Theory of Change for the South Australian gambling landscape and identify key levers and actions to prevent and minimise gambling harm | \$112,870 |
| The Conference Company Ltd | Conference management services for the International Congress on Child Abuse and Neglect 2020 | \$11,961 |
| The Trustee for F2 Group Trust | Business analyst and project management support for the ASK Portal project | \$19,500 |
| The Trustee for Reach Your Potential Trust | Provision of advice on lived experience for the development of the ASK Website | \$20,903 |
| The University of Adelaide | Developing a practice framework for engaging with young people with complex needs | \$23,261 |
| The University of Adelaide | Developing a practice framework for engaging with young people with complex needs and SA Prevalence Study which sought to analyse South Australian gambling data to explore whether the characteristics of people gambling at risky levels in the community reflect the characteristics of people accessing gambling help services | \$24,627 |

| Contractors | Purpose | Actual payment |
|-------------------------------|--|-----------------------|
| The University of Queensland | Research and development of a practice framework for intervention service providers - countering violent extremism | \$95,000 |
| University of South Australia | Review of Sector Support and Advocacy Funding Guidelines in alignment with the DHS Social Impact Framework | \$139,980 |
| Workforce Hire | Investigation services | \$26,730 |
| | Total | \$2,254,592 |

Data for previous years is available at: [Data.SA - DHS Annual Report - Annual report data](#)

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

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

Other financial information

Pursuant to section 73BA of the *Gaming Machines Act 1992*, the Minister is required to report on the application of the Gamblers Rehabilitation Fund during the preceding financial year. This information is provided on page 47.

Other information

Nil to report

Risk management

Risk and audit at a glance

The **DHS Risk Management and Audit Committee (RMAC)** assists the Chief Executive in the identification of risks, determining priorities for action, developing and implementing strategies for effective risk management and ensuring accountabilities are met. The Committee oversees the focus of and receives reports from Internal Audit.

RMAC members are appointed by the Chief Executive with the Chair being an independent external member. In 2020-21, two new external members joined the Committee following the resignation of long-standing members. Furthermore, two internal members changed, with the change of membership invigorating and bringing new focus to RMAC.

Internal Audit undertake audit activities that provide assurance over the adequacy and effectiveness of controls and processes in place to manage departmental risks, and identify opportunities to strengthen control weaknesses and contribute to the delivery of DHS strategic objectives and services. Internal Audit also considers the risk of fraud and maladministration in the course of their work. This includes assessment of current control environments to ensure effective protection against fraud and maladministration as a standard objective of most of their reviews.

The **Incident Management Unit (IMU)** is responsible for undertaking 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.

The IMU is also responsible for coordinating correspondence and final reports to the Independent Commissioner Against Corruption (ICAC) on investigations conducted by the department involving DHS staff and non-government organisations. Investigations are undertaken primarily by the IMU; however, investigations may be assigned to Internal Audit where appropriate.

Fraud detected in the agency

| Category/nature of fraud | Number of instances |
|--|---------------------|
| Incidents related to discrepancies in clients' funds | 3 |
| Incidents related to missing property | 2 |
| False or misleading documentation | 2 |

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

DHS has a zero tolerance to fraud and maladministration with all incidents of discrepancies in client records, funds and/or property to be recorded on the internal DHS recording system.

In November 2019, the department established a Corruption and Fraud Prevention Committee as a sub-committee of the Executive Leadership Team. The Committee meets quarterly and was established to strengthen the department’s response to, and prevention of, fraud and corruption. The Committee monitors and oversees prevention control mechanisms across the agency and provides regular reports to the Executive.

During 2020-21, the Committee undertook a detailed fraud risk assessment across the department. This involved consultation with all DHS divisions to identify any control weaknesses or potential threats of fraud or corruption.

The Corruption and Fraud Prevention Committee also oversees the annual fraud and corruption awareness week. Each year the department identifies a week when it promotes the prevention of fraud and corruption. This involves daily bulletins to staff via the DHS intranet on various aspects of potential fraud.

Data for previous years is available at: [Data.SA - DHS Annual Report - Annual report data](#)

Public interest disclosure

| | 2020-21 | 2019-20 |
|---|---------|---------|
| Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the <i>Public Interest Disclosure Act 2018</i> : | 0 | 0 |

Data for previous years is available at: [Data.SA - DHS Annual Report - Annual report data](#)

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

| Act or Regulation | Requirement |
|--|--|
| <i>Gaming Machines Act 1992</i> | <p>73BA - Gamblers Rehabilitation Fund</p> <p>(6) The Minister responsible for the administration of the <i>Family and Community Services Act 1972</i> must, on or before 30 September in each year, prepare a report on the application of the Fund during the preceding financial year and must cause copies of the report to be laid before both Houses of Parliament.</p> |

The department, through the Office for Problem Gambling, administers the Gamblers Rehabilitation Fund (GRF) to provide programs that aim to minimise the harm caused by gambling. This includes face-to-face gambling help services that are available across South Australia, services targeting cohorts at increased risk of experiencing gambling harm, online and telephone gambling help services, as well as community education and information campaigns. During 2020-21, approximately \$5.69 million was allocated through the GRF to 12 gambling help services in each State Government region and 16 targeted services.

Changes to the *Gaming Machines Act 1992* proclaimed on 1 August 2020 expanded the scope of the GRF to allow for investment in prevention, early intervention, public education and gambling research. Under the reforms, the Government committed an additional \$1 million into the GRF to increase the services and support available to South Australians.

In 2020-21, the Office for Problem Gambling undertook a comprehensive consultation process to explore options for future investment under the GRF that achieve the intent of its expanded legislative scope. This involved consulting with key stakeholders in the South Australian gambling environment, reviewing existing data and academic literature, examining the policy direction taken in other jurisdictions, and leading a rigorous co-design process with help services, industry and people with lived experience of gambling harm.

The Office for Problem Gambling continued to progress foundational activities to support delivery of a future strategic investment approach for the GRF. This included engaging UnitingCare Wesley Bowden to deliver the Unplugged Program, a free, two-hour workshop for school communities aimed at educating young people and their carers on gaming, and the links between gaming and gambling to establish healthier gaming habits, reduce the risk of gambling harm and create healthier lifestyles.

| Act or Regulation | Requirement |
|--|--|
| <p><i>Julia Farr Services (Trusts) Act 2007</i></p> | <p>9 - Annual report</p> <p>(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:</p> <ul style="list-style-type: none"> (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 - <ul style="list-style-type: none"> (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. <p>(2) A report under subsection (1) should be prepared in a manner that does not identify a particular person.</p> |

As at 30 March 2021, there were no residents living at the Fullarton campus, now known as Highgate Park.

Residents of Highgate Park participated in the Reconnecting to Community project, which provided an opportunity to move to community accommodation. In April 2020, the final resident moved to a private aged care facility, and shortly afterwards chose to move to the Northgate Aged Care facility.

During the preceding 12 months no previous residents returned to Highgate Park, which is now closed.

| Act or Regulation | Requirement |
|---------------------------------------|---|
| <i>Water Industry Act 2012</i> | <p>87 - Consumer Advocacy and Research Fund</p> <p>(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.</p> <p>(7) A report under subsection (6) may be incorporated into the annual report of the relevant administrative unit.</p> <p>(8) The Minister must cause a copy of the report to be laid before both Houses of Parliament within 12 sitting days after the report is received by that Minister.</p> |

The Consumer Advocacy and Research Fund (CARF) was established to support research or advocacy in relation to water usage that promotes the interest of consumers with a disability, on low-income and/or in regional areas.

The administration of CARF was transferred from DHS to the Department for Environment and Water (DEW) effective 1 January 2021. A report on the operation of CARF during the previous financial year is included in the DEW annual report for the 2020-21 financial year (refer www.environment.sa.gov.au/annual-reports).

| Act or Regulation | Requirement |
|---|---|
| <i>Youth Justice Administration Act 2016</i> | <p>9 - Chief Executive's annual report</p> <p>(1) The Chief Executive must, not later than 30 September in each year, submit to the Minister a report on -</p> <p style="padding-left: 20px;">(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</p> <p style="padding-left: 20px;">(b) any other matter as the Minister may direct.</p> <p>(2) The Minister must, within 12 sitting days after receipt of a report under this section, cause a copy of the report to be laid before each House of Parliament.</p> |

During 2020-21, DHS progressed improvements to support the provisions of the *Youth Justice Administration Act 2016*. The improvements, which align with *Young People Connected, Communities Protected: South Australia's Youth Justice State Plan 2020-2023* and respond to recommendations by the Training Centre Visitor and Ombudsman SA, include:

- commissioning a number of independent reviews at the Kurlana Tapa Youth Justice Centre with findings informing further improvements
- installing full-size body scanning technology at Kurlana Tapa, reducing the need for partially clothed searches
- establishing the Aboriginal Cultural Trail and Connection Space at Kurlana Tapa, which provides a healing, education and connection space for Aboriginal young people in custody
- investing in community organisations, such as the Service to Youth Council, to deliver specific community service responses to increase connections to community, providing young people with a diverse range of opportunities and long-term supports
- establishing the Communities and Justice, Aboriginal Community-Controlled Organisations (ACCO) Forum, to facilitate better partnerships with ACCOs and explore joint decision-making processes with Aboriginal communities, in line with Closing the Gap targets.

The department also continues to develop more therapeutic responses for young people under youth justice orders and is:

- Establishing an Enhanced Support Team at Kurlana Tapa, which is comprised of skilled practitioners to work alongside youth workers in the accommodation units, responding to those young people with complex needs.
- Developing a Sensory Modulation Framework to better equip young people with the tools to help them understand their own sensory processing needs and develop self-regulation skills.
- Improving accessibility for young people, including modifying client-facing documents for easier comprehension and enhancing traditional verbal communication practices with visual aids.

All non-DHS staff who have unsupervised contact with children and young people in the Kurlana Tapa Youth Justice Centre, with the exception of registered teachers and health practitioners, have undergone a psychological suitability assessment in line with legislative requirements. Youth Justice Services continues to ensure all staff requiring to be assessed, undergo psychological suitability assessment in line with legislative requirements.

The *Young People Connected, Communities Protected: South Australia's Youth Justice State Plan 2020-2023* progress report was published on the DHS web page in June 2021.

In alignment with recommendations of the Training Centre Visitor, DHS will report annually on the implementation of the Aboriginal and Torres Strait Islander Youth Justice Principle. Prior to this, a review of the Principle will be undertaken, with planning underway.

Reporting required under the *Carers Recognition Act 2005*

Under Section 6 of the *Carers Recognition Act 2005*, the department is required to ensure all officers, staff or agents are aware and understand the principles of the Carers Charter, and promote consultation with carers or their representatives in policy or program development and strategic or operational planning.

The following summarises actions by the department to ensure compliance with Section 6 in 2020-21:

- Staff gained an awareness of the principles of the Carers Charter during induction and training.
- Flexible work and carer leave arrangements were available across the department. This includes paid leave entitlements for employees with primary care responsibilities for a person with disability. This leave is in addition to family carers leave and special leave with pay.
- DHS continued to fund four South Australian carer support organisations beyond the cessation of the SA HACC program on 30 April 2021. The services were specifically funded as they are not available to carers through the national Integrated Carer Support Services (ICSS).
- The department worked closely with the four statewide carer support organisations during the roll-out of the ICSS and NDIS. This included consultation and cooperation with Carers SA, which was nominated by the Commonwealth Government as the South Australian Regional Delivery Partner under the ICSS.
- In response to the ongoing COVID-19 pandemic, DHS continued to liaise with Carers SA and other peak bodies in the development of long-term recovery strategies which consider the specific needs of carers.

In addition to the above, carers were included as a priority cohort in the new Community Connections program, following the cessation of the SA HACC program. The new program better reflects the current environment and community needs and targets people who are ineligible for the NDIS, My Aged Care and other Commonwealth and State Government programs. Carers SA is the carer representative on the Community Connections Program Advisory Group to inform the implementation of the program.

Public complaints

Number of public complaints reported

| Complaint categories | Sub-categories | Example | Number of Complaints 2020-21 |
|-----------------------------|-----------------------|--|-------------------------------------|
| Professional behaviour | Staff attitude | Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency | 25 |
| Professional behaviour | Staff competency | Failure to action service request; poorly informed decisions; incorrect or incomplete service provided | 7 |
| Professional behaviour | Staff knowledge | Lack of service specific knowledge; incomplete or out-of-date knowledge | 0 |
| Communication | Communication quality | Inadequate, delayed or absent communication with customer | 3 |
| Communication | Confidentiality | Customer's confidentiality or privacy not respected; information shared incorrectly | 0 |
| Service delivery | Systems/technology | System offline; inaccessible to customer; incorrect result/information provided; poor system design | 1 |
| Service delivery | Access to services | Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities | 4 |
| Service delivery | Process | Processing error; incorrect process used; delay in processing application; process not customer responsive | 6 |

| Complaint categories | Sub-categories | Example | Number of Complaints 2020-21 |
|-----------------------------|------------------------|---|-------------------------------------|
| Policy | Policy application | Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given | 8 |
| Policy | Policy content | Policy content difficult to understand; policy unreasonable or disadvantages customer | 0 |
| Service quality | Information | Incorrect, incomplete, out dated or inadequate information; not fit for purpose | 28 |
| Service quality | Access to information | Information difficult to understand, hard to find or difficult to use; not plain English | 0 |
| Service quality | Timeliness | Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met | 2 |
| Service quality | Safety | Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness | 5 |
| Service quality | Service responsiveness | Service design does not meet customer needs; poor service fit with customer expectations | 45 |
| No case to answer | No case to answer | Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate | 17 |
| | | Total | 151 |

Source: DHS Client Feedback System.

Note: complaints data relies on complaint categories being entered into the Client Feedback System. This data was only recorded for 151 out of 215 complaints received for the reporting period.

| Additional Metrics | Total |
|--|--------------|
| Number of positive feedback comments | 119 |
| Number of negative feedback comments | 215 |
| Total number of feedback comments | 334 |
| % complaints resolved within policy timeframes | 77% (165) |

Data for previous years is available at: [Data.SA - DHS Annual Report - Annual report data](#)

Service Improvements

The following summarises actions by the department to improve its management of complaints, and service improvements resulting from complaints or client feedback in 2020-21:

- To ensure that organisations or applicants do not need to repeat their query/issue each time they make contact, the Screening Unit commenced recording the name of the initial customer service officer on the relevant file. The organisation or applicant is now referred to the same officer the next time they make contact.
- The Screening Unit also implemented mechanisms to enable applicants being complex risk assessed to speak to the senior assessment officer working on their file. This included the risk assessment officer contacting the applicant at allocation of the file and including direct contact details of the assessment officer in correspondences to the applicant.
- The Concessions Hotline implemented a script matrix for staff to assist in responding quickly to customer enquiries about the once-off boost of \$500 and bringing forward the 2020-21 Cost of Living Concession payment during the COVID-19 pandemic.
- To support Companion Card holders who have multiple carers, Concessions and Support Services provided letters for additional carers to carry in lieu of the Companion Card.
- In response to complaints from clients, family members or guardians about the level of care provided or compatibility with fellow home residents, DHS Accommodation Services initiated individualised reviews of level of service and living arrangements.

Compliance Statement

| | |
|---|-----|
| The Department of Human Services is compliant with Premier and Cabinet Circular 039 - complaint management in the South Australian public sector. | Yes |
| The Department of Human Services has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees. | Yes |

Appendix: Audited financial statements 2020-21



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To the Chief Executive Department of Human Services

Opinion

I have audited the financial report of the Department of Human Services for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department of Human Services as at 30 June 2021, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2021
- a Statement of Administered Financial Position as at 30 June 2021
- a Statement of Administered Changes in Equity for the year ended 30 June 2021
- a Statement of Administered Cash Flows for the year ended 30 June 2021
- a Disaggregated Administered Statement of Comprehensive Income for the year ended 30 June 2021
- 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 of Human Services. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have 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 relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of Human Services for the financial year ended 30 June 2021.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Human Services' internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

Auditor-General

22 September 2021

Department of Human Services

Financial Statements For the year ended 30 June 2021

Department of Human Services
Certification of Financial Statements
for the year ended 30 June 2021

We certify that the:

- financial statements of the Department of Human Services:
 - are in accordance with the accounts and records of the department;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the department at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Department of Human Services for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Lois Boswell
Chief Executive

16 September 2021



Nick Ashley
Chief Financial Officer

16 September 2021

Department of Human Services
Statement of Comprehensive Income
for the year ended 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|--|------|------------------|------------------|
| Income | | | |
| Appropriation | 2.1 | 908 105 | 945 357 |
| Fees and charges | 2.2 | 14 360 | 18 731 |
| Commonwealth-sourced grants and funding | 2.3 | 106 620 | 102 477 |
| SA Government grants, subsidies and transfers | 2.4 | 28 091 | 41 178 |
| Sales of goods and services | 2.5 | 23 625 | 25 411 |
| Resources received free of charge | 2.6 | 5 175 | 4 165 |
| Other income | 2.7 | 1 505 | 5 424 |
| Total income | | 1 087 481 | 1 142 743 |
| Expenses | | | |
| Employee benefits expenses | 3.3 | 250 466 | 283 706 |
| Supplies and services | 4.1 | 87 260 | 96 214 |
| Depreciation and amortisation | 4.2 | 10 626 | 12 301 |
| Grants and subsidies | 4.3 | 78 833 | 81 212 |
| NDIS Contributions | 4.4 | 656 207 | 612 017 |
| Net loss from disposal of assets | 4.5 | 3 358 | 257 |
| Borrowing costs | 4.6 | 26 | 38 |
| Other expenses | 4.7 | 366 | 335 |
| Total expenses | | 1 087 142 | 1 086 080 |
| Net result | | 339 | 56 663 |
| Other comprehensive income | | | |
| Items that will not be reclassified to net result: | | | |
| Changes in property, plant and equipment asset revaluation surplus | | (9 510) | 2 544 |
| Total other comprehensive income | | (9 510) | 2 544 |
| Total comprehensive result | | (9 171) | 59 207 |

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

Department of Human Services
Statement of Financial Position
as at 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|---------------------------------------|------|----------------|----------------|
| <u>Current assets</u> | | | |
| Cash and cash equivalents | 6.1 | 151 310 | 145 924 |
| Receivables | 6.2 | 71 511 | 71 464 |
| Inventories | 5.7 | 266 | 241 |
| Non-current assets held for sale | 5.6 | 2 724 | - |
| Total current assets | | 225 811 | 217 629 |
| <u>Non-current assets</u> | | | |
| Receivables | 6.2 | 765 | 827 |
| Property, plant and equipment | 5.1 | 118 801 | 162 254 |
| Capital works in progress | 5.4 | 910 | 3 223 |
| Intangible assets | 5.5 | 2 892 | 2 861 |
| Total non-current assets | | 123 368 | 169 165 |
| Total assets | | 349 179 | 386 794 |
| <u>Current liabilities</u> | | | |
| Payables | 7.1 | 21 053 | 21 952 |
| Financial liabilities | 7.2 | 537 | 1 021 |
| Employee benefits | 3.4 | 36 199 | 40 279 |
| Provisions | 7.3 | 7 781 | 7 426 |
| Other current liabilities | 7.4 | 1 324 | 894 |
| Total current liabilities | | 66 894 | 71 572 |
| <u>Non-current liabilities</u> | | | |
| Payables | 7.1 | 3 479 | 3 856 |
| Financial liabilities | 7.2 | 303 | 977 |
| Employee benefits | 3.4 | 37 005 | 41 598 |
| Provisions | 7.3 | 28 086 | 25 960 |
| Other non-current liabilities | 7.4 | 5 515 | 476 |
| Total non-current liabilities | | 74 388 | 72 867 |
| Total liabilities | | 141 282 | 144 439 |
| Net assets | | 207 897 | 242 355 |
| <u>Equity</u> | | | |
| Contributed capital | | 74 325 | 74 325 |
| Retained earnings | | 114 866 | 139 814 |
| Asset revaluation surplus | | 18 706 | 28 216 |
| Total equity | | 207 897 | 242 355 |

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

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

| | Note | Contributed capital \$'000 | Asset revaluation surplus \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|--|------|----------------------------------|---|--------------------------------|---------------------------|
| Balance at 1 July 2019 | | 74 325 | 25 672 | 88 747 | 188 744 |
| Net result for 2019-20 | | - | - | 56 663 | 56 663 |
| Gain/(loss) on revaluation of property, plant and equipment | | - | 2 544 | - | 2 544 |
| Total comprehensive result for 2019-20 | | - | 2 544 | 56 663 | 59 207 |
| Net assets received from an administrative restructure | | - | - | (5 596) | (5 596) |
| Balance at 30 June 2020 | | 74 325 | 28 216 | 139 814 | 242 355 |
| Net result for 2020-21 | | - | - | 339 | 339 |
| Gain/(loss) on revaluation of property, plant and equipment | | - | (9 510) | - | (9 510) |
| Total comprehensive result for 2020-21 | | - | (9 510) | 339 | (9 171) |
| Net liabilities transferred out from an administrative restructure | 1.4 | - | - | 713 | 713 |
| Crown land transferred as distribution by owners | | - | - | (26 000) | (26 000) |
| Balance at 30 June 2021 | | 74 325 | 18 706 | 114 866 | 207 897 |

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

Department of Human Services
Statement of Cash Flows
for the year ended 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|---|------|--------------------|--------------------|
| <u>Cash flows from operating activities</u> | | | |
| <i>Cash inflows</i> | | | |
| Appropriation | | 908 105 | 945 357 |
| Fees and charges | | 8 551 | 38 157 |
| Receipts from Commonwealth-sourced grants | | 106 620 | 102 477 |
| SA Government grants subsidies and transfers | | 28 091 | 39 635 |
| Sales of goods and services | | 23 625 | 25 411 |
| GST recovered from the ATO | | 19 376 | 14 873 |
| Other receipts | | 1 434 | 6 321 |
| Cash generated from operations | | 1 095 802 | 1 172 231 |
| <i>Cash outflows</i> | | | |
| Employee benefits payments | | (256 311) | (311 015) |
| Payments for supplies and services | | (96 722) | (116 488) |
| Payments of grants and subsidies | | (78 833) | (81 212) |
| Payments for NDIS contributions | | (657 217) | (673 891) |
| Interest paid | | (26) | (38) |
| Cash used in operations | | (1 089 109) | (1 182 644) |
| Net cash provided by/(used in) operating activities | 8.2 | 6 693 | (10 413) |
| <u>Cash flows from investing activities</u> | | | |
| <i>Cash inflows</i> | | | |
| Proceeds from sale of assets | | 1 364 | 28 |
| Cash generated from investing activities | | 1 364 | 28 |
| <i>Cash outflows</i> | | | |
| Purchase of property, plant and equipment and intangible assets | | (1 562) | (6 370) |
| Cash used in investing activities | | (1 562) | (6 370) |
| Net cash provided by/(used in) investing activities | | (198) | (6 342) |
| <u>Cash flows from financing activities</u> | | | |
| <i>Cash inflows</i> | | | |
| Cash received from restructuring activities | | - | 158 |
| Cash generated from financing activities | | - | 158 |
| <i>Cash outflows</i> | | | |
| Repayment of leases | | (1 109) | (1 554) |
| Cash used in financing activities | | (1 109) | (1 554) |
| Net cash provided by/(used in) financing activities | | (1 109) | (1 396) |
| Net increase/(decrease) in cash and cash equivalents | | 5 386 | (18 151) |
| Cash and cash equivalents at the beginning of the period | | 145 924 | 164 075 |
| Cash and cash equivalents at the end of the period | 6.1 | 151 310 | 145 924 |

The accompanying notes form part of these financial statements.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

NOTES TO THE FINANCIAL STATEMENTS

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Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1. About the Department of Human Services

The Department of Human Services (DHS/the department) is a not-for-profit government department of the state of South Australia. The department is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

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

Administered financial statements relating to administered resources are presented separately.

1.1. Basis of preparation

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

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

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

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

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

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

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1.2. Objectives and Programs

Objectives

The Department of Human Services delivers strategies, programs and services that improve the wellbeing and safety of South Australians.

Program 1: Communities

This program commissions, funds and delivers community and family services that improve the lives of individuals and families across South Australia. The program fosters inclusion, participation, safety and resilience across the South Australia community.

The program includes concessions and rebates which increase financial resilience; investing in the community through grants and funding; earlier intervention and targeted services to keep children safe in their families and communities and connected to culture; interpreting and translating services; and employment-related screening services. It also includes grant programs and strategies to support young South Australians and increase volunteering.

Program 2: Status of Women

The Status of Women program supports the full and equal participation of women in the social, political and economic life of the State. Priorities include addressing domestic, family and sexual violence, equality for women in every aspect of life, and women's employment and leadership. The program provides policy advice and across-government leadership, funding for key initiatives, statewide information and referral services through the Women's Information Service (WIS) and executive support to the Premier's Council for Women.

Program 3: Youth Justice

The Youth Justice program is responsible for the statutory supervision of young people in contact with the justice system. Youth Justice aims to address offending behaviours and connect young people in the youth justice system and their families with connected supports, programs and services to improve outcomes and contribute to community safety.

Program 4: Disability

This program includes strategies to advance the inclusion of people with a disability, including working with the National Disability Insurance Agency (NDIA), NDIS Quality and Safeguarding Commission, the Commonwealth Government and the non-government sector. It also includes the provision of state disability services, including supported community accommodation.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1.2. Objectives and Programs (continued)

The tables on the following pages present expenses and income attributable to each program.

Income and Expenses by program for the year ended 30 June 2021

| | Communities | | Status of Women | | Youth Justice | |
|---|------------------|------------------|-----------------|----------------|-----------------|-----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | | | |
| Appropriation | - | - | - | - | - | - |
| Fees and charges | 3 639 | 3 291 | 36 | 71 | 635 | 717 |
| Commonwealth-sourced grants and funding | 2 228 | 2 814 | 7 045 | 2 756 | 51 | 45 |
| SA Government grants, subsidies and transfers | 21 716 | 26 410 | 832 | 298 | - | - |
| Sales of goods and services | 22 033 | 19 294 | - | - | 3 | 1 |
| Resources received free of charge | 1 231 | 871 | 35 | 25 | 603 | 477 |
| Other income | 362 | 360 | 4 | 6 | 109 | 131 |
| Total income | 51 209 | 53 040 | 7 952 | 3 156 | 1 401 | 1 371 |
| Expenses | | | | | | |
| Employee benefits expenses | 62 611 | 65 458 | 2 143 | 2 167 | 31 660 | 35 355 |
| Supplies and services | 28 264 | 28 521 | 1 184 | 713 | 8 212 | 8 822 |
| Depreciation and amortisation | 3 109 | 3 700 | 12 | 15 | 3 731 | 3 451 |
| Grants and subsidies | 71 774 | 69 767 | 6 085 | 4 965 | 606 | 425 |
| NDIS Contributions | - | - | - | - | - | - |
| Net loss from disposal of assets | - | (4) | - | - | - | 19 |
| Borrowing costs | 7 | 13 | - | - | 2 | 4 |
| Other expenses | 82 | 69 | 2 | 2 | 40 | 38 |
| Total expenses | 165 847 | 167 524 | 9 426 | 7 862 | 44 251 | 48 114 |
| Net result | (114 638) | (114 484) | (1 474) | (4 706) | (42 850) | (46 743) |

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1.2. Objectives and Programs (continued)

Income and Expenses by program for the year ended 30 June 2021

| | Disability | | General / Not | | Total | |
|---|------------------|------------------|----------------|----------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | | | |
| Appropriation | - | - | 908 105 | 945 357 | 908 105 | 945 357 |
| Fees and charges | 10 050 | 14 652 | - | - | 14 360 | 18 731 |
| Commonwealth-sourced grants and funding | 97 296 | 96 862 | - | - | 106 620 | 102 477 |
| SA Government grants, subsidies and transfers | 2 100 | 1 574 | 3 443 | 12 896 | 28 091 | 41 178 |
| Sales of goods and services | 1 589 | 6 116 | - | - | 23 625 | 25 411 |
| Resources received free of charge | 3 306 | 2 792 | - | - | 5 175 | 4 165 |
| Other income | 1 030 | 4 927 | - | - | 1 505 | 5 424 |
| Total income | 115 371 | 126 923 | 911 548 | 958 253 | 1 087 481 | 1 142 743 |
| Expenses | | | | | | |
| Employee benefits expenses | 154 052 | 180 726 | - | - | 250 466 | 283 706 |
| Supplies and services | 49 600 | 58 158 | - | - | 87 260 | 96 214 |
| Depreciation and amortisation | 3 774 | 5 135 | - | - | 10 626 | 12 301 |
| Grants and subsidies | 368 | 6 055 | - | - | 78 833 | 81 212 |
| NDIS Contributions | 656 207 | 612 017 | - | - | 656 207 | 612 017 |
| Net loss from disposal of assets | 3 358 | 242 | - | - | 3 358 | 257 |
| Borrowing costs | 17 | 21 | - | - | 26 | 38 |
| Other expenses | 242 | 226 | - | - | 366 | 335 |
| Total expenses | 867 618 | 862 580 | - | - | 1 087 142 | 1 086 080 |
| Net result | (752 247) | (735 657) | 911 548 | 958 253 | 339 | 56 663 |

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1.3. Impact of COVID-19 pandemic on the department

Although the COVID-19 pandemic impacted on areas of the department's service delivery and internal processes, it did not have a material impact on its financial statements. Where possible, impacts are identified under the relevant disclosure notes.

1.4. Changes to the department

Transferred out

The transfer of State Recovery Office (SRO) employees to the Department of the Premier and Cabinet (DPC), effective from 1 July 2020, is pursuant to section 9(3) of the *Public Sector Act 2009*, which provides that a public sector agency may transfer an employee of the agency to other employment within the public sector on conditions that maintain the substantive remuneration level of the employee or are agreed to by the employee.

The following assets and liabilities were transferred to DPC:

| | SRO \$'000 | Total \$'000 |
|--|-----------------------|-------------------------|
| Receivables | 23 | 23 |
| Total assets | 23 | 23 |
| Payables | 386 | 386 |
| Employee benefits | 304 | 304 |
| Other liabilities | 46 | 46 |
| Total liabilities | 736 | 736 |
| Total net liabilities transferred | 713 | 713 |

Net liabilities transferred by the department because of the administrative restructure were recognised at the carrying amount. The net liabilities transferred were treated as a distribution to the government as owner.

Cessation of Domiciliary Equipment Services (DES)

DES was established in 1995, responding to the need of clients of the South Australian Government's Domiciliary Care service. Since that time, DES provided support to people living with disability and those in end stages of life, to access equipment and home modifications allowing more people choice to continue living in their communities. In November 2019, in response to the introduction of the National Disability Insurance Scheme (NDIS) and Commonwealth reforms to ageing, DHS committed to DES transitioning service delivery to the non-government sector. During a 12 month period ending in December 2020, all externally funded service delivery was progressively withdrawn, with this activity transitioning to the non-government sector. In addition, equipment was also transferred to various parties, refer to note 4.5. The South Australian Government funded DHS Equipment Program, which provides equipment services and home modifications for South Australians who are otherwise ineligible for these services through Commonwealth Government options, remains part of ongoing DHS operations. Equipment and home modifications needed by these clients are now sourced from Equipment Program preferred suppliers.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1.5. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

| Statement of Comprehensive Income | Original budget 2021 \$'000 | Actual 2021 \$'000 | Variance \$'000 |
|--|--|-----------------------------------|----------------------------|
| Income | | | |
| Appropriation | 907 939 | 908 105 | 166 |
| Fees and charges | 10 891 | 14 360 | 3 469 |
| Commonwealth-sourced grants and funding | 106 796 | 106 620 | (176) |
| SA Government grants, subsidies and transfers | 28 745 | 28 091 | (654) |
| Sales of goods and services | 21 492 | 23 625 | 2 133 |
| Resources received free of charge | - | 5 175 | 5 175 |
| Other income | 837 | 1 505 | 668 |
| Total income | 1 076 700 | 1 087 481 | 10 781 |
| Expenses | | | |
| Employee benefits expenses | 259 633 | 250 466 | (9 167) |
| Supplies and services | 61 540 | 87 260 | 25 720 |
| Depreciation and amortisation | 10 177 | 10 626 | 449 |
| Grants and subsidies | 96 454 | 78 833 | (17 621) |
| NDIS contributions | 656 472 | 656 207 | (265) |
| Net loss from disposal of assets | - | 3 358 | 3 358 |
| Borrowing costs | 64 | 26 | (38) |
| Other expenses | 14 915 | 366 | (14 549) |
| Total expenses | 1 099 255 | 1 087 142 | (12 113) |
| Net result | (22 555) | 339 | 22 894 |
| Other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Changes in property, plant and equipment asset revaluation surplus | - | (9 510) | (9 510) |
| Total other comprehensive income | - | (9 510) | (9 510) |
| Total comprehensive result | (22 555) | (9 171) | 13 384 |

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.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1.5 Budget performance (continued)

| | Note | Original budget 2021 \$'000 | Actual 2021 \$'000 | Variance \$'000 |
|--------------------------------------|------|--------------------------------------|--------------------------|--------------------|
| Investing expenditure summary | | | | |
| Total new and existing projects | | 6 776 | 7 135 | 359 |
| Total annual programs and leases | | 2 021 | 1 025 | (996) |
| Total investing expenditure | | 8 797 | 8 160 | (637) |

1.6. Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report, including:

- Note 2.2 Business services with the SA Housing Authority
- Note 2.4 SA Government grants, subsidies and transfers
- Note 4.1 Accommodation provided by the Department for Infrastructure and Transport.

2. Income

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

Commonwealth-sourced grants and funding mainly relate to revenue from the DisabilityCare Australia Fund as a contribution towards NDIS expenditure.

2.1. Appropriation

| | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i> | 907 939 | 876 999 |
| Appropriation from Governor's Appropriation Fund | 166 | 68 358 |
| Total appropriation | 908 105 | 945 357 |

Appropriation is recognised upon receipt.

Appropriation pursuant to the *Appropriation Act* (the Act) consists of \$907.939 million (\$876.999 million) for operational funding, inclusive of \$9.444 million (\$10.874 million) for capital projects. This appropriation comprises money issued and applied to the department per Schedule 1 of the Act, varied pursuant to section 5 of the Act for changed functions and duties of the department (refer to note 1.4 for details of these transferred functions).

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2.2. Fees and charges

| | 2021 | 2020 |
|-------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Client fees | 5 995 | 6 630 |
| Recoveries | 4 847 | 8 066 |
| Fees, fines and penalties | 1 469 | 1 820 |
| Business services * | 1 155 | 1 213 |
| Rent | 886 | 946 |
| Insurance recoveries | 8 | 56 |
| Total fees and charges | 14 360 | 18 731 |

* Represents services provided to SA Housing Authority as per the Memorandum of Administrative Arrangements (MOAA), revenue is recognised when services are provided. All other revenue from fees and charges are recognised as income on receipt.

2.3. Commonwealth-sourced grants and funding

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| DisabilityCare Australia Fund | 75 249 | 72 704 |
| Continuity of Support Programme | 19 597 | 22 065 |
| COVID-19 Domestic Violence Support | 7 042 | 2 754 |
| Residential Aged Care | 2 390 | 2 363 |
| Commonwealth Home Support Programme | 1 621 | 2 449 |
| Other | 721 | 142 |
| Total Commonwealth-sourced grants and funding | 106 620 | 102 477 |

Commonwealth-sourced grants and funding are recognised in accordance with AASB 1058 as income on receipt.

Income from the DisabilityCare Australia Fund and Covid-19 Domestic Violence Support is provided under national partnership agreements between the Commonwealth of Australia and the States and Territories. For accounting purposes, the performance obligations under the funding agreements lie with the State and not the Department.

The Continuity of Support Programme is funded under agreement between the Commonwealth and the department. Performance obligations under the agreement are not sufficiently specific.

2.4. SA Government grants, subsidies and transfers

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| National Education Reform Agreement | 9 857 | 19 288 |
| Community and Jobs Support Fund | 6 203 | 350 |
| Community Development Fund | 3 000 | 3 000 |
| APY Lands Youth Programs and Family Services | 2 327 | 2 293 |
| DTF Contingency Fund - TVSP reimbursement | 2 167 | 12 156 |
| DTF Contingency Fund - Other | 1 276 | 740 |
| Other grants from SA Government agencies | 3 261 | 3 351 |
| Total SA Government grants, subsidies and transfers | 28 091 | 41 178 |

SA Government grants, subsidies and transfers are recognised in accordance with AASB 1058 as income on receipt, because the funding arrangements either have no enforceable agreement or the performance obligations are not sufficiently specific.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2.5. Sales of goods and services

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Screening check fees | 15 331 | 14 029 |
| Interpreter and translator services | 6 694 | 5 260 |
| Domiciliary Equipment Services - minor equipment and home modifications | 946 | 6 122 |
| Accommodation Services Supported Independent Living | 654 | - |
| Total sales of goods and services | 23 625 | 25 411 |

All revenue from the sales of goods and services is revenue recognised from contracts with customers. Revenue is recognised at a point in time when the department satisfies performance obligation by transferring the provided goods and services to its customer.

The department recognises revenue (contract with customer) from the following major sources:

Screening check fees

The department's screening unit provides checks of workers and volunteers to organisations, contributing to creating safe environments for children and other vulnerable people. Prices are set by the State Government, with volunteer checks provided free of charge.

Approximately 82% of requests are paid upon request and approximately 18% paid by account. Refunds may occasionally occur within a few days of the initial request, often due to a request relating to a current existing screening check.

After a request, the screening check is usually provided within three weeks, with the exception of a small number of checks that may require further investigation or are complex in nature. Under AASB 15, recognition occurs at point in time that the screening check is provided.

Interpreter and translator services

The department's Interpreting and Translating Centre (ITC) provides interpreting and translating assignments to private and business clients from a wide range of cultural and linguistic backgrounds.

Base fee schedules are used to calculate each service request. In some instances, a service may change upon delivery. For example, an extension in translating is required at the time of providing the service and the quoted price may be adjusted. Under AASB 15, recognition occurs at point in time of the service being provided.

Domiciliary Equipment Services - minor equipment and home modifications

DES ceased during 2020-21. DES provided minor equipment, equipment hire services and home modification services in South Australia. Equipment sales and home modification services were classified under AASB 15.

Set fee schedules existed for items of minor equipment and equipment items used in home modification services. This was used as a base to calculate an order. Under AASB 15, recognition occurred at point in time the equipment was delivered or installed.

Accommodation Services Supported Independent Living

Group home care is provided by direct service staff. Under AASB 15, revenue is recognised at the point in time when the service is provided to a client. This can be received directly from the client, NDIS Plan Manager or the NDIS portal.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2.6. Resources received free of charge

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Services received free of charge - Shared Services SA | 3 756 | 4 165 |
| Services received free of charge - Department of the Premier and Cabinet | 1 419 | - |
| Total services received free of charge | 5 175 | 4 165 |

Contributions of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated.

Shared Services SA and the DPC are directly appropriation funded for the services provided to general government agencies.

The department receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge.

From DPC, the department receives Centralised IT and Telecommunication services by ICT and Digital Government (previously known as StateNet).

2.7. Other income

| | 2021 | 2020 |
|---------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| DES hire charges | 591 | 1 577 |
| DES NDIS hire charges | 44 | 2 831 |
| Other | 870 | 1 016 |
| Total other income | 1 505 | 5 424 |

3. Board, committees and employees

The Chief Executive is responsible to the Premier and the department's Minister for supporting the achievement of the Government's objectives, the effective management of the department and the general conduct of its employees. A performance agreement, developed between the Chief Executive and Minister, outlines key agency leadership priorities and indicators of success for the financial year.

The Executive Leadership Team (ELT) is the principal governance and management body of DHS. ELT supports the Chief Executive to set and effectively monitor the strategic agenda, direction, governance, performance and culture of the department.

DHS board and committees are tasked with providing oversight and leadership of specific department responsibilities. This includes the Risk Management and Audit Committee which 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.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3.1. Key management personnel

Key management personnel of the department include the Minister, the Chief Executive Officer and 10 executive positions. Total compensation for key management personnel was \$2.728 million in 2020-21 and \$4.794 million in 2019-20.

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

| | 2021 | 2020 |
|---|---------------|---------------|
| Compensation | \$'000 | \$'000 |
| Salaries and other short term employee benefits | 2 489 | 3 336 |
| Post-employment benefits | 239 | 330 |
| Termination benefits | - | 633 |
| Other long-term employment benefits | - | 495 |
| Total | 2 728 | 4 794 |

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 during the reporting period with key management personnel or their close family.

3.2. Board and committee members

Members during the 2021 financial year were:

Risk Management and Audit Committee

| | | | | | |
|-------------|--------|-----------|------------|----------|------------|
| C Mitchell | Chair | Appointed | 5/06/2020 | | |
| E Moran | Member | Appointed | 20/05/2020 | | |
| J King | Member | Appointed | 17/12/2018 | | |
| N Ashley * | Member | Appointed | 3/08/2018 | Resigned | 18/05/2021 |
| K Summers * | Member | Appointed | 30/04/2019 | Resigned | 28/08/2020 |
| A Hayes* | Member | Appointed | 7/10/2020 | | |
| S Charlton* | Member | Appointed | 18/05/2021 | | |

Premier's Council for Women

| | | | |
|--------------|--------------|-------------|-----------|
| M A Silva | Chair | Reappointed | 1/07/2019 |
| M Hagias | Deputy Chair | Reappointed | 1/07/2019 |
| L Hallahan | Member | Reappointed | 1/07/2019 |
| A Lee | Member | Reappointed | 1/07/2019 |
| E O'Loughlin | Member | Reappointed | 1/07/2019 |
| N Saunders * | Member | Reappointed | 1/02/2020 |
| V Welgraven* | Member | Reappointed | 1/07/2019 |
| S Mapuvire | Member | Appointed | 1/07/2019 |
| L Tyler | Member | Appointed | 1/07/2019 |
| J Danvers | Member | Appointed | 1/07/2019 |
| M Veitch | Member | Appointed | 1/07/2020 |

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3.2. Board and committee members (continued)

State Emergency Relief Fund Committee

| | | | | | |
|--------------|--------|-------------|------------|----------|------------|
| V Faggotter | Chair | Reappointed | 1/04/2019 | | |
| B Grear * | Member | Reappointed | 8/12/2019 | | |
| G Cornish* | Member | Reappointed | 1/09/2019 | Resigned | 28/02/2021 |
| L Houston* | Member | Reappointed | 1/09/2019 | Resigned | 28/02/2021 |
| M Griffiths* | Member | Appointed | 15/11/2019 | | |
| J Brayley* | Member | Appointed | 13/01/2020 | | |
| A Loechel | Member | Appointed | 13/01/2020 | Resigned | 28/02/2021 |
| N Day | Member | Appointed | 13/01/2020 | Resigned | 28/02/2021 |
| D Waters | Member | Appointed | 4/05/2020 | Resigned | 28/02/2021 |
| P Austin | Member | Appointed | 27/01/2020 | Resigned | 28/02/2021 |
| R Green* | Member | Appointed | 1/03/2021 | | |
| N Ashley* | Member | Appointed | 1/03/2021 | | |

Grants SA Assessment Panel

| | | | | | |
|----------------|--------------|-----------|------------|----------|------------|
| P Maher * | Chair/Member | Appointed | 1/07/2019 | Resigned | 18/06/2021 |
| S Mitchell* | Member | Appointed | 6/07/2020 | Resigned | 7/05/2021 |
| T Strub* | Member | Appointed | 9/07/2020 | Resigned | 21/05/2021 |
| E Purvis* | Member | Appointed | 15/07/2020 | Resigned | 22/07/2020 |
| N Lionnet* | Member | Appointed | 27/07/2020 | Resigned | 2/11/2020 |
| E Bullitis* | Member | Appointed | 5/08/2020 | Resigned | 12/08/2020 |
| R Greenrod* | Member | Appointed | 15/08/2020 | Resigned | 22/08/2020 |
| R Kowalewski* | Member | Appointed | 21/08/2020 | Resigned | 24/05/2021 |
| B Powles* | Member | Appointed | 17/08/2020 | Resigned | 20/05/2021 |
| A Lambert* | Member | Appointed | 19/08/2020 | Resigned | 26/08/2020 |
| S McArdle* | Member | Appointed | 4/09/2020 | Resigned | 28/09/2020 |
| F Cisneros* | Member | Appointed | 10/09/2020 | Resigned | 17/09/2020 |
| S Maiorana* | Member | Appointed | 17/09/2020 | Resigned | 28/10/2020 |
| J Rutherford* | Member | Appointed | 22/09/2020 | Resigned | 22/04/2021 |
| R Osborn* | Member | Appointed | 7/10/2020 | Resigned | 24/05/2021 |
| K Graves* | Member | Appointed | 15/10/2020 | Resigned | 21/10/2020 |
| R Dolling* | Member | Appointed | 21/10/2020 | Resigned | 28/10/2020 |
| S Horne* | Member | Appointed | 29/10/2020 | Resigned | 6/11/2020 |
| G Pike* | Member | Appointed | 19/11/2020 | Resigned | 4/05/2021 |
| M Ingrammes* | Member | Appointed | 27/04/2021 | Resigned | 6/05/2021 |
| C Sellar* | Member | Appointed | 29/04/2021 | Resigned | 24/05/2021 |
| H Christopher* | Member | Appointed | 30/04/2021 | Resigned | 24/05/2021 |
| N Gani* | Member | Appointed | 23/05/2021 | Resigned | 25/05/2021 |
| S Sansome* | Member | Appointed | 17/05/2021 | Resigned | 18/05/2021 |
| C McLaren* | Member | Appointed | 17/05/2021 | Resigned | 25/05/2021 |

Department of Human Services
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For the year ended 30 June 2021

3.2. Board and committee members (continued)

Gambling Advisory Committee

The Committee was abolished on 30 July 2020 as a result of changes to the Gaming Machines Act 1992, effective on the same date.

| | | | |
|----------|--------|-----------|------------|
| W Bevan | Chair | Appointed | 27/12/2017 |
| J Sleep | Member | Appointed | 10/11/2017 |
| C Carter | Member | Appointed | 10/11/2017 |

* 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.

Board and committee remuneration

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

| | 2021 | 2020 |
|--------------------------------|-------------|-------------|
| \$0 - \$19 999 | 53 | 38 |
| \$20 000 - \$39 999 | 1 | - |
| Total number of members | 54 | 38 |

The total remuneration received or receivable by members was \$0.059 million (\$0.038 million). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax. Where a board or committee member has, during the year, been appointed, resigned, retired or term ceased, this has been disclosed, as illustrated above

3.3. Employee benefits expenses

| | 2021 | 2020 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Salaries and wages | 184 834 | 201 874 |
| Employee on-cost - superannuation | 20 661 | 21 274 |
| Annual leave | 19 213 | 20 040 |
| Workers compensation | 11 064 | 12 940 |
| Employee on-cost - other | 11 352 | 12 120 |
| Targeted voluntary separation packages | 2 382 | 11 941 |
| Skills and experience retention leave | 776 | 1 083 |
| Eligible termination payments | 241 | 959 |
| Board and committee fees | 143 | 79 |
| Long service leave * | (1 010) | 766 |
| Other employee related expenses | 810 | 630 |
| Total employee benefits expenses | 250 466 | 283 706 |

*Due to the changes on the discount rate for long service leave liability measurement, this has resulted the decrease in the long service leave revaluation. Refer to Note 10.1.

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the department's contributions to superannuation plans in respect of current services of current employees. DTF centrally recognises the superannuation liability in the whole-of-government financial statements.

Department of Human Services
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For the year ended 30 June 2021

3.3. Employee benefits expenses (continued)

Remuneration of employees

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

| | 2021 | 2020 |
|----------------------------|-------------|-------------|
| | No. | No. |
| \$154 001 to \$174 000 | 12 | 7 |
| \$174 001 to \$194 000 | 5 | 7 |
| \$194 001 to \$214 000 | 6 | 7 |
| \$214 001 to \$234 000 | 4 | 5 |
| \$234 001 to \$254 000 | - | 1 |
| \$254 001 to \$274 000 | 2 | 2 |
| \$274 000 to \$294 000 | 2 | 3 |
| \$294 001 to \$314 000 | 3 | 5 |
| \$314 001 to \$334 000 | - | 1 |
| \$354 001 to \$374 000 | 1 | - |
| \$374 001 to \$394 000 | - | 1 |
| \$414 001 to \$434 000 | - | 1 |
| \$454 001 to \$474 000 | 1 | - |
| \$534 001 to \$554 000 | - | 1 |
| \$1 274 001 to \$1 294 000 | - | 1 |
| Total | 36 | 42 |

Total remuneration received by these employees for the year was \$7.862 million (\$11.099 million).

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

The total number of executives for 2021 are 22 (28) and non-executive are 14 (14).

Targeted voluntary separation packages

The number of employees who received a TVSP during the reporting period was 30 (153).

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Amounts paid to separated employees: | | |
| Targeted voluntary separation packages | 2 382 | 11 941 |
| Leave paid to separated employees | 1 085 | 7 786 |
| Recovery from the Department of Treasury and Finance | (2 167) | (12 156) |
| Net cost to the department | 1 300 | 7 571 |

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3.4. Employee benefits liability

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Current</u> | | |
| Annual leave | 23 271 | 22 560 |
| Long service leave | 2 785 | 3 131 |
| Accrued salaries and wages | 9 010 | 13 490 |
| Skills and experience retention leave | 1 133 | 1 098 |
| Total current employee benefits | 36 199 | 40 279 |
| <u>Non-current</u> | | |
| Long service leave | 37 005 | 41 598 |
| Total non-current employee benefits | 37 005 | 41 598 |
| Total employee benefits | 73 204 | 81 877 |

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

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided in note 10.1.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

4. Expenses

Employee benefits expenses are disclosed in note 3.3.

Aside from employee expenses, NDIS contributions and supplies and services are DHS' largest expenditure categories. Under supplies and services, accommodation is the largest balance.

4.1. Supplies and services

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Accommodation | 17 300 | 22 630 |
| Contractors and agency staff | 17 263 | 15 160 |
| Information technology and communication charges | 12 426 | 15 962 |
| Business services | 6 337 | 5 622 |
| Brokerage care services | 5 510 | 3 766 |
| Client related expenses | 5 284 | 5 507 |
| Crimtrac history check fees | 4 017 | 3 564 |
| Motor vehicles | 2 387 | 2 192 |
| Minor equipment | 1 780 | 3 425 |
| Program partnering contributions | 1 735 | 687 |
| Repairs and maintenance | 1 198 | 2 406 |
| Printing stationery postage and periodicals | 1 186 | 1 185 |
| Seminars courses and training | 1 111 | 1 065 |
| Social impact investment program | 880 | - |
| Drugs and medical supplies | 870 | 1 150 |
| Insurance | 796 | 708 |
| Travel and accommodation | 538 | 1 074 |
| Consultants | 529 | 550 |
| Short term leases | 490 | 824 |
| Low-value leases | 24 | 231 |
| Other | 5 599 | 8 506 |
| Total supplies and services | 87 260 | 96 214 |

Accommodation

Most of the department's accommodation is provided by the Department for Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed (disclosed within Accommodation).

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

4.2. Depreciation and amortisation

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Buildings | 4 804 | 3 937 |
| Computer software | 2 102 | 2 661 |
| Independent living equipment program | 1 149 | 2 579 |
| Accommodation and leasehold improvements | 781 | 971 |
| Plant and equipment | 700 | 571 |
| Right-of-use vehicles | 753 | 1 283 |
| Right-of-use buildings | 294 | 251 |
| Computing equipment | 39 | 38 |
| Motor vehicles | 4 | 10 |
| Total depreciation and amortisation | 10 626 | 12 301 |

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

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

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

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

| Class of asset | Useful life (years) |
|---|----------------------------|
| Buildings | 1-50 |
| Accommodation and leasehold improvements | 1-10 |
| Plant and equipment | 1-15 |
| Right-of-use property, plant and equipment | Lease term |
| Motor vehicles | 3-5 |
| Computer equipment | 3-5 |
| Computer software | 1-5 |
| Independent living equipment program (ILEP) | 2-5 |

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected 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.

The department undertook a full site valuation of land and buildings as at 30 June 2021. This resulted in a decrement to the value of buildings and reassessment of the remaining useful lives. Therefore, this has an impact on future depreciable value.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

4.3. Grants and subsidies

| Grants and subsidies by program | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Home and Community Care/Community Connections | 18 567 | 21 451 |
| Child and Family Support Grants | 17 053 | 18 668 |
| Family and Community Development | 13 201 | 12 606 |
| Financial Hardship Programs | 8 884 | 4 828 |
| Adults With Chronic Conditions | 5 578 | 5 578 |
| COVID-19 Domestic Violence Support | 3 331 | 1 934 |
| Disability Grants | 2 713 | 2 639 |
| Aboriginal Community Benefit Grants | 2 531 | 2 310 |
| Youth Portfolio | 1 533 | 1 289 |
| Information, Linkages and Capacity Building | 59 | 3 234 |
| Supported Residential Facilities | - | 416 |
| Other | 5 383 | 6 259 |
| Total grants and subsidies | 78 833 | 81 212 |

The grants given are usually subject to terms and conditions set out in the contract, correspondence or by legislation.

4.4. NDIS contributions

| | 2021 | 2020 |
|---------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| NDIS expenses | 656 207 | 612 017 |
| Total NDIS contributions | 656 207 | 612 017 |

The department makes payments to the National Disability Insurance Agency (NDIA) for the NDIS pursuant to the *National Disability Insurance Act 2013* and in accordance with the Bilateral Agreement between the Commonwealth of Australia and the State of South Australia. South Australia's financial contribution is adjusted for transitional provisions including in-kind services that South Australia continue to provide to NDIS participants and invoice wash-up adjustments.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

4.5. Net gain / (loss) from disposal of assets

| | 2021 | 2020 |
|--|----------------|---------------|
| | \$'000 | \$'000 |
| <hr/> | | |
| <u>Land and buildings</u> | | |
| Proceeds from disposal | 280 | - |
| Less carrying amount of assets disposed | (399) | (2) |
| Net loss from disposal of land and buildings | (119) | (2) |
| | | |
| <u>Plant and equipment</u> | | |
| Proceeds from disposal | 4 | 28 |
| Less carrying amount of assets disposed * | (4 314) | (283) |
| Net loss from disposal of plant and equipment | (4 310) | (255) |
| | | |
| <u>Intangible assets</u> | | |
| Proceeds from disposal | 1 071 | - |
| Less carrying amount of assets disposed | - | - |
| Net gain from disposal of intangible assets | 1 071 | - |
| | | |
| <u>Total disposal of assets</u> | | |
| Total proceeds from disposal | 1 355 | 28 |
| Less total carrying amount of assets disposed | (4 713) | (285) |
| Net gain/(loss) from disposal of assets | (3 358) | (257) |

Gains or losses from disposal are recognised at the date control is passed from the department and determined after deducting the carrying amount of the asset from the proceeds at that time.

* This includes the ILEP equipment transferred to various parties, including clients during 2020-21 due to the cessation of DES, refer to note 1.4.

Department of Human Services
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4.6. Borrowing costs

| | 2021 | 2020 |
|---------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Interest expense on lease liabilities | 26 | 38 |
| Total borrowing costs | 26 | 38 |

4.7. Other expenses

| | 2021 | 2020 |
|-----------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Other | 366 | 335 |
| Total other expenses | 366 | 335 |

Other

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$0.300 million (\$0.322 million). No other services were provided by the Auditor-General's Department.

5. Non-financial assets

The department's assets are primarily made up of land and buildings, including the Adelaide Youth Training Centre – Kurlana Tapa buildings in Cavan.

5.1. Property, plant and equipment by asset class

Property, plant and equipment comprises owned and right-of-use (leased) tangible assets that do not meet the definition of investment property.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

5.1. Property, plant and equipment by asset class (continued)

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| <u>Land and buildings</u> | | |
| Land at fair value | 33 127 | 55 550 |
| Buildings and improvements at fair value | 72 508 | 93 426 |
| Accumulated depreciation at the end of period | - | (4) |
| Total land and buildings | 105 635 | 148 972 |
| <u>Accommodation and leasehold improvements</u> | | |
| Accommodation and leasehold improvements at fair value | 18 635 | 13 259 |
| Accumulated depreciation at the end of period | (11 992) | (11 910) |
| Total accommodation and leasehold improvements | 6 643 | 1 349 |
| <u>Computing equipment</u> | | |
| Computing equipment at cost (deemed fair value) | 179 | 444 |
| Accumulated depreciation at the end of period | (149) | (375) |
| Total computing equipment | 30 | 69 |
| <u>Motor vehicles</u> | | |
| Motor vehicles at cost (deemed fair value) | 63 | 90 |
| Accumulated depreciation at the end of period | (54) | (77) |
| Total motor vehicles | 9 | 13 |
| <u>Independent living equipment program</u> | | |
| Independent living equipment program at cost (deemed fair value) | 887 | 20 031 |
| Accumulated depreciation at the end of period | (887) | (14 106) |
| Total independent living equipment program | - | 5 925 |
| <u>Other plant and equipment</u> | | |
| Other plant and equipment at cost (deemed fair value) | 9 893 | 7 269 |
| Accumulated depreciation at the end of period | (4 244) | (3 332) |
| Total other plant and equipment | 5 649 | 3 937 |
| <u>Right-of-use buildings</u> | | |
| Right-of-use buildings at cost | 191 | 1 136 |
| Accumulated depreciation at the end of period | (124) | (251) |
| Total right-of-use buildings | 67 | 885 |
| <u>Right-of-use vehicles</u> | | |
| Right-of-use vehicles at cost | 1 734 | 2 086 |
| Accumulated depreciation at the end of period | (966) | (982) |
| Total right-of-use vehicles | 768 | 1 104 |
| Total property, plant and equipment | 118 801 | 162 254 |

Department of Human Services
Notes to and forming part of the financial statements
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5.2. Property, plant and equipment owned by the department

Property, plant and equipment owned by the department with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the department is recorded at fair value. The department's approach to fair value is set out in note 10.2.

*During 2020-21, a parcel of land located at Oakden that was the site of the former Strathmont Centre which transferred to the Department of Environment and Water. Refer below to transfers out through administrative restructure.

Impairment

There were no indication of impairment for Property, plant and equipment as at 30 June 2021.

Reconciliation 2020-21

| | Land \$'000 | Buildings \$'000 | Accommodation and leasehold improvements \$'000 | Computing equipment \$'000 |
|---|----------------|---------------------|--|----------------------------------|
| Carrying amount at 1 July 2020 | 55 550 | 93 422 | 1 349 | 69 |
| Additions | - | - | 6 100 | - |
| Disposals | (325) | (48) | (25) | - |
| Assets classified as held for sale | (2 290) | (360) | - | - |
| Depreciation and amortisation for the year | - | (4 804) | (781) | (39) |
| Transfers between other classes | - | - | - | - |
| Donated assets | - | - | - | - |
| Revaluation increment/(decrement) | 6 192 | (15 702) | - | - |
| Transfers out through administrative restructures | (26 000) | - | - | - |
| Other movements | - | - | - | - |
| Carrying amount at 30 June 2021 | 33 127 | 72 508 | 6 643 | 30 |

| | Independent Motor living equipment vehicles \$'000 | Independent program \$'000 | Other plant and equipment \$'000 | Total \$'000 |
|---|---|----------------------------------|--|-----------------|
| Carrying amount at 1 July 2020 | 13 | 5 925 | 3 937 | 160 265 |
| Additions | - | 86 | - | 6 186 |
| Disposals | - | (355) | (42) | (795) |
| Assets classified as held for sale | - | - | (74) | (2 724) |
| Depreciation and amortisation for the year | (4) | (1 149) | (700) | (7 477) |
| Transfers between other classes | - | (987) | 987 | - |
| Transfers out through administrative restructures | - | - | - | (26 000) |
| Donated Assets | - | (3 927) | - | (3 927) |
| Revaluation increment/(decrement) | - | - | - | (9 510) |
| Transfers (to)/from works in progress | - | 428 | 1 541 | 1 969 |
| Other movement | - | (21) | - | (21) |
| Carrying amount at 30 June 2021 | 9 | - | 5 649 | 117 966 |

Department of Human Services
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5.2 Property, plant and equipment owned by the department (continued)

Reconciliation 2019-20

| | Land \$'000 | Buildings \$'000 | Accommodation and leasehold improvements \$'000 | Computing equipment \$'000 |
|--|----------------|---------------------|--|----------------------------------|
| Carrying amount at 1 July 2019 | 61 650 | 88 478 | 2 278 | 85 |
| Additions | - | - | - | - |
| Disposals | - | - | (3) | - |
| Depreciation and amortisation for the year | - | (3 937) | (971) | (38) |
| Donated assets | - | - | - | - |
| Revaluation increment / (decrement) | (6 100) | 8 644 | - | - |
| Transfers (to)/from works in progress | - | 237 | 45 | 22 |
| Carrying amount at 30 June 2020 | 55 550 | 93 422 | 1 349 | 69 |

| | Motor vehicles \$'000 | Independent living equipment program \$'000 | Other plant and equipment \$'000 | Total \$'000 |
|--|--------------------------|--|--|-----------------|
| Carrying amount at 1 July 2019 | 33 | 6 735 | 3 796 | 163 055 |
| Additions | - | 44 | - | 44 |
| Disposals | (10) | (241) | (24) | (278) |
| Revaluation increment/(decrement) | - | - | - | 2 544 |
| Depreciation and amortisation for the year | (10) | (2 579) | (571) | (8 106) |
| Donated Assets | - | - | (7) | (7) |
| Transfers (to)/from works in progress | - | 1 966 | 743 | 3 013 |
| Carrying amount at 30 June 2020 | 13 | 5 925 | 3 937 | 160 265 |

Department of Human Services
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5.3. Property, plant and equipment leased by the department

Right-of-use assets for property, plant and equipment leased by the department as lessee are measured at cost. There were no additions made to leased property, plant and equipment during 2020-21.

Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The department has a limited number of leases:

- 139 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- One lease was with the Royal Society for the Blind. The lease was for office accommodation, therapy rooms and display areas and ceased 30 June 2021. No contingent rental provisions existed within the lease agreement and no options existed to renew the lease at the end of its term.
- One lease is with the Marla & Districts Progress Association Inc. The lease is for office accommodation. DHS may terminate the lease by giving six weeks' notice, with rental paid annually. No contingent rental provisions exist within the lease agreement and is expected to cease 31 July 2021.
- One lease is with the DIT for office accommodation in Ceduna. The existing lease ended 30 June 2021 was extended through a new lease. With rental payments paid monthly. No contingent rental provisions exist within the lease agreement and there is no right of renewal at the end of its lease.
- One lease was with Py Ku Aboriginal Corporation for house and land in the Anangu Pitjantjatjara Yankuntjatjara Lands within the Mimili Community and ceased 30 June 2021. Rental was paid quarterly. No contingent rental provisions existed within the lease agreement.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The department's maturity analysis of its lease liabilities is disclosed in note 10.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4.2 and 4.6. Cash outflows related to leases are disclosed in note 8.2.

Impairment

Property, plant and equipment leased by the department has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

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Notes to and forming part of the financial statements
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5.4. Capital works in progress

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Property, plant and equipment in progress at cost | 910 | 3 223 |
| Total capital works in progress | 910 | 3 223 |

The following table shows the movement of capital works in progress:

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Carrying amount at 1 July 2020 | 3 223 | 3 066 |
| Purchases | 1 649 | 4 837 |
| Transfers to completed works | (4 102) | (4 512) |
| WIP adjustments | 140 | (168) |
| Carrying amount at 30 June 2021 | 910 | 3 223 |

5.5. Intangible assets

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Computer software</u> | | |
| Internally developed computer software | 2 015 | 2 015 |
| Accumulated amortisation | (1 983) | (1 615) |
| Purchased computer software | 13 241 | 11 107 |
| Accumulated amortisation | (10 381) | (8 646) |
| Total computer software | 2 892 | 2 861 |

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

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

All research and development costs that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed. There were no indication of impairment for intangible assets as at 30 June 2021.

The following table shows the movement of intangible assets:

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Carrying amount at 1 July 2020 | 2 861 | 4 023 |
| Transfers (to)/from works in progress | 2 133 | 1 499 |
| Amortisation | (2 102) | (2 661) |
| Carrying amount at 30 June 2021 | 2 892 | 2 861 |

Department of Human Services
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5.6. Non-current asset held for sale

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Land | 2 290 | - |
| Building | 360 | - |
| Plant and equipment | 74 | - |
| Total non-current assets classified as held for sale | 2 724 | - |

The following table shows the movement of non-current assets:

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Carrying amount at 1 July 2020 | - | - |
| Transfers from property, plant and equipment | 2 724 | - |
| Carrying amount at 30 June 2021 | 2 724 | - |

5.7. Inventories

Total current inventories as at 30 June 2021 is \$0.266 million (\$0.241 million).

Inventories held for distribution at no or nominal consideration are measured at cost and adjusted when applicable for any loss of service potential. Inventories held for sale are measured at the lower of cost or their net realisable value.

Cost for all other inventory is measured on the basis of the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Cost of inventories

The cost recognised as an expense for raw materials and consumables is \$0.025 million.

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6. Financial assets

6.1. Cash and cash equivalents

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Some of the department's appropriation is deposited into the Accrual Appropriation Excess Funds account. Although the department controls the money reported below in the Accrual Appropriation Excess Funds account, its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer. The balance of the Accrual Excess Fund account at 30 June is \$115.765 million (\$98.657 million).

| | 2021 | 2020 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| <hr/> | | |
| Deposits with the Treasurer (Special deposit accounts) | | |
| Operating Account | 149 617 | 143 569 |
| Other deposits | 1 593 | 2 255 |
| Total deposits with the Treasurer (Special deposit accounts) | 151 210 | 145 824 |
| | | |
| Advance accounts | 95 | 95 |
| Cash on hand | 5 | 5 |
| Total cash and cash equivalents | 151 310 | 145 924 |

Department of Human Services
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For the year ended 30 June 2021

6.2. Receivables

| | 2021 | 2020 |
|--------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Trade receivables | | |
| From non-SA government entities | 2 183 | 3 304 |
| From SA government entities | 1 398 | 1 568 |
| Less impairment loss on receivables | (4) | (67) |
| Total trade receivables | 3 577 | 4 805 |
| Recoveries for NDIS contributions | 62 884 | 61 874 |
| Accrued revenue | 2 592 | 634 |
| Prepayments | 1 726 | 1 315 |
| Overpaid salaries | 458 | 489 |
| GST input tax recoverable | 191 | 2 236 |
| Other receivables | 83 | 111 |
| Total current receivables | 71 511 | 71 464 |
| Non-current | | |
| Other receivables | 765 | 827 |
| Total non-current receivables | 765 | 827 |
| Total receivables | 72 276 | 72 291 |

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Other than as recognised in the impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 10.3 for information on risk management.

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

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Allowance for impairment on receivables

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 67 | 870 |
| Increase/(decrease) in allowance recognised in profit or loss | (58) | (644) |
| Amounts written off | (5) | (159) |
| Carrying amount at the end of the period | 4 | 67 |

All of the above impairment losses are from receivables arising from contracts with customers that are external to SA Government.

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

Department of Human Services
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7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1. Payables

| | 2021 | 2020 |
|-----------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Current</u> | | |
| Trade payables | 11 242 | 9 180 |
| Accrued expenses | 3 216 | 6 601 |
| Employment on-costs | 5 429 | 5 139 |
| Other | 1 166 | 1 032 |
| Total current payables | 21 053 | 21 952 |
| | | |
| <u>Non-current</u> | | |
| Employment on-costs | 3 479 | 3 856 |
| Total non-current payables | 3 479 | 3 856 |
| | | |
| Total payables | 24 532 | 25 808 |

Payables and accruals are raised for all amounts owed and unpaid. Payables are normally settled within 30 days from the date the invoice is first received. Employee on-costs are settled within the respective employee benefits that they relate to are discharged. All payables are non-interest bearing. The carrying amount of payables represents approximate net fair value due to their short-term nature.

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

Employment on-costs

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

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

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has remained at the rate of 42%. The average factor for the calculation of employer superannuation on-costs has changed from the 2020 rate (9.8%) to 10.1%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$0.157 million.

Department of Human Services
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7.2. Financial liabilities

All material cash outflows are reflected in the lease liabilities disclosed below.

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Current</u> | | |
| Lease vehicle | 471 | 762 |
| Lease building and improvement | 66 | 259 |
| Total current financial liability | 537 | 1 021 |
| <u>Non-current</u> | | |
| Lease vehicle | 303 | 352 |
| Lease building and improvement | - | 625 |
| Total non-current financial liability | 303 | 977 |
| Total financial liability | 840 | 1 998 |

The department measures financial liabilities including borrowings at amortised cost.

7.3. Provisions

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Current</u> | | |
| Workers compensation | 7 751 | 7 386 |
| Insurance | 30 | 40 |
| Total current provisions | 7 781 | 7 426 |
| <u>Non-current</u> | | |
| Workers compensation | 28 006 | 25 880 |
| Insurance | 80 | 80 |
| Total non-current provisions | 28 086 | 25 960 |
| Total provisions | 35 867 | 33 386 |

Department of Human Services
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7.3. Provisions (continued)

Reconciliation of insurance

The following table shows the movement of insurance during 2020-21:

| | Public liability \$'000 | Property \$'000 | Total \$'000 |
|---|-------------------------------|--------------------|-----------------|
| Carrying amount at the beginning of the period | 100 | 20 | 120 |
| Increase to provision due to new claims | 1 | 2 | 3 |
| Reduction due to payments | - | (10) | (10) |
| Net revision of estimates | (11) | 8 | (3) |
| Carrying amount at the end of the period | 90 | 20 | 110 |

The following table shows the movement of insurance during 2019-20:

| | Public liability \$'000 | Property \$'000 | Total \$'000 |
|---|-------------------------------|--------------------|-----------------|
| Carrying amount at the beginning of the period | 130 | 40 | 170 |
| Increase to provision due to new claims | 4 | 1 | 5 |
| Reduction due to payments | (23) | - | (23) |
| Net revision of estimates | (11) | (21) | (32) |
| Carrying amount at the end of the period | 100 | 20 | 120 |

Reconciliation of workers compensation

| | 2021 \$'000 | 2020 \$'000 |
|---|----------------|----------------|
| Carrying amount at the beginning of the period | 33 266 | 29 713 |
| Increase to provision due to revision of estimates | 11 065 | 12 396 |
| Reduction due to payments | (8 574) | (8 843) |
| Carrying amount at the end of the period | 35 757 | 33 266 |

A provision has been reported to reflect unsettled workers compensation (including additional workers compensation) claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation and enterprise bargaining agreements.

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

Department of Human Services
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7.4. Other liabilities

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Current | | |
| Accommodation incentive | 757 | 392 |
| Unclaimed monies | 185 | 193 |
| Unearned revenue | 82 | - |
| Other liabilities | 300 | 309 |
| Total current other liabilities | 1 324 | 894 |
| Non-current | | |
| Accommodation incentive | 5 515 | 476 |
| Total non-current other liabilities | 5 515 | 476 |
| Total other liabilities | 6 839 | 1 370 |

Accommodation incentive liabilities relate to arrangements with the Department for Infrastructure and Transport (DIT) for office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities. DIT has provided incentives for fit out free of charge for the department. The benefit of this incentives is spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

8. Other disclosures

8.1. Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property, plant and equipment to the extent that they offset one another.

8.2. Cash flow

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

Total cash outflows for leases was \$1.634 million (2020: \$2.609 million)

| | 2021 | 2020 |
|--------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Leases | | |
| Buildings | 326 | 282 |
| Vehicles | 783 | 1 272 |
| Short term and low value | 525 | 1 055 |
| Total cash outflow for leases | 1 634 | 2 609 |

Department of Human Services
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8.2. Cash flow (continued)

Reconciliation of net result to cash flows from operating activities

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| <u>Reconciliation of cash and cash equivalents at the end of the reporting period</u> | | |
| Cash and cash equivalents disclosed in the Statement of Financial Position | 151 310 | 145 924 |
| Balance as per the Statement of Cash Flows | 151 310 | 145 924 |
| <u>Reconciliation of net cash provided by operating activities to net result</u> | | |
| Net cash provided by/(used in) operating activities | 6 693 | (10 413) |
| <u>Add / (less) non-cash items</u> | | |
| Depreciation and amortisation expense of non-current assets | (10 626) | (12 301) |
| Accommodation incentive amortisation | 696 | (710) |
| Gain/loss on sale or disposal of non-current assets | (3 358) | (257) |
| <u>Movement in assets and liabilities</u> | | |
| Increase/(decrease) in receivables | 8 | 28 185 |
| Increase/(decrease) in inventories | 25 | (157) |
| (Increase)/decrease in provisions | (2 481) | (3 503) |
| (Increase)/decrease in payables | 1 124 | 24 524 |
| (Increase)/decrease in employee benefits | 8 323 | 30 517 |
| (Increase)/decrease in other liabilities | (65) | 778 |
| Net result | 339 | 56 663 |

Department of Human Services
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9. Outlook

9.1. Unrecognised contractual commitments

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

Capital commitments

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Within one year | 1 432 | 75 |
| Later than one year but not longer than five years | 375 | - |
| Total capital commitments | 1 807 | 75 |

The department's capital commitments are for the Kurlana Tapa Youth Justice Consolidation project, minor capital works to various properties, the Kurlana Tapa Youth Justice Centre Sustainment annual program, and Interpreter management software.

Expenditure commitments

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Within one year | 6 853 | 6 585 |
| Later than one year but not longer than five years | 20 860 | 4 828 |
| Later than five years | 22 646 | 1 126 |
| Total expenditure commitments | 50 359 | 12 539 |

The department's expenditure commitments primarily consists of MOAA with DIT for accommodation.

Leases entered into which have not yet commenced

Ceduna

The department signed a new lease for accommodation at Ceduna in June 2021. The lease commences on 1 July 2021. The future lease payments for the lease contract are \$18 000 within 1 year.

Noarlunga

The department signed a new lease for accommodation at Noarlunga in July 2021. The lease commences on 1 July 2021. The future lease payments for the lease contract are \$44 000 within 1 year and \$90 000 within 5 years.

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9.2 Contingent assets and liabilities

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

In 2018-19, a back payment claim was made by some staff at the Kurlana Tapa Youth Training Centre in relation to Crib Breaks. During 2019-20, the claim was heard by the South Australian Employment Tribunal (SAET) and the claim was upheld. DHS subsequently appealed this decision and during 2020-21, this appeal was considered by the full bench of the SAET which determined the claim would be dismissed. This decision was further appealed, resulting in the matter being heard by the Supreme Court in August 2021. At the time of preparing the financial statements, the Supreme Court had not released a judgement.

9.3 COVID-19 pandemic outlook for the department

At this stage, with the current levels of COVID-19 in the South Australian community, the department does not expect its financial position to be materially impacted in 2021-22 due to the COVID-19 pandemic.

9.4 Impact of standards not yet effective

The department has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

Amending Standard AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020* and Other Amendments will apply from 1 July 2022 and Amending Standard AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to the department, these amending standards are not expected to have an impact on the department's general purpose financial statements

Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The department continues to assess liabilities e.g. Long service leave and whether or not the department has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

9.5 Events after the reporting period

There are no events between 30 June 2021 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2021 and which may have a material impact on the results of subsequent years.

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10 Measurement and risk

10.1 Long service leave liability – measurement

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

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wages levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2020 (0.75%) to 2021 (1.25%).

The actuarial assessment performed by DTF left the salary inflation rate at 2.5% in 2021 for long service leave liability.

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

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and expense of \$4.681 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being long-term discount rate.

The department has changed the method for calculation the current/ non-current split for long service liability in 2020-21. The 2020 comparatives were also restated for consistency. The long service leave split between current and non-current is based on the department's analysis of leave taken which uses historical leave balances to determine an estimate for amounts to be paid within the next 12 months.

10.2 Fair value

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

Initial recognition

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

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

Revaluation

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

The revaluation process is reviewed by the department each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets, or a group of assets, is only performed when the fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

A full site revaluation is undertaken on a regular cycle every five years. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset class will be revalued regardless of when the last valuation took place.

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

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10.2 Fair value (continued)

Fair value hierarchy

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

Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.

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

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

During 2021 and 2020, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

The fair value of non financial assets must be estimated for recognition measurement or for disclosure purposes. The department categorises non financial assets measured at fair value. The hierarchy is based on the level of input used in measurement as follows:

Fair value classification - non financial assets at 30 June 2021

| | Note | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|------|-------------------|-------------------|-----------------|
| <u>Recurring fair value measurements</u> | | | | |
| Land | 5.1 | 33 127 | - | 33 127 |
| Buildings | 5.1 | 4 781 | 67 727 | 72 508 |
| Accommodation improvements | 5.1 | - | 6 643 | 6 643 |
| Other | 5.1 | - | 5 688 | 5 688 |
| Total recurring fair value measurements | | 37 908 | 80 058 | 117 966 |
| <u>Non-recurring fair value measurements</u> | | | | |
| Land held for sale | | 2 290 | - | 2 290 |
| Building held for sale | | 360 | - | 360 |
| Total non-recurring fair value measurements | | 2 650 | - | 2 650 |
| Total fair value measurements | | 40 558 | 80 058 | 120 616 |

Fair value classification - non financial assets at 30 June 2020

| | Note | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|---|------|-------------------|-------------------|-----------------|
| <u>Recurring fair value measurements</u> | | | | |
| Land | 5.1 | 55 550 | - | 55 550 |
| Buildings | 5.1 | 27 802 | 65 620 | 93 422 |
| Accommodation improvements | 5.1 | - | 1 349 | 1 349 |
| Other | 5.1 | - | 9 944 | 9 944 |
| Total recurring fair value measurements | | 83 352 | 76 913 | 160 265 |
| Total fair value measurements | | 83 352 | 76 913 | 160 265 |

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10.2 Fair value (continued)

Land and buildings

The department's land and buildings were subject to a full site revaluation as at 30 June 2021.

An independent valuation of land and buildings owned by the department was performed in April 2021 by a Certified Practising Valuer, Mr Martin Burns from Liquid Pacific Holdings Pty Ltd.

The results of the valuation were considered to have a material impact on the department's assets and were processed accordingly.

The majority of assets were valued using the direct comparison of sales approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, adjustments were applied to reflect the restriction. Where market inputs were not readily observable, the cost approach to valuation was adopted/current replacement cost. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs were derived from building costs guides / internal records such as recent tender documents, construction invoices etc. and the estimated useful life due to age and condition of the building.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1 million and had an estimated useful life of less than three years. Plant and equipment have not been revalued in accordance with *APS 116.D*. The carrying values of these items are deemed to approximate fair value.

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10.2 Fair value (continued)

Reconciliation of level 3 recurring fair value measurement as at 30 June 2021

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

| 2021 | Accommodation | | |
|--|---------------------|------------------------|-----------------|
| | Buildings \$'000 | improvements \$'000 | Other \$'000 |
| Opening balance at the beginning of the period | 65 620 | 1 349 | 9 944 |
| Acquisitions | - | 6 100 | 86 |
| Classified as held for sale | - | - | (74) |
| Donated Assets | - | - | (3 927) |
| Transfers from level 2 | 10 672 | - | - |
| Disposals | - | (25) | (433) |
| Transfers (to)/from work in progress | - | - | 1 969 |
| Other movement | - | - | 15 |
| <u>Gains/(losses) for the period recognised in net result:</u> | | | |
| Depreciation | (2 117) | (781) | (1 892) |
| Total gains/(losses) recognised in net result | (2 117) | (781) | (1 892) |
| <u>Gains/(losses) for the period recognised in other comprehensive income (OCI)</u> | | | |
| Revaluation increments/(decrements) | (6 448) | - | - |
| Total gains/(losses) recognised in OCI | (6 448) | - | - |
| Carrying amount at the end of the period | 67 727 | 6 643 | 5 688 |

| 2020 | Accommodation | | |
|--|---------------------|------------------------|-----------------|
| | Buildings \$'000 | improvements \$'000 | Other \$'000 |
| Opening balance at the beginning of the period | 63 102 | 2 278 | 10 649 |
| Acquisitions | - | - | 44 |
| Donated Assets | - | - | (7) |
| Disposals | - | (3) | (275) |
| Transfers (to)/from work in progress | - | 45 | 2 731 |
| <u>Gains/(losses) for the period recognised in net result:</u> | | | |
| Depreciation | (1 911) | (971) | (3 198) |
| Total gains/(losses) recognised in net result | (1 911) | (971) | (3 198) |
| <u>Gains/(losses) for the period recognised in other comprehensive income (OCI)</u> | | | |
| Revaluation increments/(decrements) | 4 429 | - | - |
| Total gains/(losses) recognised in OCI | 4 429 | - | - |
| Carrying amount at the end of the period | 65 620 | 1 349 | 9 944 |

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10.3 Financial instruments

Financial risk management

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

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

Liquidity risk

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

Refer to notes 1.5 and 2.1 for further information.

Credit risk

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

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

Impairment of financial assets

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

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

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

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

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

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10.3. Financial instruments (continued)

The following table provides information about the credit risk exposure and expected credit loss for non-government debtors.

| | Debtor gross carrying amount \$'000 | Expected credit loss rate % | Expected losses \$'000 |
|----------------------------|---|-----------------------------------|---------------------------|
| Current (not past due) | 1 540 | 0% | - |
| 1 - 30 days past due | 82 | 0.31% | - |
| 31 - 60 days past due | 27 | 0.45% | - |
| 61 - 90 days past due | 25 | 0.63% | - |
| More than 90 days past due | 509 | 0.78% | 4 |
| Loss allowance | 2 183 | | 4 |

Loss rates are based on actual history of credit loss. Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the department and a failure to make contractual payments for a period of greater than 180 days past due.

Receivables with a contractual amount of \$5 000 written off during the year are still subject to enforcement activity.

Market risk

The department does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

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

Categorisation of financial instruments

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

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 balances (refer to note 7.1 and 6.2).

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Notes to and forming part of the financial statements
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10.3. Financial instruments (continued)

The department measures all financial instruments at amortised cost.

Maturity analysis of financial instruments

| Category of financial asset and financial liability | Note | 2021 Carrying amount / fair value \$'000 | 2021 Contractual maturities* | | |
|---|------|--|------------------------------|---------------------|-----------------------------------|
| | | | Within 1 year \$'000 | 1-5 years \$'000 | More than 5 years \$'000 |
| Financial assets | | | | | |
| Financial assets at amortised cost | | | | | |
| Cash and cash equivalent | 6.1 | 151 310 | 151 310 | - | - |
| Receivables** | 6.2 | 70 359 | 69 594 | 765 | - |
| Total financial assets | | 221 669 | 220 904 | 765 | - |
| Financial liabilities | | | | | |
| Financial liabilities at amortised cost | | | | | |
| Payables** | 7.1 | 15 331 | 15 331 | - | - |
| Financial Liability | 7.2 | 840 | 537 | 303 | - |
| Total financial liabilities | | 16 171 | 15 868 | 303 | - |

| Category of financial asset and financial liability | Note | 2020 Carrying amount / fair value \$'000 | 2020 Contractual maturities | | |
|---|------|--|-----------------------------|---------------------|-----------------------------------|
| | | | Within 1 year \$'000 | 1-5 years \$'000 | More than 5 years \$'000 |
| Financial assets | | | | | |
| Financial assets at amortised cost | | | | | |
| Cash and cash equivalents | 6.1 | 145 924 | 145 924 | - | - |
| Receivables** | 6.2 | 68 740 | 67 913 | 827 | - |
| Total financial assets | | 214 664 | 213 837 | 827 | - |
| Financial liabilities | | | | | |
| Financial assets at amortised cost | | | | | |
| Payables** | 7.1 | 16 491 | 16 491 | - | - |
| Financial Liability | 7.2 | 1 998 | 1 021 | 977 | - |
| Total financial liabilities | | 18 489 | 17 512 | 977 | - |

*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

**** Receivables and payables**

Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

Department of Human Services

Administered Financial Statements For the year ended 30 June 2021

Department of Human Services
Statement of Administered Comprehensive Income
for the year ended 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|--|------|-----------------|----------------|
| <u>Administered income</u> | | | |
| Appropriation | | 183 074 | 191 212 |
| SA Government grants, subsidies and transfers | | 12 837 | 14 261 |
| Fees and charges | | 507 | 438 |
| Interest | | 28 | 165 |
| Client Trust receipts | A5.2 | 10 479 | 11 329 |
| Donations | | 122 | 6 958 |
| Other income | | 520 | 502 |
| Total administered income | | 207 567 | 224 865 |
| <u>Administered expenses</u> | | | |
| Employee benefits expenses | | 374 | 366 |
| Supplies and services | | 1 708 | 1 027 |
| Depreciation and amortisation | | 2 694 | 2 695 |
| Grants and subsidies | A2.1 | 206 562 | 208 048 |
| Client Trust payments | A5.2 | 10 117 | 11 508 |
| Donations and charity | | 3 283 | 5 810 |
| Cash alignment transfers to Consolidated Account | | 9 351 | 3 100 |
| Total administered expenses | | 234 089 | 232 554 |
| Net result | | (26 522) | (7 689) |
| <u>Other comprehensive income</u> | | | |
| Changes in property, plant and equipment asset revaluation surplus | | 6 894 | - |
| Total other comprehensive income | | 6 894 | - |
| Total comprehensive result | | (19 628) | (7 689) |

The accompanying notes form part of these financial statements.

Department of Human Services
Statement of Administered Financial Position
as at 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|--|------|----------------|----------------|
| <u>Administered current assets</u> | | | |
| Cash and cash equivalents | A4.1 | 63 120 | 66 773 |
| Receivables | | 30 | 110 |
| Total current assets | | 63 150 | 66 883 |
| <u>Administered non-current assets</u> | | | |
| Property, plant and equipment | A3.1 | 25 165 | 22 715 |
| Investment property | A3.3 | 3 150 | 1 400 |
| Total non-current assets | | 28 315 | 24 115 |
| Total assets | | 91 465 | 90 998 |
| <u>Administered current liabilities</u> | | | |
| Payables | | 28 131 | 8 036 |
| Total current liabilities | | 28 131 | 8 036 |
| Total liabilities | | 28 131 | 8 036 |
| Net assets | | 63 334 | 82 962 |
| <u>Administered equity</u> | | | |
| Retained earnings | | 25 885 | 52 407 |
| Asset revaluation surplus | | 37 449 | 30 555 |
| Total equity | | 63 334 | 82 962 |

The accompanying notes form part of these financial statements.

Department of Human Services
Statement of Administered Changes in Equity
for the year ended 30 June 2021

| | Asset revaluation surplus | Retained earnings | Total equity |
|---|---------------------------------|----------------------|-----------------|
| | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2019 | 30 555 | 60 096 | 90 651 |
| Net result for 2019-20 | - | (7 689) | (7 689) |
| Total comprehensive result for 2019-20 | - | (7 689) | (7 689) |
| Balance at 30 June 2020 | 30 555 | 52 407 | 82 962 |
| Net result for 2020-21 | - | (26 522) | (26 522) |
| Gain/(loss) on revaluation of property, plant and equipment | 6 894 | - | 6 894 |
| Total comprehensive result for 2020-21 | 6 894 | (26 522) | (19 628) |
| Balance at 30 June 2021 | 37 449 | 25 885 | 63 334 |

Department of Human Services
Statement of Administered Cash Flows
for the year ended 30 June 2021

| | Note | 2021 \$'000 | 2020 \$'000 |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| <i>Cash inflows</i> | | | |
| Appropriation | | 183 074 | 191 212 |
| Fees and charges | | 520 | 438 |
| SA Government grants subsidies and transfers | | 12 837 | 14 261 |
| Interest | | 27 | 165 |
| Client Trust receipts | | 10 479 | 11 329 |
| Donations | | 122 | 6 958 |
| Other income | | 507 | 502 |
| Cash generated from operations | | 207 566 | 224 865 |
| <i>Cash outflows</i> | | | |
| Employee benefits payments | | (374) | (373) |
| Payments for supplies and services | | (1 867) | (940) |
| Concessions | | (152 403) | (177 689) |
| Grants and subsidies | | (33 833) | (32 967) |
| Client Trust payments | | (10 108) | (11 507) |
| Donations and charity | | (3 283) | (5 810) |
| Cash alignment transfers to Consolidated Account | | (9 351) | (3 100) |
| Cash used in operations | | (211 219) | (232 386) |
| Net cash provided by / (used in) operations | A5.1 | (3 653) | (7 521) |
| Net increase / (decrease) in cash and cash equivalents | | (3 653) | (7 521) |
| Cash and cash equivalents at the beginning of the period | | 66 773 | 74 294 |
| Cash and cash equivalents at the end of the period | A4.1 | 63 120 | 66 773 |

The accompanying notes form part of these financial statements.

Department of Human Services
Disaggregated Administered Statement of Comprehensive Income
for the year ended 30 June 2021

| Administered programs - refer note A1.1 | Gambler's Rehabilitation Fund | | Charitable Social Welfare Fund | | Home for Incurables Trust | |
|--|----------------------------------|--------------|-----------------------------------|--------------|------------------------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Administered income | | | | | | |
| Appropriation | 590 | 520 | - | - | - | - |
| Fees and charges | 19 | 12 | 43 | 61 | 253 | 286 |
| SA Government grants subsidies and transfers | 7 375 | 6 373 | 4 000 | 4 000 | - | - |
| Interest | 1 | 8 | - | - | 4 | 27 |
| Other income | 403 | 382 | 115 | 115 | - | - |
| Total administered income | 8 388 | 7 295 | 4 158 | 4 176 | 257 | 313 |
| Administered expenses | | | | | | |
| Supplies and services | 1 085 | 656 | 168 | 150 | 250 | 190 |
| Depreciation and amortisation | - | 1 | - | - | 2 694 | 2 694 |
| Grants and subsidies | 6 399 | 6 204 | 3 655 | 3 943 | - | - |
| Total administered expenses | 7 484 | 6 861 | 3 823 | 4 093 | 2 944 | 2 884 |
| Net result | 904 | 434 | 335 | 83 | (2 687) | (2 571) |

| | Disability Services Donations and Bequests | | Supported Residential Facilities Indemnity Fund | | Client Trust Accounts | |
|------------------------------------|--|------------|---|----------|-----------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Administered income | | | | | | |
| Interest | - | 1 | - | - | 22 | 122 |
| Client Trust receipts | - | - | - | - | 10 479 | 11 329 |
| Other income | - | - | 2 | - | - | - |
| Total administered income | - | 1 | 2 | - | 10 501 | 11 451 |
| Administered expenses | | | | | | |
| Supplies and services | - | 1 | - | - | - | - |
| Client Trust payments | - | - | - | - | 10 117 | 11 508 |
| Donations and charity | 4 | 4 | - | - | - | - |
| Total administered expenses | 4 | 5 | - | - | 10 117 | 11 508 |
| Net result | (4) | (4) | 2 | - | 384 | (57) |

Department of Human Services
Disaggregated Administered Statement of Comprehensive Income
for the year ended 30 June 2021

| | Health and Aged Care Services Donations and | | | |
|-------------------------------------|--|------------|-------------|-------------|
| | Minister's salary | | Bequests | |
| | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Administered income</u> | | | | |
| Appropriation | 374 | 374 | - | - |
| Interest | - | - | - | 3 |
| Total administered income | 374 | 374 | - | 3 |
| <u>Administered expenses</u> | | | | |
| Employee benefits expenses | 374 | 366 | - | - |
| Donations and charity | - | - | 11 | 16 |
| Total administered expenses | 374 | 366 | 11 | 16 |
| Net result | - | 8 | (11) | (13) |

| | Concessions | | Community Service Obligations | | State Emergency Relief Fund | |
|--|-----------------|----------------|----------------------------------|---------------|--------------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Administered income</u> | | | | | | |
| Appropriation | 161 061 | 165 117 | 17 674 | 20 333 | - | 2 000 |
| SA Government grants subsidies and transfers | 1 315 | 3 600 | - | - | - | - |
| Interest | - | - | - | - | 1 | 4 |
| Donations | - | - | - | - | 122 | 6 958 |
| Other income | - | - | - | - | - | 5 |
| Total administered income | 162 376 | 168 717 | 17 674 | 20 333 | 123 | 8 967 |
| <u>Administered expenses</u> | | | | | | |
| Supplies and services | 11 | 2 | - | - | - | - |
| Grants and subsidies | 172 507 | 174 183 | 20 319 | 19 660 | - | - |
| Donations and charity | - | - | - | - | 3 268 | 5 790 |
| Cash alignment transfers to Consolidated Account | 9 351 | 3 100 | - | - | - | - |
| Total administered expenses | 181 869 | 177 285 | 20 319 | 19 660 | 3 268 | 5 790 |
| Net result | (19 493) | (8 568) | (2 645) | 673 | (3 145) | 3 177 |

Department of Human Services
Disaggregated Administered Statement of Comprehensive Income
for the year ended 30 June 2021

| | Personal Alert SA | | Consumer Advocacy & Research Fund | | Total | |
|--|-------------------|--------------|--------------------------------------|-------------|-----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| <u>Administered income</u> | | | | | | |
| Appropriation | 3 375 | 2 868 | - | - | 183 074 | 191 212 |
| Fees and charges | 189 | 79 | 3 | - | 507 | 438 |
| SA Government grants subsidies and transfers | - | - | 147 | 288 | 12 837 | 14 261 |
| Interest | - | - | - | - | 28 | 165 |
| Client Trust Fund receipts | - | - | - | - | 10 479 | 11 329 |
| Donations | - | - | - | - | 122 | 6 958 |
| Other income | - | - | - | - | 520 | 502 |
| Total administered income | 3 564 | 2 947 | 150 | 288 | 207 567 | 224 865 |
| <u>Administered expenses</u> | | | | | | |
| Employee benefits expenses | - | - | - | - | 374 | 366 |
| Supplies and services | - | - | 194 | 28 | 1 708 | 1 027 |
| Depreciation and amortisation | - | - | - | - | 2 694 | 2 695 |
| Grants and subsidies | 3 553 | 3 736 | 129 | 322 | 206 562 | 208 048 |
| Client Trust Fund payments | - | - | - | - | 10 117 | 11 508 |
| Donations and charity | - | - | - | - | 3 283 | 5 810 |
| Cash alignment transfers to Consolidated Account | - | - | - | - | 9 351 | 3 100 |
| Total administered expenses | 3 553 | 3 736 | 323 | 350 | 234 089 | 232 554 |
| Net result | 11 | (789) | (173) | (62) | (26 522) | (7 689) |

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

Department of Human Services
Schedule of Expenses and Income attributable to Administered Programs
for the year ended 30 June 2021

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Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A1. About the Department of Human Services

A1.1. Basis of preparation

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

A1.2. Objectives/activities of the department's administered items

The department's administered items are structured to contribute to the thirteen main activities, these are:

- Client Trust Accounts
- Charitable and Social Welfare Fund
- Community Service Obligations
- Concessions
- Consumer Advocacy & Research Fund
- Disability Services Donations and Bequests
- Gambler's Rehabilitation Fund
- Health and Aged Care Services Donations and Bequests
- Home for Incurables Trust
- Minister's Salary
- Personal Alert SA
- State Emergency Relief Fund
- Supported Residential Facilities Indemnity Fund

A1.3. Impact of COVID-19 pandemic on the department

The COVID-19 pandemic impacted on some activities administered by the department, in particular, the department was required to administer additional payments for Cost of Living concessions, \$3.715 million (2020 \$9.588 million) and the International Student Support Package to assist individuals affected by COVID-19, refer to note A2.2. These additional payments had a material impact on the financial statements of the department's Administered Items.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A1.4. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

| | Note | Original budget 2021 \$'000 | Actual 2021 \$'000 | Variance \$'000 |
|--|------|--------------------------------------|--------------------------|--------------------|
| Statement of Administered Comprehensive Income | | | | |
| <u>Administered Income</u> | | | | |
| Appropriation | | 183 074 | 183 074 | - |
| SA Government grants subsidies and transfers | | 16 248 | 12 837 | (3 411) |
| Fees and charges | | - | 507 | 507 |
| Interest | | 298 | 28 | (270) |
| Client Trust Fund receipts | | 10 479 | 10 479 | - |
| Donations | | - | 122 | 122 |
| Other income | | 276 | 520 | 244 |
| Total administered income | | 210 375 | 207 567 | (2 808) |
| <u>Administered Expenses</u> | | | | |
| Employee benefits expenses | | 374 | 374 | - |
| Supplies and services | | 1 517 | 1 708 | 191 |
| Depreciation and amortisation | | 2 695 | 2 694 | (1) |
| Grants and subsidies expenses | | 209 417 | 206 562 | (2 855) |
| Client Trust Fund payments | | 10 864 | 10 117 | (747) |
| Donations and charity | | 3 175 | 3 283 | 108 |
| Cash alignment transfers to Consolidated Account | | 9 353 | 9 351 | (2) |
| Total administered expenses | | 237 395 | 234 089 | (3 306) |
| Net result | | (27 020) | (26 522) | 498 |
| <u>Other comprehensive income</u> | | | | |
| Changes in property, plant and equipment asset revaluation surplus | | - | 6 894 | 6 894 |
| Total other comprehensive income | | - | 6 894 | 6 894 |
| Total comprehensive result | | (27 020) | (19 628) | 7 392 |

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. There are no variances that exceeds both thresholds.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A2. Expenses

A2.1. Grants and subsidies

| | 2021 | 2020 |
|--------------------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| Concessions | 172 507 | 174 183 |
| Community Service Obligations * | 20 319 | 19 660 |
| Gamblers Rehabilitation | 6 399 | 6 204 |
| Charitable Social Welfare Fund | 3 655 | 3 943 |
| Personal Alert Systems SA | 3 553 | 3 736 |
| Consumer Advocacy & Research Fund ** | 129 | 322 |
| Total grants and subsidies | 206 562 | 208 048 |

* Community Service Obligations are paid to help South Australian community organisations (for example, charities). Under the Water Industry Act 2012 and Sewerage Act 1929, Community Service Obligations are paid for water and sewerage concessions.

** Administrative responsibility for the Consumer Advocacy & Research Fund was transferred to the Department of Environment and Water, effective from 1 January 2021.

A2.2. Concessions

| | 2021 | 2020 |
|---|----------------|----------------|
| | \$'000 | \$'000 |
| Water and sewerage rates | 55 440 | 52 582 |
| Energy | 44 569 | 41 815 |
| Cost of Living * | 37 737 | 46 191 |
| Transport | 29 200 | 30 132 |
| International Student Support Package * | 2 766 | 1 445 |
| Emergency electricity payments | 216 | 319 |
| Other | 2 579 | 1 699 |
| Total concessions | 172 507 | 174 183 |

* As part of the State Government's response to COVID-19, \$3.715 million (2020 \$9.588 million) was paid as part of the Cost of Living Concession for a one-off boost to individuals who were unemployed or lost their jobs as a result of COVID-19. Further, households which were eligible for the boost payment in 2019-20 were able to bring the 2020-21 COLC payment forward. This amounted to expenditure of \$3.009 million in 2019-20. In addition, in 2019-20 the International Students Support Package was established to provide emergency cash grants to international students currently living in Adelaide who have been impacted by COVID-19.

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A3. Non-financial assets

A3.1. Property, plant and equipment by asset class

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Land and buildings</u> | | |
| Land at fair value | 15 950 | 11 250 |
| Buildings and improvements at fair value | 7 600 | 12 002 |
| Accumulated depreciation - buildings and improvements | - | (2 423) |
| Carpark at fair value | 12 | 12 |
| Accumulated depreciation - carpark | (12) | (12) |
| Total land and buildings | 23 550 | 20 829 |
| <u>Plant and equipment</u> | | |
| Plant and equipment at cost (deemed fair value) | 2 873 | 2 873 |
| Accumulated depreciation | (1 258) | (987) |
| Total plant and equipment | 1 615 | 1 886 |
| Total property, plant and equipment | 25 165 | 22 715 |

A site valuation of land and buildings was performed as at 30 June 2021. The results of the 2020-21 revaluation were processed for Administered buildings as they were deemed to have a material impact.

A3.2. Property, plant and equipment owned by the department

The following table shows the movement of land, buildings and improvements and plant and equipment during 2020-21:

2020-21

| | Land | Buildings and improvements | Plant and equipment | Total |
|---|---------------|-----------------------------------|----------------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 11 250 | 9 579 | 1 886 | 22 715 |
| Depreciation and amortisation | - | (2 423) | (271) | (2 694) |
| Revaluation increment / (decrement) | 4 700 | 444 | - | 5 144 |
| Carrying amount at the end of the period | 15 950 | 7 600 | 1 615 | 25 165 |

2019-20

| | Land | Buildings and improvements | Plant and equipment | Total |
|---|---------------|-----------------------------------|----------------------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 11 250 | 12 002 | 2 157 | 25 409 |
| Depreciation and amortisation | - | (2 423) | (271) | (2 694) |
| Revaluation increment / (decrement) | - | - | - | - |
| Carrying amount at the end of the period | 11 250 | 9 579 | 1 886 | 22 715 |

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A3.3. Investment property

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Investment building | - | 600 |
| Fair value at the end of the period | - | 600 |
| | 2021 | 2020 |
| | \$'000 | \$'000 |
| Investment land | 3 150 | 800 |
| Fair value at the end of the period | 3 150 | 800 |
| Total investment property at the end of the period | 3 150 | 1 400 |

The investment property is held to earn rental income and/or for capital appreciation. The investment property is 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, the investment property is revalued to fair value with changes in the fair value recognised in the revaluation reserve in Equity in the period that they arise. An independent full site valuation of the investment property was performed at 30 June 2021. The results of the valuation were processed. The investment property is not depreciated however is tested for impairment.

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

The following table shows the movement of investment property during 2020-21:

Reconciliation 2020-21

| | Investment land \$'000 | Investment building \$'000 | Total \$'000 |
|---|------------------------------|----------------------------------|-----------------|
| Carrying amount at the beginning of the period | 800 | 600 | 1 400 |
| Revaluation increment / (decrement) | 2 350 | (600) | 1 750 |
| Carrying amount at the end of the period | 3 150 | - | 3 150 |

Reconciliation 2019-20

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

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A4. Financial assets

A4.1. Cash and cash equivalents

| | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Special deposit account with the Treasurer | 46 148 | 50 985 |
| Deposit account with SAFA | 16 042 | 15 220 |
| Other deposits | 930 | 568 |
| Total cash and cash equivalents | 63 120 | 66 773 |

A5. Other disclosures

A5.1. Cash flow reconciliation

| | 2021 | 2020 |
|---|-----------------|----------------|
| | \$'000 | \$'000 |
| <u>Reconciliation of cash and cash equivalents at the end of the reporting period</u> | | |
| Cash and cash equivalents disclosed in the Statement of Financial Position | 63 120 | 66 773 |
| Balance as per the Statement of Cash Flows | 63 120 | 66 773 |
| <u>Reconciliation of net cash provided by / (used in) operating activities to net result</u> | | |
| Net cash provided by/(used in) operating activities | (3 653) | (7 521) |
| <u>Add / (less) non-cash items</u> | | |
| Depreciation and amortisation | (2 694) | (2 695) |
| <u>Movement in assets and liabilities</u> | | |
| Increase/(decrease) in receivables | (80) | 71 |
| (Increase)/decrease in payables | (20 095) | 2 449 |
| (Increase)/decrease in employee benefits | - | 7 |
| Net result | (26 522) | (7 689) |

A5.2. 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 Julia Farr Services (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 \$0.021 million (2020: \$0.122 million).

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Opening balance at the beginning of the period | 13 694 | 13 751 |
| Add receipts | 10 501 | 11 451 |
| Less Expenses | (10 117) | (11 508) |
| Closing balance at the end of the period | 14 078 | 13 694 |

Department of Human Services
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A5.3. 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.

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Opening balance at the beginning of the period | 176 | 180 |
| Add receipts | - | 1 |
| Less expenses | (4) | (5) |
| Total disability services donations and bequests | 172 | 176 |

A5.4. Health and Aged Care Services donations and bequests

Donations and bequests must be used to benefit the community and public and cannot be used by the department to achieve its own objectives.

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Opening balance at the beginning of the period | 538 | 551 |
| Add receipts | - | 3 |
| Less expenses | (11) | (16) |
| Total health and aged care services donations and bequests | 527 | 538 |

A5.5. 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.

Administrative responsibility of the Fund was transferred to the Department of Environment and Water, effective from 1 January 2021. The amount transferred is included in expenses below (2021: \$0.194 million).

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Opening balance at the beginning of the period | 173 | 235 |
| Add receipts | 150 | 288 |
| Less expenses | (323) | (350) |
| Total consumer advocacy and research fund | - | 173 |

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A5.6. 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. In December 2019, the South Australian Government launched the SA Bushfire Appeal to raise funds for people directly affected by the bushfires in Cuddlee Creek. In January 2020, the South Australian Government Gazette expanded the appeal to include the Kangaroo Island bushfires.

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Opening balance at the beginning of the period | 3 247 | 70 |
| Add receipts | 123 | 8 967 |
| Less expenses | (3 268) | (5 790) |
| Closing balance at the end of the period | 102 | 3 247 |

The public appeal for donations closed 31 July 2020. The total donations received for the SA Bushfire Appeal was \$9.09 million. As at 30 June 2021, the total disbursed to SA Bushfire Appeal victims was \$9.06 million with the remainder transferred to the fund's general account for future appeals.

A5.7. Supported Residential Facilities Indemnity Fund

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).

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Opening balance at the beginning of the period | 50 | 50 |
| Add receipts | 2 | - |
| Closing balance at the end of the period | 52 | 50 |

A6. Outlook

A6.1. Contingent assets and liabilities

The department has investigated and there are no contingent assets or liabilities that impact the department's administered items.

A6.2. COVID-19 pandemic outlook for the department

The South Australian Government continued to provide financial assistance to individuals impacted by COVID-19 in 2020-21. The Paid Pandemic Leave Scheme recommenced in July 2021 following the start of a lockdown period.

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A7. Measurement and risk

A7.1. Fair value

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 three levels.

The department had no valuations categorised into level 1.

There have been no transfers of assets between level 1 and 2 fair value hierarchy levels in 2021 or 2020. The department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Fair value classification - non-financial assets at 30 June 2021

| | Level 2 | Level 3 | Total |
|--|----------------|----------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Recurring fair value measurements | | | |
| Land | 15 950 | - | 15 950 |
| Buildings | - | 7 600 | 7 600 |
| Plant and equipment | - | 1 615 | 1 615 |
| Investment property | 3 150 | - | 3 150 |
| Total recurring fair value measurements | 19 100 | 9 215 | 28 315 |
| Total fair value measurements | 19 100 | 9 215 | 28 315 |

Fair value classification - non-financial assets at 30 June 2020

| | Level 2 | Level 3 | Total |
|--|----------------|----------------|---------------|
| | \$'000 | \$'000 | \$'000 |
| Recurring fair value measurements | | | |
| Land | 11 250 | - | 11 250 |
| Buildings | 9 579 | - | 9 579 |
| Plant and equipment | - | 1 886 | 1 886 |
| Investment property | 1 400 | - | 1 400 |
| Total recurring fair value measurements | 22 229 | 1 886 | 24 115 |
| Total fair value measurements | 22 229 | 1 886 | 24 115 |

Valuation techniques and inputs

There were no changes in valuation techniques during 2020-21.

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A7.1 Fair value (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 2021 | Buildings \$'000 | Plant and equipment \$'000 |
|--|-----------------------------|---|
| Opening balance at the beginning of the period | - | 1 886 |
| Transfers from level 2 | 7 600 | - |
| <u>Gains/(losses) for the period recognised in net result:</u> | | |
| Depreciation and amortisation | - | (271) |
| Total gains/(losses) recognised in net result | - | (271) |
| Carrying amount at the end of the period | 7 600 | 1 615 |

| Reconciliation of level 3 recurring fair value measurements at 30 June 2020 | Buildings \$'000 | Plant and equipment \$'000 |
|--|-----------------------------|---|
| Opening balance at the beginning of the period | - | 2 157 |
| <u>Gains/(losses) for the period recognised in net result:</u> | | |
| Depreciation and amortisation | - | (271) |
| Total gains/(losses) recognised in net result | - | (271) |
| Carrying amount at the end of the period | - | 1 886 |

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A8. 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 Human Services. 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 Human Services 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 of Human Services
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A8. Home for Incurables Trust (continued)

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 Income and Expenses for the year ended 30 June 2021 | 2021 \$'000 | 2020 \$'000 |
|--|------------------------|------------------------|
| Income | | |
| Fees and charges | 253 | 286 |
| Interest | 4 | 27 |
| Total income | 257 | 313 |
| Expenses | | |
| Supplies and services | 250 | 190 |
| Depreciation and amortisation | 2 694 | 2 694 |
| Total expenses | 2 944 | 2 884 |
| Net result | (2 687) | (2 571) |
| Other comprehensive income | | |
| Changes in property, plant and equipment asset revaluation surplus | 6 894 | - |
| Total other comprehensive income | 6 894 | - |
| Total comprehensive result | 4 207 | (2 571) |

| Schedule of Financial Position for the year ended 30 June 2021 | 2021 \$'000 | 2020 \$'000 |
|---|------------------------|------------------------|
| Current assets | | |
| Special deposits with the Treasurer | 204 | 831 |
| Deposits with SAFA | 2 894 | 2 094 |
| Receivables | - | 9 |
| Total current assets | 3 098 | 2 934 |
| Non-current assets | | |
| Property, plant and equipment | 25 165 | 22 715 |
| Investment property | 3 150 | 1 400 |
| Total non-current assets | 28 315 | 24 115 |
| Total assets | 31 413 | 27 049 |
| Current liabilities | | |
| Payables | - | 9 |
| Total current liabilities | - | 9 |
| Total liabilities | - | 9 |
| Net assets | 31 413 | 27 040 |

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A8. Home for Incurables Trust (continued)

| Schedule of Changes in Equity for the year ended 30 June 2021 | Asset revaluation surplus \$'000 | Retained earnings \$'000 | Total equity \$'000 |
|--|---|--------------------------------|---------------------------|
| Balance at 30 June 2019 | 30 555 | (944) | 29 611 |
| Net result for 2019-20 | - | (2 571) | (2 571) |
| Total comprehensive result for 2019-20 | - | (2 571) | (2 571) |
| Balance at 30 June 2020 | 30 555 | (3 515) | 27 040 |
| Net result for 2020-21 | - | (2 521) | (2 521) |
| Net gain/(loss) on revaluation of property, plant and equipment | 6 894 | - | 6 894 |
| Total comprehensive result for 2020-21 | 6 894 | (2 521) | 4 373 |
| Balance at 30 June 2021 | 37 449 | (6 036) | 31 413 |

| Schedule of Administered Cash Flows for the year ended 30 June 2021 | 2021 \$'000 | 2020 \$'000 |
|--|----------------|----------------|
| <u>Cash flows from operating activities</u> | | |
| <u>Cash inflows</u> | | |
| Interest | 4 | 27 |
| Rental revenue | 262 | 287 |
| <u>Cash generated from operations</u> | 266 | 314 |
| <u>Cash outflows</u> | | |
| Supplies and services | (93) | (187) |
| <u>Cash used in operations</u> | (93) | (187) |
| Net cash provided by / (used in) operating activities | 173 | 127 |
| Net increase / (decrease) in cash and cash equivalents | 173 | 127 |
| Cash and cash equivalents at the beginning of the reporting period | 2 925 | 2 798 |
| Cash and cash equivalents at the end of the reporting period | 3 098 | 2 925 |

Department of Human Services
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A8. 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.

| Property, plant and equipment | 2021 | 2020 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Land and buildings</u> | | |
| Land at fair value | 15 950 | 11 250 |
| Buildings and improvements at fair value | 7 600 | 12 002 |
| Accumulated depreciation - buildings and improvements | - | (2 423) |
| Carpark at fair value | 12 | 12 |
| Accumulated depreciation - carpark | (12) | (12) |
| Total land and buildings | 23 550 | 20 829 |
| <u>Property, plant and equipment</u> | | |
| Other plant and equipment at cost (deemed fair value) | 2 873 | 2 873 |
| Accumulated depreciation - other plant and equipment at cost | (1 258) | (987) |
| Total plant and equipment | 1 615 | 1 886 |
| Total property, plant and equipment | 25 165 | 22 715 |

The following table shows the movement of land, buildings and improvements and plant and equipment during 2020-21:

Reconciliation 2020-21

| | Land | Buildings and | Plant and | Total |
|---|---------------|----------------------|------------------|---------------|
| | \$'000 | improvements | equipment | \$'000 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 11 250 | 9 579 | 1 886 | 22 715 |
| Depreciation and amortisation | - | (2 423) | (271) | (2 694) |
| Revaluation increment / (Decrement) | 4 700 | 444 | - | 5 144 |
| Carrying amount at the end of the period | 15 950 | 7 600 | 1 615 | 25 165 |

Reconciliation 2019-20

| | Land | Buildings and | Plant and | Total |
|---|---------------|----------------------|------------------|---------------|
| | \$'000 | improvements | equipment | \$'000 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | 11 250 | 12 002 | 2 157 | 25 409 |
| Depreciation and amortisation | - | (2 423) | (271) | (2 694) |
| Revaluation increment / (Decrement) | - | - | - | - |
| Carrying amount at the end of the period | 11 250 | 9 579 | 1 886 | 22 715 |

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A8. Home for Incurables Trust (continued)

The following table shows the movement of investment property during 2020-21:

| | 2021 | 2020 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Investment building</u> | | |
| Carrying amount at the beginning of the period | 600 | 600 |
| Revaluation decrement | (600) | - |
| Fair value at the end of the period | - | 600 |
| | | |
| <u>Investment land</u> | | |
| Carrying amount at the beginning of the period | 800 | 800 |
| Revaluation increment | 2 350 | - |
| Fair value at the end of the period | 3 150 | 800 |
| | | |
| Total investment property at the end of the period | 3 150 | 1 400 |