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To the Chief Executive Department for Infrastructure and Transport

Opinion

I have audited the financial report of the Department for Infrastructure and Transport for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Infrastructure and Transport as at 30 June 2024, 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 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2024
- a Statement of Administered Financial Position as at 30 June 2024
- a Statement of Administered Cash Flows for the year ended 30 June 2024
- a Schedule of Administered Expenses and Income by Administered Programs for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Chief Executive and the Executive Director, People and Corporate Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Department for Infrastructure and Transport. 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 for Infrastructure and Transport for the financial year ended 30 June 2024.

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

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

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

27 September 2024

Department for Infrastructure and Transport - Controlled

Financial Statements

For the year ended 30 June 2024

Department for Infrastructure and Transport - Controlled
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Appropriation	2.1	690 735	756 029
Fees and charges	2.2	826 615	788 908
Australian Government sourced funding	2.3	782 651	839 185
SA Government grants, subsidies and transfers	2.4	93 846	152 225
Sales of goods and services	2.5	36 749	38 578
Rental Income	2.6	218 204	198 208
Interest	2.7	13 316	10 244
Resources received free of charge	2.8	7 396	7 472
Net gain from the disposal of property plant and equipment	2.9	10 840	724
Other income	2.10	38 667	49 907
Total income		2 719 019	2 841 480
Expenses			
Employee related expenses	3.3	161 451	151 312
Supplies and services	4.1	852 715	864 894
Depreciation and amortisation	4.3	760 851	728 034
Grants, subsidies and SA Government transfers	4.4	113 711	103 933
Borrowing costs	4.5	30 361	26 350
Cash alignment payments to Department of Treasury and Finance	4.7	179 470	231 321
Other expenses	4.6	24 667	30 913
Total expenses		2 123 226	2 136 757
Net result		595 793	704 723
Other comprehensive income			
Items that will not be reclassified to net result:			
Changes in property, plant and equipment asset revaluation surplus	5.2,5.3,5.7	1 366 327	2 401 354
Total other comprehensive income		1 366 327	2 401 354
Total comprehensive result		1 962 120	3 106 077

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

Department for Infrastructure and Transport - Controlled
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	3 921 839	4 341 966
Receivables	6.2	293 826	254 691
Inventories	5.6	6 204	6 366
Other Assets	6.3	27 898	27 595
Non-current assets held for sale	5.7	2 253	4 776
Total current assets		4 252 020	4 635 394
Non-current assets			
Receivables	6.2	128 797	139 355
Other Assets	6.3	76 712	63 033
Land Buildings and Facilities	5.1	4 477 387	4 043 333
Plant and Equipment	5.2	773 254	741 177
Network assets	5.3	35 273 132	33 430 525
Capital works in progress	5.4	2 039 858	1 712 922
Intangible assets	5.5	14 199	14 442
Total non-current assets		42 783 339	40 144 787
Total assets		47 035 359	44 780 181
Current liabilities			
Payables	7.1	293 737	309 914
Financial liabilities	7.2	116 696	111 545
Employee related liabilities	3.4	35 522	34 798
Provisions	7.3	9 815	11 721
Other current liabilities	7.4	19 023	19 082
Total current liabilities		474 793	487 060
Non-current liabilities			
Payables	7.1	3 725	7 382
Financial liabilities	7.2	1 004 893	980 863
Employee related liabilities	3.4	48 855	45 490
Provisions	7.3	20 544	15 803
Total non-current liabilities		1 078 017	1 049 538
Total liabilities		1 552 810	1 536 598
Net assets		45 482 549	43 243 583
Equity			
Contributed Capital		5 227 404	4 950 556
Retained earnings		14 187 517	13 592 080
Asset revaluation surplus		26 067 628	24 700 947
Total equity		45 482 549	43 243 583
Total equity is attributable to the SA Government as owner.			
Unrecognised contractual commitments	10.1		
Contingent assets and liabilities	10.2		

Department for Infrastructure and Transport - Controlled
Statement of Changes in Equity
for the year ended 30 June 2024

	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022	4 673 708	22 300 558	12 889 395	39 863 661
Prior Period - error corrections	-	-	(2 678)	(2 678)
Restated Balance at 1 July 2022	4 673 708	22 300 558	12 886 717	39 860 983
Net result for 2022-23	-	-	704 723	704 723
Gain / (loss) on Revaluation of Land, Buildings and Facilities during 2022-23	-	76 192	-	76 192
Gain / (loss) on Revaluation of Network Assets during 2022-23	-	2 325 162	-	2 325 162
Total comprehensive result for 2022-23	-	2 401 354	704 723	3 106 077
Transfer between equity components				
Equity transfer on asset disposals	-	(965)	965	-
Net assets transferred as a result of an administrative restructure	-	-	(325)	(325)
Transactions with SA Government as Owner				
Equity Contribution Received	276 848	-	-	276 848
Balance at 30 June 2023	4 950 556	24 700 947	13 592 080	43 243 583
Net result for 2023-24	-	-	595 793	595 793
Gain / (loss) on Revaluation of Land, Buildings and Facilities during 2023-24	-	51 313	-	51 313
Gain / (loss) on Revaluation of Network Assets during 2023-24	-	1 268 635	-	1 268 635
Gain / (loss) on Revaluation of Plant and Equipment during 2023-24	-	46 379	-	46 379
Total comprehensive result for 2023-24	-	1 366 327	595 793	1 962 120
Transfer between equity components				
Equity transfer on asset additions and disposals	-	355	(355)	-
Other	-	(1)	(1)	(2)
Transactions with SA Government as Owner				
Equity Contribution Received	276 848	-	-	276 848
Balance at 30 June 2024	5 227 404	26 067 628	14 187 517	45 482 549

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

Department for Infrastructure and Transport - Controlled
Statement of Cash Flows
for the year ended 30 June 2024

		2024 (Outflows) Inflows \$'000	2023 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash inflows			
Appropriation		690 735	756 029
Fees and charges		826 915	790 214
Receipts from Australian Government sourced funding		782 651	839 185
SA Government grants, subsidies and transfers		93 846	152 225
Rental income		211 373	207 945
Sale of goods and services		72 978	50 078
Interest received		12 482	9 624
Construction work reimbursements		829 432	467 255
GST received from the ATO		205 770	187 489
Other receipts		46 843	62 991
Cash generated from operations		3 773 025	3 523 035
Cash outflows			
Employee related payments		(151 666)	(151 474)
Payments for supplies and services		(830 695)	(784 381)
Payments of grants, subsidies and SA Government transfers		(113 711)	(103 121)
Interest paid		(30 361)	(26 350)
Cash alignment payments to Department of Treasury and Finance		(179 470)	(231 321)
Construction work payments		(794 676)	(525 545)
Other payments		(33 674)	(34 591)
Cash used in operations		(2 134 253)	(1 856 783)
Net cash provided by/(used in) operating activities	8.3	1 638 772	1 666 252
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of property, plant and equipment		20 315	18 976
Cash generated from investing activities		20 315	18 976
Cash outflows			
Purchase of property, plant and equipment and network assets		(2 255 591)	(1948 882)
Cash used in investing activities		(2 255 591)	(1 948 882)
Net cash provided by/(used in) investing activities		(2 235 276)	(1 929 906)
Cash flows from financing activities			
Cash inflows			
Equity contributions received		276 848	276 848
Repayment of finance lease receivables		16 231	17 072
Cash generated from financing activities		293 079	293 920
Cash outflows			
Repayment of lease liabilities		(116 702)	(116 038)
Cash used in financing activities		(116 702)	(116 038)
Net cash provided by/(used in) financing activities		176 377	177 882
Net increase/(decrease) in cash and cash equivalents		(420 127)	(85 772)
Cash and cash equivalents at 1 July		4 341 966	4 427 738
Cash and cash equivalents at 30 June	6.1	3 921 839	4 341 966

Department for Infrastructure and Transport - Controlled

Notes to and forming part of the financial statements

for the year ended 30 June 2024

1. About the Department for Infrastructure and Transport

The Department for Infrastructure and Transport (the department) is a government department of the State of South Australia, established pursuant to the *Public Sector Act 2009*. The department is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes include all the controlled activities of the department.

The department does not control any other entity and has no interests in unconsolidated structured entities.

Transactions and balances relating to administered resources are not recognised as departmental controlled income, expenses, assets and liabilities.

As administered items are significant in relation to the department's overall financial performance and position, they are disclosed in the Administered Financial Statements which are disclosed following the controlled departmental general purpose financial statements. Except as otherwise disclosed administered items are accounted for on the same basis and using the same accounting policies as for departmental transactions.

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 have been 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 disclosed.

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 Tax Office (ATO) in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

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

Assets and liabilities that are to be sold, consumed or realised as part of the 12-month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Material accounting policy information is outlined in Note 8.4 and within the Notes.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs

The department is responsible for the design, delivery and maintenance of state infrastructure used to deliver essential and important services to the community; and for managing and developing transport networks and the service delivery that supports them within South Australia.

The department supports a growing economy and a thriving community by working on enabling the movement of people, goods and services across the state's transport networks in a safe, sustainable, efficient, cost-effective manner; and by leading and coordinating the development, management and sustainment of public sector building assets and infrastructure that support the delivery of government services.

Departmental Organisation

The structure of the department has been established in a manner that provides clear accountabilities and responsibilities for all divisions and enables an open and steady flow of information between these areas.

The divisions of the department as at 30 June 2024 are:

- Commercial and Contract Management;
- People and Corporate Services;
- Transport Strategy and Planning;
- Transport Policy and Regulation;
- South Australian Public Transport Authority;
- Road and Marine Services;
- Infrastructure Delivery;
- Public Affairs; and
- North-South Corridor Program Delivery Office.

In achieving its objectives, the department provides a range of services classified into the following programs:

Program 1 Public Transport Services

Provision and maintenance of safe, efficient and accessible public transport services in metropolitan Adelaide and assisting regional areas to deliver passenger transport services that meet the needs of their community.

Program 2 Roads and Marine

Provision of safe, effective and efficient maintenance, operations and service delivery on roads and marine infrastructure that is in the care and control of the department, regulation of driver and vehicle access to the transport network and the delivery of services that support customer and community mobility.

Program 3 Delivery of Transport Projects

Provision of major infrastructure safely and efficiently to sustain and support growth and maximise the benefit of government's investment in transport assets.

Program 4 Provision and Management of Across Government Services

Provision of services to government agencies for the construction and maintenance of buildings, and facilities management of property assets.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs (continued)

Program 5 Infrastructure Planning and Policy

Establish strategic plans, standards and program management frameworks for network development to deliver positive community and economic benefits for South Australians.

Program 6 Office of Local Government

The Office of Local Government provides policy and other advice to the Minister for Local Government. This includes advice on the operation of the *Local Government Act 1999* and related legislation, the delivery of the Municipal Services in Aboriginal Communities Program, and on the functions of the Outback Communities Authority, the South Australian Local Government Grants Commission, the South Australian Local Government Boundaries Commission and the Behavioural Standards Panel.

Program 7 Road Safety

Provision of policy and investment advice, community information on road safety, and the provision of services for safe and sustainable road use and travel behaviour. This program also includes development and management of road safety infrastructure programs such as the National Black Spot Program.

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2024 and 30 June 2023 below.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs (continued)

	SA Public Transport					
	Road Safety		Authority		Roads and Marine	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	108 116	109 450	402 597	462 291	173 573	177 759
Fees and charges	2 479	2 350	107 711	93 863	716 425	692 695
Australian Government sourced funding	6 822	3 502	-	5 080	53 432	50 436
SA Government grants, subsidies and transfers	-	3 018	58 351	55 153	17 375	13 142
Sales of goods and services	-	9	16	104	4 322	4 102
Rental Income	-	-	127	37	44	58
Interest	1 529	571	-	-	1 903	1 246
Net gain from the disposal of property plant and equipment	-	-	(193)	(251)	(200)	5
Resources received free of charge	283	264	2 693	2 730	2 893	2 972
Other income	80	1 480	13 845	16 248	11 644	19 054
Total income	119 309	120 644	585 147	635 255	981 411	961 469
Expenses						
Employee related expenses	7 716	7 431	21 396	14 366	71 089	74 506
Supplies and services	6 333	5 010	520 702	517 819	196 448	218 635
Depreciation and amortisation	152	206	149 102	145 626	465 732	434 382
Grants, subsidies and SA Government transfers	59 637	54 762	15 030	16 848	15 752	15 613
Borrowing costs	-	1	2	1	45	15
Cash alignment payments to Department of Treasury and Finance	-	-	-	-	-	-
Other expenses	424	17	820	1 529	12 351	14 667
Total expenses	74 262	67 427	707 052	696 189	761 417	757 818
Net result	45 047	53 217	(121 905)	(60 934)	219 994	203 651

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs (continued)

	Delivery of Transport		Provision and Management of		Infrastructure Planning and Policy	
	Projects		Across Government Services			
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	-	-	-	-	6 449	6 529
Australian Government sourced funding	703 997	776 511	-	-	18 400	3 656
SA Government grants, subsidies and transfers	6 875	71 256	9 204	2 432	2 041	7 224
Sales of goods and services	76	-	32 335	34 363	-	-
Rental Income	10 533	-	207 500	198 113	-	-
Interest	-	-	8 737	7 705	1 147	722
Net gain from the disposal of property plant and equipment	-	-	11 233	970	-	-
Resources received free of charge	140	60	1 007	1 162	358	255
Other income	5 476	3 499	309	539	7 313	9 072
Total income	727 097	851 326	270 325	245 284	35 708	27 458
Expenses						
Employee related expenses	6 150	13 001	39 410	30 516	14 495	10 525
Supplies and services	28 588	1 939	82 647	102 907	16 741	15 665
Depreciation and amortisation	680	404	120 060	121 648	25 125	25 768
Grants, subsidies and SA Government transfers	201	-	5 086	1 030	14 754	12 912
Borrowing costs	44	9	30 270	26 324	-	-
Cash alignment payments to Department of Treasury and Finance	-	-	-	-	-	-
Other expenses	1 203	3	9 862	13 930	7	16
Total expenses	36 866	15 356	287 335	296 355	71 122	64 886
Net result	690 231	835 970	(17 010)	(51 071)	(35 414)	(37 428)

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs (continued)

	Office of Local Government		General / Not Attributable		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income						
Appropriation	-	-	-	-	690 735	756 029
Fees and charges	-	-	-	-	826 615	788 908
Australian Government sourced funding	-	-	-	-	782 651	839 185
SA Government grants, subsidies and transfers	-	-	-	-	93 846	152 225
Sales of goods and services	-	-	-	-	36 749	38 578
Rental Income	-	-	-	-	218 204	198 208
Interest	-	-	-	-	13 316	10 244
Net gain from the disposal of property plant and equipment	-	-	-	-	10 840	724
Resources received free of charge	22	29	-	-	7 396	7 472
Other income	-	15	-	-	38 667	49 907
Total income	22	44	-	-	2 719 019	2 841 480
Expenses						
Employee related expenses	1 195	967	-	-	161 451	151 312
Supplies and services	1 256	2 919	-	-	852 715	864 894
Depreciation and amortisation	-	-	-	-	760 851	728 034
Grants, subsidies and SA Government transfers	3 251	2 768	-	-	113 711	103 933
Borrowing costs	-	-	-	-	30 361	26 350
Cash alignment payments to Department of Treasury and Finance	-	-	179 470	231 321	179 470	231 321
Other expenses	-	751	-	-	24 667	30 913
Total expenses	5 702	7 405	179 470	231 321	2 123 226	2 136 757
Net result	(5 680)	(7 361)	(179 470)	(231 321)	595 793	704 723

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs (continued)

	SA Public Transport					
	Road Safety		Authority		Roads and Marine	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	-	-	19 824	6 704	854	638
Inventories	-	-	4 079	4 283	2 102	2 061
Other assets	-	-	289	152	165	-
Non-current assets classified as held for sale	-	-	246	246	-	-
Land, buildings and facilities	288	550	377 682	325 326	652 830	690 464
Plant and equipment	692	2 274	739 078	690 945	28 554	42 788
Network assets	-	-	3 342 590	3 138 974	31 900 909	30 291 551
Capital works in progress	1 912	906	60 049	50 837	88 335	49 772
Intangible assets	-	-	4 829	3 461	9 370	10 981
Total assets	2 892	3 730	4 548 666	4 220 928	32 683 119	31 088 255
Liabilities						
Payables	-	79	29 991	43 904	38 008	59 414
Financial liabilities	-	-	-	-	-	-
Employee benefits	4 446	4 332	1 946	656	46 066	43 295
Provisions	936	579	7 137	7 008	15 643	15 726
Other liabilities	-	-	17 220	17 448	155	73
Total liabilities	5 382	4 990	56 294	69 016	99 872	118 508

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs (continued)

	Delivery of Transport		Provision and Management of Across		Infrastructure	
	Projects		Government	Services	Planning and Policy	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Receivables	6 212	-	393 976	341 908	1 736	821
Inventories	-	-	-	-	23	22
Other assets	25	4 018	104 093	86 410	38	48
Non-current assets classified as held for sale	-	-	2 007	4 530	-	-
Land, buildings and facilities	151	-	2 990 682	2 552 691	455 754	474 302
Plant and equipment	370	6	586	561	3 974	4 603
Network assets	29 633	-	-	-	-	-
Capital works in progress	1 678 700	1 444 523	59 192	17 642	151 670	149 242
Total assets	1 715 091	1 448 547	3 550 536	3 003 742	613 195	629 038
Liabilities						
Payables	136 463	143 318	74 862	58 416	18 124	12 074
Financial liabilities	-	-	1 117 589	1 089 415	4 000	2 993
Employee benefits	3 381	7 578	19 107	17 340	9 061	6 135
Provisions	712	1 013	4 023	2 378	1 908	820
Other liabilities	278	136	781	599	589	826
Total liabilities	140 834	152 045	1 216 362	1 168 148	33 682	22 848

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs (continued)

	Office of Local Government		General / Not Attributable		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Assets						
Cash and cash equivalents	-	-	3 921 839	4 341 966	3 921 839	4 341 966
Receivables	-	14	21	43 961	422 623	394 046
Inventories	-	-	-	-	6 204	6 366
Other assets	-	-	-	-	104 610	90 628
Non-current assets classified as held for sale	-	-	-	-	2 253	4 776
Land, buildings and facilities	-	-	-	-	4 477 387	4 043 333
Plant and equipment	-	-	-	-	773 254	741 177
Network assets	-	-	-	-	35 273 132	33 430 525
Capital works in progress	-	-	-	-	2 039 858	1 712 922
Intangible assets	-	-	-	-	14 199	14 442
Total assets	-	14	3 921 860	4 385 927	47 035 359	44 780 181
Liabilities						
Payables	14	91	-	-	297 462	317 296
Financial liabilities	-	-	-	-	1 121 589	1 092 408
Employee benefits	370	952	-	-	84 377	80 288
Provisions	-	-	-	-	30 359	27 524
Other liabilities	-	-	-	-	19 023	19 082
Total liabilities	384	1 043	-	-	1 552 810	1 536 598

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.3. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2023-24 Budget Paper 4, Volume 3). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures.

The budget process is managed by the Department of Treasury and Finance and the Budget papers containing the departments original budget are not subject to audit.

Statement of Comprehensive Income	Note	Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Income				
Appropriation		691 440	690 735	(705)
Fees and charges		790 349	826 615	36 266
Australian Government sourced funding	a	994 823	782 651	(212 172)
SA Government grants, subsidies and transfers		73 865	93 846	19 981
Sales of goods and services		33 744	36 749	3 005
Rental Income		208 608	218 204	9 596
Interest		9 101	13 316	4 215
Net gain from the disposal of property plant and equipment		300	10 840	10 540
Resources received free of charge		-	7 396	7 396
Other income		49 939	38 667	(11 272)
Total income		2 852 169	2 719 019	(133 150)
Expenses				
Employee related expenses		158 209	161 451	3 242
Supplies and services	b	700 475	852 715	152 240
Depreciation and amortisation		753 863	760 851	6 988
Grants, subsidies and SA Government transfers		100 226	113 711	13 485
Borrowing costs		21 498	30 361	8 863
Cash alignment payments to Department of Treasury and Finance	c	-	179 470	179 470
Other expenses		40 502	24 667	(15 835)
Total expenses		1 774 773	2 123 226	348 453
Net result		1 077 396	595 793	(481 603)
Other comprehensive income				
Items that will not be reclassified to net result				
Changes in property, plant and equipment asset revaluation surplus	d	40 761	1 366 327	1 325 566
Total other comprehensive income		40 761	1 366 327	1 325 566
Total comprehensive result		1 118 157	1 962 120	843 963

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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1.3. Budget Performance (continued)

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

- a) Australian Government sourced funding was lower than original budget largely due to the timing and recognition of Australian Government contributions towards several major projects.
- b) Indexation escalation and cost increases related to the delivery of public transport and road maintenance services.
- c) Cash Alignment payments are determined from previous financial year net result for the department's Operating Account. Budgets are determined during the financial year and are not part of the original budget.
- d) Changes in the revaluation surplus are due to the revaluation of property, plant and equipment.

Investing Expenditure Summary

	Note	Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Investing expenditure summary				
Total new projects	a	17 000	30 536	(13 536)
Total existing projects	b	1 880 380	1 742 224	138 156
Total annual programs		154 986	155 966	(980)
Total investing expenditure		2 052 366	1 928 726	123 640

a) Total new projects investing expenditure was higher than original budget due to the addition of the New Road Safety Program.

b) Total existing projects investing expenditure was lower than original budget predominantly due to the reprofiling of expenditure in accordance with delivery schedules on projects including: Strzelecki Track, Greater State Bypass Route-Truro, Road Safety Package and Targeted Investments to improve National Supply Chain Resilience.

1.4. Significant transactions with government related entities

All significant transactions with SA government related entities are identifiable in this financial report.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2. Income

2.1. Appropriation

	2024	2023
	\$'000	\$'000
Appropriation		
Appropriations from Consolidated Account pursuant to the Appropriation Act	690 735	749 342
Appropriations from Governor's Appropriation fund	-	6 687
Total appropriation	690 735	756 029

Appropriations are recognised on receipt.

This table does not show appropriations from equity contributions. Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the department and the appropriation is recorded as contributed equity. Refer to the Statement of Changes in Equity.

2.2. Fees and Charges

	2024	2023
	\$'000	\$'000
Fees and Charges		
Drivers licence fees	75 534	87 478
Metrotickets	89 852	77 897
Motor registrations	604 401	569 552
Marine related fees and charges	22 590	22 517
Other fees and charges	34 238	31 464
Total fees and charges	826 615	788 908

Revenues from the levying of fees or charges set in accordance with various legislative acts (e.g. vehicle registration and drivers' licence fees) are recognised when the department obtains control over the funds. Control is generally obtained upon receipt of those funds.

Road Safety

In accordance with the *Highways Act 1926*, \$12.589 million (\$14.580 million) being one-sixth of driver's licence collections and \$1.315 million (\$1.226 million) being 1/100th of Heavy Vehicle Registrations, was applied towards funding transport safety related initiatives under the Road Safety activity.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2.3. Australian Government sourced funding

	2024	2023
	\$'000	\$'000
Australian Government sourced funding		
Australian Government sourced funding*	763 148	831 872
Roads to Recovery Program**	7 597	1 200
Local Roads and Community Infrastructure Program***	5 906	6 113
Regional Hydrogen Hub Program****	6 000	-
Total Australian Government sourced funding	782 651	839 185

* Australian Government sourced funding received from the Department of Treasury and Finance (DTF) represent funding under the National Partnership Agreement on Land Transport and Infrastructure received under the National *Land Transport Act 2014* .

** Roads to Recovery funding received under the *Nation Building Program (National Land Transport) Act 2014*.

*** Australian Government sourced grants received for the Local Roads and Community Infrastructure Program.

**** Australian Government grant funding provided to the Department under the Regional Hydrogen Hubs: Hub Implementation program. This funding is provided to the Office of Hydrogen Power South Australia to oversee the Port Bonython Hydrogen Hub program, refer note 4.4 Grants, subsidies and SA Government transfers.

Australian Government sourced funding is recognised in accordance with AASB 1058 as income on receipt.

Obligations under Australian Government sourced funding are required to be met by the State of South Australia. Where the department receives the grant monies via the Department of Treasury and Finance (DTF), for accounting purposes the obligations under the funding arrangements do not sit with the department. Hence, where the delivery of the programs, or infrastructure does not align with payments received by the State, contract assets or liabilities will be recognised by DTF as the representative of State of South Australia, not the department.

Where the department receives the grant monies directly from the Australian Government (i.e. Roads to Recovery funding, Regional Hydrogen Hub and Local Roads and Community Infrastructure program) the department is the representative of the State and the obligations under the funding arrangements rest with the department. This funding is recognised progressively as the department satisfies its obligations under the agreement through expenditure on these programs. As at 30 June 2024 the department did not have any unsatisfied obligations on the revenue recognised as all funds were spent.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2.4. SA Government grants, subsidies and transfers

	2024	2023
	\$'000	\$'000
SA Government grants, subsidies and transfers		
Intra-government transfers	26 234	32 152
Transfers from contingency provisions	11 349	66 493
Concessional passenger income	56 173	53 482
Other	90	98
Total SA Government grants, subsidies and transfers	93 846	152 225

Intra-government transfers and transfers from contingency provisions relate to amounts received from other SA government entities for the delivery of departmental objectives. These are recognised as income on receipt.

Concessional Passenger income relates to funding received from other SA government agencies in relation to concessional travel provided to seniors, pensioners, the unemployed and students on passenger transport in metropolitan and regional areas.

2.5. Sales of Goods and Services

	2024	2023
	\$'000	\$'000
Sale of Goods and Services		
Maintenance services	1 453	6 234
Project and contract management fees	23 914	18 274
Other sale of goods and services	11 382	14 070
Total sales of goods and services	36 749	38 578

Revenues are derived from the provision of goods and services to other SA Government agencies and to the public. These revenues are driven by consumer demand and are recognised upon the delivery of those goods and services to the customers or by reference to the stage of completion.

Maintenance services:

Effective from 1 December 2021, the South Australian Government has entered into a contract for the administration and works coordination role for the Across Government Facilities Management Arrangements (AGFMA). The service provider is responsible for managing the facilities services provision for all Participating Government Agencies, for all their facilities state-wide which includes the recovery of the costs of providing these services directly from the participating client agencies.

Prior to the existing contract the department managed property maintenance and enhancement services to its portfolio of buildings, facilities and assets and recovered the costs of providing these services from participating agencies under the previous AGFMA. This revenue is recognised over time once the department has satisfied its performance obligations. Participating agencies are invoiced in arrears of the performance obligation being satisfied.

Project and contract management fees:

The department acts as project manager for major capital works in relation to government buildings and government accommodation and for a range of minor capital works and maintenance type activities associated with the role of facilities manager. The department charges a fee to recover the cost of its project management activities which is recorded as revenue over time as it delivers the service.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2.6. Rental Income

	2024	2023
	\$'000	\$'000
Rental Income		
Government accommodation	198 719	187 024
Property rents and recoveries	13 377	4 692
Other	6 108	6 492
Total Rental Income	218 204	198 208

Rental income consists of income from the provision of office accommodation to general government sector agencies, government employee housing rent and other property rentals. Office accommodation rental is payable monthly in advance, other rentals are payable in arrears.

Under AASB15, contract assets and liabilities are recognised where consideration has been received for rental periods in advance or rental periods in arrears. Contract assets and liabilities in relation to rental income are immaterial.

2.7. Interest

	2024	2023
	\$'000	\$'000
Interest		
Interest on deposit accounts	9 039	5 436
Interest on finance leases	4 261	4 808
Other	16	-
Total interest	13 316	10 244

Deposits at call with the Treasurer earn a floating interest rate based on a daily banking deposit rate.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2.8. Resources Received Free of Charge

	2024	2023
	\$'000	\$'000
Resources received/receivable free of charge		
Plant and equipment	-	50
Services provided by Shared Services SA	3 982	4 335
Services provided by the Department of the Premier and Cabinet	3 414	3 087
Total resources received free of charge	7 396	7 472

Resources received free of charge were recognised at their fair value.

The department receives Payroll, Taxation, Accounts Payable, Accounts Receivables and Financial Services from Shared Services SA. ICT services are received from the Department of the Premier and Cabinet. A corresponding expense is recognised in the financial statements (see note 4.1).

2.9. Net Gain (Loss) from Disposal of Non-Current Assets

	2024	2023
	\$'000	\$'000
Net gain (loss) from the disposal of non-current assets received / receivable		
Land, Buildings and Facilities		
Net Proceeds from disposal	15 041	14 315
Less carrying amount of assets disposed	(7 921)	(14 787)
Costs incurred to facilitate disposal	(9)	(33)
Net gain (loss) from disposal of land, buildings and facilities	7 111	(505)
Plant and equipment		
Net Proceeds from disposal	155	84
Less carrying amount of assets disposed	(527)	(547)
Net gain (loss) from disposal of plant and equipment	(372)	(463)
Non-Current Assets Held for Sale		
Net Proceeds from disposal	5 119	4 577
Less carrying amount of assets disposed	(3 416)	(3 034)
Costs incurred to facilitate disposal	2 398	149
Net gain (loss) from disposal of non-current assets held for sale	4 101	1 692
Total assets		
Net Proceeds from disposal	20 315	18 976
Less carrying amount of assets disposed	(11 864)	(18 368)
Costs incurred to facilitate disposal	2 389	116
Net gain (loss) from disposal of assets	10 840	724

Gains/Losses from the disposal of non-current assets are recognised on a net basis when control of the asset has passed to the buyer. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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2.10. Other Income

	2024	2023
	\$'000	\$'000
Other Income		
Recoveries and contributions	17 875	27 000
Reimbursement works and external project contributions	20 242	22 297
Service recoveries received from other government agencies	550	610
Total other income	38 667	49 907

The Department receives recoveries and contributions in accordance with contractual obligations. Reimbursement works and external project contributions relate to recoveries that the Department receive in relation to contracted project works.

3. Board, committees and employees

3.1. Key Management Personnel

Key management personnel of the department include the Minister for Infrastructure and Transport, the Chief Executive and the 9 members of the Executive Team who have responsibility for the strategic direction and management of the department.

The compensation detailed below excludes salaries and other benefits the Minister for Infrastructure and Transport received. 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*. See administered items for disclosures of the Minister's remuneration paid by the DIT and recovered from the Consolidated Account.

	2024	2023
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	3 141	2 932
Post-employment benefits	358	315
Total	3 499	3 247

Transactions with key management personnel and other related parties

There were no transactions with key management personnel and other related parties during the year.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.2. Board and Committee Members

Members during the 2023-24 financial year were:

Passenger Transport Standards Committee

BIRD M
DUNSTONE J
KING B
MADAN V
MORTIMER K P*
RICHARDS J
SPAGNOLETTI M*
SIMIONATO P
TURNER M
WIGGLESWORTH R*
WILSON J*

Performance and Risk Committee

ALFORD A
BUCKERFIELD W*
CLARK S*
DAVIES T (Resigned 20/08/2023)
DAW S (Appointed 13/12/2023)
HASLAM R
JACKSON, G*

South Australian Boating Facility Advisory Committee

ANDREW B
BOLTON G
FLAHERTY T
MILAZZO A J
SCHAHINGER B M
SEAMAN V
STEPHENS L
TOUMAZOS K
VINES S

Road User Safety Advisory Committee

TUCKEY A (Appointed 23/10/2023)
KOKAR E M*
MOUNTAIN C
MCARDLE S
PLOUFFE J
PETROCCHITTO S
PARROT I*
SHANNON A B
WUNDERSITZ L
WADDINGTON-POWELL J M*

Mount Barker Infrastructure Advisory Committee

BHINDI M (Resigned 12/09/2023)
BROPHY N
CLANCEY B J
EXCELL A*
KERNICH G*
WARD G (Appointed 15/05/2024)

Behavioural Standards Panel

CRICHTON A
JERVIS R
LEGIERSE T

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.2. Board and Committee Members (continued)

Board and Committee Remuneration

The number of members whose remuneration received or receivable falls within the following bands:	2024	2023
\$0 - \$19 999	15	17
\$20 000 - \$39 999	1	-
Total number of members	16	17

Remuneration of members reflects all costs of performing committee member duties including sitting fees, superannuation contributions, fringe benefits tax and other salary sacrifice arrangements. The total remuneration received by members was \$0.118 million (\$0.148 million).

3.3. Employee Related Expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	111 175	105 392
Board and committee fees	105	106
Employment on-costs - superannuation	13 500	11 983
Employment on-costs - payroll	6 853	6 474
Annual leave	11 054	10 722
Long service leave	6 010	6 061
Workers compensation expenses	8 297	2 687
TVSPs payments	2 449	5 046
Skills and Experience Retention Leave	1 266	1 190
Other employee related expenses	742	1 651
Total employee related expenses	161 451	151 312

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.3. Employee Related Expenses (continued)

Remuneration of Employees

Remuneration of employees

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

	2024	2023
	No.	No.
\$160 001 - \$166 000*	n.a.	10
\$166 001 - \$186 000	30	22
\$186 001 - \$206 000	12	12
\$206 001 - \$226 000	15	9
\$226 001 - \$246 000	9	11
\$246 001 - \$266 000	10	5
\$266 001 - \$286 000 (a), (c)	4	3
\$286 001 - \$306 000 (d)	3	5
\$306 001 - \$326 000 (a)	4	4
\$326 001 - \$346 000 (b)	5	1
\$346 001 - \$366 000	-	2
\$366 001 - \$386 000	1	1
\$386 001 - \$406 000	1	-
\$426 001 - \$446 000 (a)	1	-
\$506 001 - \$526 000	1	1
Total	96	86

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2022-23.

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

The total remuneration received by these employees for the year was \$22.1 million (\$19.1 million).

(a) 2024 - includes TVSP payment for one employee

(b) 2024 - includes executive termination payment for one employee

(c) 2023 - includes TVSP payment for one employee

(d) 2023 - includes TVSP for two employees

The department had 51 (45) Executives as at 30 June 2024.

There were executive termination payments of \$0.150 million in 2023-24.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.3. Employee Related Expenses (continued)

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 28 (60).

	2024	2023
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	2 449	5 046
Leave paid to separated employees	1 125	2 942
Recovery from the Department of Treasury and Finance	(1 609)	(4 682)
Net cost to the department	1 965	3 306

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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3.4. Employee Related Liabilities

	2024	2023
	\$'000	\$'000
Current		
Annual leave	22 245	21 385
Long service leave	6 802	7 196
Skills and Experience Retention Leave	1 674	1 645
Employment on-costs	4 801	4 572
Total current employee related liabilities	35 522	34 798
Non-current		
Long service leave	44 309	41 370
Employment on-costs	4 546	4 120
Total non-current employee related liabilities	48 855	45 490
Total employee related liabilities	84 377	80 288

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

Salaries and Wages, Annual Leave, Skills and Experience Retention Leave (SERL) and Sick Leave

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

The liability for annual leave and the skills and experience retention leave is expected to be payable within 12 months and is measured at the undiscounted amounts 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

Details about the measurement of long service leave is provided as Note 11.1.

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 are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

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 the South Australian Superannuation Board and externally managed schemes.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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3.4. Employee Related Liabilities (Continued)

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2023 rate (43%) to 44% and the average factor for the calculation of employer superannuation cost on-costs has also changed from the 2023 rate (11.1%) to 11.5%. 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 \$0.154 million (\$0.164 million) and employee benefits expense of \$0.154 million (\$0.164 million). The impact on future periods is impracticable to estimate.

4. Expenses

4.1. Supplies and Services

	2024	2023
	\$'000	\$'000
Public transport service contracts	447 336	441 052
Rail Commissioner salary reimbursements	9 664	16 948
Major infrastructure maintenance contracts	116 543	140 583
Other service contracts	109 433	93 548
Property expenses	55 610	62 616
Plant, equipment and vehicle expenses	4 027	4 193
Information technology and communications	10 879	11 738
Materials and other purchases	9 508	12 495
Utilities	30 660	30 282
Insurance	6 180	6 200
Legal services	4 126	2 734
Short term and low value leases	17 743	14 628
Commissions - transaction processing	1 324	1 499
Auditor's remuneration*	1 746	1 224
Administrative costs	7 526	6 729
Other	20 410	18 425
Total supplies and services	852 715	864 894

*For work performed by the Auditor-General's Department under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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4.2. Expenditure – SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer’s Instructions 18 – Procurement.

Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2024	Proportion SA and Non-SA businesses
	\$'000	%
Total expenditure with South Australian businesses	2 547 052	91.5%
Total expenditure with Non-South Australian businesses	237 935	8.5%
Total expenditure	2 784 987	100%

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Department, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in Treasurer’s Instruction 18.

Treasurer’s Instruction 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract, resulting from the procurement on behalf of the business, are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the Treasurer’s Instruction 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

The table above includes expenditure on contracts executed on behalf of other government agencies, as the department is responsible to deliver the requirements under Premier and Cabinet Circular 028 (PC028) Construction Procurement Policy Project Implementation Process and Premier and Cabinet Circular 114 (PC114) Government Real Property Management. The department recovers the costs of providing these services directly from the government agencies as it delivers the service.

The table above also includes expenditure on contracts executed for the delivery of capital projects classified as Works in Progress.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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4.3. Depreciation and Amortisation

	2024	2023
	\$'000	\$'000
Depreciation		
Network assets	532 148	496 856
Plant and equipment	62 311	62 297
Buildings and facilities	66 986	64 280
Right-of-use plant and equipment	1 659	1 166
Right-of-use building	94 812	100 911
Total Depreciation	757 916	725 510
Amortisation		
Intangible assets	2 935	2 524
Total Amortisation	2 935	2 524
Total depreciation and amortisation	760 851	728 034

The useful life of an asset is generally determined on the basis of "economic useful life to the department". The useful lives of all major assets held by the department are reassessed on an annual basis.

All non-current assets having a limited useful life are systematically depreciated/amortised over their estimated useful lives in a manner that reflects the consumption of their service potential. Land, unsealed roads (graded and formed), rail and road earthworks, road pavement sub-base, non-current assets held-for-sale and works in progress are not depreciated.

The value of building assets under finance lease is amortised over the asset's useful life. Capitalised software is amortised over the useful life of the intangible asset.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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4.3. Depreciation and Amortisation (continued)

Useful Life

Depreciation and amortisation for non-current assets is determined as follows:

<u>Asset Class</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and Facilities:		
Buildings and facilities	Straight Line	1 to 150 years
Dwellings	Straight Line	10 to 67 years
Right-of-use buildings	Straight Line	1 to 19 years
Plant and Equipment:		
Plant and equipment	Straight Line	1 to 100 years
Buses	Diminishing Value	25 years
Tram and train rolling stock	Straight Line	21 to 40 years
Information technology	Straight Line	3 to 15 years
Right-of-use plant and equipment	Straight Line	1 to 5 years
Network Assets:		
Roads (sealed surface)	Straight Line	25 to 30 years
Roads (sealed pavement)	Straight Line	48 to 77 years
Roads (sheeted)	Straight Line	18 years
Structures	Straight Line	20 to 195 years
Metro rail Infrastructure	Straight Line	10 to 149 years
Busway Infrastructure	Straight Line	10 to 100 years
Other	Straight Line	28 to 100 years
Intangible Assets:		
Intangible	Straight Line	3 to 20 years

Pavement sub-base, Earthworks, Graded and formed unsealed roads have indefinite useful lives and are not depreciated.

Review of accounting estimates

In 2023-24 the department reassessed the useful life of some of its assets. As a result, the 2023-24 and future depreciation expense will decrease by \$7.9 million (excludes revaluations).

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

4.4. Grants, subsidies and SA Government transfers

Grants, subsidies and SA Government transfers by program	2024	2023
	\$'000	\$'000
Contribution for policing services	48 063	46 893
Transport Subsidy Scheme	11 110	10 276
Grants to local councils	26 024	21 487
Transport concessions	3 273	3 360
Provision of Municipal Services	3 240	2 515
Local Roads and Community Infrastructure Program	2 394	2 845
Regional Hydrogen Hub Program	6 000	-
Other	13 607	16 557
Total grants, subsidies and SA Government transfers	113 711	103 933

4.5. Borrowing Costs

	2024	2023
	\$'000	\$'000
Interest paid/payable on Borrowing Costs		
Interest on leases	30 361	26 350
Total borrowing costs	30 361	26 350

Department for Infrastructure and Transport - Controlled
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4.6. Other Expenses

	2024	2023
	\$'000	\$'000
Rates, taxes and levies	9 331	7 024
Donated assets	608	425
Bad debts	112	80
Write-off of assets	981	3 628
Indentured Ports**	11 260	12 868
Increase in provision for contractual arrangements	474	611
Other payments to consolidated account*	850	5 535
Expected credit loss movement	(132)	(94)
Other	1 183	836
Total other expenses	24 667	30 913

* Other payments to consolidated account relates to the transfer of proceeds from property disposals as required under Premier and Cabinet Circular PC114 Government Real Property Management.

** This relates to amounts paid to the Consolidated Account in accordance with section 90 of the *Harbors and Navigation Act 1993*. Charges collected for cargo services and harbour services are allocated to the department and applied to the maintenance of indentured ports. Any remaining funds are paid to the Consolidated Account in accordance with section 90 of the *Harbors and Navigation Act 1993*. Assets associated with these ports include land and facilities at Port Bonython, Ardrossan and Whyalla.

4.7. Cash alignment payments to Department of Treasury and Finance

	2024	2023
	\$'000	\$'000
Return of surplus cash pursuant to cash alignment policy	179 470	231 321
Total cash alignment payments to department of treasury and finance	179 470	231 321

Department for Infrastructure and Transport - Controlled
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5. Non-Financial Assets

5.1. Land, Buildings and Facilities

	2024	2023
	\$'000	\$'000
Land		
Land at fair value	983 651	946 480
Total Land	983 651	946 480
Land Under Roads		
Land under roads at cost	345 914	270 855
Total Land Under Roads	345 914	270 855
Land for Current Projects		
Land for current projects at cost*	912 810	612 243
Total Land for Current Projects	912 810	612 243
Buildings and Facilities		
Buildings and facilities at fair value	2 436 261	2 353 311
Accumulated depreciation at 30 June	944 046	864 873
Total Buildings and Facilities	1 492 215	1 488 438
Right-of-use land and buildings		
Right-of-use land and buildings at cost	1 312 426	1 235 440
Accumulated depreciation at 30 June	569 629	510 123
Total Right-of-use land and buildings	742 797	725 317
Total Land, Buildings and Facilities	4 477 387	4 043 333

* This includes land transferred from other land categories deemed at cost. Land under Road and Land for Current Projects is not revalued.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.1. Land, Buildings and Facilities (continued)

RECONCILIATION OF LAND, BUILDINGS AND FACILITIES

Reconciliation 2023-24

	Land	Land Under Roads	Land for Current Projects	Buildings & Facilities	ROU Land & Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2023	946 480	270 855	612 243	1 488 438	725 317	4 043 333
Reclassification from/(to) assets held for sale	(780)	-	-	(113)	-	(893)
Additions	7 494	-	409 567	64 301	99 753	581 115
Disposals	(7 414)	-	-	(507)	-	(7 921)
Donated assets	(188)	-	-	(5)	-	(193)
Write offs	-	-	-	(178)	-	(178)
Revaluation increment/(decrement)	4 318	-	-	46 995	-	51 313
Depreciation and amortisation	-	-	-	(66 986)	(94 812)	(161 798)
Transfers due to reclassification of assets	33 741	75 059	(109 001)	(39 731)	-	(39 932)
Re-Measurement	-	-	-	-	12 541	12 541
Other movements	-	-	1	1	(2)	-
Carrying amount at 30 June 2024	983 651	345 914	912 810	1 492 215	742 797	4 477 387

Reconciliation 2022-23

	Land	Land Under Roads	Land for Current Projects	Buildings & Facilities	ROU Land & Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	911 804	225 736	291 079	1 437 864	676 905	3 543 388
Reclassification from/(to) assets held for sale	(1 146)	-	-	(355)	-	(1 501)
Additions	120	-	377 820	79 477	118 703	576 120
Disposals	(9 774)	-	-	(5 009)	(4)	(14 787)
Donated assets	(27)	-	-	(371)	-	(398)
Write offs	-	-	-	(1 084)	-	(1 084)
Revaluation increment/(decrement)	34 877	-	-	41 315	-	76 192
Depreciation and amortisation	-	-	-	(64 280)	(100 911)	(165 191)
Transfers due to reclassification of assets	10 627	45 119	(56 656)	880	-	(30)
Reclassification to finance lease receivables	-	-	-	-	(904)	(904)
Re-Measurement	-	-	-	-	31 525	31 525
Other movements	(1)	-	-	1	3	3
Carrying amount at 30 June 2023	946 480	270 855	612 243	1 488 438	725 317	4 043 333

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.1. Land, Buildings and Facilities (continued)

Valuation of Land, Buildings and Facilities

For non-specialised land, buildings and facilities the valuer arrived at fair value using the market approach. The valuation was based on recent market transactions for similar land, buildings and facilities in the area and includes adjustments for factors specific to the land, buildings and facilities being valued, such as size and location. Refer to note 11.2.

Specialised land i.e. land dedicated to marine purposes and land in the rail corridor, have their values discounted to account for the restriction in their use to arrive at fair value. These land categories usually comprise of individual parcels.

For specialised building and facilities, the valuer used depreciated replacement cost given the lack of an active market. The valuation has been prepared from a combination of internal records, specialised knowledge, acquisition and or transfer costs. During 2023-24 fair value reviews were prepared for bus depots, bus interchanges, commercial land and buildings and other departmental land. These reviews have been prepared using construction indices published by the Australian Bureau of Statistics or by the Office of the Valuer-General.

Land under Road and Land for Current Projects are not revalued, the department currently has an exemption to Treasurer's Instruction (Accounting Policy Statement) 116.C. The Department of Treasury and Finance coordinates with Valuer-General to ensure asset value attributed to Land under Road on the consolidated financial report is recorded at fair value. Land for Current Projects is land acquired for ongoing construction projects, they are usually transferred to Land under Road on project completion. Land under Roads is only recognised after 1 July 2008.

In 2023-24 independent valuers were engaged by the department to undertake and prepare full fair value valuations for the Government Employee Housing and Adelaide Oval assets.

Right-of-Use (ROU) Buildings

Right of Use (ROU) buildings leased by the department are recorded at cost. Movements in the ROU buildings are shown in the above movement schedule. 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 disclosed in Note 4.1.

The department leases properties from external landlords to provide office and other accommodation for the whole of the government sector. These leases are recognised on the statement of financial position as right-of-use building assets and lease liabilities in accordance with AASB16 Leases. The lease liabilities related to the ROU buildings are disclosed in Note 7.2. The department's maturity analysis of its lease liabilities is disclosed in Note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in Note 4. Cash outflows related to leases are disclosed in Note 8.3.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.1. Land, Buildings and Facilities (Continued)

Timing of Land, Buildings and Facilities Revaluations

The following table shows when and by whom land, buildings and facilities were revalued:

Asset Class	Assets Valued	Last Valued / Revalued	By Whom	Timing of Revaluations (years)	Input level	Fair Value Approach	
Land	Government Employee Housing	1 July 2023	Valuer-General	1	2	Market	
	Government Agency Accommodation	1 July 2020	Savillis/Opteon/m3	6	2	Market	
	Ex Australian National Railways Land	1 July 2019	Valuer-General	6	2	Market	
	Metro Rail Stations, Yards and Corridors	1 July 2018	Valuer-General	6	2	Market	
	Marine Land	1 July 2018	Public Private Property	6	2&3	Market	
	Bus Depot Land	1 July 2020	Knight Frank	6	2	Market	
	Future Road Construction	1 July 2019	Valuer-General	6	2	Market	
	Leigh Creek Land	1 July 2019	Valuer-General	6	2	Market	
	Adelaide Oval	1 July 2023	Marsh Ltd	6	2	Market	
	Other Departmental Land (Bus Interchanges)	1 July 2020	M3 property Strategist	6	2	Market	
Buildings and Facilities	Marine Related	1 July 2018	Public Private Property	6	3	Cost	
	Metro Rail Stations and Yards	1 July 2018	Valuer-General	6	3	Cost	
	Ex Australian National Railways	1 July 2019	Maloney Field Services	6	3	Cost	
	Bus Depots	1 July 2020	Knight Frank	6	3	Cost	
	Tram Depot	1 July 2018	Valuer-General	6	3	Cost	
	Leigh Creek Building	1 July 2019	Valuer-General	6	3	Cost	
	Adelaide Oval	1 July 2023	Marsh Ltd	6	3	Cost	
	Other	1 July 2019	Valuer-General	6	3	Cost	
	Residential Buildings						
	Government Employee Housing	1 July 2023	Valuer-General	1	2	Market	
Future Road Construction	1 July 2019	Valuer-General	6	2	Market		
Commercial Buildings							
Government Agency Accommodation	1 July 2020	Savillis/Opteon/m3	6	2	Market		
Future Road Construction	1 July 2019	Valuer-General	6	2	Market		
Depots	1 July 2018	Valuer-General	6	2	Market		
Land, Buildings and Improvements Under Lease	Land, Buildings and Improvements Under Lease- RMH	NA	NA	NA	NA	NA	

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.2. Plant and Equipment

	2024	2023
	\$'000	\$'000
Plant and equipment (at fair value)	2 015 392	1 892 517
Information technology	5 352	6 979
Right-of-use vehicle at cost	5 704	4 710
	2 026 448	1 904 206
Accumulated Depreciation:		
Accumulated depreciation - Plant and equipment	1 246 120	1 154 445
Accumulated depreciation - Information technology	4 525	5 875
Accumulated depreciation - ROU Vehicle	2 549	2 709
	1 253 194	1 163 029
Total Plant and Equipment	773 254	741 177

RECONCILIATION OF PLANT AND EQUIPMENT

Reconciliation 2023-24

	Plant and Equipment	Information Technology	ROU Vehicle	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2023	738 072	1 104	2 001	741 177
Additions	50 443	420	2 851	53 714
Disposals	(527)	-	-	(527)
Donated assets	(415)	-	-	(415)
Write offs	(497)	(3)	-	(500)
Revaluation increment/(decrement)	46 379	-	-	46 379
Depreciation and amortisation	(61 616)	(695)	(1 659)	(63 970)
Transfers due to reclassification of assets	(2 567)	-	(37)	(2 604)
Other movements	-	1	(1)	-
Carrying amount at 30 June	769 272	827	3 155	773 254

Reconciliation 2022-23

	Plant and Equipment	Information Technology	ROU Vehicle	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	689 920	1 519	1 699	693 138
Additions	110 998	539	1 475	113 012
Disposals	(521)	-	(26)	(547)
Donated assets	(27)	-	-	(27)
Resources received free of charge	50	-	-	50
Write offs	(995)	(5)	-	(1 000)
Re-Measurement	-	-	(9)	(9)
Depreciation and amortisation	(61 348)	(949)	(1 166)	(63 463)
Other movements	(5)	-	28	23
Carrying amount at 30 June	738 072	1 104	2 001	741 177

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.2. Plant and Equipment (continued)

Valuation of Plant and Equipment

For non-specialised plant and equipment, the valuer arrived at fair value using the market approach. The valuation was based on recent market transactions for similar plant and equipment and includes adjustments for factors specific to the plant and equipment being valued, such as size and location.

For specialised plant and equipment, the valuer used depreciated replacement cost due to there not being an active market for such plant and equipment. The valuation was based on a combination of internal records, specialised knowledge and acquisition/transfer costs.

The impact of the department's annual review of bus depot plant and equipment, patrol boats and metro rail rolling stock resulted in a net fair value increase of \$46.4million for these assets.

Right-of-Use (ROU) vehicles

ROU vehicles leased by the department are recorded at cost. Movements in the ROU vehicles are shown in the above movement schedule.

Motor vehicles are leased from the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. 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.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.2. Plant and Equipment (continued)

Timing of Plant and Equipment Revaluations

The following table shows when and by whom plant and equipment was revalued:

Asset Class	Assets Valued	Last Valued / Revalued	By Whom	Timing of Revaluations (years)	Input level	Fair Value Approach
Plant and Equipment	Buses	1 July 2019	Jones Lang LaSalle	6	3	Cost
	Tram and Train Rolling Stock	1 July 2020	Public Private Property	6	3	Cost
	Bus Depots	1 July 2020	Knight Frank	6	3	Cost
	Rail	1 July 2021	Colliers	6	2 & 3	Cost
	Tall Ships/Patrol Boats	1 July 2020	Public Private Property/ Pickles	6	3	Cost
	Ferries (including Modules)	1 July 2019	Pickles Auctions	6	2	Market
	Aids to Navigation	1 July 2019	Valuer-General	6	3	Cost
	Heavy Plant	1 July 2019	Pickles Auctions	6	2	Market
	Metro-ticket System	1 July 2018	Aon Risk Solution	6	3	Cost
	Other Plant & Equipment	Not required under Policy	Not applicable	NA	NA	NA
Information Technology (IT)	Information Technology	NA	Not applicable	NA	NA	NA

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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5.3. Network Assets

	2024 \$'000	2023 \$'000
Network Assets		
Roads and structures (at fair value)	44 801 182	42 379 301
Rail and bus track (at fair value)	5 235 847	4 835 711
	50 037 029	47 215 012
Accumulated Depreciation		
Accumulated depreciation - Roads and structures	13 164 081	12 366 928
Accumulated depreciation - Rail and bus track	1 599 816	1 417 559
	14 763 897	13 784 487
Total Network Assets	35 273 132	33 430 525

RECONCILIATION OF NETWORK ASSETS

Reconciliation 2023-24

	Roads \$'000	Structures \$'000	Rail and Bus Track \$'000	Total \$'000
Carrying amount at 1 July 2023	26 335 275	3 677 098	3 418 152	33 430 525
Additions	897 797	138 760	27 371	1 063 928
Write offs	-	(303)	-	(303)
Revaluation increment/(decrement)	804 336	179 398	284 901	1 268 635
Depreciation and amortisation	(358 424)	(76 348)	(97 376)	(532 148)
Transfers due to reclassification of assets	(415)	39 927	2 982	42 494
Other movements	-	-	1	1
Carrying amount at 30 June 2024	27 678 569	3 958 532	3 636 031	35 273 132

Reconciliation 2022-23

	Roads \$'000	Structures \$'000	Rail and Bus Track \$'000	Total \$'000
Carrying amount at 1 July 2022	24 107 468	3 059 452	3 164 632	30 331 552
Additions	969 887	225 193	76 365	1 271 445
Write offs	-	(69)	(735)	(804)
Revaluation increment/(decrement)	1 593 250	462 333	269 579	2 325 162
Depreciation and amortisation	(335 259)	(69 910)	(91 687)	(496 856)
Transfers due to reclassification of assets	(69)	99	-	30
Other movements	(2)	-	(2)	(4)
Carrying amount at 30 June 2023	26 335 275	3 677 098	3 418 152	33 430 525

Department for Infrastructure and Transport - Controlled
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5.3. Network Assets (continued)

Valuation of Roads and Structures

Approval has been granted by the Treasurer for a variation to the requirements of Treasurer's Instructions (Accounting Policy Statements), which requires an independent valuation appraisal be performed at least every 6 years. The variation enables the department to value its road and structures assets using an internally developed revaluation methodology, with inputs for the key areas being provided by independent industry experts.

The Department conducts annual review of road component and structures unit rates by an independent external estimator. This measure is to ensure the Department Network asset portfolio is not significantly different from fair value at reporting. The last annual review was conducted as at 1 July 2023 for the 2023-24 financial year. The revaluation of Road Network assets is conducted every 5 years. The impact of the department's annual review of the road network has resulted in a net fair value increase of \$0.984m of the roads and structures network value. The increase is mainly due to an increase in labour rates and an increase in materials used in road and bridge construction.

The Department adopts a network asset valuation model. This approach is defined as valuing a group of assets by applying representative stereotypes and associated unit rates (developed by independent experts) to calculate replacement costs.

All road and structures assets are valued at written down replacement cost by senior professional engineers with the knowledge and expertise in that area. Independent recognised industry experts are engaged to provide input with respect to key areas of the revaluation. As these assets have no active market, they are measured at written down replacement cost which is considered to be their fair value.

The valuation model segments the network assets into components that have similar engineering and functional characteristics. For the roads assets these components are:

- Sealed road surfacings
- Sealed road pavements – Base
- Sealed road pavements – Subbase
- Sealed road earthworks

Each road component is then characterised by a representative stereotype. The main representative stereotypes are Motorways, Heavy Urban, Light Urban, Heavy Rural, Light Rural and Unsealed Roads (Sheeted, Graded, and Formed). Replacement unit rates are calculated based on the estimated resources necessary to complete a ten-kilometre length for each stereotype. The Department adjusts the unit rates to account for their construction overhead costs by allocating them to each stereotype road component (i.e. earthworks, Sub-base, Base and Surface) based on time spent for each component. This approach allocates more construction costs to the non-depreciation components (earthworks and sub-base) compared to the cost-based approach. Finally, the Department estimates the current replacement cost of the sealed pavements, surfacing and earthworks by multiplying the relevant adjusted replacement cost unit rate by the surfacing areas and unsealed pavements by the carriageway area.

For structures assets, the calculation of current replacement cost is divided into a generic group and a specific group. The generic group contains structures suitable for valuation using a unit rate per square metre of deck area. This group contains most of the bridges culverts and large retaining walls controlled by the department. Specific Group contains structures deemed unsuitable for valuation using the unit rate method. Structures in the special group are valued individually by calculating the estimated cost of building a new structure using current construction techniques.

Department for Infrastructure and Transport - Controlled
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5.3. Network Assets (continued)

All roads and structures assets, except for earthworks and the pavement sub-base, are subject to depreciation. While the methodology remains unchanged, at the last full revaluation (2019-20), the Department modified some of the assumptions on the nature of costs included in the unit rate to reflect current practices and improved information. Key changes were:

- Using a 'design and construct' contract model rather than a "construct" only contract approach for some stereotypes. This change results in the inclusion of contractor's design, overheads and margin costs in the estimated unit rates.
- Inclusion of the department's overhead charges.
- Allocating road construction overheads cost to road components (i.e. earthworks, Sub-base, Base and Surface) based on time spent for each component rather than on the component's construction cost. The time-based approach has allocated more construction overhead costs to non-depreciation components (earthworks and sub-base) compared to cost-based approach.
- Increase in costs for improved standards of safety management and worker protection. This is now allocated to all road components.
- Inclusion of retaining walls as a new asset class for the structure's revaluation

Valuation of Rail and Bus Network Assets

For specialised rail and bus network assets, the depreciated replacement cost was used in the valuation methodology due to there not being an active market for rail and bus network assets. Valuation is usually based on a combination of internal records, specialised knowledge and acquisition/transfer costs.

The impact of the department's internal fair value review of the Rail and Bus network assets has resulted in a net fair value increase of \$285 million due to increases in material and labour rates. The fair value review was endorsed by the Office of the Valuer General.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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5.3. Network Assets (continued)

Timing of Network Asset Revaluations

The following table shows when and by whom network assets were revalued:

Asset Class	Assets Valued	Last Valued / Revalued	By Whom	Timing of Revaluations (years)	Input Level	Fair Value Approach
Network Assets						
Roads	Road Pavements base, Sub-base, and Surface	1 July 2019	Janey Mitson, B.Eng (Civil)*	5	3	Cost
	Earthworks	1 July 2019	Janey Mitson, B.Eng (Civil)*	5	3	Cost
Structures	Bridges / Culverts	1 July 2019	Grant Wilksch, B.Eng (Civil)*	5	3	Cost
	Ferry Landings	1 July 2019	Grant Wilksch, B.Eng (Civil)*	5	3	Cost
	Drainage	1 July 2020	Public Private Property	5	3	Cost
	Weighbridges and Weigh Slabs	1 July 2020	Public Private Property	5	3	Cost
Rail and Bus Track	Busway Interchanges	1 July 2020	Knight Frank	6	3	Cost
	Busway Track and Structures	1 July 2019	Grant Wilksch, B.Eng (Civil)	6	3	Cost
	Metro Rail Structure (includes bridges)	1 July 2018	Valuer-General	6	3	Cost
	Metro Rail, Tram Lines Track and Other	1 July 2019	Valuer-General/ Peter Lawson B.Eng	6	3	Cost

Department for Infrastructure and Transport - Controlled
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5.4. Capital Works in Progress

	2024	2023
	\$'000	\$'000
Land, buildings and facilities	120 084	67 120
Road network	1 780 772	1 563 508
Plant, equipment and intangibles	71 581	40 540
Rail and bus track	67 421	41 754
Total capital works in progress	2 039 858	1 712 922

Reconciliation of Capital Works in Progress

Reconciliation 2023-24

	Road Network	Plant and Equipment/ Intangibles	Land, Buildings and Facilities	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2023	1 563 508	40 540	67 120	41 754	1 712 922
Additions	1 253 940	85 265	534 459	53 038	1 926 702
Transfer to capital	(1 036 557)	(53 555)	(481 362)	(27 371)	(1 598 845)
Transfer to operating	(118)	(668)	(133)	-	(919)
Other movements	(1)	(1)	-	-	(2)
Carrying amount at 30 June 2024	1 780 772	71 581	120 084	67 421	2 039 858

Reconciliation 2022-23

	Road Network	Plant and Equipment/ Intangibles	Land, Buildings and Facilities	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	1 679 903	45 340	34 515	93 772	1 853 530
Additions	1 079 291	117 111	461 287	24 375	1 682 064
Transfer to capital	(1 195 080)	(118 446)	(427 646)	(76 365)	(1 817 537)
Transfer to operating	(606)	(3 465)	(1 036)	(27)	(5 134)
Other movements	-	-	-	(1)	(1)
Carrying amount at 30 June 2023	1 563 508	40 540	67 120	41 754	1 712 922

Valuation of Works in Progress

Capital Works in Progress is not revalued and is recorded at historic cost in accordance with AASB 116 *Property, Plant and Equipment*

Department for Infrastructure and Transport - Controlled
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5.5. Intangible Assets

	2024	2023
	\$'000	\$'000
Intangibles		
Intangibles	85 295	82 747
	<u>85 295</u>	<u>82 747</u>
Accumulated amortisation		
Accumulated amortisation - Intangibles	71 096	68 305
	<u>71 096</u>	<u>68 305</u>
Total Intangible Assets	<u>14 199</u>	<u>14 442</u>

RECONCILIATION OF INTANGIBLE ASSETS

Reconciliation 2023-24

	Total
	\$'000
Carrying amount at 1 July 2023	14 442
Additions	2 692
Amortisation	(2 935)
Carrying amount at 30 June 2024	<u>14 199</u>

Reconciliation 2022-23

	Total
	\$'000
Carrying amount at 1 July 2022	10 057
Additions	6 909
Write-off of non-current assets	(740)
Amortisation	(2 524)
Transfers due to Administrative Restructures	740
Carrying amount at 30 June 2023	<u>14 442</u>

Intangible Assets

Intangible assets are not revalued and are recorded at historic cost.

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.6. Inventories

	2024	2023
	\$'000	\$'000
Current - held for distribution at no or nominal consideration		
Road making material and stores at cost	2 103	2 061
Rail material and stores at cost	3 765	3 924
Total inventories held for distribution at no or nominal consideration	5 868	5 985
Current - other than those held for distribution at no or nominal consideration:		
Other inventory at cost	336	381
Total inventories other than those held for distribution at no or nominal consideration	336	381
Total Current Inventories	6 204	6 366

Inventories include goods and other property held for distribution in the ordinary course of business and excludes depreciable assets.

Inventories held for distribution at no or nominal consideration are adjusted when applicable for any loss of service potential. The basis for assessing loss of service potential includes current replacement cost and technological or functional obsolescence.

Inventories of roadside materials are measured at historic cost and stores are measured on a weighted average historic cost basis. Inventories held for works performed for clients external to the department are measured at cost.

5.7. Non-Current Assets Classified as Held for Sale

	2024	2023
	\$'000	\$'000
Non-Current Assets Classified as Held for Sale		
Land, buildings and facilities	2 253	4 776
Total non-current assets classified as held for sale	2 253	4 776

The department has identified land, buildings and facilities that are surplus to the department's requirements. The land, buildings and facilities are expected to be sold within 12 months by public tender or auction.

Valuation of Non-Current Assets Classified as Held for Sale

Non-current assets classified as held for sale generally consist of land and buildings that have been declared surplus to the needs of the department for which a plan of sale has been determined, the sale is highly probable and is expected to be completed within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell in accordance with *AASB 5 Non-Current Assets Held for Sale and Discontinued Operations*. The assets in this category are re-valued upon reclassification in line with the valuation techniques outlined in notes 5.1 to 5.3. They are presented separately from the other assets in the Statement of Financial Position and are not subject to depreciation.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

6. Financial assets

6.1. Cash and Cash Equivalents

	2024	2023
	\$'000	\$'000
Deposits at call with the Treasurer	3 921 710	4 341 203
Imprest Account	15	15
Deposits with SAFA	1	624
Other	113	124
Total cash and cash equivalents	3 921 839	4 341 966

6.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Contractual receivables		
From government entities	204 155	178 100
From non-government entities	31 602	23 273
Less impairment loss on receivables	(411)	(543)
Total contractual receivables	235 346	200 830
Statutory receivables		
GST input tax recoverable	4 071	13 576
Total statutory receivables	4 071	13 576
Finance lease receivables	14 554	15 902
Accrued revenues	39 855	24 383
Total current receivables	293 826	254 691
Non-current		
Trade receivables		
From government entities	174	174
From non-government entities	269	181
Finance lease receivables	128 354	139 000
Total non-current receivables	128 797	139 355
Total receivables	422 623	394 046
Allowance for impairment loss on contractual receivables	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	543	637
Amounts written off	(112)	(80)
Increase / (Decrease) in allowance recognised in profit or loss	(20)	(14)
Carrying amount at 30 June	411	543

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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6.2 Receivables (continued)

Contractual receivables arise in the normal course of the provision of goods and services provided to other government agencies and the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or from when goods or services have been provided under a contractual agreement. Receivables and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. Other than as recognised in the allowance for impairment loss on contractual receivables, it is not anticipated that debtors will fail to discharge their obligations. The carrying amount of receivables approximates their fair value due to being receivable on demand. There is no concentration of credit risk.

Statutory receivables do not arise from contracts with customers. They are related to taxes and equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables but are not classified as financial instruments for disclosure purposes.

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

Impairment losses relate to contracts with customers external to SA Government. No impairment loss was recognised in relation to statutory receivables.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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6.2 Receivables (continued)

Finance lease receivables

The department is responsible for managing whole of government office accommodation arrangements under Premier and Cabinet Circular PC018. This includes leasing of accommodation from private landlords and subsequent sub-leasing these properties to government agencies. Where the sub-lease meets the definition of a lease under AASB16, and substantially transfers all the risks and rewards of the head lease to another government agency, the department recognises a finance lease receivable for the net investment of the lease. Finance lease receivables represent approximately 30 sub-leases.

During 2023-24, the department recognised finance income on finance lease receivables of \$4.261 million (\$4.808 million).

The following table sets out the maturity analysis of lease receivables, showing the undiscounted and discounted lease payments to be received after the reporting date.

Finance Lease receivables	2024	2023
	\$'000	\$'000
Finance lease receivables contracted for at the reporting date are as follows:		
Within one year	18 469	20 400
Later than one year but no longer than five years	76 130	74 135
Later than five years	68 206	84 624
Minimum lease payments	162 805	179 159
Less unearned finance income	(19 897)	(24 257)
Total Finance Lease Receivables	142 908	154 902
The present value of finance lease receivable is as follows:		
Within one year	14 554	15 902
Later than one year but no longer than five years	64 672	60 708
Later than five years	63 682	78 292
Present Value of Finance Lease	142 908	154 902
Representing:		
Current	14 554	15 902
Non-current	128 354	139 000
Total Finance Lease Receivables	142 908	154 902

Refer to Note 11.3 for further information on risk management.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

6.3. Other Assets

	2024	2023
	\$'000	\$'000
Current		
Prepayments	16 974	19 912
Accommodation Incentives	10 384	7 267
Other	540	416
Total Current Other Assets	27 898	27 595
Non-Current Assets		
Accommodation Incentives	76 712	63 033
Total Non-Current Other Assets	76 712	63 033
Total other assets	104 610	90 628

Accommodation Incentives received by the department which do not fall under AASB16 are amortised over the lease term.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7. Liabilities

7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Contractual payables	3 715	19 544
Accrued expenses	281 956	280 322
Rail Commissioner (Federally Awarded Employees)	4 571	6 670
Statutory payables	3 495	3 378
Total current payables	293 737	309 914
Non-Current:		
Rail Commissioner (Federally Awarded Employees)	3 725	7 382
Total non-current payables	3 725	7 382
Total payables	297 462	317 296

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, statutory fees and charges and Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefit Tax, Pay as You Go Withholding and ReturnToWorkSA levies. Statutory payables are carried at cost.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7.2. Financial Liabilities

	2024	2023
	\$'000	\$'000
Lease Liabilities	116 696	111 545
Total current lease liability	116 696	111 545
Non-Current		
Lease Liabilities	1 004 893	980 863
Total non-current lease liability	1 004 893	980 863
Total lease liability	1 121 589	1 092 408
Movements in the Lease Liabilities:	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	1 092 408	1 005 173
Additions	135 194	159 576
Increase/(Decrease) due to lease modifications and re-measurements	10 689	43 698
Reductions resulting from payments	(116 702)	(116 039)
Carrying amount at 30 June	1 121 589	1 092 408

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

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

As at 30 June 2024 the department had committed to material leases for building assets which had not yet commenced. The future cash flows for these leases is \$24.643 million over 10 years.

The department's leasing activities as lessee include government accommodation, motor vehicles, office equipment and other plant and equipment. Refer Note 8.4.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7.3. Provisions

	2024	2023
	\$'000	\$'000
Current		
Provision for workers compensation	2 472	1 918
Site remediation	5 942	8 822
Provision for contractual arrangements	1 401	981
Total current provisions	9 815	11 721
Non-current		
Provision for workers compensation	15 583	9 795
Site remediation	-	1 100
Provision for contractual arrangements	4 961	4 908
Total non-current provisions	20 544	15 803
Total provisions	30 359	27 524

Reconciliation of Workers Compensation

The following table shows the movement of the workers compensation provision:

Carrying amount as at 1 July	11 713	11 235
Increase (decrease) in provision due to revision of estimates	8 179	2 079
Reductions resulting from payments	(1 837)	(1 601)
Carrying Amount at 30 June	18 055	11 713

Reconciliation of Site Remediation

The following table shows the movement of the site remediation provision:

Carrying amount as at 1 July	9 922	21 197
Reductions resulting from payments	(3 980)	(11 275)
Carrying Amount at 30 June	5 942	9 922

Reconciliation of Provision for contractual arrangements

The following table shows the movement of the contractual arrangements provision:

Carrying amount as at 1 July	5 889	5 278
Increase in provision due to initial estimate	1 247	1 097
Reductions resulting from payments	(774)	(486)
Carrying Amount at 30 June	6 362	5 889

Provisions have been reported to reflect unsettled workers compensation claims, land remediation work required under the Ports Corp Business and Sale Agreement and contractual arrangements regarding outsourced heavy rail operations.

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The department is responsible for the payment of workers compensation claims.

Under the Outsourced Rail Operations Agreement, the department is liable for the Long Service Leave associated with the contractors' employees including staff that transferred to the contractor from the Rail Commissioner.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7.4. Other Liabilities

	2024	2023
	\$'000	\$'000
Current		
Deferred income	16 755	16 455
Other	2 268	2 627
Total current other liabilities	19 023	19 082
Total other liabilities	19 023	19 082

Deferred Income

The department sells MetroCards for travel on public transport. The value of unused MetroCards as at 30 June 2024 was \$13.923 million (\$13.896 million) and is recognised as a liability.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

8. Other disclosures

8.1. Equity

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

8.2. Equity Adjustments

	2024
	\$'000
Restatement of Opening Balances	
Adjustments against Retained Earnings:	
Work in progress adjustments	(2 384)
Asset recognition adjustments	64
Other adjustments	(358)
Total equity	(2 678)

The table above represents total adjustments to the equity opening balance. Adjustments totalling \$2.678 million(\$5.931 million) were identified in the year ended 30 June 2024 which affect the year ended 30 June 2022 and prior years.

RESTATEMENT OF OPENING BALANCES

Adjustments against Retained Earnings

Work in progress adjustment

A review of projects expenditure by the department in the year ended 30 June 2024 identified \$4.897million (\$13.546 million) of costs included in capital works in progress at 30 June 2023 that should have been expended in a prior year. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements for 2022-23 is summarised below:

	2023	2022
	\$'000	\$'000
Road network - work in progress	(495)	(18)
Plant, Equipment and Intangibles - work in progress	(1 867)	(1 794)
Land, Buildings and Facilities - work in progress	(151)	(572)
Total work in progress adjustment	(2 513)	(2 384)

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

8.3. Equity Adjustments (continued)

Asset Recognition

The total effect of assets book value adjustments that relate to prior financial periods is \$0.391 million (\$1.823 million) mainly due to addition and disposal of various land and facilities assets omitted in prior years. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements prior to 2022-23 is summarised below:

	2023	2022
	\$'000	\$'000
Land, buildings and facilities	(455)	267
Plant and equipment	-	(203)
Total asset recognition adjustments	(455)	64

Other Adjustments

A review of operating income and expenditure by the department in the year ended 30 June 2024 identified \$1.171 million (\$8.382 million) of prior period errors predominantly due to incorrect issue of Accounts receivable invoices in prior years and incomplete accruals recorded as at 30 June 2023. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements for 2022-23 is summarised below:

	2023	2022
	\$'000	\$'000
Accounts Receivables	-	(358)
Grants, subsidies and SA Government transfers expense	(813)	
Total other adjustments	(813)	(358)

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

8.4. Cash Flow Reconciliation

	2024	2023
	\$'000	\$'000
Leases		
Buildings	109 899	107 102
Plant and equipment	8 335	6 493
Total cash outflow for leases	118 234	113 595

	2024	2023
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	3 921 839	4 341 966
Balance as per the Statement of Cash Flows	3 921 839	4 341 966

Reconciliation of net cash provided by operating activities to net result		
Net cash provided by/(used in) operating activities	1 638 772	1 666 252
Add / (less) non-cash items		
Net gain (loss) on sale or disposal of non-current assets	10 840	724
Depreciation/amortisation expense of non-current assets	(760 851)	(728 034)
Assets written off	(981)	(3 628)
Assets donated	(608)	(425)
Resources received free of charge	7 396	7 472
Expensing of works in progress	-	(2 512)
Movements in Assets and Liabilities:		
Increase (Decrease) in receivables	45 835	63 387
Increase (Decrease) in inventories	(162)	83
Increase (Decrease) in other assets	16 908	3 259
(Increase) Decrease in payables and provisions	(357 981)	(303 644)
(Increase) Decrease in employee benefits	(3 434)	639
(Increase) Decrease in other liabilities	59	1 150
Net result	595 793	704 723

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.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

8.5. Accounting policies

Accounting policy information not disclosed elsewhere in this report are detailed below.

Business Overheads

The department adopts a full cost approach to recognising its infrastructure capital and recurrent works. This methodology requires the allocation of a proportionate share of overheads to these activities. These overhead costs include corporate overheads such as the cost of the traditional corporate areas, general whole of department costs as well as business specific overhead costs.

These costs are allocated using a costing model developed to reflect the proportionate consumption of overheads by output sections.

Contracts in progress

The department acts as project manager for major capital works in relation to government buildings or government accommodation and for a range of minor capital works and maintenance type activities associated with the role of facilities manager. The department charges a fee to recover the cost of its project management activities which is recorded as revenue in accordance with AASB 15.

The expenses incurred in undertaking these capital works and/or maintenance activities and the revenue recovered from charging the respective government departments are recognised within the Statement of Financial Position. The net of the expenditure incurred, and the revenue recovered is accounted for as a receivable or payable.

Non- Current Assets

Assets have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

Acquisition and Recognition of Non-Current assets

The department capitalises non-current physical assets with an individual or grouped value of \$10,000 or greater in accordance with policies that are consistent with Treasurer's Instructions (Accounting Policy Statements) and the requirements of Accounting Standard AASB 116 *Property, Plant and Equipment*. Exceptions to this policy are assets under construction, land and buildings and assets categorised as "grouped assets" in the department's policy which are capitalised irrespective of their value.

Assets under construction are capitalised from Capital Works in Progress to the appropriate asset classes at the completion of the project. Project costs that do not meet the recognition criteria of an asset are expensed.

APS 1051.A specifies that land under roads acquired before 1 July 2008, are not to be recognised by the department as an asset. However, any land under roads acquired after 1 July 2008 have been recognised by the department in accordance with AASB 1051 *Land Under Roads*, paragraph 15, when the asset recognition criteria is met. Land under roads includes land under roadways, road reserves, footpaths, nature strips and median strips.

Buildings or other structures residing on land acquired for current road projects are not separately recognised in the Statement of Financial Position. The costs incurred in acquiring the buildings in these instances are deemed to be part of the costs of acquiring the land.

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs incurred with the acquisition. Where the department acquires assets at no cost, or minimal cost, these items are recorded at their fair value in the Statement of Financial Position. If the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements, then the assets are recognised at book value i.e. the amount recorded by the transferor entity immediately prior to the restructure.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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8.5 Accounting policies (continued)

Revaluation of Non-Current Assets

In accordance with Treasurer's Instruction (Accounting Policy Statements) the department revalues all its non-current physical assets to their estimated fair value. Revaluations are performed only in instances where the fair value of the asset or asset group at the time of acquisition is greater than \$1.5 million, and the estimated useful life is greater than three years.

The department's revaluation frequency is 5 years for Road Network assets and 6 years for other major infrastructure assets. Residential property is revalued every year while all other government agency property is revalued every 6 years. The Department also conducts fair value reviews to ensure carrying value is not materially different from asset fair value.

The department revalues its assets in accordance with the required timelines, depending on the nature or purpose for which that asset is held. Assets are revalued by appropriately qualified valuation professionals, internal experts using external estimators or internal estimates based on recent transactions/indices. All valuers are independent unless otherwise indicated.

When non-current assets are revalued, the department uses the gross method in accounting for most assets except for land and buildings that are subject to commercial leases and held for provision of government agency accommodation and for provision of housing of government employees in remote areas.

If at any time the carrying amount of an asset materially differs from its fair value, the department re-values the asset regardless of when the last valuation took place. The department assesses material differences in fair value from notification from business units or changes in circumstances and environmental factors that the department becomes aware of. Revaluation movements are recorded in the Revaluation reserves. Non-current physical assets that are acquired between revaluations are held at cost until the next valuation.

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

AASB116.70 specifies that an entity will de-recognise the carrying amount of a replaced portion of an asset and if unable to determine this amount, the replacement cost may be used. The Department does not recognise the disposal of road pavements or track network assets as the determination of the disposal amount is impracticable to calculate due to the data structure of the financial systems.

The valuation methodology applied to specific classes of non-current assets under revaluations and the timing of asset valuations are disclosed in the Notes applicable to those assets. See Note 5.

Impairment

Non-current assets owned by the department carried at its fair value has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity. However, assets held at cost is assessed for impairment at the end of each reporting period.

Revaluation of non-current assets is undertaken on a regular cycle as detailed in Note 5. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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8.5 Accounting policies (continued)

Remediation of Non-Current Assets

Land remediation undertaken by the department is primarily designed to restore the asset to its original state or condition and would not normally meet the criteria for asset recognition under *AASB 116 Property, Plant and Equipment*.

Where remedial work is to be performed in response to a present obligation, either under legislation or under a contractual arrangement to a third party, the department recognises a provision for any future work in accordance with the requirements of *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*. Other land remediation costs are therefore expensed in the period in which the obligation is recognised.

Leases

The department enters lease arrangements as both lessee and lessor.

Accounting standard *AASB16 Leases* came into effect in 2019-20 resulting in significant changes to the department's accounting for leases.

The Treasurer's Instructions (Accounting Policy Statements) specify the required accounting policies for public authorities in applying *AASB 16*. These requirements are reflected in the department's accounting policies as follows:

- *AASB 16* is not applied to leases of intangible assets;
- Right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less;
- the department, in the capacity of a lessee, does not include non-lease components in lease amounts;
- Right-of-use assets are subsequently measured applying a cost model; and
- the incremental borrowing rate published by the Department of Treasury and Finance is used when the implicit rate in the lease is not able to be determined.

Significant accounting policies related to the application of *AASB 16* are disclosed under the relevant notes.

Lease activities in the department:

As Lessee:

Commercial Property:

The department is responsible for the management of accommodation arrangements on behalf of other government agencies under Premier and Cabinet Circular PC018 *Government Office Accommodation Framework* (PC018). The department has approximately 291 leases of commercial properties from external parties as well as departmentally owned properties to enable this. Approximately 235 of these external leases include extension options.

Commercial accommodation leases with external parties are non-cancellable with remaining terms ranging from 1 to 18 years. Lease extensions or options are typically renegotiated before the end of the current term. Rent is generally payable monthly in advance. Leases include a fixed rate increase, CPI and/or periodic market review. Major value leases typically have a predetermined fixed rate annual increase (between 2%-4%) factored into the lease.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

8.5 Accounting policies (continued)

Office accommodation provided to general government sector agencies under PC018 do not meet the definition of a lease under AASB 16. Revenue for these agencies is recognised under AASB 15 and classified as Government accommodation rental income (refer note 2.6). Where the department leases this accommodation from an external party the department records the Right-of-Use asset and Lease Liability on its statement of financial position.

For some office accommodation provided to the general government sector agencies under PC018 the department provides accommodation incentives (e.g. fit out). These have been recognised as an asset and are amortised against rental income on a straight-line basis over the term of the arrangement with the government sector agency.

Leased accommodation provided by the department outside of the scope PC018 are accounted for as leases under AASB 16. Where the department acts as sub-lessor it recognises a Finance Lease receivable for the net investment in the lease. Refer to Note 6.2.

Lease liabilities are classified as both current and non-current, with the minimum lease payments allocated between borrowing costs and the reduction of lease liability for the period.

Right of Use assets are depreciated over the reasonably certain term of the lease.

Significant judgments/policy:

Reasonably certain

The lease term is the non-cancellable period of a lease including periods covered by an option to extend the lease if the lessee is reasonably certain to exercise this option.

Where a property lease has extension options, these have been included in the value of the ROU asset and Lease liability where the department has assessed the lease extension option(s) is reasonably certain. The department considers all relevant facts and circumstances when making this determination including the whole of government accommodation strategy, economic conditions including relocation costs, operational needs of sub lessee's and relevant factors.

Lease components

Where a contract contains both lease and non-lease components such as asset maintenance services, the department excludes the non-lease component amounts when determining the lease liability and right-of-use asset amount in accordance with AASB16 and the Treasurer's Instructions (Accounting Policy Statements).

In determining the non-lease component rate for property leases, the department has applied the independently measured Property Council of Australia benchmark rates published for South Australia. This rate is then applied to the minimum lease payments of multi-story office buildings to determine value of the lease liability and lease asset.

Plant and Equipment:

The department leases plant and equipment for its operational use. This includes motor vehicles, office equipment and other plant. Motor vehicles leases are with the South Australian Financing Authority (SAFA). Refer to Note 5.2 for more detail.

Where plant and equipment is leased from an external party the department records a Right-of-Use asset and Lease Liability on its financial position when it meets the definition of a Lease under AASB16.

The department has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases of less than 12 months and low value assets, being assets which have a value of \$15 000 or less. These lease payments are recognised as expenses on a straight line basis over the lease term.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

8.5 Accounting policies (continued)

As Lessor:

Departmental Owned property

The department owns properties such as commercial buildings, land and other operating facilities. Where these properties are leased to other entities they are treated as operating leases because the department retains all the risks and rewards incidental to ownership of the underlying asset. That is the leases are significantly shorter than the useful life of the underlying asset.

The department recognises lease payments from operating leases as rental income on a straight-line basis over the term of the lease. Commercial accommodation operating leases are non-cancellable and rent is payable in advance.

Recreational Jetties

The department has entered into leases as lessor, in regard to the Government's Recreational Jetties Divestment Program where jetties have been leased to Councils throughout the state. Peppercorn rents of \$1 per annum apply over the 25 or 99 year lease term for each lease.

Under the terms of the lease agreement, these leases have been categorised as finance leases due to the passing of risks and benefits incidental to ownership to the lessee. The underlying assets have no value recorded in the Financial Statements because all the risks and rewards incidental to ownership of the underlying asset have been transferred to the Councils.

9. Changes in accounting policy

The department has assessed that the Australian Accounting Standards and Interpretations that first applied during 2023-24 did not have a material impact on the department's financial statements, this included AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

10. Outlook

10.1. Unrecognised Commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value and inclusive of non-recoverable GST.

The department's capital contractual commitments are predominantly for capital expenditure on construction projects relating to the road and rail networks, and the construction and upgrade of Government buildings and facilities. Where this construction work is being done on behalf of other agencies the cost is recovered accordingly.

The department's other contractual commitments include major service contracts for road and public transport operations. Accommodation expenses and short term and low value leases that do not meet the definition of a lease under AASB16 have been recognised by the department as an Other contractual commitment.

Capital Contractual commitments

	2024	2023
	\$'000	\$'000
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:		
Within one year	1 870 301	1 662 295
Later than one year but not longer than five years	307 561	247 198
Later than five years	2 505	25 011
Total capital commitments	2 180 367	1 934 504

Other contractual commitments

	2024	2023
	\$'000	\$'000
Within one year	652 685	529 407
Later than one year but not longer than five years	2 005 011	1 867 180
Later than five years	1 264 737	761 685
Total expenditure commitments	3 922 433	3 158 272

Operating Lease Commitments as Lessor

	2024	2023
	\$'000	\$'000
Commitments under operating leases at the reporting date but not recognised as receivable in the financial report, are as follows:		
Within one year	1 281	2 033
Later than one year but no later than five years	754	996
Total Operating Lease Commitments as Lessor	2 035	3 029

The department's operating lease commitments as lessor are for commercial accommodation and access rights to State Owned land sites for departmentally owned properties. These leases relate to office accommodation leased to Public Financial Corporations and Public Non-Financial Corporations and operational sites leased to government agencies. Commercial accommodation leases are non-cancellable with remaining lease terms ranging from 1 to 24 years. Rent is receivable in advance.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

10.2. Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed by way of note.

Contingent Assets

At 30 June 2024, the department:

- holds contract securities which are designed to cover the risk to the department in the event of contractor non-performance or insolvency. In the event of contractor non-performance or insolvency, the department can call upon the contract security to cover any resulting costs incurred.

Contingent Liabilities

At 30 June 2024, the department had:

- possible material exposures resulting from litigation (or pending litigation) in respect of claims for property damage or personal injury;
- received notification of other cases not yet subject to court action or formal claim, which may result in subsequent litigation or arbitration in the future;
- possible material exposure resulting from the ongoing monitoring and treatment of contaminated land assets to bring the land into a position for future use or sale;
- property acquisition compensation matters that are yet to be settled;
- property agreements that provide for additional compensation payments where a property owner purchases a replacement investment property within 12 months; and

In addition, the department is awaiting the outcome of formal and informal proceedings which may result in possible liabilities.

The department is insured by SAicorp, the captive insurer for the Government of South Australia. Final exposure of claims is limited to the deductible excess. The extent of these contingent liabilities cannot be reliably measured at balance date.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

10.3. Impact of standards not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2024.

The Department has reviewed the impact of *AASB 2022-10 Amendments to Australian Accounting Standards-Fair Value Measurement of Non-Financial Assets of Not-for Profit Public Sector Entities*, which takes effective in 2024-25. The Department has conferred with its valuation partners and has assessed that the impact on the fair value of its affected assets will not have a material impact.

10.4. Events after the reporting period

Events between 30 June and the date the financial statements are authorised that may have a material impact on the results of subsequent years and are set out below.

In August 2024, the department selected their preferred alliance partner for the delivery of the River Torrens to Darlington Project. At the time of the financial report the amount had not been finalised.

On 5 August 2024, the Australian Security Intelligence Organisation (ASIO) increased the National Terrorism Threat Level (NTTL) from POSSIBLE to PROBABLE. Future impacts to the Department could be expected as the Department is the responsible Authority for a majority of the State's critical assets.

Restructuring of administrative arrangements

As a result of the restructuring of administrative arrangements, the Office of the Local Government will be assigned to the Department for Housing and Urban Development, as of 1 July 2024.

As a result of the restructuring of administrative arrangements, the Office of Northern Water Delivery will be established and attached the Department for Infrastructure and Transport, as of 1 July 2024.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

11. Measurement and risk

11.1. Long Service Leave liability - measurement

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long term Commonwealth Government bonds has increased from 4.0% in 2023 to 4.25% in 2024.

This increase in the bond yield results in a decrease in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance increased the salary inflation rate from the 2023 rate of 2.5% to 3.5% for long service leave liability. As a result, the net financial effect is an increase in the long service leave liability.

The net financial effect of the changes to the actuarial assumptions in the current financial year is an increase in the long service leave liability of \$2.11 million and employee related expense of \$0.217 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The long service leave liability has been allocated between current and non-current liabilities using the leave pattern history of previous years.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

11.2. Fair Value Measurement

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

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. The department does not have any Level 1 assets.
- 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. For example, the department has domestic housing and commercial building assets that are valued by comparing the subject properties to similar properties in similar areas.
- Level 3 – not traded in an active market and are derived from unobservable inputs. Examples in the department include the rail and road networks.

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

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

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

Refer to Note 5 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

In accordance with AASB 13 *Fair Value Measurement* the fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The department categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

The department had no recurring or non-recurring fair value measurements categorised into Level 1.

During 2023-24 the department transferred \$7.75m of land assets from level 2 to level 3. These assets were determined to be level 3 as they are not able to be traded in an active market. The transfer was identified during the revaluation of these assets.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

11.2 Fair Value Measurement (continued)

Fair value measurements at 30 June 2024

	2024	Level 2	Level 3
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (note 5.1)	983 651	955 794	27 857
Buildings and facilities (note 5.1)	1 492 215	339 337	1 152 878
Plant and Equipment (note 5.2)	769 272	1 147	768 125
Road and structures (note 5.3)	31 637 101	-	31 637 101
Rail and bus track (note 5.3)	3 636 031	-	3 636 031
Total recurring fair value measurements	38 518 270	1 296 278	37 221 992
Non-recurring fair value measurements			
Land, buildings and facilities held for sale (note 5.7)	2 253	2 253	-
Total non-recurring fair value measurements	2 253	2 253	-
Total fair value measurements	38 520 523	1 298 531	37 221 992

Fair value measurements at 30 June 2023

	2023	Level 2	Level 3
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (note 5.1)	946 480	928 837	17 643
Buildings and facilities (note 5.1)	1 488 438	334 445	1 153 993
Plant and Equipment (note 5.2)	738 072	1 294	736 778
Road and structures (note 5.3)	30 012 373	-	30 012 373
Rail and bus track (note 5.3)	3 418 152	-	3 418 152
Total recurring fair value measurements	36 603 515	1 264 576	35 338 939
Non-recurring fair value measurements			
Land, buildings and facilities held for sale (note 5.7)	4 776	4 776	-
Total non-recurring fair value measurements	4 776	4 776	-
Total fair value measurements	36 608 291	1 269 352	35 338 939

Valuation Techniques and Inputs

Valuation techniques used to derive Level 2 and 3 fair values are detailed in Notes 5.1 – 5.5. There were no changes in valuation techniques during 2023-24.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

11.2 Fair Value Measurement (continued)

Reconciliation of Level 3 Fair value Measurements as at 30 June 2024

2024	Land	Buildings and Facilities ⁽¹⁾	Plant and Equipment	Road and Structures	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	17 643	1 153 993	736 778	30 012 373	3 418 152	35 338 939
Additions	-	55 178	50 443	1 036 557	27 371	1 169 549
Disposals	-	-	(527)	-	-	(527)
Donated assets	-	-	(415)	-	-	(415)
Write offs	-	(178)	(498)	(303)	-	(979)
Revaluation increment (decrement) (3)	2 610	31 974	46 376	983 735	284 901	1 349 596
Depreciation and amortisation	-	(47 857)	(61 465)	(434 773)	(97 375)	(641 470)
Transfers due to reclassification of assets at same Fair Value level	-	(39 927)	(2 567)	39 512	2 982	-
Transfer into Level 3	7 750	-	-	-	-	7 750
Transfer out of Level 3	(146)	(305)	-	-	-	(451)
Other Movements	-	-	-	-	-	-
Carrying amount at the end of the period	27 857	1 152 878	768 125	31 637 101	3 636 031	37 221 992

(1) Plant and Equipment & Buildings and Facilities have a combination of Fair Value Level 2 and 3

(2) Net book value of assets disposed. Total gain/loss for period included in profit or loss disclosed separately.

(3) Revaluation increment (decrement) relates only to unrealised gains or losses recognised through Other Comprehensive Income under changes to the revaluation surplus. No unrealised gains or losses were included in profit or loss.

Total gains/losses for the period included in profit or loss
under Net Gain (Loss) from Disposal of Non-Current Assets

- - 385 - -

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

11.2 Fair Value Measurement (continued)

Reconciliation of Level 3 Fair value Measurements as at 30 June 2023

2023	Land	Buildings and Facilities (1)	Plant and Equipment	Road and Structures	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	17 643	1 105 658	688 232	27 166 917	3 164 630	32 143 080
Additions	-	62 410	110 998	1 195 080	76 365	1 444 853
Disposals	-	(4 502)	(305)	-	-	(4 807)
Donated assets	-	(279)	(27)	-	-	(306)
Resources received free of charge	-	-	50	-	-	50
Write offs	-	(1 060)	(995)	(69)	(735)	(2 859)
Revaluation increment (decrement) (3)	-	37 489	-	2 055 583	269 579	2 362 651
Depreciation and amortisation	-	(45 724)	(61 173)	(405 168)	(91 687)	(603 752)
Transfer into Level 3	-	-	-	30	-	30
Other Movements	-	1	(2)	-	-	(1)
Carrying amount at the end of the period	17 643	1 153 993	736 778	30 012 373	3 418 152	35 338 939

(1) Plant and Equipment & Buildings and Facilities have a combination of Fair Value Level 2 and 3

(2) Net book value of assets disposed. Total gain/loss for period included in profit or loss disclosed separately.

(3) Revaluation increment (decrement) relates only to unrealised gains or losses recognised through Other Comprehensive Income under changes to the revaluation surplus. No unrealised gains or losses were included in profit or loss.

Total gains/losses for the period included in profit or loss
under Net Gain (Loss) from Disposal of Non-Current Assets

	-	-	4428	221	-	-	4649
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Transfers In and Out of Level 3

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

11.3. Financial Instruments

Financial risk management

The department has developed a Risk Management policy and associated Framework in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines (AS/NZS ISO 31000-2018)*. This policy and framework set out the tailored approach to identify and manage risk within the department.

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

Liquidity risk arises from the possibility that the department is unable to meet its financial obligations as they fall due. The department works with the Department of Treasury and Finance to determine the cash flows associated with its government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to Notes 7.1 and 7.2 for further information.

Credit Risk

Credit risk arises when there is the possibility of the department's debtors defaulting on their contractual obligations resulting in a financial loss to the department. The department has policies and procedures in place to ensure business transactions occur with customers with appropriate credit history.

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

Impairment of financial assets

Loss allowances for contractual 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 contractual receivables from non-government debtors.

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

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2024

11.3. Financial Instruments (continued)

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	11 329	1.22%	138
1 – 30 days past due	894	2.81%	25
31 – 60 days past due	591	2.89%	17
More than 60 days past due	4 934	4.67%	231
Loss allowance			411

Loss rates are based on actual history of credit loss adjusted for any changes to any forecast economic conditions that may affect the department's debtor profile.

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.

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

Receivables with a contractual amount of \$0.112 million written off during the year are still subject to enforcement activity.

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

Market Risk

The department enters into business transactions that require the payment of goods or services in a foreign currency. Foreign currency risk associated with significant payments is minimised using a strategy of forward cover contract through SAFA articulated in *TI 23 Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings.

The interest expense implicit in any finance lease payment is fixed at the inception of the lease and is calculated using prevailing government borrowing rates as advised by SAFA. The department's revenue base is sufficient for the purpose of servicing its interest and loan repayment commitments.

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

Categorisation of financial instruments

Details of the material accounting policy information 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 / liability note.

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
For the year ended 30 June 2024

11.3. Financial Instruments (continued)

Category of financial asset and financial liability		Note	Carrying amount / fair value \$'000	2024 Contractual maturities*		
				Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents:	Cash and cash equivalent	6.1	3 921 839	3 921 839		
Financial assets at amortised cost	Contractual Receivables**	6.2	275 644	275 201	443	
	Finance lease receivable	6.2	162 805	18 469	76 130	68 206
Total financial assets			4 360 288	4 215 509	76 573	68 206
Financial liabilities						
Financial liabilities at amortised cost:	Contractual Payables**	7.1	293 966	290 241	3 725	
	Lease liability	7.2	1 331 193	146 617	482 175	702 401
Total financial liabilities			1 625 159	436 858	485 900	702 401
Category of financial asset and financial liability		Note	2023 Carrying amount / fair value \$'000	2023 Contractual maturities*		
				Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents:	Cash and cash equivalent	6.1	4 341 966	4 341 966	-	-
Financial assets at amortised cost	Contractual Receivables**	6.2	225 568	225 213	355	-
	Finance lease receivable		179 159	20 400	74 135	84 624
Total financial assets			4 746 693	4 587 579	74 490	84 624
Financial liabilities						
Financial liabilities at amortised cost:	Contractual Payables**	7.1	313 972	306 590	7 382	-
	Lease liability	7.2	1 278 246	137 195	464 491	676 560
Total financial liabilities			1 592 218	443 785	471 873	676 560

* 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.

** Contractual receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.3.

**Department for Infrastructure and Transport -
Administered
(DIT)**

Administered Financial Statements

For the year ended 30 June 2024

Department for Infrastructure and Transport - Administered
Statement of Administered Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Administered income			
Appropriation	A10	8 853	7 986
Fees and charges	A11	2 648	1 835
Collection on Behalf of Third Parties	A12	1 077 525	1 053 862
Other income	A13	140	169
Total income		1 089 166	1 063 852
Administered expenses			
Employee related expenses	A5	988	959
Supplies and services	A6	1 185	1 071
Grants and subsidies expense	A8	6 351	4 742
Disbursements on Behalf of Third Parties	A9	1 080 616	1 056 928
Total administered expenses		1 089 140	1 063 700
Net result		26	152
Total comprehensive result		26	152

The net result and total comprehensive result are attributable to the SA Government as owner. The above statement should be read in conjunction with the accompanying notes.

**Department for Infrastructure and Transport - Administered
Statement of Administered Financial Position
as at 30 June 2024**

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	A14	24 804	22 853
Receivables	A15	23	27
Total current assets		24 827	22 880
Total assets		24 827	22 880
Current liabilities			
Payables	A16	22 499	20 578
Total current liabilities		22 499	20 578
Total liabilities		22 499	20 578
Net assets		2 328	2 302
Administered equity			
Retained earnings		2 328	2 302
Total equity		2 328	2 302

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

Contingent assets and liabilities A18

Unrecognised contractual commitments A17

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

Department for Infrastructure and Transport - Administered
Statement of Administered Cash Flows
for the year ended 30 June 2024

		2024	2023
		(Outflows)	(Outflows)
		Inflows	Inflows
Cash flows from operating activities	Note	\$'000	\$'000
Cash inflows			
Appropriation		8 853	7 986
Receipts from fees and charges		2 647	2 246
Collection on behalf of third parties		1 077 529	1 053 854
Interest		1	-
Other income		140	177
Cash generated from operations		1 089 170	1 064 263
Cash outflows			
Employee related expenses		(988)	(962)
Payments for supplies and services		(1 444)	(916)
Grants and subsidies		(6 351)	(4 742)
Disbursements on behalf of third parties		(1 078 436)	(1 053 044)
Cash used in operations		(1087 219)	(1 059 664)
Net cash provided by / (used in) operations	A17	1 951	4 599
Net increase (decrease) in cash held		1 951	4 599
Cash at 1 July		22 853	18 254
Cash at 30 June	A14	24 804	22 853

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

Department for Infrastructure and Transport - Administered Expenses and Income by Administered Programs
For the year ended 30 June 2024

Administered programs - refer note A2	Infrastructure Planning and			
	Roads and Marine		Policy	
	1		2	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Administered income				
Appropriation	3 091	3 079	2 156	2 090
Fees and charges	2 648	1 835	-	-
Collections on behalf of third parties	1 077 375	1 053 704	150	158
Other income	-	-	140	169
Total administered income	1 083 114	1 058 618	2 446	2 417
Administered expenses				
Employee related expenses	-	-	988	959
Supplies and services	-	-	1 185	1 071
Grants and subsidies	2 745	1 925	-	-
Disbursements on behalf of third parties	1 080 466	1 056 770	150	158
Total administered expenses	1 083 211	1 058 695	2 323	2 188
Net result	(97)	(77)	123	229

	General/Not Attributable		Total	
	5		5	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Administered income				
Appropriation	3 606	2 817	8 853	7 986
Fees and charges	-	-	2 648	1 835
Collections on behalf of third parties	-	-	1 077 525	1 053 862
Other income	-	-	140	169
Total administered income	3 606	2 817	1 089 166	1 063 852
Administered expenses				
Employee related expenses	-	-	988	959
Supplies and services	-	-	1 185	1 071
Grants and subsidies	3 606	2 817	6 351	4 742
Disbursements on behalf of third parties	-	-	1 080 616	1 056 928
Total administered expenses	3 606	2 817	1 089 140	1 063 700
Net result	-	-	26	152

Department for Infrastructure and Transport - Administered

Notes to and forming part of the Administered Financial Statements

for the year ended 30 June 2024

The Administered Financial Statements include income, expenses, assets and liabilities that the Department for Infrastructure and Transport (the department) administers on behalf of the SA Government but does not control.

A1: Basis of preparation and accounting policies

The Basis of Preparation for the Administered Financial Statements is the same as the basis outlined in Note 1.1 for controlled items. The department applies the same accounting policies to the Administered Financial Statements as set out in the notes to the department's financial statements.

A2: Objectives/programs of the Department

The objectives and programs of the department, outlined in Note 1.2 for controlled items, apply equally to the Administered Financial Statements.

The programs of the department are outlined in Note 1.2 for controlled items. Program 2: Roads and Marine, Program 5: Infrastructure Planning and Policy apply to the Administered Financial Statements.

Department Organisation

The organisational structure of the department outlined in Note 1.2 for controlled items, applies to both the departmental and the Administered Financial Statements.

The Administered Items of the department as at 30 June 2024 comprised the following:

- Appropriation to the Outback Communities Authority and the Local Government Grants Commission
- Asbestos Program
- Compulsory Third-Party Insurance
- Emergency services levy
- Expiation receipts
- Firearm receipts
- Flinders Ports — land tax equivalent
- Hospital Fund — contributions
- Lifetime Support Scheme receipts
- Registration and Licensing collections and disbursements
- Service SA disbursements
- Special Act salaries
- Stamp duty receipts

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2024

A3: Transfer Payments

The department makes various transfer payments to eligible beneficiaries in the capacity of an agent responsible for the administration of the transfer process. Amounts relating to these transfer payments are not controlled by the department, since they are made at the discretion of the government in accordance with government policy. The following table lists recipients by class and amounts transferred.

	2024	2023
	\$'000	\$'000
Transfer payments to SA Government Entities		
Department of Treasury and Finance	362 923	329 833
Lifetime Support Authority	208 235	189 713
CTP Regulator	110 085	111 541
South Australian Fire and Emergency Services Commission	52 269	51 577
South Australian Police	3 829	3 253
Outback Communities Authority and Local Govt Grants Commission	3 606	2 817
Other	1 827	1 640
Transfer payment to non-SA Government Entities		
Compulsory Third Party Insurance	308 324	338 129
Refunds	20 966	18 230
National Heavy Vehicle Regulator	15 337	15 295
Other	751	713
Total Transfer Payments	1 088 152	1 062 741

A4: Budgetary Reporting and Explanations of major variances between budget and actual amounts

	Note	Original	Actual	Variance
		budget		
		2024	2024	
		\$'000	\$'000	\$'000
Statement of Administered Comprehensive Income				
Administered Income				
Appropriation		8 676	8 853	177
Fees and charges		-	2 648	2 648
Collections on behalf of third parties		1 010 694	1 077 525	66 831
Other income		-	140	140
Total administered income		1 019 370	1 089 166	69 796
Administered Expenses				
Employee related expenses		813	988	175
Supplies and services		1 180	1 185	5
Grants and subsidies		3 223	6 351	3 128
Disbursements on behalf of third parties		1 013 646	1 080 616	66 970
Payments to Consolidated Account		515	-	(515)
Total administered expenses		1 019 377	1 089 140	69 763
Net result		(7)	26	33

The budget performance table compares the department's outcomes against budget information presented to Parliament (2023-24 Budget Paper 4, Volume 3). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2024

A5: Employee Related Expenses

	2024	2023
	\$'000	\$'000
Ministers' salaries	988	959
Total employee related expenses	988	959

Includes Minister for Infrastructure and Transport and Minister for Local Government.

A6: Supplies and Services

	2024	2023
	\$'000	\$'000
Professional and Technical Services	1 068	1 065
Other	117	6
Total supplies and services	1 185	1 071

A7: Expenditure-SA Business and Non-SA Business

All expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement are to be disclosed. The Department considered this disclosure as relevant for the Administered Financial Statements however the amounts that would have met the conditions required for this note are deemed immaterial.

A8: Grants and Subsidies Expenses

	2024	2023
	\$'000	\$'000
Land Tax Equivalent - Flinders Ports (Transfer to DTF)	2 648	1 835
Transfer to Outback Communities Authority and Local Govt Grants Commission*	3 606	2 817
Lincoln Cove Marina (Transfer to DTF)	97	90
Total grants and subsidies expense	6 351	4 742

*Transfer to Outback Communities Authority and Local Government Grants Commission is a transfer of Appropriation received by DIT on their behalf.

A9: Disbursements on Behalf of Third Parties

	2024	2023
	\$'000	\$'000
Compulsory Third Party Insurance	418 409	449 670
Stamp Duties - Department of Treasury and Finance	279 132	248 272
Lifetime Support Scheme - Lifetime Support Authority	208 235	189 713
Hospital Fund - Department of Treasury and Finance	81 046	79 636
Emergency Services Levy - SA Fire & Emergency Services Commission	52 269	51 577
Refunds	20 966	18 230
National Heavy Vehicle Regulator	15 337	15 295
Other	5 222	4 535
Total disbursements on behalf of third parties	1 080 616	1 056 928

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2024

A10: Appropriation

	2024	2023
	\$'000	\$'000
Appropriations from the Consolidated Account pursuant to the Appropriations Act*	7 829	6 293
Appropriations from Governor's Appropriation Fund	48	754
Special Act Salaries	976	939
Total revenues from appropriation	8 853	7 986

*Includes \$3.091million (\$3.079 million) to fund remissions provided on Emergency Services Levy charges. Includes Appropriations for the Outback Communities Authority and the Local Government Grants Commission.

A11: Fees and Charges

	2024	2023
	\$'000	\$'000
Land Tax Equivalent - Flinders Ports	2 648	1 835
Total fees and charges	2 648	1 835

A12: Collections on Behalf of Third Parties

	2024	2023
	\$'000	\$'000
Compulsory Third Party Insurance	418 409	449 670
Stamp Duties - Department of Treasury and Finance	279 132	248 272
Lifetime Support Scheme - Lifetime Support Authority	208 235	189 713
Hospital Fund - Department of Treasury and Finance	81 046	79 636
Emergency Services Levy - SA Fire & Emergency Services Commission	49 178	48 511
Refunds	20 966	18 230
National Heavy Vehicle Regulator	15 337	15 295
Other	5 222	4 535
Total Collection on Behalf of Third Parties	1 077 525	1 053 862

A13: Other Income

	2024	2023
	\$'000	\$'000
Other income	140	169
Total other income	140	169

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2024

A14: Cash and Cash Equivalents

	2024	2023
	\$'000	\$'000
Deposits at call	24 804	22 853
Total cash and cash equivalents	24 804	22 853

A15: Receivables

	2024	2023
	\$'000	\$'000
Current		
Current Receivables	1	1
Accrued Revenues	22	26
Total current receivables	23	27
Total receivables	23	27

Refer to Note A20 for information on risk management.

A16: Payables

	2024	2023
	\$'000	\$'000
Current		
Creditors	20 799	18 619
Accrued Expenses	1 700	1 959
Total current payables	22 499	20 578
Total payables	22 499	20 578

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

For further information on risk management refer to Note A20.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the financial statements
For the year ended 30 June 2024

A17: Cash Flow Reconciliation

	2024	2023
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Statement of Cash flows	24 804	22 853
Statement of Financial Position	24 804	22 853
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	1 951	4 599
Add / (less) non-cash items		
Movement in assets and liabilities		
Increase / (decrease) in receivables	(4)	(411)
(Increase) / decrease in payables	(1 921)	(4 036)
Net result	26	152

A18: Unrecognised Contractual Commitments

The department is not aware of any administered unrecognized contractual commitments.

A19: Contingent Assets and Liabilities

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

A20: Events After the Reporting Period

The department is not aware of any events occurring after balance date.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the financial statements
For the year ended 30 June 2024

A21: Financial Instruments

A21.1 Financial Risk Management

The financial instruments/financial risk management items, conditions, and accounting policies of the department, outlined in Note 11 for controlled items, apply equally to the Administered Financial Statements.

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

Liquidity risk arises where the department is unable to meet its financial obligations as they fall due. The department normally settles accounts within 30 days from the date the invoice is first received.

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

Exposure to interest rate risk will not arise on the administered interest-bearing liabilities and interest-bearing assets as the interest rate is fixed over the term of the loans.

A21.2 Categorisation of Financial Instruments

	Carrying Amount \$'000	Contract Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
2024				
Financial Assets				
Cash and cash equivalents	24 804	24 804	-	-
Contractual receivables	23	23	-	-
Total Financial Assets	24 827	24 827	-	-
Financial liabilities				
Contractual Payables	1 700	1 700	-	-
Total Financial Liabilities	1 700	1 700	-	-
2023				
Financial Assets				
Cash and cash equivalents	22 853	22 853	-	-
Contractual receivables	27	27	-	-
Total Financial Assets	22 880	22 880	-	-
Financial liabilities				
Contractual Payables	1 959	1 959	-	-
Total Financial Liabilities	1 959	1 959	-	-

Department for Infrastructure and Transport
CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

- financial statements of the Department for Infrastructure and Transport:
 - are in accordance with the accounts and records of the Department; and
 - comply with relevant Treasurer’s instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the 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 for Infrastructure and Transport for the financial year over its financial reporting and its preparation of the financial statements have been effective.



Jon Whelan
Chief Executive

Department for Infrastructure
and Transport
South Australia

24 September 2024



Graeme Jackson
Executive Director, People
and Corporate Services

Department for Infrastructure
and Transport
South Australia

24 September 2024