

Department of Primary Industries and Regions

Financial report
for the year ended
30 June 2021



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

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 2021.

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 2021, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- a Schedule of Income and Expenses by Program for the year ended 30 June 2021
- a Schedule of Assets and Liabilities by Program as at 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2021
- a Statement of Administered Financial Position as at 30 June 2021
- a Statement of Administered Cash Flows for the year ended 30 June 2021
- a Schedule of Expenses and Income by Administered Programs for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Department of 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 2021.

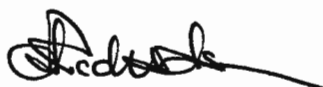
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an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

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

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

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

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



Andrew Richardson
Auditor-General
22 September 2021

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

Controlled Financial Statements

For the year ended 30 June 2021

Department of Primary Industries and Regions
Certification of Financial Statements
for the year ended 30 June 2021

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.



Michelle Edge
Chief Executive
15 September 2021



Will Kent
Chief Financial Officer
15 September 2021

Department of Primary Industries and Regions
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Appropriation	2.1	200 545	144 728
Fees and charges	2.2	3 170	2 780
Grants, subsidies and transfers	2.3	62 353	62 209
Commonwealth grants (National Partnership Payments)	2.4	18 050	3 465
Interest	2.5	541	719
Sale of goods and services	2.6	17 665	15 432
Resources received free of charge	2.7	2 823	1 793
Net gain from the disposal of property, plant and equipment	2.8	-	60
Other income	2.9	11 149	5 292
Total income		316 296	236 478
Expenses			
Employee benefits expenses	3.3	87 396	91 683
Supplies and services	4.1	89 580	55 135
Depreciation and amortisation	4.2	8 845	8 636
Grants and subsidies	4.3	56 409	69 989
Borrowing costs	4.4	503	442
Transfers to Consolidated Account	4.5	7 278	-
Other expenses	4.6	1 636	1 004
Net loss from the disposal of property, plant and equipment	2.8	725	-
Total expenses		252 372	226 889
Net result		63 924	9 589
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		-	763
Changes in fair value of investments classified as fair value through other comprehensive income		4 810	(215)
Total other comprehensive income		4 810	548
Total comprehensive result		68 734	10 137

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 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	6.1	206 268	140 672
Receivables	6.2	23 623	14 150
Contract assets	6.3	3 034	6 170
Inventories	5.4	3 328	2 553
Total current assets		236 253	163 545
Non-current assets			
Receivables	6.2	30 006	24 767
Other financial assets	6.4	25 238	20 428
Property, plant and equipment	5.1	117 235	118 873
Right-of-use plant and equipment	5.2	1 878	2 244
Intangible assets	5.3	4 515	6 821
Total non-current assets		178 872	173 133
Total assets		415 125	336 678
Current liabilities			
Payables	7.1	21 749	16 357
Financial liabilities	7.2	9 474	3 127
Contract liabilities	6.3	11 226	13 307
Employee benefits	3.4	11 220	11 885
Provisions	7.3	357	445
Current other liabilities	7.4	73	73
Total current liabilities		54 099	45 194
Non-current liabilities			
Payables	7.1	1 900	2 115
Financial liabilities	7.2	30 869	25 835
Contract liabilities	6.3	-	250
Employee benefits	3.4	20 208	22 819
Provisions	7.3	877	1 953
Non-current other liabilities	7.4	405	479
Total non-current liabilities		54 259	53 451
Total liabilities		108 358	98 645
Net assets		306 767	238 033
Equity			
Retained earnings		249 686	185 260
Asset revaluation surplus	8.1	49 532	50 034
Investment reserve	8.1	7 549	2 739
Total equity		306 767	238 033

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 2021

	Note	Asset revaluation surplus \$'000	Investment reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2019		49 271	2 954	175 671	227 896
Net result for 2019-20		-	-	9 511	9 511
Prior period adjustment	5.1	-	-	78	78
Gain on revaluation of property plant and equipment	5.1	763	-	-	763
Fair value movement of investments classified as fair value through other comprehensive income	6.4	-	(215)	-	(215)
Total comprehensive result for 2019-20		763	(215)	9 589	10 137
Balance at 30 June 2020		50 034	2 739	185 260	238 033
Net result for 2020-21		-	-	63 924	63 924
Fair value movement of investments classified as fair value through other comprehensive income	6.4	-	4 810	-	4 810
Total comprehensive result for 2020-21		-	4 810	63 924	68 734
Transfer between equity components		(502)	-	502	-
Balance at 30 June 2021		49 532	7 549	249 686	306 767

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 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		200 545	144 728
Fees and charges		3 063	2 750
Grants, subsidies and transfers		62 973	58 424
Commonwealth grants (National Partnership Payments)		18 043	3 465
Interest		870	1 018
Sale of goods and services		13 813	15 025
Dividends received		235	459
GST receipts from customers		6 157	4 534
GST recovered from the ATO		7 032	4 328
Receipts for paid parental leave scheme		229	86
Other receipts		9 101	5 405
Cash generated from operations		322 061	240 222
Cash (outflows)			
Employee benefit payments		(90 835)	(90 494)
Supplies and services		(82 324)	(56 472)
Grants and subsidies		(57 154)	(66 006)
Interest paid		(440)	(519)
GST paid to suppliers		(13 259)	(9 300)
Payments for paid parental leave scheme		(229)	(68)
Transfers to Consolidated Account		(7 278)	-
Other payments		(1 665)	(1 155)
Cash used in operations		(253 184)	(224 014)
Net cash (used in) / provided by operating activities	8.2	68 877	16 208
Cash flows from investing activities			
Cash inflows			
Loans repaid by the rural sector and industry		3 622	2 748
Proceeds from the sale of property, plant and equipment		863	109
Sale of inventories		2 592	1 854
Cash generated from investing activities		7 077	4 711
Cash (outflows)			
Purchase of property plant and equipment		(5 836)	(4 340)
Loans advanced to rural sector and industry		(13 651)	(10 700)
Purchase of inventories		(1 380)	(505)
Purchase of intangibles		-	(1 880)
Cash used in investing activities		(20 867)	(17 425)
Net cash (used in) / provided by investing activities		(13 790)	(12 714)
Cash flows from financing activities			
Cash inflows			
Proceeds of borrowings	7.2	13 651	10 700
Cash generated by financing activities		13 651	10 700
Cash (outflows)			
Repayment of borrowings	7.2	(1 908)	(2 820)
Repayment of principal portion of lease liabilities		(1 234)	(1 285)
Cash used in financing activities		(3 142)	(4 105)
Net cash provided / (used in) by financing activities		10 509	6 595
Net increase / (decrease) in cash and cash equivalents		65 596	10 089
Cash and cash equivalents at the beginning of the reporting period		140 672	130 583
Cash and cash equivalents at the end of the reporting period	6.1	206 268	140 672

Department of Primary Industries and Regions

Notes to and forming part of the financial statements

for the year ended 30 June 2021

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 2021

1.2. Objectives and programs

Objectives

The purpose of the department is to grow primary industries and drive regional development in South Australia.

Programs

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

Primary Industries

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

Regional Development

Work with South Australia's regional communities, sectors and the three levels of government to identify, promote and support strategic economic development initiatives throughout regional South Australia.

Support regional South Australia to create new jobs and unlock new economic activity in the regions. Leverage economic activity that will grow regions' economic prosperity, security and opportunity through its grant programs and other initiatives.

The tables on the following pages presents expenses, income, assets and liabilities attributable to each program.

Department of Primary Industries and Regions
Income and Expenses by Program
for the year ended 30 June 2021

1.2 Objectives and programs (continued)

	Primary Industries		Regional Development		General/Not Attributable		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Income								
Appropriation	-	-	-	-	200 545	144 728	200 545	144 728
Fees and charges	3 170	2 780	-	-	-	-	3 170	2 780
Grants, subsidies and transfers	62 353	62 176	-	33	-	-	62 353	62 209
Commonwealth grants (National Partnership Payments)	18 050	3 465	-	-	-	-	18 050	3 465
Interest	541	719	-	-	-	-	541	719
Sale of goods and services	17 665	15 432	-	-	-	-	17 665	15 432
Resources received free of charge	2 823	1 793	-	-	-	-	2 823	1 793
Net gain from the disposal of property, plant and equipment	-	60	-	-	-	-	-	60
Other income	11 149	5 291	-	1	-	-	11 149	5 292
Total income	115 751	91 716	-	34	200 545	144 728	316 296	236 478
Expenses								
Employee benefits expenses	85 579	89 403	1 817	2 280	-	-	87 396	91 683
Supplies and services	89 296	54 386	284	749	-	-	89 580	55 135
Depreciation and amortisation	8 845	8 636	-	-	-	-	8 845	8 636
Grants and subsidies	46 081	54 862	10 328	15 127	-	-	56 409	69 989
Borrowing costs	503	442	-	-	-	-	503	442
Transfers to Consolidated Account	-	-	-	-	7 278	-	7 278	-
Other expenses	1 636	1 004	-	-	-	-	1 636	1 004
Net loss from the disposal of property, plant and equipment	725	-	-	-	-	-	725	-
Total expenses	232 665	208 733	12 429	18 156	7 278	-	252 372	226 889
Net result	(116 914)	(117 017)	(12 429)	(18 122)	193 267	144 728	63 924	9 589

Department of Primary Industries and Regions
Assets and Liabilities by Program
as at 30 June 2021

1.2 Objectives and programs (continued)

	Primary Industries		Regional Development		General/Not Attributable		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets								
Cash and cash equivalents	-	-	-	-	206 268	140 672	206 268	140 672
Receivables	48 550	35 085	-	-	5 079	3 832	53 629	38 917
Contract assets	3 034	6 170	-	-	-	-	3 034	6 170
Inventories	3 328	2 553	-	-	-	-	3 328	2 553
Other financial assets	25 238	20 428	-	-	-	-	25 238	20 428
Property, plant and equipment	101 598	98 821	-	-	15 637	20 052	117 235	118 873
Right-of-use plant and equipment	1 878	2 244	-	-	-	-	1 878	2 244
Intangible assets	2 220	2 597	-	-	2 295	4 224	4 515	6 821
Total assets	185 846	167 898	-	-	229 279	168 780	415 125	336 678
Liabilities								
Payables	14 109	10 269	397	93	9 143	8 110	23 649	18 472
Financial liabilities	38 447	26 705	-	-	1 896	2 257	40 343	28 962
Contract liabilities	11 214	13 530	-	-	12	27	11 226	13 557
Employee benefits	25 480	28 270	442	550	5 506	5 884	31 428	34 704
Provisions	-	-	-	-	1 234	2 398	1 234	2 398
Other liabilities	-	-	-	-	478	552	478	552
Total liabilities	89 250	78 774	839	642	18 269	19 228	108 358	98 645
Net assets	96 596	89 124	(839)	(642)	211 010	149 552	306 767	238 033

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 criteria 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 2021

1.3. Impact of COVID-19 pandemic on the department

The COVID-19 pandemic has impacted on the regions and the primary industry sectors and the way in which the department has had to operate and deliver services in 2020-21, where applicable the impacts are included under the relevant disclosure notes.

1.4. Budget performance

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

	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Statement of Comprehensive Income			
Income			
Appropriation	200 545	200 545	-
Fees and charges	2 365	3 170	805
Grants, subsidies and transfers	60 302	62 353	2 051
Commonwealth grants (National Partnership Payments)	18 050	18 050	-
Interest	1 117	541	(576)
Sale of goods and services	21 513	17 665	(3 848)
Resources received free of charge	-	2 823	2 823
Net gain from the disposal of property, plant and equipment	10	-	(10)
Other income	4 767	11 149	6 382
Total income	308 669	316 296	7 627
Expenses			
Employee benefits expenses	97 184	87 396	(9 788)
Supplies and services (a)	60 309	89 580	29 271
Depreciation and amortisation	8 853	8 845	(8)
Grants and subsidies (b)	162 521	56 409	(106 112)
Borrowing costs	1 021	503	(518)
Transfers to Consolidated Account	10 137	7 278	(2 859)
Other expenses	1 472	1 636	164
Net loss from the disposal of property, plant and equipment	-	725	725
Total expenses	341 497	252 372	(89 125)
Net result	(32 828)	63 924	96 752
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	-	4 810	4 810
Total other comprehensive income	-	4 810	4 810
Total comprehensive result	(32 828)	68 734	101 562

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.4. Budget performance (continued)

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 the increase in the biosecurity responses required to be undertaken during the year due to the significant number of fruit fly outbreaks.
- (b) Decreased grant expenditure mainly reflects the reprofiling of milestone payments for regional grant programs across financial years, together with lower than budgeted demand for some industry recovery and reform programs.

	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Investing expenditure summary			
Total new projects	8 039	1 150	(6 889)
Total annual programs	7 117	4 523	(2 594)
Total investing expenditure	15 156	5 673	(9 483)

(c)

- (c) Mainly reflects the slippage in capital projects due the impacts of COVID-19 causing delays in the building and construction industries.

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.

Noteworthy is GST exclusive payments made to the Department for Infrastructure and Transport (DIT) of \$10.967 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.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2. Income

2.1. Appropriation

	2021	2020
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	200 545	95 342
Appropriation from Governor's Appropriation Fund	-	49 386
Total appropriation	200 545	144 728

Appropriations are recognised on receipt.

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

2.2. Fees and charges

	2021	2020
	\$'000	\$'000
Accreditation and licence fees	2 151	1 912
Inspection and Audit fees	966	799
Other fees	53	69
Total fees and charges	3 170	2 780

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*.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.3. Grants, subsidies and transfers

	2021	2020
	\$'000	\$'000
Grants		
Industry	34 610	38 645
Administered industry funds ⁽¹⁾	13 171	15 245
SA Government agencies	1 617	1 897
Commonwealth Government agencies	1 525	1 674
Other	16	150
Total grants	50 939	57 611
Subsidies and transfers		
Seasonal Worker's Regional Quarantine Facility	3 800	-
Growing the Livestock Sector Program	2 400	3 900
Mobilisation of Seasonal and Regional Workforce	1 650	-
Local Economic Recovery (LER) support	997	-
Adoption of AgTech Solutions project	900	-
Seaweed Industry Support	750	-
Oat Breeding Centre of Excellence Project	500	300
Pulse Cooperative Research Centre	400	-
Reimbursement for TVSPs	-	373
Other	17	25
Total subsidies and transfers	11 414	4 598
Total grants, subsidies and transfers	62 353	62 209
Grants, subsidies and transfers were applied to the following business divisions		
South Australian Research and Development Institute	40 612	44 613
Fisheries	6 484	7 282
Regions	5 564	33
Biosecurity	4 706	4 682
Rural Solutions	3 397	4 178
Aquaculture	1 590	873
Other	-	548
Total grants, subsidies and transfers	62 353	62 209

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 in accordance with AASB 15 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.

Subsidies and transfers originate from funds administered by the Department of Treasury and Finance (DTF). There are broad guidelines for the use of the funds received and the department recognised the revenue on receipt under AASB 1058.

⁽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 Resource Management Fund for the administration of licences and registration are used to deliver projects in compliance, research and fishing industry development. In 2020-21 the amount received from the Fisheries Research and Development Fund and the Aquaculture Resource Management Fund was \$11.356 million (2020: \$13.08 million).

Department of Primary Industries and Regions
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2.4. Commonwealth grants (National Partnership Payments)

	2021	2020
	\$'000	\$'000
Horticultural Netting Infrastructure Program	14 600	-
On-Farm Emergency Water Infrastructure Rebate Scheme	3 450	-
National Water Infrastructure Development Fund	-	3 215
Pest Animal and Weed Management in Drought Affected Areas	-	250
Total Commonwealth grants (National Partnership Payments)	18 050	3 465

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

	2021	2020
	\$'000	\$'000
Loans to the rural sector	521	390
Interest on special deposit accounts	20	329
Total interest	541	719

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.6. Sale of goods and services

	2021	2020
	\$'000	\$'000
Sale of goods		
Livestock	2 592	1 854
Agricultural produce	934	1 347
Other sale of goods	379	156
Water sales ⁽¹⁾	-	6
Total sale of goods	3 905	3 363
Sale of services		
Rural Solutions, consultancies and services	6 006	4 905
South Australian Research and Development Institute, consultancies and services	4 631	4 099
Agriculture, Biosecurity and Fisheries, consultancies and services	2 825	2 893
Other sale of services	298	172
Total sale of services	13 760	12 069
Total sale of goods and services	17 665	15 432

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.

The majority of 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.

⁽¹⁾ Sale on the open market of temporary water access entitlements for productive use.

2.7. Resources received free of charge

	2021	2020
	\$'000	\$'000
Shared Services SA	1 823	1 793
Department of the Premier and Cabinet	1 000	-
Total resources received free of charge	2 823	1 793

PIRSA receives financial services from Shared Services SA and ICT services from Department of the Premier and Cabinet free of charge because the services are funded directly by the provider's appropriation. The services are recognised in the financial statements as income because the fair value of the services can be reliably measured and the services would have been purchased if they had not been received free of charge. The corresponding expenses are recognised and disclosed in note 4.1.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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2.8. Net gain (loss) from the disposal of property, plant and equipment

	2021	2020
	\$'000	\$'000
Land and buildings		
Net proceeds from disposal	812	-
Less carrying amount of assets disposed	(1 290)	-
Net gain/(loss) from disposal of land and buildings	(478)	-
Plant and equipment		
Net proceeds from disposal	51	113
Less carrying amount of assets disposed	(298)	(53)
Net gain/(loss) from disposal of plant and equipment	(247)	60
Total property, plant and equipment		
Net proceeds from disposal	863	113
Less total carrying amount of assets disposed	(1 588)	(53)
Total net gain/(loss) from disposal of property, plant and equipment	(725)	60

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.

2.9. Other income

	2021	2020
	\$'000	\$'000
Reimbursements/recoveries ⁽¹⁾	7 700	1 907
Seed and other royalties	1 817	1 694
Pastoral lease ⁽²⁾	710	785
Gain from changes in fair value of biological assets ⁽³⁾	515	250
Dividends ⁽⁴⁾	235	459
Diesel fuel rebates	104	119
Other	40	53
Sponsorship contributions	28	-
Impairment loss on receivables	-	25
Total other income	11 149	5 292

⁽¹⁾ Includes recovery of \$4.184m from Dog Fence Board for the Dog Fence Rebuild project in 2020-21.

⁽²⁾ Rent is due in arrears on annual basis and is recognised as revenue under *AASB 16 Leases*.

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

⁽⁴⁾ Dividend income is recognised when the unconditional right to receive the dividend is established.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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3. Board, 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.

	2021	2020
	\$'000	\$'000
Salaries and other short term employee benefits	2 290	2 872
Post-employment benefits	220	292
Other long-term employment benefits	-	152
Total compensation	2 510	3 316

Transactions with key management personnel and other related parties

There were no transactions with key management personnel and other related parties entered into by the department.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.2. Board and committee members

Members during 2020-21 financial year were:

Minister's Recreational Fishing Advisory Council (MRFAC)

G Keegan (Chair) (resigned 21 August 2020)
S Starick (Chair) (appointed 15 October 2020)
A Bolithlo (appointed 15 October 2020)
A Smith (appointed 15 October 2020)
B Stokes (appointed 15 October 2020) (resigned 14 February 2021)
D Schofield
P Teakle
L Van Soest (appointed 15 October 2020)
B Wheadon (resigned 24 July 2020)
A Whitehorn (resigned 5 March 2021)
M Wilson (appointed 15 October 2020)
R Wilson (appointed 15 October 2020)

Independent Allocation Advisory Panel

The Committee ceased on 30 June 2021
I Cartwright (appointed 14 May 2020)
T Mellor (appointed 14 May 2020)
S Sen (appointed 14 May 2020)

Aquaculture Tenure Allocation Board

G S Davis (Presiding member)
D Hall
C J Sayer
K N Shierlaw
A C Tham
J Zadow

Risk and Performance Committee

R Di Monte (Chair) (appointed 31 May 2021)
A E Harvey (Chair) (term expired 02 March 2021)
E Anear *
Prof M Doroudi *
J C Grant
M Griffiths *

Pastoral Board

D Larkin (presiding member)
M Anderson (deputy member)
M A Fennell
J Greg-Smith * (deputy member)
C B Greenfield
J McBride (deputy member) (appointed 21 August 2020)
B G Nutt
A S Oldfield (deputy member)
T L Partridge
K L Sheehan (deputy member)
K L Slade (deputy member)
J M Treloar

Seafood Advisory Forum

The Committee was appointed on 25 August 2020
C Cooper (Chair) (appointed 12 October 2020)
M Angelakis
K Birch
S Bowley
D Cappel
J Crawford
T Di Vittorio
P Fare
D Holder
S Holland
L Holmes * (resigned 20 February 2021)
B Houston *
J Lear * (appointed 11 December 2020)
E Mantilla (resigned 04 May 2021)
B McGrath-Steer *
M Nobes
J Phillips
M Steer *
M Stehr
B Stokes (resigned 16 April 2021)
C Webber
M Wilson (appointed 16 April 2021)
J Woolford

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.2. Board and committee members (continued)

Genetically Modified Crops Advisory Committee

Hon J A W Levy (Presiding member)
(reappointed 26 August 2020)
R A Ankeny (reappointed 26 August 2020)
Dr G Annison (reappointed 26 August 2020)
H L Baldock (reappointed 26 August 2020)
P Gibbs (reappointed 26 August 2020)
A M Hannon (reappointed 26 August 2020)
Dr P A McMichael (reappointed 26 August 2020)
Dr K M Ophel-Keller * (reappointed 26 August 2020)
N C Pontifex (reappointed 26 August 2020)

PIRSA Animal Ethics Committee

Prof J Cox * (Chair)
P Appleford *
S L Baird
Dr R Barekatin *
Dr M Carr
J G Cooper
Dr M Deveney *
Dr R F Evers
G Grigson * (appointed 18 April 2021)
Dr D W Jones
K McGrath
S Rudiger *
S Tilbrook *
Dr A Weaver * (appointed 18 April 2021)
H Zemitis

* 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:

	2021	2020
\$0 - \$19 999	86	124
Total number of members	86	124

The total remuneration received or receivable by members was \$27 000 (2020: \$63 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and 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
for the year ended 30 June 2021

3.3. Employee benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	69 922	69 873
Employment on-costs - superannuation*	7 399	7 423
Annual leave	6 095	6 267
Employment on-costs - other	4 125	4 156
Targeted voluntary separation packages	464	894
Long service leave ⁽¹⁾	(511)	641
Skills and experience retention leave	450	447
Workers' compensation ⁽¹⁾	(708)	1 795
Other employee related expenses	134	130
Board and committee fees	26	57
Total employee benefit expenses	87 396	91 683

⁽¹⁾ Due to changes in estimates applied to the long service leave liability and workers compensation provisions, this has resulted in decreases to the liabilities and associated expenses. Refer to notes 10.1 and 7.3 for more information.

***Employment on-costs - superannuation**

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

Employee remuneration

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

	2021	2020
	No.	No.
\$ 154 001 to \$ 174 000	17	14
\$ 174 001 to \$ 194 000	7	5
\$ 194 001 to \$ 214 000	2	3
\$ 214 001 to \$ 234 000	4	2
\$ 234 001 to \$ 254 000	1	2
\$ 254 001 to \$ 274 000	2	-
\$ 274 001 to \$ 294 000	1	3
\$ 294 001 to \$ 314 000	2	-
\$ 354 001 to \$ 374 000	1	2
\$ 394 001 to \$ 414 000	1	-
\$ 494 001 to \$ 514 000	-	1
Total	38	32

The total remuneration received by these employees for the year was \$7.8 million (2020: \$6.8 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 fringe benefits and any related fringe benefits tax.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.3. Employee benefits expenses (continued)

Targeted voluntary separation packages

The number of employees who received a TVSP during the reporting period was 5 (2020: 11).

	2021	2020
	\$'000	\$'000
Amount paid and accrued during the reporting period to separated employees:		
TVSPs	464	894
Leave paid to those employees	174	440
Total amount paid	638	1 334
Recovery from the Department of Treasury and Finance	-	373
Net cost to the department	638	961

3.4. Employee benefits liability

	2021	2020
	\$'000	\$'000
Current		
Annual leave	6 378	6 365
Accrued salaries and wages	2 143	2 781
Long service leave	2 040	2 055
Skills and experience retention leave	659	684
Total current employee benefits	11 220	11 885
Non-current		
Long service leave	20 208	22 819
Total non-current employee benefits	20 208	22 819
Total employee benefits	31 428	34 704

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 SERL 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 as note 10.1.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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4. Expenses

4.1. Supplies and services

	2021	2020
	\$'000	\$'000
Professional and technical services ⁽¹⁾	45 194	19 451
Administrative and operating costs	16 874	9 881
Utility and property costs	8 508	8 384
Information technology and communication charges	5 834	6 282
Other vehicle and equipment operating and management costs	4 813	2 447
Accommodation	2 880	3 379
Shared Services costs	1 854	1 809
Staff development and safety	1 488	1 152
Travel	1 390	1 857
Property and risk insurance	495	448
Low-value leases	130	11
Short term leases	120	34
Total supplies and services	89 580	55 135

⁽¹⁾ Includes consultancies costs which are further broken down below and audit fees paid/payable to the Auditor-General's Department of \$284 300 (2020: \$291 300) relating to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

Accommodation

Most of the department's accommodation is provided by the 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).

Consultants

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

	2021	2021	2020	2020
	Number	\$'000	Number	\$'000
Below \$10 000	1	9	3	10
\$10 000 or above	4	390	1	11
Total paid/payable to consultants engaged	5	399	4	21

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

4.2. Depreciation and amortisation

	2021	2020
	\$'000	\$'000
Buildings and infrastructure	3 187	3 179
Plant and equipment	2 820	2 536
Right-of-use plant and equipment	1 240	1 358
Intangible assets	1 209	1 165
Accommodation improvements	265	294
Large vessels	124	104
Total depreciation and amortisation	8 845	8 636

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.

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.

Land is not depreciated.

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.

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

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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4.3. Grants and subsidies

	2021	2020
	\$'000	\$'000
Recurrent grants	50 884	57 858
Intra government transfers	5 525	12 131
Total grants and subsidies	56 409	69 989
Major grant program expenditure during the year includes:		
Regional Growth Fund	4 048	6 868
Regional Development Australia	3 267	3 219
Regional Development Fund	1 876	3 869
Mobile Black Spot Program	1 259	1 227
South Australian River Murray Sustainability Program	509	6 643
Economic Sustainability Program	145	148
South East Forestry Partnership Program	-	4 715
Adverse events recovery programs		
Bushfire Recovery and Response	7 723	20 204
Drought Support Package	6 086	2 095
On-farm Emergency Water Infrastructure Rebate Scheme	3 407	2 138
Cooperative Research projects ⁽¹⁾	3 157	4 938
National Biosecurity Contributions		
Red imported fire ants	1 472	1 436
Citrus Canker response	274	776
Industry development and restructuring initiatives greater than \$1 million made during the year were:		
Marine Scalefish Fishery Reform	13 580	140
Horticultural Netting Program	1 869	-
Dog Fence Rebuild Contribution ⁽²⁾	1 167	289
SA Wine Industry Development Scheme	398	1 769
National Water Infrastructure Development Fund	-	3 715
Aggregate of all other payments less than \$1 million made during the year	6 172	5 800
Total grants and subsidies	56 409	69 989

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

⁽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.

⁽²⁾ Total State contribution to the Dog Fence Rebuild project was \$2.895m in 2020-21, which included \$1.728m from Regional Growth Fund.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

4.4. Borrowing costs

	2021	2020
	\$'000	\$'000
Interest paid/payable on borrowings measured at amortised cost	405	387
Guarantee fees	55	-
Interest expense on lease liabilities	34	53
Interest paid to creditors on late payment of invoices	9	2
Total borrowing costs	503	442

The department does not capitalise borrowing costs.

4.5. Transfers to Consolidated Account

	2021	2020
	\$'000	\$'000
Return of surplus cash pursuant to cash alignment policy	6 985	-
Other payment to Consolidated Account ⁽¹⁾	293	-
Total transfers to Consolidated Account	7 278	-

⁽¹⁾ Other payment relates to proceeds from land sale to the Department of Environment and Water in 2020-21.

4.6. Other expenses

	2021	2020
	\$'000	\$'000
Deemed cost of produce consumed ⁽¹⁾	562	333
Intangibles derecognised	425	-
Royalty payments	420	464
Other	123	89
Publications, seed and miscellaneous stocks - cost of sales	78	113
Impairment loss on receivables	26	-
Bad debts	2	5
Total other expenses	1 636	1 004

⁽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 benefit expenses' and 'supplies and services'.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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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.

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
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.1. Property, plant and equipment owned by the department (continued)

Reconciliation 2020-21

	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 2020	28 545	62 276	7 962	867	16 422
Acquisitions	-	44	-	42	1 255
Disposals	(1 198)	(51)	(41)	-	(298)
Depreciation	-	(2 750)	(437)	(265)	(2 820)
Transfer between asset classes	-	3 418	-	-	746
Other movements	-	-	-	-	672
Carrying amount at 30 June 2021	27 347	62 937	7 484	644	15 977

Carrying amount					
Gross carrying amount	27 347	71 421	8 488	4 220	44 716
Accumulated depreciation	-	(8 484)	(1 004)	(3 576)	(28 739)
Total	27 347	62 937	7 484	644	15 977

	Bearer plants \$'000	Large vessels \$'000	Constructions and works in progress - Plant and equipment \$'000	Constructions and works in progress - Buildings \$'000	Total \$'000
Carrying amount at 1 July 2020	105	1 267	491	938	118 873
Acquisitions	-	-	1 219	3 114	5 674
Disposals	-	-	-	-	(1 588)
Depreciation	-	(124)	-	-	(6 396)
Transfer between asset classes	-	-	(1 088)	(3 076)	-
Other movements	-	-	-	-	672
Carrying amount at 30 June 2021	105	1 143	622	976	117 235

Carrying amount					
Gross carrying amount	105	1 267	622	976	159 162
Accumulated depreciation	-	(124)	-	-	(41 927)
Total	105	1 143	622	976	117 235

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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5.1. Property, plant and equipment owned by the department (continued)

Reconciliation 2019-20

	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 2019	28 545	64 877	8 421	1 161	16 525
Acquisitions	-	-	-	-	1 233
Disposals	-	-	-	-	(53)
Depreciation	-	(2 720)	(459)	(294)	(2 536)
Revaluation increment/(decrement)	-	-	-	-	-
Transfer between asset classes	-	119	-	-	1 253
Carrying amount at 30 June 2020	28 545	62 276	7 962	867	16 422

Carrying amount

Gross carrying amount	28 545	68 022	8 544	4 177	43 969
Accumulated depreciation	-	(5 746)	(582)	(3 310)	(27 547)
Total	28 545	62 276	7 962	867	16 422

	Bearer plants	Large vessels	Constructions and works in progress - and equipment	Constructions and works in progress - Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	105	608	114	119	120 475
Acquisitions	-	-	1 630	938	3 801
Disposals	-	-	-	-	(53)
Depreciation	-	(104)	-	-	(6 113)
Revaluation increment/(decrement)	-	763	-	-	763
Transfer between asset classes	-	-	(1 253)	(119)	-
Carrying amount at 30 June 2020	105	1 267	491	938	118 873

Carrying amount

Gross carrying amount	105	1 300	491	938	156 091
Accumulated depreciation	-	(33)	-	-	(37 218)
Total	105	1 267	491	938	118 873

A review of capital expenditure by the department in 2020-21 identified \$78 000 of costs were included as supplies and services that should be capitalised in 2019-20. A prior period adjustment to retained earnings has been made in 2020-21. The comparatives have been restated per table below:

	Note	2020 Original balance \$000	2020 Restated balance \$000
Supplies and services	4.1	55 213	55 135
Property plant and equipment	5.1	118 795	118 873

Department of Primary Industries and Regions
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5.2. Property, plant and equipment leased by the department

	2021	2020
	\$'000	\$'000
Right-of-use plant and equipment		
Right-of-use plant and equipment at cost	4 275	3 602
Accumulated depreciation	(2 397)	(1 358)
Total right-of-use plant and equipment	<u>1 878</u>	<u>2 244</u>

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 2020-21 were \$0.89m (\$1.013m).

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:

- 162 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.
- 2 tractor leases 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.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.3. Intangible assets

Reconciliation 2020-21

	Computer software \$'000	Computer software development \$'000	Water rights \$'000	Total \$'000
Carrying amount at 1 July 2020	5 789	844	188	6 821
Transfer between asset classes	248	(248)	-	-
Amortisation expense	(1 209)	-	-	(1 209)
Other movements	(672)	-	-	(672)
Derecognition	-	(425)	-	(425)
Carrying amount at 30 June 2021	4 156	171	188	4 515
Carrying amount				
Gross carrying amount	17 936	171	188	18 295
Accumulated amortisation	(13 780)	-	-	(13 780)
Total	4 156	171	188	4 515

Reconciliation 2019-20

	Computer software \$'000	Computer software development \$'000	Water rights	Total \$'000
Carrying amount at 1 July 2019	5 340	593	173	6 106
Additions	116	1 749	15	1 880
Transfer between asset classes	1 498	(1 498)	-	-
Amortisation expense	(1 165)	-	-	(1 165)
Carrying amount at 30 June 2020	5 789	844	188	6 821
Carrying amount				
Gross carrying amount	18 383	844	188	19 415
Accumulated amortisation	(12 594)	-	-	(12 594)
Total	5 789	844	188	6 821

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

Department of Primary Industries and Regions
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5.3. Intangible assets (continued)

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.

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% (2020: 100%), with no rationing.

Department of Primary Industries and Regions
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5.4. Inventories

	2021	2020
	\$'000	\$'000
Biological assets		
Livestock	2 950	2 273
Agricultural produce	127	219
Total biological assets	3 077	2 492
Other inventories		
Chemicals and other	225	38
Fuel and related items	26	23
Total other inventories	251	61
Total inventories	3 328	2 553

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 Other income of 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

Department of Primary Industries and Regions
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5.4. Inventories (continued)

	Agricultural produce	Livestock
	\$'000	\$'000
Balance at the beginning of the period	219	2 273
Acquisitions	145	1 053
Sales	(545)	(1 979)
Used as feed stock	(324)	-
Harvests transferred to inventories	632	-
Increase due to natural accretion	-	993
Inventory changes (biological growth)	-	95
Change in fair value less estimated costs to sell	-	515
Balance at the end of the period	127	2 950

Agricultural activities are carried out to assist with research, but are conducted on a commercial basis. At 30 June 2021 inventory included 9 691 sheep, 880 cattle and 498 tonnes of crops and grain.

Production for the year included 255 tonnes of grapes and fruit, 6 835 lambs, 108 calves and 4 000 tonnes of other grain crops.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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6. Financial assets

6.1. Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Deposits with the Treasurer	206 267	140 370
Deposits with SAFA (foreign currency)	-	301
Imprest account and cash on hand	1	1
Total cash and cash equivalents	206 268	140 672

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)	24 339	21 593
Funds held pursuant to the <i>Rural Industry Adjustment and Development Act 1985</i> and other State and Commonwealth Schemes for rural financial assistance	55 526	56 479
External funds held in the nature of grants or under cooperative agreements where unspent funds may be returned to the funder	14 501	14 075
Commonwealth funds held for the SARMS Program	2 335	4 085
Commonwealth funds held pursuant to the various Concessional Loans Schemes	1 336	55
Deposits with the Treasurer held as working capital, but subject to Department of Treasury and Finance budget and cash alignment policies	108 230	44 083
Total deposits with the Treasurer	206 267	140 370

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

	2021	2020
	\$'000	\$'000
Current		
Trade receivables		
From government entities	1 484	612
From non-government entities	8 573	8 693
Less: impairment loss on receivables	(132)	(106)
Total trade receivables	9 925	9 199
Current loans receivables		
Loans to cooperatives	4 213	338
Loans - Commonwealth concessional loan schemes	2 941	1 662
Total current loans receivables	7 154	2 000
Other receivables		
Workers compensation recoveries	3	8
GST input tax recoverable	2 551	1 732
Other accrued revenue	3 420	841
Accrued interest on loans and deposits	160	61
Prepayments	410	309
Total other receivables	6 544	2 951
Total current receivables	23 623	14 150
Non-Current		
Loans to cooperatives	19 800	10 362
Loans - Commonwealth concessional loan schemes	10 195	14 343
Workers compensation recoveries	11	62
Total non-current receivables	30 006	24 767
Total receivables	53 629	38 917

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 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.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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6.2. Receivables (continued)

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. 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 applicants is at a market rate and a lending margin is 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 assessing the requirements of *AASB 9 Financial Instruments* the department has taken the position that 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.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
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6.2. Receivables (continued)

Allowance for impairment loss on receivables

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	106	141
Amounts written off	(3)	(10)
Increase/(Decrease) in allowance recognised in profit or loss	29	(25)
Carrying amount at the end of the period	132	106

Impairment losses relate to contracts with customers external to SA Government.

Refer to note 10.4 for details regarding credit risk and the methodology for determining impairment.

6.3. Contract assets/liabilities

	2021	2020
	\$'000	\$'000
Contract assets		
Grants	3 008	5 697
Sale of services	26	473
Total contract assets	3 034	6 170
Contract liabilities		
Current		
Grants	9 979	12 205
Sale of services	1 247	1 102
Total current contract liabilities	11 226	13 307
Non-Current		
Grants	-	250
Total non current contract liabilities	-	250
Total contract liabilities	11 226	13 557

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 decreased as the department provided less 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 \$13 307 000 was recognised in 2020-21 that was included in contract liabilities at 1 July 2020. 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.

Department of Primary Industries and Regions
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6.4. Other financial assets

	2021	2020
	\$'000	\$'000
Investments in shares - unlisted public companies	25 238	20 428
Total other financial assets	25 238	20 428

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. 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 \$25.208m. An independent valuation was conducted in July 2021 for the year ended 30 June 2021 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 15.4%, compared to last year's range between 14.6% and 17.3%. The financial effect of this change is an increase in the valuation of \$2.376m. 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 (\$25.208m) of the low-high range of possible outcomes (between \$22.363m and \$28.054m) 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.

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6.4. Other financial assets (continued)

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 2021.

- 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.

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.

	2021	2020
	\$'000	\$'000
Movement in financial assets		
Carrying amount at the beginning of the period	20 428	20 643
Fair value movement	4 810	(215)
Carrying amount at the end of the period	25 238	20 428

For further information on risk management refer to note 10.4.

Department of Primary Industries and Regions
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7. Liabilities

7.1. Payables

	2021	2020
	\$'000	\$'000
Current		
Trade and other payables	25	400
Accrued expenses	19 566	13 928
Accrued interest on borrowings	169	106
Paid parental leave scheme	22	22
Employment on-costs	1 967	1 901
Total current payables	21 749	16 357
Non-current		
Employment on-costs	1 900	2 115
Total non-current payables	1 900	2 115
Total payables	23 649	18 472

Payables are measured at nominal amounts.

Payables and accruals are raised for all amounts owed and unpaid. Payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Employment on costs

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

The department contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting 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 remained unchanged at 42% and the average factor for the calculation of employer superannuation costs on-costs has increased from 2020 rate (9.8%) to 10.1%. These rates are used in the employment on-cost calculation.

The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$74 000 and employee benefits expense of \$74 000.

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7.2. Financial liabilities

	2021	2020
	\$'000	\$'000
Current		
Indebtedness to the Treasurer		
Borrowings for Commonwealth concessional loan schemes	4 241	1 662
Borrowings for loans to cooperatives	4 212	338
Lease liabilities	1 021	1 127
Total current financial liabilities	9 474	3 127
Non-current		
Indebtedness to the Treasurer		
Borrowings for Commonwealth concessional loan schemes	10 195	14 343
Borrowings for loans to cooperatives	19 800	10 362
Lease liabilities	874	1 130
Total non-current financial liabilities	30 869	25 835
Total financial liabilities	40 343	28 962

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 *Financial Instruments* 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.

	2021	2020
	\$'000	\$'000
Movement in indebtedness to the Treasurer		
Carrying amount at the beginning of the period	26 705	18 825
Additional borrowing during the year	13 651	10 700
Repayment of borrowings	(1 908)	(2 820)
Carrying amount at the end of the period	38 448	26 705

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 rates. For details of right-of-use assets, refer to note 5.2.

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7.3. Provisions

	2021 \$'000	2020 \$'000
Current		
Provision for workers compensation	357	445
Total current provisions	357	445
Non-current		
Provision for workers compensation	877	1 953
Total non-current provisions	877	1 953
Total provisions	1 234	2 398
Carrying amount at the beginning of the period	2 398	777
Reductions arising from payments	(478)	(157)
Revaluation of liability ⁽¹⁾	(1 037)	1 364
Additional provisions recognised	351	414
Carrying amount at the end of the period	1 234	2 398

⁽¹⁾ Open seriously injured worker (SIW) claims decreased from one (at previous valuation) to zero.

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

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

Additional Compensation for Certain Work-Related Injuries or Illnesses (Additional Compensation provision)

Following changes to relevant *Public Sector Enterprise Agreements and Awards*, the department has recognised an Additional Compensation provision of \$51 000 (2020: \$45 000) as workers compensation.

The Additional Compensation provision 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.

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7.4. Other liabilities

	2021	2020
	\$'000	\$'000
Current		
Accommodation incentive	73	73
Total current other liabilities	<u>73</u>	<u>73</u>
Non-current		
Accommodation incentive	404	477
Other liabilities	1	2
Total non-current other liabilities	<u>405</u>	<u>479</u>
Total other liabilities	<u><u>478</u></u>	<u><u>552</u></u>

Accommodation incentive liabilities relate to arrangements with the Department for Infrastructure and Transport (DIT) for office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities. DIT has provided 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

Total cash outflows for leases was \$1 268 000 (2020: \$1 383 000).

Reconciliation of net result to cash flows from operating activities

	2021	2020
	\$'000	\$'000
Reconciliation of cash at 30 June 2021		
Cash disclosed in the Statement of Financial Position	206 268	140 672
Balance as per the Statement of Cash Flows	206 268	140 672
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by / (used in) operating activities	68 877	16 208
Add / (less) non-cash items		
Depreciation and amortisation	(8 845)	(8 636)
Gain/(loss) on disposal of property, plant and equipment	(725)	60
Gain/(loss) on inventories	545	593
Derecognition of intangible assets	(425)	-
Accommodation incentive	73	129
Impairment loss on receivables movement	(26)	27
Asset write down	(23)	(5)
Net losses on foreign exchange	(21)	-
Movement in assets and liabilities		
(Decrease)/increase in receivables	3 866	(1 485)
(Decrease)/increase in inventories	(605)	(228)
(Decrease)/increase in contract assets	(3 136)	6 170
(Increase)/decrease in payables	(2 403)	(1 175)
(Increase)/decrease in provisions	1 164	(1 621)
(Increase)/decrease in contract liabilities	2 331	(13 557)
(Increase)/decrease in employee benefits	3 276	621
(Increase)/decrease in other liabilities	1	12 488
Net result	63 924	9 589

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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 2020-21 and remains at \$16 000 as at 30 June 2021.

Department of Primary Industries and Regions
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9. Outlook

9.1. Unrecognised commitments

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

Capital commitments

Capital expenditure contracted for at the reporting date but are not recognised as liabilities in the financial report, are payable as follows:

	2021	2020
	\$'000	\$'000
Within one year	502	237
Total capital commitments	502	237

Capital commitments relate to current contractual agreements for the development and supply of plant and equipment.

Expenditure commitments

	2021	2020
	\$'000	\$'000
Within one year	60 866	48 063
Later than one year but not longer than five years	21 302	25 911
Later than five years	3 438	662
Total expenditure commitments	85 606	74 636

The department's expenditure commitments include:

- memoranda of administrative arrangements with the DIT for accommodation with commitment of \$9 104 000 (2020: \$12 134 000).
- 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 into which have not yet commenced

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

9.2. Expected realisation of contract liabilities as revenue

All contract liabilities as at 30 June 2021 are expected to be recognised as revenue in 2021-22.

Department of Primary Industries and Regions
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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 liabilities

The department has received applications from licence holders to surrender commercial marine scalefish fishing licences under the Voluntary Licence Surrender Program and maybe liable for reimbursement of up to \$600 000 if the applications are approved.

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.

Certain matters associated with contaminants such as contaminated land and hazardous materials have been identified and are managed in accordance with recognised standards, minimising the likelihood of future environmental risks to Government. At this time, the financial impact cannot be reliably estimated.

9.4. Impact of standards and statements not yet effective

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

Amending Standard AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to the department, this amending standard is not expected to have an impact on the department's general purpose financial statements.

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

9.5. COVID-19 pandemic outlook for the department

The COVID-19 pandemic will continue to impact on the way in which the department operates and delivers services in 2021-22 to the primary industry sectors and regions of the state.

At this stage any potential significant on-going financial impacts on the department are still being determined and are not reliably measurable.

9.6. Events after the reporting period

No events have occurred after balance date that would affect the financial statements of PIRSA as at 30 June 2021.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10. Measurement and risk

10.1. Long service leave liability – measurement

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

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

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

The actuarial assessment performed by DTF for the salary inflation rate has remained at 2020 rate of 2.5% for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$2.066m and employee benefit expense of \$2.066m. 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 actuary determined that 84.88% (83.67%) of the total liability was unconditionally payable to employees as they had greater than 10 years of service. Leave analysis indicates that a significant amount of long service leave is accumulated and will not be taken in the next financial year. The current portion of the long service leave provision therefore reflects the unconditional amount expected to be paid within the next reporting period, calculated from a long term average of recurrent long service leave payments.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

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. 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.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.2. Fair value (continued)

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

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

	Note	2021 \$'000	Level 2 \$'000	Level 3 \$'000
Fair value classification - at 30 June 2021				
Recurring fair value measurements				
Land	5.1	27 347	27 347	-
Buildings and infrastructure specialised	5.1	62 937	-	62 937
Buildings and infrastructure non specialised	5.1	7 484	7 484	-
Accommodation improvements	5.1	644	-	644
Bearer plants	5.1	105	-	105
Plant and equipment	5.1	15 977	-	15 977
Large vessels	5.1	1 143	-	1 143
Other financial assets	6.4	25 238	-	25 238
Total recurring fair value measurements		140 875	34 831	106 044
Total		140 875	34 831	106 044

	Note	2020 \$'000	Level 2 \$'000	Level 3 \$'000
Fair value classification - at 30 June 2020				
Recurring fair value measurements				
Land	5.1	28 545	28 545	-
Buildings and infrastructure specialised	5.1	62 276	-	62 276
Buildings and infrastructure non specialised	5.1	7 962	7 962	-
Accommodation improvements	5.1	867	-	867
Bearer plants	5.1	105	-	105
Plant and equipment	5.1	16 422	-	16 422
Large vessels	5.1	1 267	-	1 267
Other financial assets	6.4	20 428	-	20 428
Total recurring fair value measurements		137 872	36 507	101 365
Total		137 872	36 507	101 365

Land, buildings and infrastructure

Land, buildings and infrastructure were independently reviewed and revalued to fair value as at 30 June 2018, 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 taking into account 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.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.2. Fair value (continued)

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.

Other financial assets – investments in shares

The fair value of unlisted investments are based on expected cash flows discounted at a market interest rate and taking into account 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 2019-20 and 2020-21. Refer to Note 5.1 and 6.4 for other movements.

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 2020-21 and is not expected to incur such charges in 2021-22.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

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.

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.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.4. Financial instruments (continued)

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	6 752	0.02	1
1-30 days past due	812	0.07	1
31 - 60 days past due	291	0.35	1
61-90 days past due	46	0.66	-
More than 90 days past due	672	19.20	<u>129</u>
Loss allowance			<u>132</u>

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.

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.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.4. Financial instruments (continued)

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.

Maturity analysis of financial instruments

Category of financial asset and financial liability		2021 Carrying amount / fair value \$'000	2021 Contractual maturities		
			Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
Financial assets at amortised cost					
Cash	6.1	206 268	206 268	-	-
Receivables	6.2	13 505	13 505	-	-
Loans receivable	6.2	37 149	7 154	19 800	10 195
Financial assets at fair value through other comprehensive income					
Other financial assets	6.4	25 238	25 238	-	-
Total financial assets		282 160	252 165	19 800	10 195
Financial liabilities at amortised cost					
Payables	7.1	19 086	19 086	-	-
Borrowings	7.2	38 448	8 453	19 800	10 195
Lease liabilities	7.2	1 895	1 021	874	-
Total financial liabilities		59 429	28 560	20 674	10 195

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
for the year ended 30 June 2021

10.4. Financial instruments (continued)

Category of financial asset and financial liability		2020	2020 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	140 672	140 672	-	-
Receivables	6.2	10 171	10 171	-	-
Loans receivable	6.2	26 705	2 000	12 510	12 195
Financial assets at fair value through other comprehensive income					
Other financial assets	6.4	20 428	20 428	-	-
Total financial assets		197 976	173 271	12 510	12 195
Financial liabilities at amortised cost					
Payables	7.1	14 165	14 165	-	-
Borrowings	7.2	26 705	2 000	12 510	12 195
Lease liabilities	7.2	2 257	1 127	1 130	-
Total financial liabilities		43 127	17 292	13 640	12 195

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

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

Administered Financial Statements

For the year ended 30 June 2021

Department of Primary Industries and Regions
Statement of Administered Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Administered income			
Appropriation	A2.1	5 049	4 948
Fees and charges	A2.2	31 464	29 684
SA Government subsidy	A2.3	180	-
Interest	A2.4	6	84
Levies collections	A2.5	206	218
Resources received free of charge	A2.6	-	71
Other income	A2.7	130	51
Total administered income		37 035	35 056
Administered expenses			
Employee benefits expenses	A3.3	377	408
Supplies and services	A4.1	2 452	2 418
Grants and subsidies	A4.2	30 896	29 398
Levies payments	A4.3	268	170
Other expenses	A4.4	-	4
Total administered expenses		33 993	32 398
Net result		3 042	2 658
Total comprehensive result		3 042	2 658

The accompanying notes form part of these financial statements.

Department of Primary Industries and Regions
Statement of Administered Financial Position
as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Administered current assets			
Cash and cash equivalents	A6.1	22 108	19 252
Receivables	A6.2	3 914	2 045
Total current assets		26 022	21 297
Administered non-current assets			
Property	A5.1	54 116	54 116
Total non-current assets		54 116	54 116
Total assets		80 138	75 413
Administered current liabilities			
Payables	A7.1	976	201
Other liabilities	A7.2	1 771	863
Total current liabilities		2 747	1 064
Total liabilities		2 747	1 064
Net assets		77 391	74 349
Administered equity			
Retained earnings		77 391	74 349
Total equity		77 391	74 349

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 2021

	2021	2020
	\$'000	\$'000
Cash flows from operating activities	Note	
Cash inflows		
Appropriations	5 049	4 951
Fees and charges	30 628	25 067
SA Government subsidy	180	-
Interest	6	98
Levies collections	206	218
Other income	5	-
Cash generated from operations	36 074	30 334
Cash outflows		
Employee benefit expenses	(377)	(408)
Supplies and services	(2 325)	(2 364)
Grants and subsidies	(30 248)	(30 838)
Levies payments	(268)	(170)
Other expenses	-	(4)
Cash used in operations	(33 218)	(33 784)
Net cash provided by / (used in) operations	A8.1	2 856
		(3 450)
Cash and cash equivalents at the beginning of the period		19 252
Cash and cash equivalents at the end of the period	A6.1	22 108
		19 252

The accompanying notes form part of these financial statements.

Department of Primary Industries and Regions
Expenses and Income by Administered Programs
For the year ended 30 June 2021

Administered programs - refer note A1.1	Adelaide Hills Wine		Aquaculture Resource		Barossa Wine Industry	
	Industry Fund		Management Fund		Fund	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	-	-	-	-
Fees and charges	479	332	2 106	1 335	1 294	1 136
SA Government subsidy	-	-	-	-	-	-
Interest	-	1	1	8	-	3
Levies collections	-	-	-	-	-	-
Resources received free of charge	-	9	-	-	-	10
Other income	-	-	23	-	-	-
Total administered income	479	342	2 130	1 343	1 294	1 149
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	23	29	-	-	33	35
Grants and subsidies	201	226	2 050	1 160	642	779
Levies payments	-	-	-	-	-	-
Other expenses	-	-	-	(36)	-	-
Total administered expenses	224	255	2 050	1 124	675	814
Net result	255	87	80	219	619	335

	Citrus Growers Fund		Clare Valley Wine		Eyre Peninsula Grain	
	Industry Fund		Industry Fund		Growers Rail Fund	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	-	-	-	-
Fees and charges	169	209	326	286	-	-
SA Government subsidy	-	-	-	-	-	-
Interest	-	2	-	1	-	-
Levies collections	-	-	-	-	-	-
Resources received free of charge	-	-	-	5	-	-
Other income	-	-	-	-	3	3
Total administered income	169	211	326	292	3	3
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	13	12	28	13	3	3
Grants and subsidies	150	150	76	232	-	-
Levies payments	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total administered expenses	163	162	104	245	3	3
Net result	6	49	222	47	-	-

Department of Primary Industries and Regions
Expenses and Income by Administered Programs
For the year ended 30 June 2021

	Fisheries Research and Development Fund		ForestrySA Service Obligations		Community Grain Industry Fund	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	4 658	4 544	-	-
Fees and charges	14 416	14 816	-	-	1 490	1 125
SA Government subsidy	180	-	-	-	-	-
Interest	-	-	-	-	1	7
Levies collections	-	-	-	-	-	-
Resources received free of charge	-	-	-	-	-	-
Other income	104	3	-	-	-	-
Total administered income	14 700	14 819	4 658	4 544	1 491	1 132
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	1 653	1 670	-	-	23	21
Grants and subsidies	12 002	12 758	4 658	4 544	1 380	1 350
Levies payments	-	-	-	-	-	-
Other expenses	-	40	-	-	-	-
Total administered expenses	13 655	14 468	4 658	4 544	1 403	1 371
Net result	1 045	351	-	-	88	(239)

	Grain Industry Research and Development Fund		Langhorne Creek Wine Industry Fund		McLaren Vale Wine Industry Fund	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	-	-	-	-
Fees and charges	2 232	1 687	408	418	937	808
SA Government subsidy	-	-	-	-	-	-
Interest	-	1	-	1	-	2
Levies collections	-	-	-	-	-	-
Resources received free of charge	-	-	-	5	-	8
Other income	-	-	-	-	-	-
Total administered income	2 232	1 688	408	424	937	818
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	21	20	24	17	89	23
Grants and subsidies	2 162	1 631	155	300	492	533
Levies payments	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total administered expenses	2 183	1 651	179	317	581	556
Net result	49	37	229	107	356	262

Department of Primary Industries and Regions
Expenses and Income by Administered Programs
For the year ended 30 June 2021

	Riverland Wine Industry Fund		South Australian Apiary Industry Fund		South Australian Cattle Industry Fund	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	-	-	-	-
Fees and charges	1 449	1 470	67	64	764	1 008
SA Government subsidy	-	-	-	-	-	-
Interest	-	5	-	2	-	5
Levies collections	-	-	-	-	-	-
Resources received free of charge	-	12	-	-	-	-
Other income	-	-	-	-	-	16
Total administered income	1 449	1 487	67	66	764	1 029
Administered expenses						
Employee benefits expenses	-	-	-	-	-	-
Supplies and services	306	274	6	7	47	45
Grants and subsidies	882	925	10	44	797	700
Levies payments	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total administered expenses	1 188	1 199	16	51	844	745
Net result	261	288	51	15	(80)	284

	South Australian Grape Growers Industry Fund		South Australian Pig Industry Fund		South Australian Sheep Industry Fund	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	-	-	-	-	-	-
Fees and charges	728	646	174	185	4 425	4 159
SA Government subsidy	-	-	-	-	-	-
Interest	-	2	2	19	2	24
Levies collections	-	-	-	-	-	-
Resources received free of charge	-	22	-	-	-	-
Other income	-	-	-	-	-	29
Total administered income	728	670	176	204	4 427	4 212
Administered expenses						
Employee benefits expenses	-	-	-	-	-	6
Supplies and services	126	128	23	63	33	54
Grants and subsidies	322	450	292	302	4 625	3 314
Levies payments	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total administered expenses	448	578	315	365	4 658	3 374
Net result	280	92	(139)	(161)	(231)	838

Department of Primary Industries and Regions
Expenses and Income by Administered Programs
For the year ended 30 June 2021

	Other Funds		Pastoral Land Management Fund		Total	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income						
Appropriation	377	390	14	14	5 049	4 948
Fees and charges	-	-	-	-	31 464	29 684
SA Government subsidy	-	-	-	-	180	-
Interest	-	-	-	1	6	84
Levies collections	206	218	-	-	206	218
Resources received free of charge	-	-	-	-	-	71
Other income	-	-	-	-	130	51
Total administered income	583	608	14	15	37 035	35 056
Administered expenses						
Employee benefits expenses	377	402	-	-	377	408
Supplies and services	1	4	-	-	2 452	2 418
Grants and subsidies	-	-	-	-	30 896	29 398
Levies payments	268	170	-	-	268	170
Other expenses	-	-	-	-	-	4
Total administered expenses	646	576	-	-	33 993	32 398
Net result	(63)	32	14	15	3 042	2 658

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2021

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 provides details of expenses and revenues applicable to the administered funds of PIRSA. 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 Resource Management 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 purposes 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.

Eyre Peninsula Grain Growers Rail Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 7 September 2006. The primary purpose of the fund is to collect \$2 million towards the cost of improving the Eyre Peninsula grain railway line and associated equipment or infrastructure. The *Primary Industry Funding Schemes (Eyre Peninsula Grain Growers Rail Fund) Revocation Regulations 2021* gazetted on 25 March 2021 formally revoked the Fund as at 31 March 2021.

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 or enhancement of living resources found in waters to which the Act applies or promotion of any fishing, fish farming or fish processing activity.

Department of Primary Industries and Regions
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A1.1. Administered funds of the department (continued)

ForestrySA Community Service Obligations

PIRSA receives appropriation to make payments to ForestrySA 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.

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.

Pastoral Land Management Fund

This fund was established pursuant to section 9 of the *Pastoral Land Management and Conservation Act 1989*. The primary purposes of the fund is to provide funding for research into techniques for pastoral land management, for prevention or minimisation of pastoral land degradation and for rehabilitation of degraded pastoral land, and other purposes consistent with the management and conservation of pastoral land.

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.

Department of Primary Industries and Regions
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A1.1. Administered funds of the department (continued)

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 growers industry, undertake research and development and encourage communication and cooperation between participants in the SA grape growers industry.

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*.

Department of Primary Industries and Regions
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A1.2. Budget performance

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

Statement of Administered Comprehensive Income	Note	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Administered Income				
Appropriation		5 052	5 049	(3)
Fees and charges		30 842	31 464	622
SA Government subsidy		180	180	-
Interest		130	6	(124)
Levies collections		166	206	40
Other income		-	130	130
Total administered income		36 370	37 035	665
Administered Expenses				
Employee benefits expenses		483	377	(106)
Supplies and services		2 643	2 452	(191)
Grants and subsidies		34 236	30 896	(3 340)
Levies payments		166	268	102
Other expenses		20	-	(20)
Total administered expenses		37 548	33 993	(3 555)
Net result		(1 178)	3 042	4 220

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.

A1.3. Significant transactions with government related entities

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

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A2. Income

A2.1. Appropriations

	2021	2020
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the Appropriation Act	4 672	4 558
Reimbursements received for Parliamentary salaries and expense allowances	377	390
Total appropriations	5 049	4 948

Appropriations are recognised under AASB 1058 upon receipt.

A2.2. Fees and charges

	2021	2020
	\$'000	\$'000
Aquaculture and fishing licences	13 818	14 007
Industry contributions	14 942	13 533
Penalties and fines	-	11
Other fees and levies	2 704	2 133
Total fees and charges	31 464	29 684

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. SA Government subsidy

The subsidy of \$180 000 was received from COVID-19 Support Fund administered by DTF because the Treasurer approved a 6 month waiver on Charter Boat Operator annual licence fees for 2020-21 to support licence holders experiencing financial hardship and other impacts caused by restrictions enforced to limit the spread of COVID-19.

A2.4. Interest

	2021	2020
	\$'000	\$'000
Interest on special deposit accounts	6	84
Total interest	6	84

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A2.5. Levies collections

	2021	2020
	\$'000	\$'000
Seed levies	206	218
Total levies collection	206	218

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 undertake 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.

A2.6. Resources received free of charge

	2021	2020
	\$'000	\$'000
Services received free of charge	-	71
Total resources received free of charge	-	71

The cost of PIRSA's administration services were not charged to various funds in 2019-20 to reflect government support to the financial hardship being experienced by the wine sector mainly in relation to drought and bushfire impacts as well as COVID-19 restrictions.

Resources received free of charge are recorded at their fair value and recognised as revenue under AASB 1058 upon receipt.

A2.7. Other income

	2021	2020
	\$'000	\$'000
Reduction in impairment on receivables	121	-
Reimbursements/recoveries	3	48
Other	6	3
Total other income	130	51

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A3. Board, committees and employees

A3.1. Key management personnel

The Minister for Primary Industries and Regional Development has responsibility for all of the administered funds included under note A1.1 and discharges his 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 A3.3 for the Minister's remuneration.

A3.2. Board and committee members

There were no board or committee members during the 2020-21 financial year. The South Australian Cattle Advisory Group and South Australian Sheep Advisory Group ceased as of 02 June 2020.

The number of officers, including judicial officers, whose remuneration received or receivable falls within the following bands:

	2021	2020
	Number	Number
\$0 - \$19 999	-	24
Total number of officers	-	24

A3.3. Employee benefit expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	376	390
Board and committee fees	-	2
Workers' compensation	1	16
Total employee benefit expenses	377	408

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A4. Expenses

Employee benefits expenses are disclosed in note A3.3.

A4.1. Supplies and services

	2021	2020
	\$'000	\$'000
Professional and technical services ⁽¹⁾	1 808	1 902
Administrative and operating costs	643	513
Other	1	3
Total supplies and services	2 452	2 418

⁽¹⁾ Includes audit fees paid/payable to the Auditor-General's Department of \$107 300 (2020: \$107 300) relating to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

A4.2. Grants and subsidies

	2021	2020
	\$'000	\$'000
Recurrent grants to industry	11 936	8 832
Transfer to PIRSA for industry research and project delivery	13 172	15 245
Intra government transfers	5 788	5 321
Total grants and subsidies	30 896	29 398

The grant programs and subsidies paid/payable during the year were:

Fisheries Research and Development Fund	12 002	12 758
ForestrySA-Community Service Obligations	4 658	4 544
South Australian Sheep Industry Fund	4 625	3 314
Grain Industry Research and Development Fund	2 162	1 631
Aquaculture Resource Management Fund	2 050	1 160
Grain Industry Fund	1 380	1 350
Riverland Wine Industry Fund	882	925
South Australian Cattle Industry Fund	797	700
Barossa Wine Industry Fund	642	779
McLaren Vale Wine Industry Fund	492	533
South Australian Grape Growers Industry Fund	322	450
South Australian Pig Industry Fund	292	302
Adelaide Hills Wine Industry Fund	201	226
Langhorne Creek Wine Industry Fund	155	300
Citrus Growers Fund	150	150
Clare Valley Wine Industry Fund	76	232
South Australian Apiary Industry Fund	10	44
Total grants and subsidies	30 896	29 398

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A4.3. Levies payments

	2021	2020
	\$'000	\$'000
Seed levies	268	170
Total levies payments	268	170

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 A2.5.

A4.4. Other expenses

	2021	2020
	\$'000	\$'000
Increase in impairment of receivables	-	4
Total other expenses	-	4

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A5. Non-financial assets

A5.1. Property

	2021 \$'000	2020 \$'000
Land		
Land at fair value	54 116	54 116
Total land	54 116	54 116
Total property	54 116	54 116

Land relates to crown tenure over pastoral lands in South Australia covering the more arid lands north of, and immediately below, the dog fence. The value recognised is the value transferred in from the Department of Environment and Water (DEW) arising from the transfer of the Pastoral Board on 1 January 2019. The unimproved value of the land is a value determined by the Valuer-General. The Valuer-General conducts the valuation and the determination of pastoral lease rents in accordance with the *Pastoral Land Management and Conservation Act 1989* (Section 23 (1) and (2)). The unimproved land value is determined using Level 2 inputs (refer PIRSA Controlled note 10.2).

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A6. Financial assets

A6.1. Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Deposits with the Treasurer	22 108	19 252
Total cash and cash equivalents	22 108	19 252

Deposits with the Treasurer

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

A6.2. Receivables

	2021	2020
	\$'000	\$'000
Current		
Trade receivables		
From non-government entities	882	962
Less impairment loss on receivables	(145)	(267)
Total trade receivables	737	695
Other accrued revenue	3 177	1 350
Total current receivables	3 914	2 045
Total receivables	3 914	2 045

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. Receivables are non-interest bearing. Receivables are held with the objectives of collecting the contractual cash flows and they are measured at amortised cost.

Allowance for impairment loss on receivables

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	267	329
Amounts written off	(1)	(66)
(Decrease) / increase in allowance recognised in profit and loss	(121)	4
Carrying amount at the end of the period	145	267

Refer to note A10.1 for details regarding credit risk and the methodology for determining impairment.

Department of Primary Industries and Regions
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For the year ended 30 June 2021

A7. Liabilities

A7.1. Payables

	2021	2020
	\$'000	\$'000
Current		
Accrued expenses	976	201
Total current payables	976	201
Total payables	976	201

A7.2. Other liabilities

	2021	2020
	\$'000	\$'000
Current		
Contract liabilities ⁽¹⁾	1 730	818
Other	41	45
Total current other liabilities	1 771	863
Total other liabilities	1 771	863

(1) Licence fees paid in advance of the licence period start date.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A8. Other disclosures

A8.1. 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. GST cash flows applicable to the Administered funds are recorded in the department's Controlled Statement of Cash Flows

Reconciliation of net result to cash flows from operating activities

	2021	2020
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	22 108	19 252
Balance as per the Statement of Cash Flows	22 108	19 252
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	2 856	(3 450)
Add / (less) non-cash items		
Impairment of receivables	121	(4)
Movement in assets and liabilities		
Increase/(decrease) in receivables	1 748	1 762
(Increase)/decrease in other liabilities	(908)	2 893
(Increase)/decrease in payables	(775)	1 457
Net result	3 042	2 658

Department of Primary Industries and Regions
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For the year ended 30 June 2021

A9. Outlook

A9.1. 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 2021.

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.

A9.2. 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 2021.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A10. Measurement and risk

A10.1. 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 ⁽¹⁾ \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	12	0.29	-
1-30 days past due	2	4.44	-
31-60 days past due	2	8.01	-
61-90 days past due	59	9.65	6
More than 90 days past due	807	17.22	139
Loss allowance			<u>145</u>

⁽¹⁾ Refer note A6.2

Department of Primary Industries and Regions
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A10.1. Financial instruments (continued)

Maturity analysis of financial instruments

Financial assets and liabilities at amortised cost	Note	2021	2021 Contractual maturities	
		Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents	A6.1	22 108	22 108	-
Total financial assets		22 108	22 108	-

Financial liabilities				
Payables	A7.1	750	750	-
Total financial liabilities		750	750	-

Financial assets and liabilities at amortised cost	Note	2020	2020 Contractual maturities	
		Carrying amount/ Fair value \$'000	Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents	A6.1	19 252	19 252	-
Total financial assets		19 252	19 252	-

Financial liabilities				
Payables	A7.1	96	96	-
Total financial liabilities		96	96	-

Receivables and payables

The receivables and payables amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc., they would be excluded from the disclosure.