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To the Chief Executive Department of Primary Industries and Regions

Opinion

I have audited the financial report of the Department of Primary Industries and Regions 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 of Primary Industries and Regions 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 policies 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 Income and Expenses by Administered Programs for the year ended 30 June 2024
- notes, comprising material accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Department of Primary Industries and Regions. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of Primary Industries and Regions 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 of Primary Industries and Regions' 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

23 September 2024

**Department of Primary Industries and Regions
(PIRSA)**

Controlled Financial Statements

For the year ended 30 June 2024

Department of Primary Industries and Regions
Certification of Financial Statements
For the year ended 30 June 2024

We certify that the:

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



Professor Mehdi Doroudi PSM
Chief Executive

13 September 2024



Will Kent
Chief Financial Officer

13 September 2024

Department of Primary Industries and Regions
Statement of Comprehensive Income
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Appropriation	2.1	131 612	119 843
Fees and charges	2.2	3 285	3 246
Grants, subsidies and transfers	2.3	65 396	59 740
Commonwealth grants (National Partnership Payments)	2.4	18 745	5 743
Interest	2.5	3 771	2 513
Sale of goods and services	2.6	11 898	14 995
Resources received free of charge	2.7	3 073	2 903
Other income	2.8	9 057	19 022
Total income		246 837	228 005
Expenses			
Employee related expenses	3.3	93 174	87 479
Supplies and services	4.1	93 822	91 281
Depreciation and amortisation	4.3	9 361	8 707
Grants and subsidies	4.4	68 669	59 528
Borrowing costs	4.5	1 467	858
Transfers to Consolidated Account	4.6	823	-
Other expenses	4.7	1 763	2 689
Net loss from the disposal of property, plant and equipment	4.8	106	394
Total expenses		269 185	250 936
Net result		(22 348)	(22 931)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus	5.1	-	55 722
Changes in fair value of investments classified as fair value through other comprehensive income	6.4	3 835	390
Total other comprehensive income		3 835	56 112
Total comprehensive result		(18 513)	33 181

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

Department of Primary Industries and Regions
Statement of Financial Position
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	140 799	168 152
Receivables	6.2	32 223	30 887
Contract assets	6.3	13 942	11 180
Inventories	5.4	4 783	3 540
Non-current assets classified as held for sale	5.5	-	600
Total current assets		191 747	214 359
Non-current assets			
Receivables	6.2	24 298	24 271
Other financial assets	6.4	34 529	30 694
Property, plant and equipment	5.1	185 918	181 536
Right-of-use plant and equipment	5.2	2 416	1 655
Intangible assets	5.3	5 103	4 905
Total non-current assets		252 264	243 061
Total assets		444 011	457 420
Current liabilities			
Payables	7.1	20 720	22 822
Financial liabilities	7.2	8 237	15 252
Contract liabilities	6.3	20 855	14 911
Employee related liabilities	3.4	12 516	11 771
Provisions	7.3	441	475
Other liabilities	7.4	1 273	73
Total current liabilities		64 042	65 304
Non-current liabilities			
Financial liabilities	7.2	25 786	25 180
Employee related liabilities	3.4	17 098	15 826
Provisions	7.3	1 713	1 704
Other liabilities	7.4	4 735	258
Total non-current liabilities		49 332	42 968
Total liabilities		113 374	108 272
Net assets		330 637	349 148
Equity			
Retained earnings		209 215	231 561
Asset revaluation surplus	8.1	104 582	104 582
Investment reserve	8.1	16 840	13 005
Total equity		330 637	349 148

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

Department of Primary Industries and Regions
Statement of Changes in Equity
for the year ended 30 June 2024

	Asset revaluation surplus	Investment reserve	Retained earnings	Total
Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	48 860	12 615	255 367	316 842
Net result for 2022-23	-	-	(22 931)	(22 931)
Gain on revaluation of land	39 356	-	-	39 356
Gain on revaluation of property plant and equipment	16 366	-	-	16 366
Fair value movement of investments classified as fair value through other comprehensive income	-	390	-	390
Total comprehensive result for 2022-23	55 722	390	(22 931)	33 181
Net assets transferred as a result of an administrative restructure	-	-	(875)	(875)
Balance at 30 June 2023	104 582	13 005	231 561	349 148
Net result for 2023-24	-	-	(22 348)	(22 348)
Fair value movement of investments classified as fair value through other comprehensive income	-	3 835	-	3 835
Total comprehensive result for 2023-24	-	3 835	(22 348)	(18 513)
Transactions with SA Government as owner				
Net assets transferred as a result of an administrative restructure	-	-	2	2
Balance at 30 June 2024	104 582	16 840	209 215	330 637

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

Department of Primary Industries and Regions
Statement of Cash Flows
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		131 612	119 843
Fees and charges		4 297	3 246
Grants, subsidies and transfers		59 475	46 874
Commonwealth grants (National Partnership Payments)		18 745	5 743
Interest		3 001	1 391
Sale of goods and services		9 127	16 256
Dividends received		1 629	1 448
GST recovered from the ATO		9 232	9 464
Other receipts		13 735	28 184
Cash generated from operating activities		250 853	232 449
Cash (outflows)			
Employee related payments		(91 244)	(89 750)
Supplies and services		(96 290)	(99 625)
Grants and subsidies		(74 832)	(71 255)
Interest paid		(1 436)	(643)
Transfers to Consolidated Account		(823)	-
Net GST allocation to PIRSA Administered/Dog Fence Board		(773)	(777)
Other payments		(744)	(2 100)
Cash used in operations		(266 142)	(264 150)
Net cash (used in) / provided by operating activities	8.2	(15 289)	(31 701)
Cash flows from investing activities			
Cash inflows			
Loans repaid by the rural sector and industry		9 254	4 526
Proceeds from the sale of property, plant and equipment		636	141
Sale of inventories		1 499	2 766
Cash generated from investing activities		11 389	7 433
Cash (outflows)			
Purchase of property plant and equipment		(9 728)	(14 755)
Loans advanced to rural sector and industry		(700)	(5 580)
Purchase of inventories		(1 132)	(948)
Purchase of intangibles		(2 233)	(1 421)
Cash used in investing activities		(13 793)	(22 704)
Net cash (used in) / provided by investing activities		(2 404)	(15 271)
Cash flows from financing activities			
Cash inflows			
Proceeds of borrowings	7.2	700	5 580
Cash generated by financing activities		700	5 580
Cash (outflows)			
Repayment of borrowings	7.2	(9 254)	(4 525)
Repayment of principal portion of lease liabilities		(1 106)	(1 000)
Cash used in financing activities		(10 360)	(5 525)
Net cash provided / (used in) by financing activities		(9 660)	55
Net increase / (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the reporting period			
Cash and cash equivalents at the end of the reporting period			
	6.1	140 799	168 152

The accompanying notes form part of these financial statements

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1. About the Department of Primary Industries and Regions

The Department of Primary Industries and Regions (PIRSA/the department) is a not-for-profit government department of the State of South Australia. The department is established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

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

Administered financial statements relating to administered resources are presented separately in the administered financial statements at the back of the controlled general-purpose financial statements. Except as otherwise disclosed administered items are accounted for on the same basis and using the same accounting policies as for the department's transactions.

In the process of reporting on the department as a single unit, all internal transactions have been eliminated in full.

1.1. Basis of preparation

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

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

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

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

The department is not subject to Income Tax. The department is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services tax (GST) and Emergency Services Levy (ESL).

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

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

Significant accounting policies are set out throughout the notes.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs

Objectives

The purpose of the department is to advance the prosperity and sustainability of South Australia's primary industries and regional communities.

In achieving its objectives, the department provides a range of services to:

- Support growth of South Australian primary industries and their communities by facilitating connections, sharing information, leveraging opportunities and mitigating threats
- Ensure sustainable utilisation of agricultural and aquatic resources
- Lead or influence evidence-based policy and regulatory frameworks that balance the interests of all parties and demonstrate best practice
- Deliver and facilitate adoption of applied science that leverages South Australia's competitive advantages in primary production
- Play a leading role in driving positive change in primary industries and regional communities
- Champion South Australian primary industries and regions in relevant state, federal and global forums
- Prepare for, prevent where possible and respond to emergency events and the long-term risks, including climate change, that threaten South Australia's primary industries, regional communities, plants, animals and environment

Programs

The department provides the following programs:

Primary Industries

To drive the growth and sustainable development of the state's primary industries.

Regional Development

Support South Australia's regions to grow, diversify and prosper by fostering and supporting regional projects that enable new economic opportunities and build and strengthen regional communities.

Work with regional communities, businesses, stakeholders and across government to identify priorities and opportunities for regional economic development, industry growth and diversification, jobs growth and capacity building, and service delivery. Provide connection between government and regional communities and support them through sharing regional intelligence, partnering with key regional stakeholders, and leveraging funding sources. Provide the first point of contact for regional stakeholders at PIRSA regional offices for the provision of information and services.

The following tables present income, expenses, assets and liabilities attributable to each program for 2023-24 and 2022-23.

Department of Primary Industries and Regions
Income and expenses by program
For the year ended 30 June 2024

	Primary Industries		Regional Development		General/Not Attributable		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income								
Appropriation	-	-	-	-	131 612	119 843	131 612	119 843
Fees and charges	3 285	3 246	-	-	-	-	3 285	3 246
Grants, subsidies and transfers	65 396	59 740	-	-	-	-	65 396	59 740
Commonwealth grants (National Partnership Payments)	18 745	5 743	-	-	-	-	18 745	5 743
Interest	3 771	2 513	-	-	-	-	3 771	2 513
Sale of goods and services	11 858	14 868	40	127	-	-	11 898	14 995
Resources received free of charge	-	-	-	-	3 073	2 903	3 073	2 903
Other income	8 900	18 891	157	131	-	-	9 057	19 022
Total income	111 955	105 001	197	258	134 685	122 746	246 837	228 005
Expenses								
Employee related expenses	90 121	84 935	3 053	2 544	-	-	93 174	87 479
Supplies and services	92 814	90 364	1 008	917	-	-	93 822	91 281
Depreciation and amortisation	9 361	8 707	-	-	-	-	9 361	8 707
Grants and subsidies	49 323	40 798	19 346	18 730	-	-	68 669	59 528
Borrowing costs	1 467	858	-	-	-	-	1 467	858
Transfers to Consolidated Account	-	-	-	-	823	-	823	-
Other expenses	1 763	2 689	-	-	-	-	1 763	2 689
Net loss from the disposal of property, plant and equipment	106	394	-	-	-	-	106	394
Total expenses	244 955	228 745	23 407	22 191	823	-	269 185	250 936
Net result	(133 000)	(123 744)	(23 210)	(21 933)	133 862	122 746	(22 348)	(22 931)

Department of Primary Industries and Regions
Assets and liabilities by program
For the year ended 30 June 2024

	Primary Industries		Regional Development		General/Not Attributable		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Assets								
Cash and cash equivalents	-	-	-	-	140 799	168 152	140 799	168 152
Receivables	56 521	55 158	-	-	-	-	56 521	55 158
Contract assets	13 942	11 180	-	-	-	-	13 942	11 180
Inventories	4 783	3 540	-	-	-	-	4 783	3 540
Non-current assets classified as held for sale	-	600	-	-	-	-	-	600
Other financial assets	34 529	30 694	-	-	-	-	34 529	30 694
Property, plant and equipment	185 918	181 536	-	-	-	-	185 918	181 536
Right-of-use plant and equipment	2 416	1 655	-	-	-	-	2 416	1 655
Intangible assets	5 103	4 905	-	-	-	-	5 103	4 905
Total assets	303 212	289 268	-	-	140 799	168 152	444 011	457 420
Liabilities								
Payables	17 676	23 229	2 125	1 501	919	1 805	20 720	26 535
Financial liabilities	34 023	40 432	-	-	-	-	34 023	40 432
Contract liabilities	20 855	14 911	-	-	-	-	20 855	14 911
Employee related liabilities	28 699	23 286	915	598	-	-	29 614	23 884
Provisions	2 154	2 179	-	-	-	-	2 154	2 179
Other liabilities	6 008	331	-	-	-	-	6 008	331
Total liabilities	109 415	104 368	3 040	2 099	919	1 805	113 374	108 272
Net assets	193 797	184 900	(3 040)	(2 099)	139 880	166 347	330 637	349 148

Note:

Assets and liabilities are only attributed to programs where this can be done reliably.

Certain amounts like cash and taxation amounts receivable and due from operating transactions are not allocated.

Property, plant and equipment assets are only allocated where there is exclusive custody, control and regulation of the use of the asset, by that program. Where this criterion is not met the asset value is 'general/not attributable'.

In the construction of this report a negative 'net assets' position may result for a program from the allocation method used and/or non attribution of assets and liabilities to programs. However, total 'net assets' reconciles to the Statement of Financial Position.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.3. Changes to the department

Transferred out

As published in the SA Government Gazette on 11 April 2024, the assets, liabilities and obligations of the department's administration unit known as the Cross Border Commissioner Unit transferred to the Department of the Premier and Cabinet (DPC) from 11 April 2024 as a result of the *Administrative Arrangements (Administration of Cross Border Commissioner Act) Proclamation 2024*. Accordingly, these assets, liabilities and obligations of the administration unit become under the control and direction of DPC from 11 April 2024.

Net assets of \$2 000 relating to an accommodation lease were transferred out of the department and consisted of a right-of-use asset \$62 000 and a lease liability \$64 000.

1.4. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2023-24 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Statement of Comprehensive Income			
Income			
Appropriation	131 612	131 612	-
Fees and charges	3 322	3 285	(37)
Grants, subsidies and transfers	58 160	65 396	7 236
Commonwealth grants (National Partnership Payments)	7 197	18 745	11 548
Interest	2 724	3 771	1 047
Sale of goods and services	20 095	11 898	(8 197)
Resources received free of charge	-	3 073	3 073
Other income	11 916	9 057	(2 859)
Total income	235 026	246 837	11 811
Expenses			
Employee related expenses	94 589	93 174	(1 415)
Supplies and services	72 274	93 822	21 548
Depreciation and amortisation	9 768	9 361	(407)
Grants and subsidies	70 492	68 669	(1 823)
Borrowing costs	954	1 467	513
Transfers to Consolidated Account	-	823	823
Other expenses	1 433	1 763	330
Net loss from the disposal of property, plant and equipment	-	106	106
Total expenses	249 510	269 185	19 675
Net result	(14 484)	(22 348)	(7 864)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in fair value of investments classified as fair value through other comprehensive income	-	3 835	3 835
Total other comprehensive income	-	3 835	3 835
Total comprehensive result	(14 484)	(18 513)	(4 029)

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.4. Budget performance (continued)

		Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Investing expenditure summary				
Total existing projects	(b)	500	142	(358)
Total annual programs	(c)	5 788	10 419	4 631
Total investing expenditure		6 288	10 561	4 273

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) Increased supplies and services expenditure mainly relates to emergency fruit fly response activities following further outbreaks across the Riverland and the Adelaide metropolitan area.
- (b) Reflects longer than anticipated lead time for the final stage of the Upgrade of the South Australian Aquatic Sciences Centre due to the project's complexity.
- (c) Additional expenditure incurred during 2023-24 for Emergency Animal Disease Preparedness, as well as new external funding for the Expansion of the Queensland Fruit Fly Sterile Insect Technology Facility in Port Augusta and the Mobile Sheep Blowfly Sterile Insect Technology Facility on Kangaroo Island.

1.5. Significant transactions with government related entities

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

Significant transactions with the SA Government are identifiable throughout this report.

Additionally GST exclusive payments made to the Department for Infrastructure and Transport (DIT) of \$2.798 million (2023: \$13.705 million) for accommodation, including payments, rates, taxes, outgoings and facility management fees; and building works, preventative and breakdown maintenance charges in relation to PIRSA controlled facilities.

2. Income

2.1. Appropriation

	2024 \$'000	2023 \$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	131 612	104 030
Appropriation from Governor's Appropriation Fund	-	15 813
Total appropriation	131 612	119 843

Appropriations are recognised on receipt.

The original amount appropriated to the department under the annual *Appropriation Act* was not varied.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2.2. Fees and charges

	2024	2023
	\$'000	\$'000
Accreditation and licence fees	2 370	2 250
Inspection and Audit fees	856	919
Other fees	59	77
Total fees and charges	3 285	3 246

Fees and charges are categorised to reflect the nature of the income received. Income is recognised when fees are received.

Collections were pursuant to legislation which include *Primary Produce (Food Safety Schemes) Act 2004, Plant Health Act 2009, Industrial Hemp Act 2017 and Livestock Act 1997*.

2.3. Grants, subsidies and transfers

	2024	2023
	\$'000	\$'000
Grants		
Industry	40 671	35 464
Administered industry funds ⁽¹⁾	14 291	12 000
SA Government agencies	2 416	1 599
Commonwealth Government agencies	4 240	2 348
Other	380	119
Total grants	61 998	51 530
Subsidies and transfers		
Industry	2 459	3 104
SA Government agencies	939	5 106
Subsidies and transfers	3 398	8 210
Total grants, subsidies and transfers	65 396	59 740

(1) Contributions from industry groups are received into the administered funds of the department (refer note A2.2 & A4.2) and may be transferred in part to PIRSA controlled to undertake specific research or to deliver projects proposed by the industry groups in their approved management plans. Costs recovered from the Fisheries Research and Development Fund and the Aquaculture Fund for the administration of licences and registration are used to deliver projects in compliance, research and fishing industry development.

In 2023-24 the amount received from the Fisheries Research and Development Fund and the Aquaculture Fund was \$14.270 million (2023: \$11.077 million).

Grants were received from contracts with customers for collaborative research, delivery of projects for industry development which are under enforceable agreements with sufficient and specific performance obligations in the form of the promise to carry out research and project activities in accordance with specific plans to deliver agreed outcomes. The performance obligations are satisfied over time over the life of the agreements.

The department recognises revenue over time and uses direct costs incurred on projects as the best estimate of performance of the research and project activities to determine revenue to be recognised in each reporting period.

There are broad guidelines for subsidies and transfers received and the department recognised the revenue on receipt.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2.4. Commonwealth grants (National Partnership Payments)

	2024	2023
	\$'000	\$'000
Building Resilience to Manage Fruit Fly	9 080	-
National Water Grid Fund	5 299	3 010
Recreational Fishing and Camping Facilities Program	1 564	-
Strengthen Australia's Frontline Biosecurity Capability and Domestic Preparedness	1 375	-
Pest Animal and Weed Management in Drought Affected Areas	1 000	1 339
On Farm Emergency Water Infrastructure Rebate Scheme	150	-
Ehrlichia Canis Pilot Program	127	127
National Plant Health Surveillance Program	150	-
Japanese Encephalitis Response Program -FFA- Environment	-	1 209
Construction Softwood Transport Assistance	-	58
Total Commonwealth grants (National Partnership Payments)	18 745	5 743

National Partnership Payments are recognised as income on receipt.

Obligations under National Partnership Payments are required to be met by the State of South Australia. For accounting purposes, the obligations under the funding arrangements do not sit with the department.

2.5. Interest

	2024	2023
	\$'000	\$'000
Interest on special deposit accounts	2 296	1 570
Loans to the rural sector	1 475	943
Total interest	3 771	2 513

2.6. Sale of goods and services

	2024	2023
	\$'000	\$'000
Sale of goods		
Livestock	1 499	2 766
Agricultural produce	723	1 130
Other sale of goods	240	177
Publications, books, maps and compact discs	-	1
Total sale of goods	2 462	4 074
Total sale of services	9 436	10 921
Total sale of goods and services	11 898	14 995

Revenue from sale of goods is recognised on a time and material basis and at a point in time when the goods are delivered to the customer. Most of the revenue from sale of services is recognised over time. This is because the department's obligations are satisfied over time and the customer receives and uses the benefits simultaneously.

The department uses direct costs incurred on each specific service to measure the completion of performance obligations and recognises revenue over time accordingly in each reporting period.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2.7. Resources received free of charge

	2024	2023
	\$'000	\$'000
Shared Services SA	1 734	1 735
Department of the Premier and Cabinet	1 339	1 168
Total resources received free of charge	3 073	2 903

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

PIRSA receives financial services from Shared Services SA and ICT services from the Department of the Premier and Cabinet (DPC) free of charge following Cabinet's approval to cease intra-government charging. The corresponding expenses are recognised and disclosed in note 4.1.

2.8. Other income

	2024	2023
	\$'000	\$'000
Reimbursements/recoveries ⁽¹⁾	4 641	15 159
Seed and other royalties	2 192	2 292
Dividends ⁽²⁾	1 629	1 448
Gain from changes in fair value of biological assets ⁽³⁾	385	-
Diesel fuel rebates	124	67
Other	83	49
Sponsorship contributions	3	7
Total other income	9 057	19 022

⁽¹⁾ Includes recovery of \$3.053 million (2023: \$7.776 million) from the Dog Fence Board for the Dog Fence Rebuild project.

⁽²⁾ Dividend income is recognised when the unconditional right to receive the dividend is established.

⁽³⁾ The changes in fair values of livestock is reconciled along with the movement in inventory in note 5.4.

3. Boards, committees and employees

3.1. Key management personnel

Key management personnel of the department include the Minister for Primary Industries and Regional Development (the Minister) and the Executive Leadership Team who have responsibility for the strategic direction and management of the department.

The compensation detailed below excludes salaries and other benefits the Minister 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 DTF) under section 6 of the *Parliamentary Remuneration Act 1990*. See administered items for disclosures of the Minister's remuneration paid and recovered from the Consolidated Account.

	2024	2023
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	2 247	2 043
Post-employment benefits	335	239
Total compensation	2 582	2 282

The department did not enter into any transactions with key management personnel or other related parties.

Department of Primary Industries and Regions
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:

PIRSA Animal Ethics Committee

P Appleford - Chair* (Until 11/4/2024)
Prof H Brown - Chair* (From 11/4/2024)
A Boyd - Exec Officer*
A O'Connell
Dr M Carr
J Savaglia
Dr R Barekatain*
Dr M Deveney*
Dr R F Eyers
G Aust
M Peters
J G Cooper
H Zemitis
S Gillin
S Rudiger*
G Grigson*
Dr A Weaver*

**Blue Crab Fishery Management Plan Review
Committee (dissolved 30 June 2024)**

R J McEwen (Chair)
D M Holder
J D Barnes
A Newchurch
A A Deszery
A M Bolitho
S L Barrett*
Dr K A Heldt*

Allocation Review Committee

K Brooke (Chair)
S Sen
Dr R Fletcher
T Adamson
A Dezsery
K Rowling

Forestry Centre of Excellence

Prof R Lewis (Chair)
J Collins*
O Lubbe
EK Griffiths
Prof J Whittle

Risk and Performance Committee

R DiMonte (Chair)
J C Grant
S Furey
M Griffiths *
P Appleford*
N Rhodes*
A Barclay*
Prof H Brown*

**Genetically Modified Crops Advisory
Committee**

Hon R Kerin (Presiding member)
Dr R A Ankeny
Dr G Annison
H L Baldock
P Gibbs
A M Hannon
Dr P A McMichael
Dr K M Ophel-Keller
N C Pontifex

**Forest Industries Advisory Council
of South Australia**

T Auld (Co-Chair)
M Ingley-Smith (Co-Chair)
P Badenoch
C Bell
G Boulton
W Fennell
L Hein
P Hewlett
A Langfield
T Lawson
Prof M Doroudi*
D Jordan*
A Reid*
A Excell*
S Burness*
A Dunbar*

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.2. Board and committee members (continued)

Sardi Research & Development

Advisory Committee

Prof R Lewis (Chair)
 Dr B Cay
 Prof G Roos
 Dr K O Keller
 Prof S Maddocks
 Prof H Brown*

South Australia Varroa Industry

Advisory Committee

D Plowman (Chair)
 P Mew
 T Tenney
 D L Feuvre
 T Jackson
 M D Plessis
 K Blignaut
 D Campbell
 A Flavell
 N Secomb*
 L Bruce*

Aquaculture Tenure Allocation Board

K N Shierlaw (Presiding Member)
 A C Tham
 K Reznikov
 P Lauer
 Z Doubleday
 A S Narayan
 J Elferink
 G Lauren

Marine Scalefish Fishery Management

Advisory Committee

I Stobutzki (Chair)
 S Cornelius
 C Fletcher
 G Grammer*
 S Hodgens
 A Jones*
 D Milera
 J Morison
 M Nobes
 E Rowe
 A Simpson
 D Smith
 T Ward
 P Rogers

Dog Fence Rebuild Committee

W Zacharin (Chair)
 G Power
 J Keynes
 R Treloar
 P Litchfield
 J MacLachlan
 D Henderson
 C Trowbridge

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

Board and committee remuneration

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

	2024	2023
\$0 - \$19 999	112	111
Total number of members	112	111

The total remuneration received or receivable by members was \$0.117 million (2023: \$0.077 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

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

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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3.3. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	69 436	65 527
Employment on-costs - superannuation*	8 715	7 707
Annual leave	6 600	6 103
Employment on-costs - other	4 350	4 005
Targeted voluntary separation packages	292	1 605
Long service leave ⁽¹⁾	2 623	1 321
Skills and experience retention leave	459	483
Workers' compensation	449	334
Other employee related expenses	139	321
Board and committee fees	111	73
Total employee related expenses	93 174	87 479

⁽¹⁾ Includes changes in estimates applied to the long service leave liability. Refer to note 10.1 for further information.

***Employment on-costs – superannuation**

Department employees are employed under Part 7 of the *Public Sector Act*. Superannuation employment on-cost charges represent the department's contribution to superannuation plans in respect of current services of current employees.

DTF centrally recognises the superannuation liability in the whole-of- government financial statements.

Employee remuneration 2023-24

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

	2024	2023
	No.	No.
\$ 160 001 to \$ 166 000*	n/a	6
\$ 166 001 to \$ 186 000	9	7
\$ 186 001 to \$ 206 000	4	3
\$ 206 001 to \$ 226 000	1	3
\$ 226 001 to \$ 246 000	6	4
\$ 246 001 to \$ 266 000	2	2
\$ 266 001 to \$ 286 000	3	1
\$ 286 001 to \$ 306 000	1	2
\$ 306 001 to \$ 326 000	1	2
\$ 326 001 to \$ 346 000	1	1
\$ 366 001 to \$ 386 000	-	1
\$ 406 001 to \$ 426 000	-	1
\$ 426 001 to \$ 446 000	1	-
Total	29	33

*This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2023-24. The total remuneration received by these employees for the year was \$6.680 million (2023: \$7.510 million).

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, termination payments, salary sacrifice benefits and any related fringe benefits tax paid.

Department of Primary Industries and Regions
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For the year ended 30 June 2024

3.3. Employee related expenses (continued)

Targeted voluntary separation packages

The number of employees who received a TVSP during the reporting period was three (2023: 16).

	2024	2023
	\$'000	\$'000
Amount paid and accrued during the reporting period to separated employees:		
TVSPs	292	1 605
Leave paid to those employees	34	626
Total amount paid	326	2 231
Recovery from the Department of Treasury and Finance	-	(1 536)
Net cost to the department	326	695

3.4. Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Annual leave	7 144	6 394
Accrued salaries and wages	6	19
Long service leave	2 329	2 474
Skills and experience retention leave	641	595
Employment on-costs	2 396	2 289
Total current employee related liabilities	12 516	11 771
Non-current		
Long service leave	15 510	14 402
Employment on-costs	1 588	1 424
Total non-current employee related liabilities	17 098	15 826
Total employee related liabilities	29 614	27 597

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

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

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

The annual leave liability and the salaries and wages, annual leave, skills and experience retention leave liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

Long service leave

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

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.4. Employee related liabilities (continued)

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 where 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 dates relates to any contributions due but not yet paid to employee's superannuation funds.

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave has increased from 2023 rate (43%) to 2024 rate (44%) and the average factor for the calculation of employer superannuation costs on-costs has increased from 2023 rate (11.1%) to 2024 rate (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 employee related expenses of \$0.086 million.

4. Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Contractors and temporary staff	37 646	38 486
Administrative and operating costs	18 040	16 957
Utility and property costs	10 201	9 297
Information technology and communication charges	9 161	7 781
Other vehicle and equipment operating and management costs	5 180	4 462
Professional and technical services ⁽¹⁾	4 337	4 978
Accommodation	2 673	2 863
Travel	2 319	2 251
Shared Services costs	1 754	1 771
Staff development and safety	1 516	1 395
Short term leases	191	249
Property and risk insurance	654	645
Low-value leases	150	146
Total supplies and services	93 822	91 281

⁽¹⁾ Includes expenses incurred as result of engaging consultants which are disclosed below and audit fees paid/payable to the Audit Office of South Australia of \$0.311 million (2023: \$0.393 million) relating to work performed under *the Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

Accommodation

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

Expenses as a result of engaging consultants (included in supplies and services expense) were nil (2023: \$0.167 million).

Department of Primary Industries and Regions
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 Instruction 18 – Procurement (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2024	Proportion SA
	\$'000	and non-SA
		businesses
Total expenditure with South Australian businesses	47 194	77%
Total expenditure with non-South Australian businesses	13 938	23%
Total expenditure	61 132	100%

Classification of 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 TI 18.

TI 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 TI 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.

4.3. Depreciation and amortisation

	2024	2023
	\$'000	\$'000
Buildings and infrastructure	3 718	3 307
Plant and equipment	3 245	2 957
Right-of-use plant and equipment	1 126	1 002
Intangible assets	1 017	1 245
Accommodation improvements	109	72
Large vessels	124	124
Right-of-use buildings	22	-
Total depreciation and amortisation	9 361	8 707

All non-current assets not held for sale with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Land is not depreciated.

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

Review of accounting estimates

Assets’ residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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4.3. Depreciation and amortisation (continued)

Useful life

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

Class of asset	Useful life (years)
Buildings and infrastructure	1-80
Accommodation improvements	10 (or life of lease)
Plant and equipment	1-40
Intangibles	1-10
Large vessels	1-25
Right of use plant and equipment	life of lease

4.4. Grants and subsidies

	2024	2023
	\$'000	\$'000
Other grants	48 331	42 179
Intra government transfers	20 338	17 349
Total grants and subsidies	68 669	59 528
Major grant programs		
Thriving Regions Fund	14 784	11 857
Regional Development Australia	3 229	3 315
Mobile Black Spot Program	333	3 219
Adverse events recovery programs		
River Murray Recovery	5 344	7 999
Future Drought Fund	2 565	421
On-farm Emergency Water Infrastructure Rebate Scheme	2 253	-
Regional Recovery Program	1 000	-
Local Economic Recovery	1 721	4 248
Bushfire Recovery and Response	683	1 039
Cooperative Research projects ⁽¹⁾	5 977	6 062
National Biosecurity Contributions		
Red imported fire ants	4 738	1 545
Varroa response plan	2 436	544
Industry development and restructuring initiatives greater than \$ 1 million:		
National Water Infrastructure Development Fund	5 894	4 567
Dog Fence Rebuild Contribution	4 558	3 831
Forestry Centre of Excellence	2 500	-
Implementation of eID in Sheep and Goats	1 134	-
Horticultural Netting Program	1 041	2 683
Recreational Fishing & Camping Facilities Program	99	1 553
Aggregate of all other individually low value payments less than \$1 million made during the year	8 380	6 645
Total grants and subsidies	68 669	59 528

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

4.4. Grants and subsidies (continued)

(1) Research expenditure mainly incurred by the South Australian Research and Development Institute working with state, national and international collaborators. This includes funding of an operating nature assisting with the engagement of research staff or resources, or support with infrastructure development and renewal to improve research capability.

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

4.5. Borrowing costs

	2024	2023
	\$'000	\$'000
Interest paid/payable on borrowings measured at amortised cost	1 120	699
Guarantee fees	274	121
Interest expense on lease liabilities	70	35
Interest paid to creditors on late payment of invoices	3	3
Total borrowing costs	1 467	858

The department does not capitalise borrowing costs.

4.6. Transfers to Consolidated Account

	2024	2023
	\$'000	\$'000
Return of surplus cash pursuant to cash alignment policy	823	-
Total transfers to Consolidated Account	823	-

4.7. Other expenses

	2024	2023
	\$'000	\$'000
Deemed cost of produce consumed ⁽¹⁾	746	450
Royalty payments	557	642
Publications, seed and miscellaneous stocks - cost of sales	122	102
Impairment loss on receivables	114	44
Derecognition of intangible assets	18	-
Bad debts	13	-
Loss from changes in fair value of biological assets	99	1 247
Other	94	204
Total other expenses	1 763	2 689

(1) Publications, seed and other miscellaneous stocks are disclosed separately from the cost of sales of agricultural produce and livestock. This line predominantly represents the value of the inventory movement within the year and excludes the cost of crop harvesting from the use of internal resources. These amounts are included within the financial statements under the notes for 'employee related expenses' and 'supplies and services'.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

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

	2024	2023
	\$'000	\$'000
Land and buildings		
Net proceeds from disposal	-	-
Less carrying amount of assets disposed	-	(449)
Net gain/(loss) from disposal of land and buildings	-	(449)
Non-Current Assets Held for Sale		
Net proceeds from disposal	610	-
Less carrying amount of assets disposed	(600)	-
Net gain/(loss) from disposal of non-current assets held for sale	10	-
Accommodation improvements		
Net proceeds from disposal	-	-
Less carrying amount of assets disposed	(141)	-
Net gain/(loss) from disposal of accommodation improvements	(141)	-
Plant and equipment		
Net proceeds from disposal	29	141
Less carrying amount of assets disposed	(4)	(86)
Net gain/(loss) from disposal of plant and equipment	25	55
Total property, plant and equipment		
Net proceeds from disposal	639	141
Less total carrying amount of assets disposed	(745)	(535)
Total net gain/(loss) from disposal of property, plant and equipment	(106)	(394)

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

Department of Primary Industries and Regions
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5. Non-financial assets

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

5.1. Property, plant and equipment owned by the department

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

The following tables show the movement of property, plant and equipment during 2023-24 and 2022-23:

Reconciliation 2023-24

	Land \$'000	Buildings and infrastructure (specialised) \$'000	Buildings and infrastructure (non specialised) \$'000	Accommodation improvements \$'000	Plant and equipment \$'000
Carrying amount at 1 July 2023	64 793	70 389	9 233	621	17 503
Acquisitions	-	62	-	-	3 032
Disposals	-	-	-	(141)	(4)
Depreciation	-	(3 233)	(485)	(109)	(3 245)
Transfer between asset classes	-	619	-	-	2 116
Contribution received*	-	-	-	2 396	-
Carrying amount at 30 June 2024	64 793	67 837	8 748	2 767	19 402

Carrying amount

Gross carrying amount	64 793	71 070	9 233	3 650	53 946
Accumulated depreciation	-	(3 233)	(485)	(883)	(34 544)
Total	64 793	67 837	8 748	2 767	19 402

	Bearer plants \$'000	Large vessels \$'000	Works in progress - Plant and equipment \$'000	Works in progress - Buildings \$'000	Total \$'000
Carrying amount at 1 July 2023	113	895	1 568	16 421	181 536
Acquisitions	-	-	1 975	3 259	8 328
Disposals	-	-	-	-	(145)
Depreciation	-	(124)	-	-	(7 196)
Transfer between asset classes	-	-	(1 314)	(421)	1 000
Biologicals - movements	(1)	-	-	-	(1)
Contribution received*	-	-	-	-	2 396
Carrying amount at 30 June 2024	112	771	2 229	19 259	185 918

Carrying amount

Gross carrying amount	112	1 300	2 229	19 259	225 592
Accumulated depreciation	-	(529)	-	-	(39 674)
Total	112	771	2 229	19 259	185 918

* As the lessor, DIT has provided capital contribution towards PIRSA's new office accommodation fit out works on 11 Waymouth Street, Adelaide as part of the accommodation incentive.

Department of Primary Industries and Regions
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5.1. Property, plant and equipment owned by the department (continued)

Reconciliation 2022-23

	Land	Buildings and infrastructure (specialised)	Buildings and infrastructure (non specialised)	Accommodation improvements	Plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	25 437	59 554	7 150	638	16 449
Acquisitions	-	55	-	-	2 631
Disposals	-	-	(449)	-	(86)
Depreciation	-	(2 962)	(339)	(72)	(2 963)
Revaluation increment/(decrement)	39 356	13 742	2 624	-	-
Transfer between asset classes	-	-	247	55	1 472
Carrying amount at 30 June 2023	64 793	70 389	9 233	621	17 503

Carrying amount

Gross carrying amount	64 793	70 389	9 233	2 477	50 001
Accumulated depreciation	-	-	-	(1 856)	(32 498)
Total	64 793	70 389	9 233	621	17 503

	Works in progress - Plant Works in progress				Total
	Bearer plants	Large vessels	and equipment	- Buildings	
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	114	1 019	2 060	4 509	116 930
Acquisitions	-	-	1 086	12 172	15 944
Disposals	-	-	-	-	(535)
Depreciation	-	(124)	-	-	(6 460)
Revaluation increment/(decrement)	-	-	-	-	55 722
Transfer between asset classes	-	-	(1 578)	(260)	(64)
Biologicals - movements	(1)	-	-	-	(1)
Carrying amount at 30 June 2023	113	895	1 568	16 421	181 536

Carrying amount

Gross carrying amount	113	1 300	1 568	16 421	216 295
Accumulated depreciation	-	(405)	-	-	(34 759)
Total	113	895	1 568	16 421	181 536

Impairment

Property, plant and equipment owned by the department 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. Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 10.2. 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 of Primary Industries and Regions
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5.2. Property, plant and equipment leased by the department

	2024	2023
	\$'000	\$'000
Right-of-use plant and equipment		
Right-of-use plant and equipment at cost	5 653	4 894
Accumulated depreciation	(3 237)	(3 239)
Total right-of-use plant and equipment	2 416	1 655

Right-of-use assets for property, plant and equipment leased by the department as lessee are measured at cost. Additions to leased property, plant and equipment during 2023-24 were \$2.007 million (2023: \$1.013 million).

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

The department has a limited number of leases:

- 175 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.
- 1 tractor lease and 1 storage facility lease with private sector providers.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The department's maturity analysis of its lease liabilities is disclosed in note 10.4. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to leases are disclosed in note 8.2.

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5.3. Intangible assets

The following tables show the movement of intangible assets during 2023-24 and 2022-23:

Reconciliation 2023-24

	Computer software \$'000	Computer software development \$'000	Water rights \$'000	Total \$'000
Carrying amount at 1 July 2023	2 815	1 902	188	4 905
Additions	-	2 233	-	2 233
Transfer between asset classes	519	(1 519)	-	(1 000)
Amortisation expense	(1 017)	-	-	(1 017)
Derecognition	-	(18)	-	(18)
Carrying amount at 30 June 2024	2 317	2 598	188	5 103
Carrying amount				
Gross carrying amount	19 582	2 598	188	22 368
Accumulated amortisation	(17 265)	-	-	(17 265)
Total	2 317	2 598	188	5 103

Reconciliation 2022-23

	Computer software \$'000	Computer software development \$'000	Water rights	Total \$'000
Carrying amount at 1 July 2022	3 423	1 054	188	4 665
Additions	24	1 397	-	1 421
Transfer between asset classes	613	(549)	-	64
Amortisation expense	(1 245)	-	-	(1 245)
Carrying amount at 30 June 2023	2 815	1 902	188	4 905
Carrying amount				
Gross carrying amount	19 062	1 902	188	21 152
Accumulated amortisation	(16 247)	-	-	(16 247)
Total	2 815	1 902	188	4 905

The department has no contractual commitments for the acquisition of intangible assets.

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

The acquisition or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000. All research and development costs that do not meet the capitalisation criteria in *AASB 138 Intangible Assets* are expensed.

Water rights are valued at cost determined from an infrastructure levy payable in instalments to the water provider.

The right grants access to a contracted fixed annual supply of water while PIRSA maintains a supply agreement and shares with the provider. Where water use restrictions apply within the year the value of the resource is diminished and an impairment allowance is recognised, conversely where there are no restrictions the impairment is removed.

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5.3. Intangible assets (continued)

An agreement secures access to water resources for the research farm operated by the South Australian Research and Development Institute at Nuriootpa. This provides a perpetual right to an annual water allocation. Water allowances are now at 100% (2023: 100%), with no rationing.

5.4. Inventories

	2024 \$'000	2023 \$'000
Biological assets		
Livestock	2 479	1 873
Agricultural produce	202	495
Total biological assets	2 681	2 368
Other inventories		
Chemicals and other	2 076	1 143
Fuel and related items	26	28
Publications	-	1
Total other inventories	2 102	1 172
Total inventories	4 783	3 540

Biological assets are livestock valued at fair value less estimated costs to sell. Agricultural produce, including wool, fruit and harvested crops is valued at fair value less estimated costs to sell, using level 2 inputs. Gains and losses resulting from measurement at fair value, and from changes in fair value, are recognised in the Statement of Comprehensive Income.

Fair value for biological assets and agricultural produce has been determined by reference to quoted prices in the markets in which the produce is ordinarily sold, reduced by estimated point of sale costs that include commissions, packing and handling, brokerage selling charges and levies from regulatory bodies.

Other inventories are measured at the lower of cost and net realisable value.

Inventories include chemicals, fuel, seed stocks and other goods held either for sale or distribution at no or nominal cost in the ordinary course of business. It excludes depreciable assets. Inventories held for distribution, for no or nominal consideration, are measured at cost and adjusted when applicable for any loss of service potential.

Cost is measured on the basis of the first-in, first-out method or using the weighted average price of the stock purchased and on hand. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised as an expense in the period the write-down or loss occurred.

	Agricultural produce \$'000	Livestock \$'000
Balance at the beginning of the period	495	1 873
Acquisitions	274	1 131
Sales	(659)	(1 112)
Used as feed stock	(829)	-
Harvests transferred to inventories	921	-
Increase due to natural accretion	-	390
Inventory changes (biological growth)	-	(49)
Change in fair value less estimated costs to sell	-	246
Balance at the end of the period	202	2 479

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5.4. Inventories (continued)

Agricultural activities are carried out to assist with research and are conducted on a commercial basis. At 30 June 2024 inventory included 8 127 sheep, 1 145 cattle and 509 tonnes of crops and grain.

Production for the year included 119 tonnes of grapes and fruit, 5 941 lambs, 202 calves and 1 715 tonnes of other grain crops.

5.5. Non-current assets classified as held for sale

	2024	2023
	\$'000	\$'000
Land	-	600
Total non-current assets classified as held for sale	-	600

6. Financial assets

6.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer	140 448	168 151
Deposits with SAFA (foreign currency)	350	-
Imprest account and cash on hand	1	1
Total cash and cash equivalents in the Statement of Financial Position	140 799	168 152
Total cash and cash equivalents in the Statement of Cash Flows	140 799	168 152

Deposits with the Treasurer includes the following fund balances that have restricted conditions:

Funds held in the Accrual Appropriation Excess Funds Account. The balance of these funds is not available for general use (i.e. the funds can only be used in accordance with the Treasurer's/Under Treasurer's approval)	31 937	29 191
Funds held pursuant to the <i>Rural Industry Adjustment and Development Act 1985</i> and other State and Commonwealth Schemes for rural financial assistance	56 296	54 863
External funds held in the nature of grants or under cooperative agreements where unspent funds may be returned to the funder	13 800	5 326
Commonwealth funds held pursuant to the various Concessional Loans Schemes	102	211
Deposits with the Treasurer held as working capital, but subject to Department of Treasury and Finance budget and cash alignment policies	38 313	78 560
Total deposits with the Treasurer	140 448	168 151

Cash is measured at nominal values.

Deposits with the Treasurer

Deposits into interest earning accounts with the Treasurer, are at call and earn a floating interest rate.

Department of Primary Industries and Regions
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6.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Trade receivables		
From government entities	3 209	676
From non-government entities	11 800	6 617
Less: impairment loss on receivables	(157)	(59)
Total trade receivables	14 852	7 234
Current loans receivables		
Loans to cooperatives	7 247	13 979
Loans - Commonwealth concessional loan schemes	-	428
Total current loans receivables	7 247	14 407
Other receivables		
Workers compensation recoveries	7	4
GST input tax recoverable	2 024	2 987
Other accrued revenue	6 047	3 716
Accrued interest on loans and deposits	660	586
Prepayments	1 386	1 953
Total other receivables	10 124	9 246
Total current receivables	32 223	30 887
Non-Current		
Non-current loans receivables		
Loans to cooperatives	19 443	16 752
Loans - Commonwealth concessional loan schemes	4 821	7 489
Workers compensation recoveries	34	30
Total non-current receivables	24 298	24 271
Total receivables	56 521	55 158

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

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

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

Loans receivables consist of:

Loans to cooperatives

Cooperative loans are agreements between the Treasurer, PIRSA and an approved loan applicant, whereby the principal borrowed by PIRSA from the Treasurer is on-lent to an approved loan applicant (refer note 7.2). Similarly, repayments of principal made by an approved loan applicant are returned to the Treasurer to reduce the level of borrowing made by PIRSA.

Department of Primary Industries and Regions
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6.2. Receivables (continued)

The legal agreement with the loan recipient provides for a set loan term, and that the client can set interest rate structures within that period from time to time. At the end of each negotiated interest period the client can elect to repay the principal in full or part or roll the entire balance for another interest period. The interest rate is determined by the Treasurer through SAFA at the time of settling the loan approval and remains fixed over the negotiated interest period. Interest periods can range between 30 days to 10 years subject to agreement through SAFA. The interest rate on-charged to loan recipients is at a market rate and the Government Guarantee Fee, and the PIRSA and SAFA lending margins are added to the interest rate incurred by Cooperatives to cover related costs.

Loans to eligible applicants of various concessional loan schemes offered by the Commonwealth Government

Commonwealth loan programs administered by the department include the Drought Concessional Loans Scheme, Drought Recovery Concessional Loans Scheme, Dairy Recovery Concessional Loans Scheme and Farm Business Concessional Loans Scheme (which included Drought Assistance, Dairy Recovery and Business Improvement Concessional Loans).

All of the Commonwealth concessional loan programs are now closed but the department will continue to administer the outstanding loan agreements (including principal and interest repayments) until the end of the loan term or the loan is repaid or refinanced by another financier. Commencing 1 July 2018, the Regional Investment Corporation was established by the Commonwealth Government as a national administrator of future Concessional loan schemes.

The department's role with the Commonwealth Concessional Loan Schemes was to assess applications and offer to eligible applicants, loans under the terms, conditions and interest rates prescribed by the Commonwealth, and subsequently manage the administration of the loan facility over its offered term. Funding was received from the Commonwealth (through the State) for each scheme and all or part of that funding was on-lent by the department to eligible applicants meeting the requirements of the Commonwealth program. Uncommitted funds from the loan pool funds received were returned to the Commonwealth at the end of the program. In addition, any loan principal and interest repaid by eligible applicants to the department is returned on collection to the Commonwealth and the associated borrowing is reduced. Refer to Note 7.2 Financial liabilities – Borrowings.

In the provision of these loans the department operates as only a pass-through delivery agent and administrator for the Commonwealth Funds. Further, it bears no financial or credit risk, nor foregoes any resources from the concessional interest rate under the Commonwealth agreement.

Refer to note 10.4 for further information on risk management and impairment of financial assets.

Allowance for impairment loss on contractual receivables

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	59	70
Amounts written off	(16)	(55)
Increase/(Decrease) in allowance recognised in profit or loss	114	44
Carrying amount at the end of the period	157	59

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 10.4 for details regarding credit risk and the methodology for determining impairment.

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6.3. Contract assets/liabilities

	2024	2023
	\$'000	\$'000
Contract assets		
Current		
Grants	13 881	11 163
Sale of services	61	17
Total contract assets	13 942	11 180
Contract liabilities		
Current		
Grants	19 423	13 277
Sale of services	1 432	1 634
Total contract liabilities	20 855	14 911

Contract assets primarily relate to the department's rights to consideration for work completed but not yet billed at the reporting date. The department has recognised for collaborative research projects and consultancy services. Amounts are billed in accordance with agreed upon contractual terms (i.e. periodic intervals). Contract assets are transferred to receivables when the rights become unconditional.

Contract assets have increased as the department provided more services ahead of contractual payment schedules. Based on assessment of historical invoice billing and collection data, the department did not recognise a loss allowance for contract assets in accordance with AASB 9.

Revenue totalling \$14.911 million was recognised in 2023-24 that was included in contract liabilities at 1 July 2023. No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods.

Contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised as performance obligations are satisfied based on direct project costs incurred.

6.4. Other financial assets

	2024	2023
	\$'000	\$'000
Investments in shares - unlisted public companies	34 529	30 694
Total other financial assets	34 529	30 694

The department measures equity instruments (shares) at fair value and the department has made an irrevocable election that the investments will be categorised as Fair Value through Other Comprehensive Income (FVOCI). As such, while the fair value will be recognised in the statement of financial position, changes in value will be recognised in other comprehensive income rather than profit and taken to the investment reserve.

On disposal of these equity investments, any related balance within the investment reserve will be reclassified to retained earnings. Dividends arising from these investments will be recognised in the statement of comprehensive income.

Investments are primarily held to secure long-term benefits from research partnerships and access to resources (water entitlements). The shares are not held for trading purposes.

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6.4. Other financial assets (continued)

The department's investments include:

- Ordinary shares in Australian Grain Technologies Pty Ltd (AGT), an entity involved in research to assist wheat breeding programs. The department is a shareholder along with the University of Adelaide, Grains Research and Development Corporation and Vilmorin & CIE SA.

The fair value of the AGT investment was \$34.499 million. An independent valuation was conducted in July 2024 for the year ended 30 June 2024 by Ernst & Young for the respective interests of shareholders. The valuation methodology consisted primarily of a discounted free cash flow applied to long range business and earnings forecasts provided by AGT.

The discounts applied in the valuation take into consideration both the size of AGT relative to reference markets and other comparative companies considered in the valuation approach, and specific risk premiums for uncertainties associated with market expansion. In assessing the value of the department's shareholding, further discounts were applied for minority shareholding and marketability of shareholder interests

Measurement uncertainty, valuation sensitivity and valuation risk mitigation -

The valuation approach considered long range forecast business and earnings data provided by AGT. The independent valuer, in their measurement approach, undertook a number of valuation cross checks including earnings and trading multiples and considered companies that operate in the same industry and geography or exposed to similar risks. The independent valuer noted that the investments value is most sensitive to changes in volume assumptions and discount rate. The discount rate range used by the valuer this year was between 13.5% and 15%, compared to last year's range between 13.3% and 14.9%.

Trading multiples were also considered to vary significantly with potential comparable companies being larger in size and/or more diversified than AGT. To mitigate these risks, the independent valuer provided a range of possible outcomes to allow for valuation sensitivities and used long term historical averages and harvest forecasts in its valuation methodology. The department considered the information presented and took a conservative approach in using the midpoint (\$34.499 million) of the low-high range of possible outcomes (between \$30.390 million and \$38.609 million) as the basis of measurement for the investment. Selecting a measurement point different to the midpoint will increase or reduce the fair value movement recognised through other comprehensive income.

Liquidation value of the investment -

As an unlisted public company there is no true active market for the disposal of these shares. The constitution of AGT outlines the process for the disposal or the transfer of shares, but this operates in a restrictive manner and may strongly influence share value. A liquidation value for the investment cannot be reliably forecast and may be considerably different to the fair value determined under AASB 9.

Assessment summary

The independent valuation provides assessment of the valuation of the investment, which can be periodically remeasured. The analysis and report were prepared in accordance with the requirements of AASB 9 and AASB 13, and in the judgement of the department the valuation represents a fair estimate of the value of the investment at 30 June 2024

- Shares in Barossa Infrastructure Limited (\$12 500) acquired in 2000-01 and a further investment in 2014-15 (\$17 500) to secure a water entitlement for the department's research farm located at Nuriootpa. All shares acquired in Barossa Infrastructure were at a transaction price of \$1.00 per unit. The market buy-in price for new subscribers to the company last published in financial statements of Barossa Infrastructure Ltd remains at \$1.00 per share. The valuation method is a market approach based on observable inputs of share market price available from the published financial statements of Barossa Infrastructure Ltd.

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6.4. Other financial assets (continued)

Impairment of financial assets is assessed by reviewing external or internal evidence for indicators of changes that occurred in the period, or are expected to occur in the near future, in the technological, market, economic or legal environment of the investee.

	2024	2023
	\$'000	\$'000
Movement in financial assets		
Carrying amount at the beginning of the period	30 694	30 304
Fair value movement	3 835	390
Carrying amount at the end of the period	34 529	30 694

For further information on risk management refer to note 10.4.

7. Liabilities

7.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Trade payables and accrued expenses	20 256	22 389
Accrued interest on borrowings	464	433
Total payables	20 720	22 822

Payables are measured at nominal amounts.

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 their short-term nature.

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7.2. Financial liabilities

	2024	2023
	\$'000	\$'000
Current		
Indebtedness to the Treasurer		
Borrowings for Commonwealth concessional loan schemes	-	428
Borrowings for loans to cooperatives	7 248	13 978
Lease liabilities	989	846
Total current financial liabilities	8 237	15 252
Non-current		
Indebtedness to the Treasurer		
Borrowings for Commonwealth concessional loan schemes	4 880	7 603
Borrowings for loans to cooperatives	19 442	16 780
Lease liabilities	1 464	797
Total non-current financial liabilities	25 786	25 180
Total financial liabilities	34 023	40 432

The department measures financial liabilities including borrowings/debt at amortised cost.

Note 10.3 describes possible cash outflows for leases the department is exposed to that are not included in lease liabilities.

Borrowings consist of loans to cooperatives and loans to eligible applicants of various concessional loan schemes offered by the Commonwealth Government. Refer to further details of the loan schemes in note 6.2.

In assessing the requirements of AASB 9 the department has taken the position that borrowings in respect of Commonwealth Concessional Loan schemes are a pass-through arrangement between the Commonwealth, State and department, with the department operating as a delivery agent and administrator for the Commonwealth Funds. Further, the department bears no financial or credit risk, nor foregoes any resources from the concessional interest rate under the Commonwealth agreement.

	2024	2023
	\$'000	\$'000
Movement in indebtedness to the Treasurer		
Carrying amount at the beginning of the period	38 789	37 734
Additional borrowing during the year	700	5 580
Repayment of borrowings	(7 919)	(4 525)
Carrying amount at the end of the period	31 570	38 789

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. For details of right-of-use assets, refer to note 5.2.

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7.3. Provisions

	2024	2023
	\$'000	\$'000
Current		
Provision for workers compensation	441	475
Total current provisions	441	475
Non-current		
Provision for workers compensation	1 713	1 704
Total non-current provisions	1 713	1 704
Total provisions	2 154	2 179
Carrying amount at the beginning of the period	2 179	2 014
Reductions arising from payments	(433)	(111)
Revaluation of liability	(157)	(185)
Additional provisions recognised	565	461
Carrying amount at the end of the period	2 154	2 179

The department is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the department is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of worker's compensation claims and the implementation and funding of preventative programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

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 of Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme \$0.186 million (2023: \$0.129 million) is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

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7.4. Other liabilities

	2024	2023
	\$'000	\$'000
Current		
Accommodation incentive	1 273	73
Total current other liabilities	1 273	73
Non-current		
Accommodation incentive	4 734	257
Other liabilities	1	1
Total non-current other liabilities	4 735	258
Total other liabilities	6 008	331

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

8. Other disclosures

8.1. Equity

Asset Revaluation

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

Investment reserve

The reserve is used to record all changes in fair value of investments classified as fair value through other comprehensive income.

Department of Primary Industries and Regions
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8.2. Cash flow

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

Total cash outflows for leases was \$1.180 million (2023: \$1.318 million).

Reconciliation of net result to cash flows from operating activities

	2024	2023
	\$'000	\$'000
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by / (used in) operating activities	(15 289)	(31 701)
Add / (less) non-cash items		
Depreciation and amortisation	(9 361)	(8 707)
Gain/(loss) on disposal of property, plant and equipment	(106)	(394)
Derecognition of non-current assets	(18)	-
Gain/(loss) on inventories	1 499	(1 247)
Accommodation incentive	323	73
Impairment loss on receivables movement	(114)	(44)
Asset write down	(13)	-
Movement in assets and liabilities		
(Decrease)/increase in receivables	9 294	1 339
(Decrease)/increase in inventories	(2 144)	(1 734)
(Decrease)/increase in contract assets	2 762	3 760
(Increase)/decrease in payables	(1 245)	12 456
(Increase)/decrease in provisions	25	(165)
(Increase)/decrease in contract liabilities	(5 944)	1 107
(Increase)/decrease in employee benefits	(2 017)	2 398
(Increase)/decrease in other liabilities	-	(72)
Net result	(22 348)	(22 931)

8.3. Trust funds

The department has received monies in a trustee capacity for the Pleura Pneumonia Fund. As the department performs only a custodial role in respect of these monies, and because the monies cannot be used for achievement of the department's objectives, the revenues and expenditures are only disclosed by way of note and are not brought to account in the department's financial statements.

Pleura Pneumonia Fund

This fund consists of monies belonging to all State Governments and the Federal Government. The fund is controlled by the Standing Committee of Agriculture and all expenditure is subject to the approval of the Chairman. Funds are to be used principally for publication of the history of the Pleura Pneumonia Eradication Campaign and are held in a Section 21 Deposit Account. The fund balance did not change during 2023-24 and remains at \$0.016 million as at 30 June 2024.

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9. Outlook

9.1. Unrecognised commitments

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

Contractual commitments to acquire property, plant and equipment

Contractual commitments to acquire property, plant and equipment, contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

	2024	2023
	\$'000	\$'000
Within one year	1 773	1 388
Later than one year but not longer than five years	-	1 527
Total contractual commitments to purchase property, plant and equipment	1 773	2 915

Capital commitments relate to current contractual agreements for expansion of the Queensland Fruit Fly Sterile Insect Technology Facility in Port Augusta.

Other contractual commitments

	2024	2023
	\$'000	\$'000
Within one year	49 560	56 916
Later than one year but not longer than five years	24 063	13 759
Later than five years	11 241	3 375
Total expenditure commitments	84 864	74 050

The department's other contractual commitments include:

- MoAA with DIT for accommodation commitments of \$17.869 million (2023: \$4.060 million).
- amounts owing under fixed price contracts outstanding at the end of the reporting period and future amounts payable under approved grant and funding agreements where payment by the department is conditional on the grant applicant meeting any conditions precedent in the agreement. Non-performance by the applicant would result in a withdrawal of the grant offer.

Leases entered which have not yet commenced

The department did not enter into any leases which have not yet commenced.

9.2. Expected realisation of contract liabilities as revenue

All contract liabilities as at 30 June 2024 are expected to be recognised as revenue in 2023-24.

9.3. Contingent assets and liabilities

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

Contingent assets

The department is not aware of any contingent assets.

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9.3. Contingent assets and liabilities (continued)

Contingent liabilities

The department has some current and potential legal disputes in Fishery and Biosecurity areas. The financial impact cannot be reliably measured at this time.

The nature of activities that the department is involved in can create potential exposure to environmental matters, which the department may be required to remedy in the future.

9.4. Impact of standards not yet effective

The department has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on the financial statements.

9.5. Events after the reporting period

No events have occurred after balance date that would affect the financial statements of PIRSA as at 30 June 2024.

10. Measurement and risk

10.1. 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 2023 (4.0%) to 2024 (4.25%).

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 long term salary inflation rate from 2023 (2.5%) to 2024 (3.5%) for the calculation of the long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability and employee benefit expense of \$0.781 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 current portion of employee related liabilities reflects the amount for which the department does not have right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

10.2. Fair value

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

Initial recognition

Property, plant and equipment owned by the department assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

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

Revaluation

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

The revaluation process is reviewed by the department each year.

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

Revaluation is undertaken on a 5-year cycle. The independent valuation of land and buildings was performed by Liquid Pacific Pty Ltd, an independent valuer, as at 30 June 2023. The valuer arrived at the fair value based on recent market transactions for similar land and buildings in the area taking into account zoning and restricted use.

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.

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

Equity instruments are re-measured to fair value at each reporting period.

Fair value hierarchy

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

- Level 1 - traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date
- Level 2 - not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly
- Level 3 - not traded in an active market and are derived from unobservable inputs.

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

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

10.2. Fair value (continued)

During 2024 and 2023, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

	Note	2024 \$'000	Level 2 \$'000	Level 3 \$'000
Fair value classification - at 30 June 2024				
Recurring fair value measurements				
Land	5.1	64 793	64 793	-
Buildings and infrastructure specialised	5.1	67 837	-	67 837
Buildings and infrastructure non specialised	5.1	8 748	8 748	-
Accommodation improvements	5.1	2 767	-	2 767
Bearer plants	5.1	112	-	112
Plant and equipment	5.1	19 402	-	19 402
Large vessels	5.1	771	-	771
Other financial assets	6.4	34 529	-	34 529
Total recurring fair value measurements		198 959	73 541	125 418

	Note	2023 \$'000	Level 2 \$'000	Level 3 \$'000
Fair value classification - at 30 June 2023				
Recurring fair value measurements				
Land	5.1	64 793	64 793	-
Buildings and infrastructure specialised	5.1	70 389	-	70 389
Buildings and infrastructure non specialised	5.1	9 233	9 233	-
Accommodation improvements	5.1	621	-	621
Bearer plants	5.1	113	-	113
Plant and equipment	5.1	17 503	-	17 503
Large vessels	5.1	895	-	895
Other financial assets	6.4	30 694	-	30 694
Total recurring fair value measurements		194 241	74 026	120 215

Land, buildings and infrastructure

Land, buildings and infrastructure were independently reviewed and revalued to fair value as at 30 June 2023, by Liquid Pacific Pty Ltd, in accordance with *AASB 116 Property, Plant and Equipment*. The valuer arrived at fair value using the market approach based on recent market transactions for similar land and buildings in the area considering zoning and restricted use.

The valuer used depreciated replacement cost for specialised buildings, due to there not being an active market for such buildings. The depreciated replacement cost considered the need for ongoing provision of government services, specialised nature of the assets, including the restricted use of the assets; the size, condition, location. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

Large vessels

The department's purpose-built high-speed patrol vessel 'Southern Ranger' used for South Australia's Fisheries and Aquaculture operations was reviewed by an independent valuer and revalued to fair market value as at 31 March 2020.

The market value appraisal was arrived at from market research and recent market evidence through the independent valuer. This asset is classified at level 3.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

10.2. Fair value (continued)

Other financial assets – investments in shares

The fair value of unlisted investments is based on expected cash flows discounted at a market interest rate and considering the risk premium specific to the investments. These investments are classified as Level 3 in the hierarchy. Refer to note 6.4.

Plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition of less than \$1 million or had an estimated useful life that was less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

Reconciliation of level 3 recurring fair value measurements

There was no asset transfer between level 2 and level 3 in 2022-23 and 2023-24. Movements in Level 3 are the same as reflected in Note 5.1 and 6.4.

10.3. Possible lease cash outflows not reflected in lease liabilities

Variable lease payments are required where the department uses the tractors above specified levels. These are not reflected in the lease liability. The department did not incur such charges in 2023-24 and is not expected to incur such charges in 2024-25.

10.4. Financial instruments

Financial risk management

Risk management is managed by the department's corporate services section and departmental risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard

Risk Management Principles and Guidelines

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

Liquidity risk

The department is funded principally from appropriation by the SA Government (refer note 2.1). The department works with DTF to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to notes 6.2 and 7.2 for information in relation to loans and borrowings.

The department's performance against budget is presented in note 1.4.

Credit risk

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

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

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

10.4. Financial instruments (continued)

Impairment of financial assets

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

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

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

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

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

Loans Receivables

There is no impairment allowance provided for the loans receivables. The department operates as only a pass-through delivery agent for loans under Commonwealth concessional loan schemes and bears no financial risks.

Under the arrangement with the Commonwealth, should a bad debt loss occur, the loss would be passed back to the Commonwealth. Loans to cooperatives are secured by bank guarantee for the total balance.

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

	Debtor gross carrying amount		Lifetime expected losses
	\$'000	Loss %	\$'000
Current	10 211	0.36%	36
1-30 days past due	656	0.74%	5
31 - 60 days past due	80	2.90%	2
61-90 days past due	328	6.26%	21
More than 90 days past due	525	17.50%	93
Loss allowance			157

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the department's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the department and a failure to make contractual payments.

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.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

10.4. Financial instruments (continued)

All of the department's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. The expected credit loss is nil.

Market risk

The department does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. The department does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in TI 23 Management of Foreign Currency Exposures.

Exposure to interest rate risk may arise through its interest-bearing liabilities, including borrowings. PIRSA's interest bearing liabilities are managed through the South Australian Government Financing Authority (SAFA) and any movement in interest rates are monitored on a daily basis. Except as noted at 6.1. there is no exposure to foreign currency or other price risks.

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

Categorisation of financial instruments

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

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2024

10.4. Financial instruments (continued)

Maturity analysis of financial instruments

Category of financial asset and financial liability		2024	2024 Contractual maturities*		
		Carrying amount / fair value \$'000	Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
Financial assets at amortised cost					
Cash	6.1	140 799	140 799	-	-
Receivables	6.2	21 559	21 559	-	-
Loans receivable	6.2	31 511	7 248	19 683	4 580
Financial assets at fair value through other comprehensive income					
Other financial assets	6.4	34 529	34 529	-	-
Total financial assets		228 398	204 135	19 683	4 580
Financial liabilities at amortised cost					
Payables	7.1	20 409	20 409	-	-
Borrowings	7.2	31 570	7 248	19 742	4 580
Lease liabilities*	7.2	2 598	1 059	1 539	-
Total financial liabilities		54 577	28 716	21 281	4 580
2023					
Category of financial asset and financial liability		2023	2023 Contractual maturities*		
		Carrying amount / fair value \$'000	Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
Financial assets at amortised cost					
Cash	6.1	168 152	168 152	-	-
Receivables	6.2	11 536	11 536	-	-
Loans receivable	6.2	38 648	14 406	23 503	739
Financial assets at fair value through other comprehensive income					
Other financial assets	6.4	30 694	30 694	-	-
Total financial assets		249 030	224 788	23 503	739
Financial liabilities at amortised cost					
Payables	7.1	22 429	22 429	-	-
Borrowings	7.2	38 789	14 406	23 644	739
Lease liabilities*	7.2	1 625	799	826	-
Total financial liabilities		62 843	37 634	24 470	739

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

Receivables and payables

The receivables and payables amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges and audit fees payable to the Audit Office of South Australia. All amounts recorded are carried at amortised cost.

**Department of Primary Industries and Regions
(PIRSA)**

Administered Financial Statements

For the year ended 30 June 2024

Department of Primary Industries and Regions
Statement of Administered Comprehensive Income
for the year ended 30 June 2024

	Note	2024	2023
		\$'000	\$'000
Administered income			
Appropriation	A2.1	4 918	4 765
Fees and charges	A2.2	30 984	31 005
Interest	A2.3	680	467
Levies collections	A2.4	221	212
Other income	A2.5	-	111
Total administered income		36 803	36 560
Administered expenses			
Employee related expenses	A3.2	402	410
Supplies and services	A4.1	2 572	2 614
Grants and subsidies	A4.3	33 967	31 998
Levies payments	A4.4	182	195
Other expenses	A4.5	252	88
Total administered expenses		37 375	35 305
Net result		(572)	1 255
Total comprehensive result		(572)	1 255

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

Department of Primary Industries and Regions
Statement of Administered Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Administered current assets			
Cash and cash equivalents	A5.1	21 266	20 934
Receivables	A5.2	3 381	4 165
Total current assets		24 647	25 099
Total assets		24 647	25 099
Administered current liabilities			
Payables	A6.1	670	466
Other liabilities	A6.2	444	528
Total current liabilities		1 114	994
Total liabilities		1 114	994
Net assets		23 533	24 105
Administered equity			
Retained earnings		23 533	24 105
Total equity		23 533	24 105

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

Department of Primary Industries and Regions
Statement of Administered Cash Flows
for the year ended 30 June 2024

	2024	2023
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Appropriation	4 918	4 765
Fees and charges	31 491	28 763
Interest	674	413
Levies collections	221	212
Net GST recovered from PIRSA	634	660
Other income	16	122
Cash generated from operations	37 954	34 935
Cash (outflows)		
Employee related payments	(402)	(410)
Supplies and services	(2 792)	(2 778)
Grants and subsidies	(34 246)	(32 437)
Levies payments	(182)	(195)
Cash used in operations	(37 622)	(35 820)
Net cash provided by / (used in) / operations	332	(885)
	A7.1	
Cash flows from financing activities		
Cash (outflows)		
Cash transferred for administrative restructure	-	(170)
Cash used in financing activities	-	(170)
Net cash provided by / (used in) financing activities	-	(170)
Net increase / (decrease) in cash and cash equivalents	332	(1 055)
Cash and cash equivalents at the beginning of the period	20 934	21 989
Cash and cash equivalents at the end of the period	21 266	20 934
	A5.1	

The accompanying notes form part of these financial statements.

Department of Primary Industries and Regions
Income and Expenses by Administered Programs
For the year ended 30 June 2024

Administered programs - refer note A1.1	Adelaide Hills Wine Industry Fund		Aquaculture Fund		Barossa Wine Industry Fund		Citrus Growers Fund		Clare Valley Wine Industry Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income										
Fees and charges	276	364	2 264	2 346	1 126	1 318	204	183	243	375
Interest	10	6	110	75	28	11	11	9	14	10
Total administered income	286	370	2 374	2 421	1 154	1 329	215	192	257	385
Administered expenses										
Supplies and services	19	18	-	-	110	47	12	12	38	49
Grants and subsidies	340	400	2 209	2 215	1 142	1 015	195	230	340	270
Other expenses	-	-	31	47	-	-	-	-	-	-
Total administered expenses	359	418	2 240	2 262	1 252	1 062	207	242	378	319
Net result	(73)	(48)	134	159	(98)	267	8	(50)	(121)	66

	Fisheries Research and Development Fund		ForestrySA Community Service Obligations		Grain Industry Fund		Grain Industry Research and Development Fund		Langhorne Creek Wine Industry Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income										
Appropriation	-	-	4 516	4 393	-	-	-	-	-	-
Fees and charges	14 585	12 343	-	-	1 639	3 147	2 384	3 046	239	242
Interest	-	-	-	-	82	57	18	10	5	3
Total administered income	14 585	12 343	4 516	4 393	1 721	3 204	2 402	3 056	244	245
Administered expenses										
Supplies and services	1 886	1 791	-	-	26	24	26	24	21	25
Grants and subsidies	12 824	9 789	4 516	4 393	1 870	2 326	2 437	2 922	244	300
Other expenses	221	41	-	-	-	-	-	-	-	-
Total administered expenses	14 931	11 621	4 516	4 393	1 896	2 350	2 463	2 946	265	325
Net result	(346)	722	-	-	(175)	854	(61)	110	(21)	(80)

Department of Primary Industries and Regions
Income and Expenses by Administered Programs
For the year ended 30 June 2024

	McLaren Vale Wine Industry Fund		Riverland Wine Industry Fund		South Australian Apiary Industry Fund		South Australian Cattle Industry Fund		South Australian Grape Growers Industry Fund	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income										
Fees and charges	707	591	686	770	62	66	691	933	723	711
Interest	13	9	15	11	20	12	47	29	23	13
Total administered income	720	600	701	781	82	78	738	962	746	724
Administered expenses										
Supplies and services	56	61	205	371	18	7	38	17	68	126
Grants and subsidies	643	675	393	790	7	33	674	668	600	650
Total administered expenses	699	736	598	1 161	25	40	712	685	668	776
Net result	21	(136)	103	(380)	57	38	26	277	78	(52)

	South Australian Pig Industry Fund		South Australian Sheep Industry Fund		Other Funds		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income								
Appropriation	-	-	-	-	402	372	4 918	4 765
Fees and charges	170	178	4 985	4 392	-	-	30 984	31 005
Interest	117	81	167	131	-	-	680	467
Levies collections	-	-	-	-	221	212	221	212
Other income	-	-	-	111	-	-	-	111
Total administered income	287	259	5 152	4 634	623	584	36 803	36 560
Administered expenses								
Employee related expenses	-	-	-	-	402	410	402	410
Supplies and services	13	13	37	26	(1)	3	2 572	2 614
Grants and subsidies	195	285	5 338	5 037	-	-	33 967	31 998
Levies payments	-	-	-	-	182	195	182	195
Other expenses	-	-	-	-	-	-	252	88
Total administered expenses	208	298	5 375	5 063	583	608	37 375	35 305
Net result	79	(39)	(223)	(429)	40	(24)	(572)	1 255

Department of Primary Industries and Regions
Notes to and forming part of the Administered Financial Statements
For the year ended 30 June 2024

A1. Basis of preparation

The basis of preparation for administered financial statements is the same as the basis outlined in note 1.1. The Department of Primary Industries and Regions (PIRSA/the department) applies the same accounting policies to the administered financial statements as set out in the notes to PIRSA's Controlled financial statements.

A1.1. Administered funds of the department

The program schedule presents income and expenses by fund attributable to each program. A schedule of asset and liabilities by program has not been provided as they cannot be attributed to the programs reliably. Information about the PIRSA administered funds is set out below:

Adelaide Hills Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 8 August 2003. The primary purposes of the fund are to promote the Adelaide Hills wine industry, undertake research and development and encourage communication and cooperation between participants in the Adelaide Hills wine industry.

Aquaculture Fund

This fund, established under the *Aquaculture Act 2001*, came into operation on 11 November 2002. Under the Act, fees are paid into the fund and are to be utilised primarily for the purpose of any investigation or other projects relating to the management of aquaculture resources.

Barossa Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 29 November 2007. The primary purposes of the fund are to promote the Barossa wine industry, undertake research and development and encourage communication and cooperation between participants in the Barossa wine industry.

Citrus Growers Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 20 October 2005. The primary purposes of the fund are to provide services to growers, promote the SA citrus industry, represent growers in regional, State or national citrus or horticulture industry forums and encourage communication and cooperation between participants in the citrus industry.

Clare Valley Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 21 February 2008. The primary purposes of the fund are to promote the Clare Valley wine industry, undertake research and development and encourage communication and cooperation between participants in the Clare Valley wine industry.

Fisheries Research and Development Fund

Under the *Fisheries Management Act 2007*, all commercial licence fees received by PIRSA are required to be paid into this fund. The primary purposes of the fund are to carry out research, exploration, experiments, works or operations for the conservation, management and enhancement of living resources found in waters to which the Act applies or promotion of any fishing, fish farming or fish processing activity.

Forestry SA Community Service Obligations

PIRSA receives appropriation to make payments to Forestry SA representing Community Service Obligations for the provision of: management of native forests for biodiversity conservation; community use of forest reserves; forest research programs; and provision of community fire protection services near forest reserves.

Department of Primary Industries and Regions
Notes to and forming part of the Administered Financial Statements
For the year ended 30 June 2024

A1.1. Administered funds of the department (continued)

Grain Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 1 March 2012. The primary purposes of the fund are to promote the grain industry through industry field days, conferences and other events; represent grain growers in regional, state or national grain or agriculture industry forums; collect and disseminate to grain growers information relevant to the grain industry; and undertake programs designed to encourage communication and cooperation between grain growers and other persons associated with the grain industry.

Grain Industry Research and Development Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 8 August 2013. The primary purposes of the fund are to collect industry funds and make payments to the South Australian Grain Industry Trust Fund and others; to undertake or facilitate research and development into the growing, harvesting, storage, processing and marketing of grain; and collect and disseminate to grain growers information relevant to research and development into grains.

Langhorne Creek Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 14 June 2001 with new Regulations assented to on 1 September 2016. The primary purposes of the fund are to promote the Langhorne Creek wine industry, undertake research and development and encourage communication and cooperation between participants in the Langhorne Creek wine industry.

McLaren Vale Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 5 June 2003. The primary purposes of the fund are to promote the McLaren Vale wine industry, undertake research and development and encourage communication and cooperation between participants in the McLaren Vale wine industry.

Riverland Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 14 June 2001 with new Regulations assented to on 1 September 2016. The primary purposes of the fund are to promote the Riverland wine industry, undertake research and development and encourage communication and cooperation between participants in the Riverland wine industry.

South Australian Apiary Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 31 January 2001 with new Regulations assented to on 1 September 2016. The primary purpose of the fund is to undertake programs relating to the apiary industry or apiary products or any other aspect of the apiary industry that is considered will benefit the apiary industry.

South Australian Cattle Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 1 July 2000 with new Regulations assented to on 14 May 2015. The primary purposes of the fund are to undertake programs relating to cattle, cattle products or any other aspect of the cattle industry, and payment of compensation and other amounts in line with Regulations.

South Australian Grape Growers Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 29 November 2007. The primary purposes of the fund are to promote the SA grape grower's industry, undertake research and development and encourage communication and cooperation between participants in the SA grape grower's industry.

Department of Primary Industries and Regions
Notes to and forming part of the Administered Financial Statements
For the year ended 30 June 2024

A1.1. Administered funds of the department (continued)

South Australian Pig Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 1 October 2001 with new Regulations assented to on 1 September 2016. The primary purposes of the fund are to undertake research, investigations or other programs relating to pigs, pig products or any other aspect of the pig industry and payment of compensation in line with Regulations.

South Australian Sheep Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 28 October 1999 with new Regulations assented to on 14 August 2014. The purposes of the fund are to make financial assistance or ex gratia payments to farmers in line with the Regulations, undertake and provide contributions to the Dog Fence Board towards the maintenance and rebuild of the dog proof fence.

Other Funds

This is the total of all other administered funds including the payment of Ministerial salaries and allowances, and seed levies collected and remitted pursuant to the *Commonwealth Pasture Seed Levy Collection Act 1989* and amending Act *Primary Industries Levies and Charges Collection (Consequential Provisions) Act 1991*.

A1.2 Budget performance

The budget performance table compares the departments outcomes against budget information presented to Parliament (2023-24 budget paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
Statement of Administered Comprehensive Income			
Administered Income			
Appropriation	4 910	4 918	8
Fees and charges	31 793	30 984	(809)
Interest	474	680	206
Levies collections	166	221	55
Total administered income	37 343	36 803	(540)
Administered Expenses			
Employee benefits expenses	394	402	8
Supplies and services	2 914	2 572	(342)
Grants and subsidies	33 951	33 967	16
Levies payments	166	182	16
Other expenses	30	252	222
Total administered expenses	37 455	37 375	(80)
Net result	(112)	(572)	(460)
Total comprehensive result	(112)	(572)	(460)

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.

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A1.4. Significant transactions with government related entities

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

A2. Income

A2.1. Appropriations

	2024	2023
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	4 516	4 393
Reimbursements received for Parliamentary salaries and expense allowances	402	372
Total appropriations	4 918	4 765

Appropriations are recognised upon receipt.

A2.2. Fees and charges

	2024	2023
	\$'000	\$'000
Industry contributions	14 135	16 316
Aquaculture and fishing licences	13 900	11 083
Other fees and levies	2 934	3 546
Penalties and fines	15	60
Total fees and charges	30 984	31 005

Aquaculture and Fishing Licences

Revenue is recognised at the date of grant of a new licence and on any subsequent renewal, at the date of commencement of the new licence period. The operations of Fisheries and Aquaculture are largely cost recovered and annual licence fee revenue collections fund legislative compliance, research and other industry specific projects, in accordance with strategic plans developed by the industry.

Industry contributions

Under the *Primary Industry Funding Schemes Act 1998* certain administered industry funds may impose a levy on industry participants to raise funds for the conduct of approved projects to advance research or development in the industry sector. For each industry fund, regulations under the Act specify the amount and nature of levies payable. Contributions are recognised as an asset and income when the Fund obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (that is, the amount can be reliably measured and the flow of resources is probable).

A2.3. Interest

	2024	2023
	\$'000	\$'000
Interest on special deposit accounts	680	467
Total interest	680	467

A2.4. Levies collections

	2024	2023
	\$'000	\$'000
Seed levies	221	212
Total levies collections	221	212

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A2.4. Levies collections (continued)

Seed levies comprise amounts collected pursuant to the Commonwealth *Pasture Seed Levy Collection Act 1989* and amending Act *Primary Industries Levies and Charges Collection (Consequential Provisions) Act 1991* for certification of pasture seed by the State and fees charged by Australian Seed Authority Ltd (ASA) under licence by the Commonwealth Department of Agriculture and Water and Environment. ASA has undertaken the role of the National Designated Authority for the Organisation for Economic Cooperation and Development (OECD) seed schemes, and, at the request of the Australian seed industry, operates the Australian Seed Certification Scheme which is used principally for seed not destined for export. The department has an agreement with ASA to collect and remit the levy on their behalf.

Payments are recognised under note A4.3.

A2.5. Other income

	2024	2023
	\$'000	\$'000
Return of unspent grants from industry	-	111
Total other income	-	111

A3. Board, committees and employees

A3.1. Key management personnel

The Minister for Primary Industries and Regional Development (the Minister) has responsibility for all the administered funds included under note A1.1 and discharges their duties in accordance with the governance arrangements in the legislation and regulations that underpin each fund. The Minister is deemed to be a key management person for the administered funds.

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 DTF) under section 6 the *Parliamentary Remuneration Act 1990*. Refer to note A3.2 for the Minister's remuneration.

A3.2. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	402	388
Workers' compensation	-	22
Total employee related expenses	402	410

A4. Expenses

A4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Professional and technical services ⁽¹⁾	2 104	2 013
Administrative and operating costs	468	601
Total supplies and services	2 572	2 614

⁽¹⁾ Includes audit fees paid/payable to the Audit Office of South Australia of \$0.117 million (2023: \$0.109 million) relating to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

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A4.2. 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 Instruction 18 – Procurement (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2024	Proportion SA
	\$'000	and non-SA
		businesses
Total expenditure with South Australian businesses	1 885	100%
Total expenditure with non-South Australian businesses	-	-
Total expenditure	1 885	100%

Classification of 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 TI 18.

TI 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 TI 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.

A4.3. Grants and subsidies

	2024	2023
	\$'000	\$'000
Recurrent grants to industry	14 085	14 517
Transfer to PIRSA for industry research and project delivery	14 291	12 000
Intra government transfers	5 591	5 481
Total grants and subsidies	33 967	31 998

A4.4. Levies payments

	2024	2023
	\$'000	\$'000
Seed levies	182	195
Total levies payments	182	195

Seed levies collected pursuant to the Commonwealth *Pasture Seed Levy Collection Act 1989* are paid to the Commonwealth Department of Agriculture and Water and Environment. Fees charged by ASA are by an agreement with the department, collected and remitted to ASA.

Income is recognised under note A2.4.

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A4.5. Other expenses

	2024	2023
	\$'000	\$'000
Increase in impairment of receivables	252	88
Total other expenses	252	88

A5. Financial assets

A5.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer	21 266	20 934
Total cash and cash equivalents in the Statement of Financial Position	21 266	20 934
Total cash and cash equivalents in the Statement of Cash Flows	21 266	20 934

Deposits with the Treasurer

Deposits into interest earning accounts with the Treasurer, are at call and earn a floating interest rate.

A5.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Trade receivables		
From non-government entities	1 271	1 097
Less impairment loss on receivables	(344)	(92)
Total trade receivables	927	1 005
Accrued interest on deposits	60	54
Other accrued revenue	2 394	3 106
Total receivables	3 381	4 165

Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables are non-interest bearing. Receivables are held with the objectives of collecting the contractual cash flows and they are measured at amortised cost.

The department has adopted the simplified impairment approach under AASB 9 and measures lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

Allowance for impairment loss on receivables

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	92	141
Amounts written off	-	(137)
(Decrease) / increase in allowance recognised in profit and loss	252	88
Carrying amount at the end of the period	344	92

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note A9.1 for details regarding credit risk and the methodology for determining impairment.

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A6. Liabilities

A6.1. Payables

	2024	2023
	\$'000	\$'000
Current		
Accrued expenses	670	466
Total payables	670	466

A6.2. Other liabilities

	2024	2023
	\$'000	\$'000
Current		
Contract liabilities ⁽¹⁾	401	487
Other	43	41
Total other liabilities	444	528

⁽¹⁾ License fees paid in advance of the license period start date.

A7. Other disclosures

A7.1. Cash flow

The department prepares the Business Activity Statement on behalf of the Administered funds under the grouping provisions of the GST legislation.

Under these provisions, the department is liable for payments and entitled to receipts associated with GST.

Reconciliation of net result to cash flows from operating activities

	2024	2023
	\$'000	\$'000
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	332	(885)
Add / (less) non-cash items		
Impairment of receivables	(252)	(88)
Movement in assets and liabilities		
Increase/(decrease) in receivables	(532)	623
(Increase)/decrease in other liabilities	84	1 733
(Increase)/decrease in payables	(204)	(128)
Net result	(572)	1 255

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A8. Outlook

A8.1. Contingent assets and liabilities

The department is not aware of any contingent assets affecting the administered entities comprising the consolidated financial report as at 30 June 2024.

Contingent liabilities - refunds of contributions

Funds established by Regulations under the *Primary Industry Funding Schemes Act 1998* may enable contributors to claim a refund for contributions made in relation to a prescribed period. At the reporting date the possible emergence of valid refund requests within each fund is present. However, as uncertainty exists as to the number of refund requests that will be received, and their timing and amount, these potential obligations cannot be reliably estimated and therefore represent a contingent liability for the fund. Once a valid refund request has been received from a past contributor and it is approved by the Minister or delegate, a present obligation to pay the refund arises. The refund amount is then recognised as a liability and expense of the fund.

A8.2. Events after the reporting period

No events have occurred after balance date that would affect the consolidated administered financial statements of PIRSA as at 30 June 2024.

A9. Measurement and risk

A9.1. Financial instruments

Impairment of financial assets

Refer to note 10.4 in PIRSA Controlled statements for the department's accounting policy and calculation method for expected credit losses.

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

	Debtor gross carrying amount		Lifetime expected losses
	\$'000	Loss %	\$'000
Current (not past due)	152	1.03%	2
1-30 days past due	2	5.58%	-
31-60 days past due	-	22.03%	-
61-90 days past due	42	25.73%	11
More than 90 days past due	1 089	30.49%	331
Loss allowance			344

Maturity Analysis of financial assets and liabilities

Financial assets (cash) and financial liabilities (payables) are measured at amortised cost and have contractual maturities of less than one year. Payables of \$0.553 million (2023: \$0.357 million) have statutory audit fees payable excluded from this disclosure.