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To the Chief Executive Department for Infrastructure and Transport

Opinion

I have audited the financial report of the Department for Infrastructure and Transport for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Infrastructure and Transport as at 30 June 2022, 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 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2022
- a Statement of Administered Financial Position as at 30 June 2022
- a Statement of Administered Changes in Equity for the year ended 30 June 2022
- a Statement of Administered Cash Flows for the year ended 30 June 2022
- a Schedule of Expenses and Income by administered programs for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Deputy Chief Executive Director Head of People and Corporate Services.

Basis for opinion

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

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

Responsibilities of the Chief Executive for the financial report

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

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

Auditor’s responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Infrastructure and Transport for the financial year ended 30 June 2022.

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

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

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

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

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



Andrew Richardson
Auditor-General

23 September 2022

Department for Infrastructure and Transport CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

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



Jon Whelan
Chief Executive

Department for Infrastructure
and Transport
South Australia

16 September 2022



Judith Formston
Deputy Chief Executive
Head of People
and Corporate Services

Department for Infrastructure
and Transport
South Australia

16 September 2022

**Department for Infrastructure and Transport -
Controlled**

Financial Statements

For the year ended 30 June 2022

Department for Infrastructure and Transport - Controlled
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Appropriation	2.1	747 682	671 225
Fees and charges	2.2	738 383	724 660
Australian Government sourced funding	2.3	695 315	795 798
SA Government grants, subsidies and transfers	2.4	51 617	62 564
Sales of goods and services	2.5	141 486	193 967
Rental Income	2.6	193 225	196 392
Grants and subsidies income	2.7	56 470	65 802
Interest	2.8	4 700	4 736
Resources received free of charge	2.9	10 260	7 766
Net gain from the disposal of property plant and equipment	2.10	8 535	7 435
Other income	2.11	39 549	32 593
Total income		2 687 222	2 762 938
Expenses			
Employee benefits expenses	3.3	148 518	187 981
Supplies and services	4.1	924 273	941 353
Depreciation and amortisation	4.2	648 629	651 891
Grants and subsidies	4.3	105 467	76 512
Borrowing costs	4.4	20 583	21 580
Cash alignment payments to Department of Treasury and Finance		-	114 469
Other expenses	4.5	173 391	37 581
Total expenses		2 020 861	2 031 367
Net result		666 361	731 571
Other comprehensive income			
Items that will not be reclassified to net result:			
Changes in property, plant and equipment asset revaluation surplus	8.1	12 841	720 968
Total other comprehensive income		12 841	720 968
Total comprehensive result		679 202	1 452 539

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

Department for Infrastructure and Transport - Controlled
Statement of Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	4 427 738	4 532 863
Receivables	6.2	206 094	299 963
Inventories	5.6	6 283	6 190
Other Assets	6.3	26 955	28 709
Non-current assets held for sale	5.7	6 309	9 963
Total current assets		4 673 379	4 877 688
Non-current assets			
Receivables	6.2	147 383	156 822
Other Assets	6.3	58 654	47 706
Land Buildings and Facilities	5.1	3 541 587	3 390 715
Property Plant and Equipment	5.2	693 052	674 574
Network assets	5.3	30 331 552	29 558 889
Capital works in progress	5.4	1 869 459	1 791 236
Intangible assets	5.5	10 057	11 369
Total non-current assets		36 651 744	35 631 311
Total assets		41 325 123	40 508 999
Current liabilities			
Payables	7.1	293 069	442 009
Financial liabilities	7.2	117 120	108 217
Employee benefits	3.4	29 051	33 821
Provisions	7.3	21 402	13 042
Other current liabilities	7.4	20 232	20 911
Total current liabilities		480 874	618 000
Non-current liabilities			
Payables	7.1	12 285	17 924
Financial liabilities	7.2	888 053	875 096
Employee benefits	3.4	43 836	54 728
Provisions	7.3	16 309	15 533
Total non-current liabilities		960 483	963 281
Total liabilities		1 441 357	1 581 281
Net assets		39 883 766	38 927 718
Equity			
Contributed Capital		4 673 708	4 396 860
Retained earnings		12 909 500	12 232 454
Asset revaluation surplus		22 300 558	22 298 404
Total equity		39 883 766	38 927 718
Total equity is attributable to the SA Government as owner.			
Unrecognised contractual commitments	10.1		
Contingent assets and liabilities	10.2		

Department for Infrastructure and Transport - Controlled
Statement of Changes in Equity
for the year ended 30 June 2022

	Note	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		4 120 012	21 889 711	11 515 925	37 525 648
Prior Period - error corrections	8.2	-	-	909	909
Restated Balance at 1 July 2020		4 120 012	21 889 711	11 516 834	37 526 557
Net result for 2020-21		-	-	731 571	731 571
Gain / (loss) on Revaluation of Land, Buildings and Facilities during 2020-21		-	114 749	-	114 749
Gain / (loss) on Revaluation of Network Assets during 2020-21		-	524 685	-	524 685
Gain / (loss) on Revaluation of Plant and Equipment during 2020-21		-	71 221	-	71 221
Gain / (loss) on Revaluation of Intangibles during 2020-21		-	11 282	-	11 282
Gain / (loss) on Revaluation of Non-Current Assets Classified as Held for Sale		-	(969)	-	(969)
Total comprehensive result for 2020-21		-	720 968	731 571	1 452 539
Transfer between equity components					
Equity transfer on asset disposals		-	(17 399)	17 399	-
Other		-	2	4	6
Net assets transferred as a result of an administrative restructure		-	(294 878)	(28 817)	(323 695)
Transactions with SA Government as Owner					
Equity Contribution Received		276 848	-	-	276 848
Dividends Paid		-	-	(4 537)	(4 537)
Balance at 30 June 2021		4 396 860	22 298 404	12 232 454	38 927 718
Net result for 2021-22		-	-	666 361	666 361
Gain / (loss) on Revaluation of Land, Buildings and Facilities during 2021-22	5.2	-	10 966	-	10 966
Gain / (loss) on Revaluation of Plant and Equipment during 2021-22	5.3	-	1 904	-	1 904
Gain / (loss) on Revaluation of Non-Current Assets Classified as Held for Sale	5.7	-	(29)	-	(29)
Total comprehensive result for 2021-22		-	12 841	666 361	679 202
Transfer between equity components					
Equity transfer on asset disposals		-	(10 687)	10 687	-
Other		-	-	(2)	(2)
Transactions with SA Government as Owner					
Equity Contribution Received		276 848	-	-	276 848
Balance at 30 June 2022		4 673 708	22 300 558	12 909 500	39 883 766

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

Department for Infrastructure and Transport - Controlled
Statement of Cash Flows
for the year ended 30 June 2022

		2022 (Outflows) Inflows \$'000	2021 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash inflows			
Appropriation		747 682	671 225
Fees and charges		739 653	725 978
Receipts from Australian Government sourced funding		695 315	795 798
SA Government grants, subsidies and transfers		51 617	62 564
Rental income		207 544	218 566
Sale of goods and services		493 060	396 571
Grants and subsidies		56 470	65 802
Interest received		13 259	8 980
Construction work reimbursements		687 071	661 089
GST received from the ATO		218 603	153 673
Other receipts		20 290	16 842
Cash generated from operations		3 930 564	3 777 088
Cash outflows			
Employee benefit payments		(164 577)	(204 975)
Payments for supplies and services		(1 409 129)	(1 304 006)
Payments of grants and subsidies		(105 467)	(76 177)
Interest paid		(20 583)	(21 580)
Cash alignment payments to Department of Treasury and Finance		-	(114 469)
Construction work payments		(722 344)	(719 132)
Other payments		(34 919)	(41 630)
Cash used in operations		(2 457 019)	(2 481 969)
Net cash provided by/(used in) operating activities	8.3	1 473 545	1 295 119
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of property, plant and equipment		54 883	53 118
Cash generated from investing activities		54 883	53 118
Cash outflows			
Purchase of property, plant and equipment		(375 848)	(118 643)
Purchase of network assets		(1 435 080)	(1 084 671)
Cash used in investing activities		(1 810 928)	(1 203 314)
Net cash provided by/(used in) investing activities		(1 756 045)	(1 150 196)
Cash flows from financing activities			
Cash inflows			
Equity contributions received		276 848	276 848
Repayment of finance lease receivables		27 077	22 285
Cash generated from financing activities		303 925	299 133
Cash outflows			
Payment of dividend to SA Government		-	(4 537)
Repayment of lease liabilities		(126 550)	(126 792)
Cash used in financing activities		(126 550)	(131 329)
Net cash provided by/(used in) financing activities		177 375	167 804
Net increase/(decrease) in cash and cash equivalents		(105 125)	312 727
Cash and cash equivalents at 1 July		4 532 863	4 220 136
Cash and cash equivalents at 30 June	6.1	4 427 738	4 532 863

**Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022**

1. About the Department for Infrastructure and Transport

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

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

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

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

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

1.1. Basis of preparation

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

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

The financial statements have been prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is disclosed.

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

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

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

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

Significant accounting policies are outlined in Note 8.4 and within the Notes.

**Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022**

1.2. Objectives and programs

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

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

Departmental Organisation

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

The divisions of the department as at 30 June 2022 are:

- Across Government Services;
- People and Corporate Services;
- Transport Planning and Program Development;
- South Australian Public Transport Authority;
- Road and Marine Services;
- Transport Project Delivery;
- Public Affairs; and
- North-South Corridor Program Delivery Office.

Significant changes to the operations of the department:

The South Australian Government manages the maintenance of its built-form assets across the State via the Across Government Facilities Management Arrangements (AGFMA). The AGFMA, administered by the department, was established to ensure these assets remain safe and fit-for-purpose for the delivery of the essential community services they support. The department manages the AGFMA on behalf of Government.

Ventia Australia Pty Ltd commenced operations on 1 December 2021 as the facilities management service provider of the AGFMA

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

Program 1 SA Public Transport Authority

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

Program 2 Roads and Marine

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

Program 3 Delivery of Transport Projects

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

Program 4 Provision and Management of Across Government Services

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

Program 5 Infrastructure Planning and Policy

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

Program 6 Road Safety

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

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2022 and 30 June 2021 below.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

	SA Public Transport					
	Road Safety		Authority		Roads and Marine	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	111 499	118 283	433 943	395 194	195 590	150 514
Fees and charges	2 436	3 095	71 461	72 751	664 486	630 974
Australian Government sourced funding	15 169	29 794	71 012	134 680	29 245	39 294
SA Government grants, subsidies and transfers	3 419	2 246	1 731	12 799	15 179	13 167
Sales of goods and services	-	-	8	4 421	4 195	4 294
Rental income	-	-	95	222	39	57
Grants and subsidies income	-	-	56 458	64 423	-	403
Interest	-	6	-	-	-	33
Net gain from the disposal of property plant and equipment	-	-	(165)	428	4 862	2 536
Resources received free of charge	-	-	-	496	7 592	7 270
Other income	151	8	11 071	9 785	17 939	13 651
Total income	132 674	153 432	645 614	695 199	939 127	862 193
Expenses						
Employee benefits expenses	7 326	8 340	23 775	32 105	60 504	77 443
Supplies and services	5 169	6 652	458 651	448 308	199 350	168 275
Depreciation and amortisation	223	757	127 120	125 789	379 587	381 085
Grants and subsidies	52 147	52 363	13 004	14 058	11 851	7 546
Borrowing costs	-	-	5	9	15	2
Other expenses	16	32	6 918	8 033	26 034	19 908
Total expenses	64 881	68 144	629 473	628 302	677 341	654 259
Net result	67 793	85 288	16 141	66 897	261 786	207 934

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.2 Objectives and programs (continued)

	Delivery of Transport		Provision and Management of		Infrastructure Planning and Policy	
	Projects		Across Government Services			
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	-	-	-	-	6 650	7 234
Fees and charges	-	-	-	-	-	15 582
Australian Government sourced funding	574 099	587 283	-	-	5 790	4 747
SA Government grants, subsidies and transfers	25 842	20 453	1 494	4 030	3 952	2 527
Sales of goods and services	5	9	137 278	180 310	-	4 707
Rental Income	-	-	193 091	196 113	-	-
Grants and subsidies income	-	-	12	976	-	-
Interest	-	-	4 700	4 694	-	3
Net gain from the disposal of property plant and equipment	-	110	3 838	4 332	-	29
Resources received free of charge	77	-	-	-	2 591	-
Other income	3 704	3 454	93	39	6 591	5 648
Total income	603 727	611 309	340 506	390 494	25 574	40 477
Expenses						
Employee benefits expenses	11 854	10 852	37 676	42 673	7 383	11 860
Supplies and services	41 500	62 432	203 002	217 114	16 601	36 327
Depreciation and amortisation	447	-	116 290	118 523	24 962	25 712
Grants and subsidies	-	412	-	-	28 465	2 133
Borrowing costs	8	-	20 555	21 569	-	-
Other expenses	125 748	56	14 669	9 537	6	13
Total expenses	179 557	73 752	392 192	409 416	77 417	76 045
Net result	424 170	537 557	(51 686)	(18 922)	(51 843)	(35 568)

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.2 Objectives and programs (continued)

	Land Use Planning		General / Not		Total	
	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	-	-	-	-	747 682	671 225
Fees and charges	-	2 258	-	-	738 383	724 660
Australian Government sourced funding	-	-	-	-	695 315	795 798
SA Government grants, subsidies and transfers	-	7 342	-	-	51 617	62 564
Sales of goods and services	-	226	-	-	141 486	193 967
Rental Income	-	-	-	-	193 225	196 392
Grants and subsidies income	-	-	-	-	56 470	65 802
Interest	-	-	-	-	4 700	4 736
Net gain from the disposal of property plant and equipment	-	-	-	-	8 535	7 435
Resources received free of charge	-	-	-	-	10 260	7 766
Other income	-	8	-	-	39 549	32 593
Total income	-	9 834	-	-	2 687 222	2 762 938
Expenses						
Employee benefits expenses	-	4 708	-	-	148 518	187 981
Supplies and services	-	2 245	-	-	924 273	941 353
Depreciation and amortisation	-	25	-	-	648 629	651 891
Grants and subsidies	-	-	-	-	105 467	76 512
Borrowing costs	-	-	-	-	20 583	21 580
Cash alignment payments to Department of Treasury and Finance	-	-	-	114 469	-	114 469
Other expenses	-	2	-	-	173 391	37 581
Total expenses	-	6 980	-	114 469	2 020 861	2 031 367
Net result	-	2 854	-	(114 469)	666 361	731 571

**Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
as at 30 June 2022**

1.2 Objectives and programs (continued)

	SA Public Transport					
	Road Safety		Authority		Roads and Marine	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets						
Receivables	-	-	9 429	3 830	1 262	1 273
Inventories	-	-	4 243	4 132	2 020	2 033
Other assets	-	20	20	20	163	60
Non-current assets classified as held for sale	-	-	246	246	-	-
Land, buildings and facilities	618	501	392 171	407 868	671 449	576 069
Plant and equipment	2 411	2 563	642 777	620 620	41 491	43 674
Network assets	-	-	2 931 737	2 421 358	27 399 815	27 106 148
Capital works in progress	-	-	101 940	99 129	226 921	66 761
Intangible assets	3	10	2 798	3 702	7 256	7 580
Total assets	3 032	3 094	4 085 361	3 560 905	28 350 377	27 803 598
Liabilities						
Payables	539	608	45 163	38 097	75 925	37 784
Financial liabilities	-	-	-	-	-	-
Employee benefits	4 069	4 699	3 605	3 372	33 602	43 637
Provisions	584	500	6 574	6 403	26 018	17 752
Other liabilities	-	-	18 559	8 892	73	7 476
Total liabilities	5 192	5 807	73 901	56 764	135 618	106 649

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
as at 30 June 2022

1.2 Objectives and programs (continued)

	Delivery of Transport Projects		Provision and Management of Across Government Services		Infrastructure Planning and Policy	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets						
Receivables	654	1 129	304 815	411 071	4 035	2 818
Inventories	-	-	-	-	20	25
Other assets	1 453	6 549	83 934	69 766	39	-
Non-current assets classified as held for sale	-	-	6 063	9 717	-	-
Land, buildings and facilities	-	151	2 035 750	1 939 973	441 599	466 153
Plant and equipment	-	628	1 135	1 208	5 238	5 881
Network assets	-	31 383	-	-	-	-
Capital works in progress	1 434 197	1 577 087	18 898	16 866	87 503	31 393
Intangible assets	-	-	-	77	-	-
Total assets	1 436 304	1 616 927	2 450 595	2 448 678	538 434	506 270
Liabilities						
Payables	104 495	245 317	60 687	125 175	18 545	12 952
Financial liabilities	-	-	1 002 172	979 171	3 001	4 142
Employee benefits	6 584	6 115	20 926	24 043	4 101	6 683
Provisions	945	650	3 002	2 556	588	714
Other liabilities	119	597	716	2 479	765	1 467
Total liabilities	112 143	252 679	1 087 503	1 133 424	27 000	25 958

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
as at 30 June 2022

1.2 Objectives and programs (continued)

	General / Not Attributable		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets				
Cash and cash equivalents	4 427 738	4 532 863	4 427 738	4 532 863
Receivables	33 282	36 664	353 477	456 785
Inventories	-	-	6 283	6 190
Other assets	-	-	85 609	76 415
Non-current assets classified as held for sale	-	-	6 309	9 963
Land, buildings and facilities	-	-	3 541 587	3 390 715
Plant and equipment	-	-	693 052	674 574
Network assets	-	-	30 331 552	29 558 889
Capital works in progress	-	-	1 869 459	1 791 236
Intangible assets	-	-	10 057	11 369
Total assets	4 461 020	4 569 527	41 325 123	40 508 999
Liabilities				
Payables	-	-	305 354	459 933
Financial liabilities	-	-	1 005 173	983 313
Employee benefits	-	-	72 887	88 549
Provisions	-	-	37 711	28 575
Other liabilities	-	-	20 232	20 911
Total liabilities	-	-	1 441 357	1 581 281

**Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022**

1.3. Impact of COVID-19 pandemic on the department

The COVID-19 pandemic has continued to impact on the operations of the department in the 2021-22 financial year. The estimate of the key impacts on the department in 2021-22 were:

- Additional \$9.5 million in cleaning and sanitising measures across the public transport network and the rollout of QR check-in codes to enhance public safety;
- A financial assistance package of \$4.2 million to ensure that regional passenger bus services remain viable, and the service is maintained for community needs;
- A reduction in public transport ticket and associated revenue due to less demand for services (refer note 2.2);
- Provision of free public transport for SA Health staff;
- Assisting SAPOL with state border closure by providing traffic management and variable message signs; and
- The mobilisation of staff to assist with State COVID-19 initiatives.

In addition to the above impacts, the department continued to deliver key infrastructure projects stimulating the economy and enabling the post pandemic recovery.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.4. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2021-22 Budget Paper 4, Volume 3). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures.

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.4 Budget Performance (continued)

Statement of Comprehensive Income	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Income				
Appropriation		704 089	747 682	43 593
Fees and charges		721 927	738 383	16 456
Australian Government sourced funding	a	956 314	695 315	(260 999)
SA Government grants, subsidies and transfers		28 356	51 617	23 261
Sales of goods and services		138 359	141 486	3 127
Rental Income		201 359	193 225	(8 134)
Grants and subsidies income		59 126	56 470	(2 656)
Interest		3 870	4 700	830
Net gain from the disposal of property plant and equipment		300	8 535	8 235
Resources received free of charge		12 007	10 260	(1 747)
Other income		64 568	39 549	(25 019)
Total income		2 890 275	2 687 222	(203 053)
Expenses				
Employee benefits expenses		144 691	148 518	3 827
Supplies and services	b	820 672	924 273	103 601
Depreciation and amortisation		662 654	648 629	(14 025)
Grants and subsidies		76 792	105 467	28 675
Borrowing costs		21 964	20 583	(1 381)
Other expenses	c	34 263	173 391	139 128
Total expenses		1 761 036	2 020 861	259 825
Net result		1 129 239	666 361	(462 878)
Other comprehensive income				
Items that will not be reclassified to net result				
Changes in property, plant and equipment asset revaluation surplus		40 761	12 841	(27 920)
Total other comprehensive income		40 761	12 841	(27 920)
Total comprehensive result		1 170 000	679 202	(490 798)

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

- a) Australian Government sourced funding was lower than original budget largely due to the timing and recognition of Australian Government contributions towards several major projects.
- b) Additional costs related to bus substitution services, increased public transport operating costs, additional road maintenance works and works associated with flood damage.
- c) Includes asset construction expenditures transferred to the Department of Premier and Cabinet in 2021-22.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

1.4 Budget Performance (continued)

INVESTING EXPENDITURE SUMMARY

	Note	Original budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Investing expenditure summary		\$'000	\$'000	\$'000
Total new projects		130 439	77 768	52 671
Total existing projects		1 648 795	1 500 514	148 281
Total annual programs		135 343	153 724	(18 381)
Total investing expenditure		1 914 577	1 732 006	182 571

1.5. Significant transactions with government related entities

During 2021-22 the department incurred expenditure in relation to the construction of assets built on behalf of other government agencies. These assets valued at \$121.524 million were donated to the Department of Premier and Cabinet as the department does not control the finished built assets.

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2. Income

2.1. Appropriation

	2022	2021
	\$'000	\$'000
Appropriation		
Appropriations from Consolidated Account pursuant to the Appropriation Act	747 682	671 225
Total appropriation	747 682	671 225

Appropriations are recognised on receipt.

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

2.2. Fees and Charges

	2022	2021
	\$'000	\$'000
Fees and Charges		
Drivers licence fees	87 398	72 537
Metrotickets	56 810	60 116
Motor registrations	542 264	519 300
Marine related fees and charges	23 150	27 509
Land services fees*	-	15 582
Other fees and charges	28 761	29 616
Total fees and charges	738 383	724 660

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

*Land Services fees transferred to the Attorney-General's department as of 1 October 2020.

Road Safety

In accordance with the *Highways Act 1926*, \$14.566 million (\$12.089 million) being one-sixth of driver's licence collections and \$1.143 million (\$1.057 million) being 1/100th of Heavy Vehicle Registrations, was applied towards funding transport safety related initiatives under the Road Safety activity.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.3. Australian Government sourced funding

	2022	2021
	\$'000	\$'000
Australian Government sourced funding		
Australian Government sourced funding	689 101	785 858
Roads to Recovery Program**	4 398	6 598
Local Roads and Community Infrastructure Program***	1 816	3 342
Total Australian Government sourced funding	695 315	795 798

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

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

*** Commonwealth grants received for the Local Roads and Community Infrastructure Program.

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

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

Where the department receives the grant monies directly from the Australian Government (i.e. Roads to Recovery funding and Local Roads and Community Infrastructure program) the department is the representative of the State and the obligations under the funding arrangements rest with the department. This funding is recognised progressively as the department satisfies its obligations under the agreement through expenditure on these programs. As at 30 June 2022 the department did not have any unsatisfied obligations on the revenue recognised as all funds were spent.

2.4. SA Government grants, subsidies and transfers

	2022	2021
	\$'000	\$'000
SA Government grants, subsidies and transfers		
Intra-government transfers	39 831	51 395
Transfers from contingency provisions	11 786	11 169
Total SA Government grants, subsidies and transfers	51 617	62 564

SA Government grants, subsidies and transfers relate to amounts received from other SA government entities for the delivery of departmental objectives. These are recognised as income on receipt.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.5. Sales of Goods and Services

	2022	2021
	\$'000	\$'000
Sale of Goods and Services		
Maintenance services	103 503	148 195
Other sale of goods and services	37 983	45 772
Total sales of goods and services	141 486	193 967

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

Maintenance services:

In its role as one of the across government facilities management service providers the department manages property maintenance and enhancement services to its portfolio of buildings, facilities and assets. The department recovers the cost of providing these services from participating agencies under the Across Government Facilities Management Arrangements (AGFMA). This revenue is recognised over time once the department has satisfied its performance obligations. Participating agencies are invoiced in arrears of the performance obligations being satisfied.

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

Other sale of goods and services:

Project and contract management fees

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

Contract Balances:

As at 30 June 2022 the department held contract assets of \$22.197 million (\$46.594 million) included in the balance of receivables (note 6.2) in relation to Sales of Goods and Services revenue.

Contract assets relate to maintenance services and represents the department's rights to consideration for work completed but not yet billed at the reporting date.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.6. Rental Income

	2022	2021
	\$'000	\$'000
Rental Income		
Government accommodation	185 176	188 278
Property rents and recoveries	2 638	2 967
Other	5 411	5 147
Total Rental Income	193 225	196 392

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

Under AASB15, contract assets and liabilities are recognised where consideration has been received for rental periods in advance or rental periods in arrears. Contract assets and liabilities in relation to rental income are immaterial and therefore not recognised.

2.7. Grants and Subsidies

	2022	2021
	\$'000	\$'000
Concessional passenger income	52 123	59 616
Covid-19 Support Fund*	4 246	6 106
Other	101	80
Total Grants and subsidies income	56 470	65 802

Concessional Passenger income relates to funding received from other government agencies in relation to concessional travel provided to pensioners, the unemployed and students on passenger transport in metropolitan and regional areas. It is recognised upon receipt from other Agencies.

* The department received subsidies from the Covid-19 Support Fund for the disbursement of financial assistance packages to various industries for relief from the impact of the COVID-19 pandemic.

2.8. Interest

	2022	2021
	\$'000	\$'000
Interest		
Interest on deposit accounts	-	71
Interest on finance leases	4 700	4 665
Total interest	4 700	4 736

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.9. Resources Received Free of Charge

	2022	2021
	\$'000	\$'000
Resources received/receivable free of charge:		
Land, buildings and facilities	2 668	-
Plant and equipment	-	566
Services provided by Shared Services SA	4 617	4 297
Services provided by the Department of the Premier and Cabinet	2 975	2 903
Total resources received free of charge	10 260	7 766

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

Services were provided free of charge by Shared Services SA and the Department of the Premier and Cabinet as the department is a non-billable client.

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

	2022	2021
	\$'000	\$'000
Net gain (loss) from the disposal of non-current assets received / receivable:		
Land, Buildings and Facilities:		
Net Proceeds from disposal	11 911	1 853
Less carrying amount of assets disposed	(17 039)	(1 736)
Costs incurred to facilitate disposal	(89)	(138)
Net gain (loss) from disposal of land, buildings and facilities	(5 217)	(21)
Plant and equipment:		
Net Proceeds from disposal	1 568	22 618
Less carrying amount of assets disposed	(1 037)	(19 688)
Net gain (loss) from disposal of plant and equipment	531	2 930
Non-Current Assets Held for Sale:		
Net Proceeds from disposal	37 069	28 647
Less carrying amount of assets disposed	(27 353)	(24 039)
Costs incurred to facilitate disposal	(525)	(82)
Net gain (loss) from disposal of non-current assets held for sale	9 191	4 526
Intangibles:		
Net Proceeds from disposal	4 335	-
Less carrying amount of assets disposed	(305)	-
Net gain (loss) from disposal of non-current assets held for sale	4 030	-
Total assets:		
Net Proceeds from disposal	54 883	53 118
Less carrying amount of assets disposed	(45 734)	(45 463)
Costs incurred to facilitate disposal	(614)	(220)
Net gain (loss) from disposal of assets	8 535	7 435

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

2.11. Other Income

	2022	2021
	\$'000	\$'000
Other Income		
Recoveries and contributions	22 945	16 005
Reimbursement works and external project contributions	16 006	15 972
Service recoveries received from other government agencies	598	616
Total other income	39 549	32 593

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3. Board, committees and employees

3.1. Key Management Personnel

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

The compensation detailed below excludes salaries and other benefits the Minister for Infrastructure and Transport received. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

	2022	2021
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	2 366	1 988
Post-employment benefits	1 400	1 181
Termination benefits	476	-
Other long-term employment benefits	116	-
Total	4 358	3 169

Transactions with key management personnel and other related parties

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.2. Board and Committee Members

Members during the 2021-22 financial year were:

Passenger Transport Standards Committee

BIRCH C P
DUNSTONE J
EDMONDS D
KING B
MADAN V
MORTIMER K P*
SIMIONATO P
SPAGNOLETTI M*
WIGGLESWORTH R*
TURNER M
WILSON J*
BIRD M

Mount Barker Infrastructure Advisory Committee

BROPHY N
CLANCEY B J
MAYER L
EXCELL A*
KERNICH G*

South Australian Public Transport Authority Advisory Board

GAMMIE F (resigned 5/4/2022)
HAACK N (appointed 15/09/2021)
PRICE-MCGREGOR A N (appointed 15/09/2021)
VELLACOTT G (appointed 15/09/2021)

Performance and Risk Committee

OCKENDEN A* (appointed 30/6/2021)
FORMSTON J*
DAVIES T
WESSEL N*
SUMMERS K*
HASLAM R

South Australian Boating Facility Advisory Committee

ANDREW B
BOLTON G
SCHAHINGER B M
SEAMAN V
MILAZZO A J (reappointed 02/12/2021)
MCGRATH S
ROMEO F
TOUMAZOS K
FLAHERTY T (appointed 2/11/2020)
STEPHENS L (appointed 2/11/2020)

Road User Safety Advisory Committee

PETROCCITTO S (reappointed 01/07/2021)
PLOUFFE J (reappointed 01/07/2021)
WUNDERSITZ L (reappointed 01/07/2021)
GIBSON N* (appointed 01/07/2021)
KOKAR E M* (appointed 01/07/2021)
KOSTADINOV I* (appointed 27/09/2021)
MOUNTAIN C (appointed 01/07/2021)
PARROT I* (appointed 01/07/2021)
SHANNON A B (appointed 27/09/2021)
WADDINGTON-POWELL J M* (appointed 27/09/2021)

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.2 Board and Committee Members (continued)

Board and Committee Remuneration

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

	2022	2021
\$0 - \$19 999	16	26
\$20 000 - \$39 999	1	4
\$40 000 - \$59 999	-	1
Total number of members	17	31

Remuneration of members reflects all costs of performing committee member duties including sitting fees, superannuation contributions, fringe benefits tax and other salary sacrifice arrangements. The total remuneration received by members was \$0.120 million (\$0.332 million).

3.3. Employee Benefits Expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	103 027	136 355
Board and committee fees	100	381
Employment on-costs - superannuation	11 285	10 696
Employment on-costs - payroll	6 079	5 586
Annual leave	10 395	11 097
Long service leave	6 385	10 780
Workers compensation expenses	3 096	5 425
TVSPs payments (refer below)	5 428	5 633
Skills and Experience Retention Leave	1 143	778
Other employee related expenses	1 580	1 250
Total employee benefits expenses	148 518	187 981

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

**Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022**

3.3 Employee Benefits Expenses (continued)

Remuneration of Employees

Remuneration of employees

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

	2022	2021
	No.	No.
\$154 000 - \$157 000	-	2
\$157 001 - \$177 000	27	26
\$177 001 - \$197 000	19	15
\$197 001 - \$217 000	12	11
\$217 001 - \$237 000	8	5
\$237 001 - \$257 000 (a), (f)	8	2
\$257 001 - \$277 000 (b), (h)	3	7
\$277 001 - \$297 000 (g)	3	5
\$297 001 - \$317 000 (b), (h)	4	6
\$317 001 - \$337 000 (d)	6	-
\$337 001 - \$357 000	2	2
\$357 001 - \$377 000	2	1
\$377 001 - \$397 000 (c)	3	1
\$417 001 - \$437 000	1	-
\$477 001 - \$497 000	-	1
\$637 001 - \$657 000 (e)	1	-
\$817 001 - \$837 000 (e)	1	-
Total	100	84

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

The total remuneration received by these employees for the year was \$23.6 million (\$18.3 million).

(a) 2022 - includes Rejuvenation Scheme payment for one employee

(b) 2022 - includes TVSP payment for one employee

(c) 2022 - includes TVSP payment for one employee and executive termination payment for one employee

(d) 2022 - includes TVSP for three employees

(e) 2022 - includes Executive Termination payment for one employee

(f) 2021 - includes TVSP payment for one employee

(g) 2021 - includes TVSP payment for two employees

(h) 2021 - includes TVSP payment for four employees

The department had 49 (46) Executives as at 30 June 2022.

There were executive termination payments of \$0.694 million paid during the year.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 60 (65).

The number of employees who received a Rejuvenation Scheme payment during the reporting period was 24 (0).

	2022	2021
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	5 428	5 633
Leave paid to separated employees	3 014	3 792
Rejuvenation scheme payments	1 085	-
Leave paid to separated employees (rejuvenated employees)	1 316	-
Recovery from the Department of Treasury and Finance	(5 426)	(4 968)
Net cost to the department	5 417	4 457

The Rejuvenation Scheme operated between the period 1 July 2021 to 31 December 2021. This scheme allowed for workforce rejuvenation by making available an incentive to employees to separate from government employment.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

3.4. Employee Benefits Liability

	2022	2021
	\$'000	\$'000
Current		
Annual leave	20 662	20 601
Long service leave	6 756	6 296
Skills and Experience Retention Leave	1 633	1 651
Accrued salaries and wages	-	5 273
Total current employee benefits	29 051	33 821
Non-current		
Long service leave	43 836	54 728
Total non-current employee benefits	43 836	54 728
Total employee benefits	72 887	88 549

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

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

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

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

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

Long Service Leave

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 reporting period using the projected unit credit method. Details about the measurement of long service leave is provided as Note 11.1.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

4. Expenses

4.1. Supplies and Services

	2022	2021
	\$'000	\$'000
Public transport service contracts*	421 557	338 702
Rail Commissioner salary reimbursements	16 226	42 923
Major infrastructure maintenance contracts	130 445	126 276
Other service contracts	108 707	112 015
Property expenses	141 690	179 247
Plant, equipment and vehicle expenses	3 977	8 301
Land administration fees paid to Land Services SA**	-	20 099
Information technology and communications	12 114	11 523
Materials and other purchases	8 003	15 307
Utilities	28 453	28 261
Insurance	5 074	4 982
Legal services	2 335	4 181
Short term and low value leases	17 598	10 600
Commissions - transaction processing	1 490	1 547
Auditor's remuneration***	1 112	1 728
Administrative costs	6 413	6 831
State Planning Commission costs****	-	37
Other	19 079	28 793
Total supplies and services	924 273	941 353

* 2020-21 includes outsourcing arrangements for light and heavy rail operations for part year only.

** Land administration fees paid to Land Services SA transferred to the Attorney-General's department as at 1 October 2020.

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

**** State Planning Commission costs transferred to the Attorney-General's department as at 1 October 2020.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

4.2. Depreciation and Amortisation

	2022	2021
	\$'000	\$'000
Depreciation:		
Network assets	429 047	425 618
Plant and equipment	57 369	59 497
Buildings and facilities	62 254	62 280
Right-of-use plant and equipment	1 653	2 641
Right-of-use building	95 784	97 663
Total Depreciation	646 107	647 699
Amortisation:		
Intangible assets	2 522	4 192
Total Amortisation	2 522	4 192
Total depreciation and amortisation	648 629	651 891

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

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

4.2 Depreciation and Amortisation (continued)

Useful Life

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

<u>Asset Class</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and Facilities:		
Buildings and facilities	Straight Line	2 to 150 years
Dwellings	Straight Line	10 to 67 years
Right-of-use buildings	Straight Line	1 to 28 years
Plant and Equipment:		
Plant and equipment	Straight Line	3 to 100 years
Buses	Diminishing Value	25 years
Tram and train rolling stock	Straight Line	30 to 40 years
Information technology	Straight Line	3 to 15 years
Right-of-use plant and equipment	Straight Line	3 to 4 years
Network Assets:		
Roads (sealed surface)	Straight Line	25 to 30 years
Roads (sealed pavement)	Straight Line	48 to 77 years
Roads (sheeted)	Straight Line	18 years
Structures	Straight Line	17 to 195 years
Metro rail Infrastructure	Straight Line	10 to 149 years
Busway Infrastructure	Straight Line	10 to 100 years
Other	Straight Line	40 to 100 years
Intangible Assets:		
Intangible	Straight Line	3 to 20 years

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

Review of accounting estimates

In 2021-22 the department reassessed the useful life of some of its assets. This review resulted in a decrease of \$2.9 million in depreciation expense for the 2021-22 year relative to the amount that would have been expenses based on the previous estimate of the useful life.

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

Grants and subsidies by program	2022 \$'000	2021 \$'000
Contribution for policing services	45 749	44 666
Transport Subsidy Scheme	8 310	8 442
Grants to local councils*	42 117	11 641
Transport concessions	2 499	3 016
Covid-19 Support Fund**	2 148	2 243
Other	4 644	6 504
Total grants and subsidies	105 467	76 512

* Includes grants under the Community Infrastructure Grants program in 2021-22.

** The department is responsible for the disbursement of financial assistance packages in the form of a subsidy payment for regional passenger bus services industries from the Covid-19 Support Fund for relief from the impact of the COVID-19 pandemic.

4.4. Borrowing Costs

Interest paid/payable on Borrowing Costs:	2022 \$'000	2021 \$'000
Interest on leases	20 583	21 580
Total borrowing costs	20 583	21 580

Department for Infrastructure and Transport - Controlled
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4.5. Other Expenses

	2022	2021
	\$'000	\$'000
Rates, taxes and levies	7 621	6 864
Donated assets*	121 527	691
Bad debts	111	291
Write-off of assets	12 734	4 777
Indentured Ports***	12 109	16 696
Local government and income tax equivalent payments	812	2 681
Increase in provision for contractual arrangements	798	4 480
Other payments to consolidated account**	6 203	107
Site remediation	13 394	-
Expected credit loss movement	(1 991)	928
Other	73	66
Total other expenses	173 391	37 581

* Increase in donated assets expenses is mainly due to asset construction expenditures transferred to the Department of Premier and Cabinet in 2021-22.

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

*** This relates to amounts paid to the Consolidated Account in accordance with section 90 of the *Harbors and Navigation Act 1993*.

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

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

5.1 Land, Buildings and Facilities

	2022	2021
	\$'000	\$'000
Land:		
Land at fair value	908 910	925 462
Total Land	908 910	925 462
Land Under Roads:		
Land under roads at cost	225 736	191 947
Total Land Under Roads	225 736	191 947
Land for Current Projects:		
Land for current projects at cost*	291 079	194 815
Total Land for Current Projects	291 079	194 815
Buildings and Facilities:		
Buildings and facilities at fair value	2 177 522	2 102 543
Accumulated depreciation at 30 June	738 565	685 886
Total Buildings and Facilities	1 438 957	1 416 657
Right-of-use land and buildings		
Right-of-use land and buildings at cost	1 205 693	1 109 772
Accumulated depreciation at 30 June	528 788	447 938
Total Right-of-use land and buildings	676 905	661 834
Total Land, Buildings and Facilities	3 541 587	3 390 715

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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5.1 Land, Buildings and Facilities (continued)

RECONCILIATION OF LAND, BUILDINGS AND FACILITIES

Reconciliation 2021-22

	Land Under		Land for			Total
	Land	Roads	Current Projects	Buildings & ROU Facilities	Land and Buildings	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	925 462	191 947	194 815	1 416 657	661 834	3 390 715
Reclassification from/(to) assets held for sale	(21 338)	(1 040)	-	(1 351)	-	(23 729)
Additions	1 807	-	138 656	85 536	87 809	313 808
Disposals	(13 526)	-	-	(3 513)	-	(17 039)
Resources received free of charge	-	-	77	2 591	-	2 668
Write offs	(1)	-	-	(810)	-	(811)
Revaluation increment/(decrement)	9 165	-	-	1 801	-	10 966
Depreciation and amortisation	-	-	-	(62 254)	(95 784)	(158 038)
Transfers due to reclassification of assets	7 340	34 829	(42 469)	300	-	-
Reclassification from/ (to) finance lease receivable	-	-	-	-	443	443
Re-Measurement	-	-	-	-	22 604	22 604
Other movements	1	-	-	-	(1)	-
Carrying amount at 30 June 2022	908 910	225 736	291 079	1 438 957	676 905	3 541 587

Reconciliation 2020-21

	Land Under		Land for			Total
	Land	Roads	Current Projects	Buildings & ROU Facilities	Land and Buildings	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	896 595	187 222	166 203	1 376 701	785 938	3 412 659
Reclassification from/(to) assets held for sale	(18 805)	-	-	(6 761)	-	(25 566)
Additions	549	-	35 160	30 773	14 134	80 616
Disposals	(1 589)	-	-	(147)	-	(1 736)
Donated assets	-	-	-	(215)	-	(215)
Write offs	-	-	-	(310)	-	(310)
Revaluation increment/(decrement)	46 888	-	-	67 861	-	114 749
Transfers due to Administrative Restructures	-	-	-	(217)	-	(217)
Depreciation and amortisation	-	-	-	(62 280)	(97 663)	(159 943)
Transfers due to reclassification of assets	1 823	4 725	(6 548)	11 252	-	11 252
Consideration for lease incentive asset	-	-	-	-	(6 249)	(6 249)
Reclassification from/(to) finance lease receivables	-	-	-	-	(35 877)	(35 877)
Re-Measurement	-	-	-	-	1 550	1 550
Other movements	1	-	-	-	1	2
Carrying amount at 30 June 2021	925 462	191 947	194 815	1 416 657	661 834	3 390 715

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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5.1 Land, Buildings and Facilities (continued)

Valuation of Land, Buildings and Facilities

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

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

For specialised buildings and facilities, the valuer used depreciated replacement cost due to there not being an active market for such buildings and facilities. The valuation was based on a combination of internal records, specialised knowledge and acquisition/transfer costs. Rail infrastructure assets were indexed using the appropriate construction index and the revaluation was done by the Office of the Valuer-General.

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

In 2021-22, government employee housing was revalued. The fair value for marine, metro rail and some corporate land and building were reviewed in accordance with the Department policy. The valuation and fair value review was undertaken by the Office of the Valuer General.

Right-of-Use (ROU) Buildings

Right of Use (ROU) buildings leased by the department are recorded at cost. Movements in the ROU buildings are shown in the above movement schedule. Short term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in Note 4.1.

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

5.1 Land, Buildings and Facilities (continued)

Timing of Land, Buildings and Facilities Revaluations

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

Asset Class	Assets Valued	Last Valued / Revalued	By Whom	Timing of Revaluations (years)	Input level	Fair Value Approach	
Land							
Land	Government Employee Housing	1 July 2021	Valuer-General	1	2	Market	
	Government Agency Accommodation	1 July 2020	Savillis/Opteon/m3	3	2	Market	
	Ex Australian National Railways Land	1 July 2019	Valuer-General	6	2	Market	
	Metro Rail Stations, Yards and Corridors	1 July 2018	Valuer-General	6	2	Market	
	Marine Land	1 July 2018	Public Private Property	6	2&3	Market	
	Bus Depot Land	1 July 2020	Knight Frank	6	2	Market	
	Future Road Construction	1 July 2019	Valuer-General	6	2	Market	
	Leigh Creek Land	1 July 2019	Valuer-General	6	2	Market	
	Other Departmental Land (Bus Interchanges)	1 July 2020	M3 property Strategist	6	2	Market	
Buildings and Facilities							
Buildings and Facilities	Marine Related	1 July 2018	Public Private Property	6	3	Cost	
	Metro Rail Stations and Yards	1 July 2018	Valuer-General	6	3	Cost	
	Ex Australian National Railways	1 July 2019	Maloney Field Services	6	3	Cost	
	Bus Depots	1 July 2020	Knight Frank	6	3	Cost	
	Tram Depot	1 July 2018	Valuer-General	6	3	Cost	
	Leigh Creek Building	1 July 2019	Valuer-General	6	3	Cost	
	Other	1 July 2019	Valuer-General	6	3	Cost	
	Residential Buildings						
	Government Employee Housing	1 July 2020	Valuer-General	1	2	Market	
	Future Road Construction	1 July 2019	Valuer-General	6	2	Market	
Commercial Buildings							
Government Agency Accommodation	1 July 2020	Savillis/Opteon/m3	3	2	Market		
Future Road Construction	1 July 2019	Valuer-General	6	2	Market		
Depots	1 July 2018	Valuer-General	6	2	Market		
Land, Buildings and Improvements Under Lease	Land, Buildings and Improvements Under Lease- RMH	NA	NA	NA	NA	NA	

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

5.2 Property, Plant and Equipment

	2022	2021
	\$'000	\$'000
Plant and equipment (at fair value)	1 798 235	1 766 307
Information technology	8 388	8 834
Right-of-use vehicle at cost	5 031	5 828
	1 811 654	1 780 969
Accumulated Depreciation:		
Accumulated depreciation - Plant and equipment	1 108 604	1 096 315
Accumulated depreciation - Information technology	6 666	6 866
Accumulated depreciation - ROU Vehicle	3 332	3 214
	1 118 602	1 106 395
Total Plant and Equipment	693 052	674 574

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

Reconciliation 2021-22

	Plant and Equipment	Information Technology	ROU Vehicle	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	669 992	1 968	2 614	674 574
Additions	76 007	623	746	77 376
Disposals	(1 030)	-	(7)	(1 037)
Donated assets	-	(3)	-	(3)
Write offs	(371)	-	-	(371)
Revaluation increment/(decrement)	1 904	-	-	1 904
Depreciation and amortisation	(56 503)	(866)	(1 653)	(59 022)
Transfers due to reclassification of assets	(371)	-	-	(371)
Other movements	3	-	(1)	2
Carrying amount at 30 June	689 631	1 722	1 699	693 052

Reconciliation 2020-21

	Plant and Equipment	Information Technology	ROU Vehicle	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	645 354	3 876	5 512	654 742
Additions	30 747	304	904	31 955
Disposals	(18 528)	-	(1 160)	(19 688)
Donated assets	(466)	(10)	-	(476)
Resources received free of charge	566	-	-	566
Transfers due to Administrative Restructures	(109)	(919)	-	(1 028)
Write offs	(573)	(4)	-	(577)
Revaluation increment/(decrement)	71 221	-	-	71 221
Depreciation and amortisation	(58 219)	(1 278)	(2 641)	(62 138)
Other movements	(1)	(1)	(1)	(3)
Carrying amount at 30 June	669 992	1 968	2 614	674 574

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

5.2 Property, Plant and Equipment (continued)

Valuation of Plant and Equipment

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

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

In 2021-22, metro rail plant and equipment assets were revalued. The revaluation was undertaken by an independent valuer at valuation date. The fair value for buses and MetroCard system were reviewed in accordance with the Department policy.

Right- of-Use (ROU) vehicles

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

Motor vehicles are leased from the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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5.2 Property, Plant and Equipment (continued)

Timing of Property, Plant and Equipment Revaluations:

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

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

Department for Infrastructure and Transport - Controlled
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5.3 Network Assets

	2022	2021
	\$'000	\$'000
Network Assets:		
Roads and structures (at fair value)	37 903 167	37 280 410
Rail and bus track (at fair value)	4 417 173	3 953 844
	42 320 340	41 234 254
Accumulated Depreciation:		
Accumulated depreciation - Roads and structures	10 736 247	10 383 205
Accumulated depreciation - Rail and bus track	1 252 541	1 292 160
	11 988 788	11 675 365
Total Network Assets	30 331 552	29 558 889

RECONCILIATION OF NETWORK ASSETS

Reconciliation 2021-22

	Roads	Structures	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	23 848 126	3 049 079	2 661 684	29 558 889
Additions	553 140	69 657	584 330	1 207 127
Write offs	(20)	-	(5 773)	(5 793)
Depreciation and amortisation	(293 934)	(59 284)	(75 829)	(429 047)
Transfers due to reclassification of assets	153	-	218	371
Other	3	-	2	5
Carrying amount at 30 June 2022	24 107 468	3 059 452	3 164 632	30 331 552

Reconciliation 2020-21

	Roads	Structures	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	22 936 353	2 955 239	2 593 896	28 485 488
Additions	680 803	148 617	159 461	988 881
Write offs	-	(1 662)	(1 631)	(3 293)
Revaluation increment/(decrement)	522 073	5 550	(2 938)	524 685
Depreciation and amortisation	(291 100)	(58 666)	(75 852)	(425 618)
Transfers due to reclassification of assets	-	-	(11 252)	(11 252)
Other	(3)	1	-	(2)
Carrying amount at 30 June 2021	23 848 126	3 049 079	2 661 684	29 558 889

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

Valuation of Roads and Structures

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

The Department conducts annual review of road component and structures unit rates by an independent external estimator. This measure is to ensure the Department Network asset portfolio is not significantly different from fair value at reporting. The revaluation of Road Network assets is conducted every 5 years.

The unit rate used for the 2020-21 annual review was as at 30 June 2021, this review date is a deviation from the Department usual practice of valuing its asset as at 1 July of the reporting period. In 2021-22, road network asset was not revalued, the fair value as at 30 June 2021 was adopted to be the fair value as at revaluation date (1 July 2021). An assessment was conducted to determine the impact of restating 2020-21 financial statement, however it was determined the overall impact across 2020-21 and 2021-22 financial years is immaterial.

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

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

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

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

Each road component is then characterised by a representative stereotype. The main representative stereotypes are Motorways, Heavy Urban, Light Urban, Heavy Rural, Light Rural and Unsealed Roads (Sheeted, Graded, and Formed). Replacement unit rates are calculated based on the estimated resources necessary to complete a ten-kilometre length for each stereotype. The Department estimates the current replacement cost of the sealed pavements, surfacing and earthworks by multiplying the relevant replacement cost unit rate by the surfacing areas and unsealed pavements by the carriageway area.

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

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

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

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

Valuation of Rail and Bus Network Assets

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

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

Timing of Network Asset Revaluations

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

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

*Road network asset fair value is reviewed at intervening years and full valuation is performed by suitably qualified independent external estimator.

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

	2022	2021
	\$'000	\$'000
Land, buildings and facilities	37 892	149 092
Road network	1 682 488	1 131 089
Plant, equipment and intangibles	54 973	27 823
Rail and bus track	94 106	483 232
Total capital works in progress	1 869 459	1 791 236

RECONCILIATION OF CAPITAL WORKS IN PROGRESS

Reconciliation 2021-22

	Road Network	Plant and Equipment/Inta ngibles	Land, Buildings and Facilities	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	1 131 089	27 823	149 092	483 232	1 791 236
Additions	1 174 195	105 435	242 183	195 236	1 717 049
Transfer to capital	(622 797)	(78 146)	(225 999)	(584 330)	(1 511 272)
Transfer to operating	-	(137)	(136)	(32)	(305)
Write offs	-	-	(5 725)	-	(5 725)
Donated expense	-	-	(121 524)	-	(121 524)
Other	1	(2)	1	-	-
Carrying amount at 30 June 2022	1 682 488	54 973	37 892	94 106	1 869 459

Reconciliation 2020-21

	Road Network	Plant and Equipment/Inta ngibles	Land, Buildings and Facilities	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	1 061 061	31 210	77 728	345 603	1 515 602
Additions	901 523	57 873	138 423	297 091	1 394 910
Transfer to capital	(829 420)	(34 820)	(66 481)	(159 461)	(1 090 182)
Transfer to operating	(2 077)	(246)	(578)	-	(2 901)
Transfers due to Administrative					
Restructures	-	(26 196)	-	-	(26 196)
Other	2	2	-	(1)	3
Carrying amount at 30 June 2021	1 131 089	27 823	149 092	483 232	1 791 236

Valuation of Works in Progress

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

**Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022**

5.5 Intangible Assets

	2022	2021
	\$'000	\$'000
Intangibles		
Intangibles	76 631	78 135
	76 631	78 135
Accumulated amortisation		
Accumulated amortisation - Intangibles	66 574	66 766
	66 574	66 766
Total Intangible Assets	10 057	11 369

RECONCILIATION OF INTANGIBLE ASSETS

Reconciliation 2021-22

	Intangibles	Service Concession Software	Service Concession Data	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	11 369	-	-	11 369
Additions	1 516	-	-	1 516
Disposals	(305)	-	-	(305)
Amortisation	(2 522)	-	-	(2 522)
Other	(1)	-	-	(1)
Carrying amount at 30 June 2022	10 057	-	-	10 057

Reconciliation 2020-21

	Intangibles	Service Concession Software	Service Concession Data	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	11 900	13 406	283 596	308 902
Additions	3 769	-	-	3 769
Write-off of non-current assets	(123)	-	-	(123)
Revaluation increment (decrement)	-	-	11 282	11 282
Amortisation	(3 820)	(372)	-	(4 192)
Transfers due to Administrative Restructures	(357)	(13 034)	(294 878)	(308 269)
Carrying amount at 30 June 2021	11 369	-	-	11 369

Service concession data assets were recognised for the first time on adoption of AASB 1059 from 1 July 2019. Due to Machinery of Government changes, the recognised service concession assets (data asset and software) and liabilities (administered) were transferred to the Attorney-General's Department as at 1 October 2020.

Department for Infrastructure and Transport - Controlled
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for the year ended 30 June 2022

5.5 Intangible Assets (continued)

Intangible Assets

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

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

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

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5.6 Inventories

	2022	2021
	\$'000	\$'000
Current - held for distribution at no or nominal consideration		
Road making material and stores at cost	2 020	2 033
Rail material and stores at cost	3 977	3 701
Total inventories held for distribution at no or nominal consideration	5 997	5 734
Current - other than those held for distribution at no or nominal consideration:		
Other inventory at cost	286	456
Total inventories other than those held for distribution at no or nominal consideration	286	456
Total Current Inventories	6 283	6 190

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

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

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

5.7 Non-Current Assets Classified as Held for Sale

	2022	2021
	\$'000	\$'000
Non-Current Assets Classified as Held for Sale:		
Land, buildings and facilities	6 309	9 963
Total non-current assets classified as held for sale	6 309	9 963

The department has identified \$6.338 million (\$9.963 million) of land, buildings and facilities that are surplus to the department's requirements. The land, buildings and facilities are expected to be sold within 12 months by public tender or auction.

Valuation of Non-Current Assets Classified as Held for Sale

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

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

Department for Infrastructure and Transport - Controlled
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6. Financial assets

6.1 Cash and Cash Equivalents

	2022	2021
	\$'000	\$'000
Deposits at call with the Treasurer	4 427 143	4 532 012
Imprest Account	15	15
Deposits with SAFA	455	717
Other	125	119
Total cash and cash equivalents	4 427 738	4 532 863

6.2 Receivables

	2022	2021
	\$'000	\$'000
Current		
Trade receivables		
From government entities	104 612	172 313
From non-government entities	25 397	30 530
Less impairment loss on receivables	(637)	(2 628)
Total trade receivables	129 372	200 215
Statutory receivables		
GST input tax recoverable	12 598	14 984
Total statutory receivables	12 598	14 984
Finance lease receivables	16 951	20 844
Accrued revenues	47 173	63 920
Total current receivables	206 094	299 963
Non-current		
Trade receivables		
From government entities	174	174
From non-government entities	189	170
Finance lease receivables	147 020	156 478
Total non-current receivables	147 383	156 822
Total receivables	353 477	456 785
Movements in the expected credit loss (impairment loss):	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	2 628	1 700
Amounts written off	(111)	(291)
Increase / (Decrease) in allowance recognised in profit or loss	(1 880)	1 219
Carrying amount at 30 June	637	2 628

Department for Infrastructure and Transport - Controlled
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6.2 Receivables (continued)

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

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

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

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

Finance lease receivables:

The department is responsible for managing whole of government office accommodation arrangements under Premier and Cabinet Circular PC018. This includes leasing of accommodation from private landlords and subsequent sub-leasing these properties to government agencies. Where the sub-lease meets the definition of a lease under AASB16, and substantially transfers all the risks and rewards of the head lease to another government agency, the department recognises a finance lease receivable for the net investment of the lease. Finance lease receivables represent approximately 40 sub-leases.

During 2021-22, the department recognised finance income on finance lease receivables of \$4.700 million (\$4.665 million).

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

<i>Finance Lease receivables</i>	2022	2021
	\$'000	\$'000
Finance lease receivables contracted for at the reporting date are as follows:		
Within one year	21 344	27 375
Later than one year but no longer than five years	69 969	67 898
Later than five years	99 848	114 783
Minimum lease payments	191 161	210 056
Less unearned finance income	(27 190)	(32 734)
Total Finance Lease Receivables	163 971	177 322

The present value of finance lease receivable is as follows:

Within one year	16 951	20 844
Later than one year but no longer than five years	55 977	46 819
Later than five years	91 043	109 659
Present Value of Finance Lease	163 971	177 322

Representing:

Current	16 951	20 844
Non-current	147 020	156 478
Total Finance Lease Receivables	163 971	177 322

**Department for Infrastructure and Transport - Controlled
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for the year ended 30 June 2022**

Refer to Note 11.3 for further information on risk management.

6.3 Other Assets

	2022	2021
	\$'000	\$'000
Current:		
Prepayments	18 149	20 740
Accommodation Incentives	8 392	7 571
Other	414	398
Total Current Other Assets	26 955	28 709
Non-Current Assets:		
Accommodation Incentives	58 654	47 706
Total Non-Current Other Assets	58 654	47 706
Total other assets	85 609	76 415

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

Department for Infrastructure and Transport - Controlled
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7. Liabilities

7.1 Payables

	2022	2021
	\$'000	\$'000
Current		
Trade payables	21 155	19 616
Accrued expenses	260 387	407 724
Rail Commissioner (Federally Awarded Employees)	7 408	9 696
Total trade payables	288 950	437 036
Statutory payables		
Employment on-costs	4 119	4 973
Total statutory payables	4 119	4 973
Total current payables	293 069	442 009
Non-Current:		
Rail Commissioner (Federally Awarded Employees)	8 067	12 779
Total trade payables	8 067	12 779
Statutory payables		
Employment on-costs	4 218	5 145
Total statutory payables	4 218	5 145
Total non-current payables	12 285	17 924
Total payables	305 354	459 933

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. Employment on-costs are settled when the respective employee benefits that they relate to are discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

Statutory payables do not arise from contracts.

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions with respect to outstanding liabilities for salaries and wages and associated leave. The department makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only payable outstanding at reporting date relates to any contributions due but not yet paid.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained unchanged from the 2021 rate of 42% and the average factor for the calculation of employer superannuation cost on-cost has changed from the 2021 rate of 10.1% to the rate of 10.6% in 2022. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$0.228 million (\$0.150 million). The estimated impact on 2022 and 2023 is not expected to be materially different to the impact in 2022.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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7.2 Financial Liabilities

	2022	2021
	\$'000	\$'000
Lease Liabilities	117 120	108 217
Total current lease liability	117 120	108 217
Non-Current		
Lease Liabilities	888 053	875 096
Total non-current lease liability	888 053	875 096
Total lease liability	1 005 173	983 313
Movements in the Lease Liabilities:	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	983 313	1 111 393
Increase/(Decrease) due to lease additions, modifications and re-measurements	148 410	(1 288)
Reductions resulting from payments	(126 550)	(126 792)
Carrying amount at 30 June	1 005 173	983 313

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

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

As at 30 June 2022 the department had committed to material leases for building assets which had not yet commenced. The future cash flows for these leases is \$159.488 million over 10 years.

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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7.3 Provisions

	2022	2021
	\$'000	\$'000
Current		
Provision for workers compensation	1 760	1 586
Site remediation	18 697	10 606
Provision for contractual arrangements	945	850
Total current provisions	21 402	13 042
Non-current		
Provision for workers compensation	9 476	9 395
Site remediation	2 500	2 508
Provision for contractual arrangements	4 333	3 630
Total non-current provisions	16 309	15 533
Total provisions	37 711	28 575

Reconciliation of Workers Compensation

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

Carrying amount as at 1 July	10 981	9 368
Increase (decrease) in provision due to revision of estimates	2 783	4 169
Reductions resulting from payments	(2 528)	(2 556)
Carrying Amount at 30 June	11 236	10 981

Reconciliation of Site Remediation

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

Carrying amount as at 1 July	13 114	20 493
Increase in provision due to revision of estimates	13 394	-
Reductions resulting from payments	(5 311)	(7 379)
Carrying Amount at 30 June	21 197	13 114

Reconciliation of Provision for contractual arrangements

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

Carrying amount as at 1 July	4 480	-
Increase in provision due to initial estimate	1 005	4 480
Reductions resulting from payments	(207)	-
Carrying Amount at 30 June	5 278	4 480

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

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

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment

The provision reflects the actuarial valuation of outstanding liabilities under the *Return to Work Act 2014* and Additional Compensation provisions. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

The Additional Compensation provision entitlements are contained within relevant Public Sector Enterprise Agreements and Awards. These provide continuing benefits to eligible workers with respect to certain work related injuries and whose entitlements have ceased under the statutory workers compensation scheme *Return to Work Act 2014*.

Measurement of the provision for worker's compensation as at 30 June 2022 includes the impacts of the decision of the Full Court of the Supreme Court of South Australia in *Return to Work Corporation of South Australia vs Summerfield* (Summerfield decision). The Summerfield decision increased the liabilities of the Return to Work Scheme (the Scheme) and the provision for workers compensation across government.

Legislation to reform the *Return to Work Act 2014* was proclaimed in July 2022, with the reforms expected to reduce the overall liability of the Scheme. The impacts of these reforms on the provision for workers compensation across government will be considered when measuring the provision as at 30 June 2023.

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

Department for Infrastructure and Transport - Controlled
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7.4 Other Liabilities

	2022	2021
	\$'000	\$'000
Current		
Deferred income	17 767	19 893
Other	2 465	1 018
Total current other liabilities	20 232	20 911
Total other liabilities	20 232	20 911

Deferred Income

The department sells Metrotickets for travel on public transport. The value of unused Metrotickets as at 30 June 2022 was \$15.202 million (\$13.932 million) and is recognised as a liability.

Department for Infrastructure and Transport - Controlled
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8. Other disclosures

8.1 Equity

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

8.2 Equity Adjustments

	2022
	\$'000
Restatement of Opening Balances	
Adjustments against Retained Earnings:	
Work in progress adjustments	(1 177)
Asset recognition adjustments	2 127
Statement of Comprehensive Income adjustments	3 238
Other adjustments	(3 279)
Total equity	909

The table above represents total adjustments to equity identified. Adjustments totalling \$0.9 million (\$328.602 million) were identified in the year ended 30 June 2022 which affect the year ended 30 June 2021 and prior years.

RESTATEMENT OF OPENING BALANCES

Adjustments against Retained Earnings

Work in progress adjustment

A review of projects expenditure by the department in the year ended 30 June 2022 identified \$1.177 million (\$12.875 million) of costs included in capital works in progress at 30 June 2021 that should have been expended in a prior year. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements for 2020-21 is summarised below:

	2021	2020
	\$'000	\$'000
Road network - work in progress	(218)	(76)
Plant, Equipment and Intangibles - work in progress	(235)	(70)
Land, Buildings and Facilities - work in progress	(578)	-
Total work in progress adjustment	(1 031)	(146)

Department for Infrastructure and Transport - Controlled
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8.2 Equity Adjustments (continued)

Asset Recognition

The total effect of assets book value adjustments that relate to prior financial periods is \$2.127 million (\$18.483 million) mainly due to correction of ROU depreciation expense, addition and disposal of land assets omitted in prior years. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements for 2020-21 is summarised below:

	2021	2020
	\$'000	\$'000
Land, buildings and facilities	1 007	1 120
Total asset recognition adjustments	1 007	1 120

Other Adjustments

A review of operating income and expenditure by the department in the year ended 30 June 2022 identified \$3.279 million (\$23.787 million) of prior period errors predominantly due to a receivable and prepayment incorrectly recorded as at 30 June 2021. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements for 2020-21 is summarised below:

	2021	2020
	\$'000	\$'000
Other assets	(3 549)	(268)
Other liabilities	335	203
Total other adjustments	(3 214)	(65)

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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8.3 Cash Flow Reconciliation

	2022	2021
	\$'000	\$'000
Leases		
Buildings	107 094	108 195
Plant and equipment	9 977	9 834
Total cash outflow for leases	117 071	118 029
	2022	2021
	\$'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	4 427 738	4 532 863
Balance as per the Statement of Cash Flows	4 427 738	4 532 863
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by/(used in) operating activities	1 473 545	1 295 119
Add / (less) non-cash Items		
Net gain (loss) on sale or disposal of non-current assets	8 535	7 435
Depreciation/amortisation expense of non-current assets	(648 629)	(651 891)
Assets written off	(12 734)	(4 777)
Assets donated	(121 527)	(691)
Resources received free of charge	10 260	7 766
Expensing of works in progress	-	(1 031)
Fair value of assets received		
Movements in Assets and Liabilities:		
Increase (Decrease) in receivables	(48 264)	152 309
Increase (Decrease) in inventories	93	(5 035)
Increase (Decrease) in other assets	11 785	(3 492)
(Increase) Decrease in payables and provisions	(23 696)	(78 741)
(Increase) Decrease in employee benefits	16 314	18 607
(Increase) Decrease in other liabilities	679	(4 007)
Net result	666 361	731 571

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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8.4 Significant accounting policies

Significant accounting policies not disclosed elsewhere in this report are detailed below.

Taxation

The department is not subject to income tax. The department is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, income tax equivalents and local government rate equivalents.

The department prepares a Business Activity Statement on behalf of its controlled entities, administered items and other clients to which it provides business services under the grouping provisions of the GST legislation. Under the grouping provisions, the department is liable for the GST payments and entitled to the GST receipts associated with these entities and items. The GST applicable forms part of the receivables and payables recorded in the department's Statement of Financial Position and the GST cash flows recorded in the department's Statement of Cash Flows.

The department is liable to pay income tax equivalents to the Consolidated Account in relation to the commercial operations of the Property Directorate. In determining its tax equivalent commitments, the department utilises the 'Accounting Profits' model as prescribed by Treasurer's Instruction 22 -Tax Equivalent Payments.

Under this model, income tax expense is calculated separately for each taxable entity by applying the companies' income tax rate (currently 30%) to the accounting profit for the year. Income tax equivalent payments are included in Payments to SA Government in the Statement of Comprehensive Income.

Business Overheads

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

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

Contracts in progress

The department acts as project manager for major capital works in relation to government buildings or government accommodation and for a range of minor capital works and maintenance type activities associated with the role of facilities manager. The department charges a fee to recover the cost of its project management activities which is recorded as revenue in accordance with AASB15.

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

Department for Infrastructure and Transport - Controlled
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8.4 Significant accounting policies (continued)

Non- Current Assets

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

Acquisition and Recognition of Non-Current assets

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

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

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

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

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

Revaluation of Non-Current Assets

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

The department's revaluation frequency is 5 years for Road Network assets and 6 years for other major infrastructure assets. Residential property is revalued every year while government agency commercial property is revalued every 3 years. The Department also conducts fair value reviews to ensure carrying value is not materially different from asset fair value.

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

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

Department for Infrastructure and Transport - Controlled
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8.4 Significant accounting policies (continued)

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

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

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

Impairment

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

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

Remediation of Non-Current Assets

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

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

Leases

The department enters lease arrangements as both lessee and lessor.

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

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

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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8.4 Significant accounting policies (continued)

Lease activities in the department:

As Lessee:

Commercial Property:

The department is responsible for the management of accommodation arrangements on behalf of other government agencies under Premier and Cabinet Circular PC018 *Government Office Accommodation Framework* (PC018). The department has approximately 280 leases of commercial properties from external parties as well as departmentally owned properties to enable this. Approximately 220 of these external leases include extension options.

Commercial accommodation leases with external parties are non-cancellable with terms ranging from 1 to 17 years. Lease extensions or options are typically renegotiated before the end of the current term. Rent is generally payable monthly in advance. Leases include a fixed rate increase, CPI and/or periodic market review. Major value leases typically have a predetermined fixed rate annual increase (between 2%-4%) factored into the lease.

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

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

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

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

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

Significant judgments/policy:

Reasonably certain

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

8.4 Significant accounting policies (continued)

Lease components

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

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

Plant and Equipment:

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

Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Lease terms can range from 3 years up to 5 years, no contingent rental provisions exist and no options exist to renew the leases at the end of the lease.

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

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

**Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022**

8.4 Significant accounting policies (continued)

As Lessor:

Government Employee Housing

As lessor, the department recognises finance lease receivables from Government agencies in relation housing in the remote area of the APY lands at an amount equal to the net investment of constructing the housing.

Finance lease interest income is recognised based on the periodic rate of return on that net investment. Lease payments from the lessee are applied against the gross investment in the lease to reduce both the principal and the unearned interest income.

Departmental Owned property

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

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

Recreational Jetties

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

9. Changes in accounting policy

The department has not voluntarily adopted any changes in accounting policies during 2021-22.

10. Outlook

10.1 Unrecognised Commitments

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

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

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

Capital commitments

	2022	2021
	\$'000	\$'000
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:		
Within one year	1 113 148	1 219 962
Later than one year but not longer than five years	727 440	181 680
Later than five years	49 390	73 144
Total capital commitments	1 889 978	1 474 786

Expenditure commitments

	2022	2021
	\$'000	\$'000
Within one year	518 309	579 440
Later than one year but not longer than five years	2 443 881	2 333 044
Later than five years	898 170	1 534 127
Total expenditure commitments	3 860 360	4 446 611

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

10.1 Unrecognised Contractual Commitments (continued)

<i>Operating Lease Commitments as Lessor</i>	2022	2021
	\$'000	\$'000
Commitments under operating leases at the reporting date but not recognised as receivable in the financial report, are as follows:		
Within one year	2 192	1 600
Later than one year but no later than five years	3 101	3 384
Later than five years	269	76
Total Operating Lease Commitments as Lessor	5 562	5 060

The department's operating lease commitments as lessor are for commercial accommodation and access rights to State Owned land sites for departmentally owned properties. These leases relate to office accommodation leased to Public Financial Corporations and Public Non-Financial Corporations and operational sites leased to government agencies. Commercial accommodation leases are non-cancellable with remaining lease terms ranging from 1 to 27 years. Rent is receivable in advance.

10.2 Contingent Assets and Liabilities

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

Contingent Assets

At 30 June 2022, the department:

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

Contingent Liabilities

At 30 June 2022, the department had:

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

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

10.3 Impact of standards and statements not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2022. The Department has assessed the impact of these changes and they are not expected to have a material impact in the department's report

10.4 COVID-19 pandemic outlook for the department

From 1 July 2022 the Emergency Management Declaration was lifted following the passage of amendments to the *Public Health Act*, enabling South Australia to move out of a state of emergency and return to a relative normal.

The potential financial impacts on the department will continue to be assessed as part of usual valuation exercises reflecting current economic market conditions.

10.5 Events after the reporting period

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

Restructuring of administrative arrangements

As a result of restructuring of administrative arrangements outlined in the Government Gazette on 30 June 2022, the Office of the Local Government will be transferred from the Attorney-General's Department to the Department for Infrastructure and Transport under the responsibility of the Minister for Local Government.

The notice in the Government Gazette on 30 June 2022 cited as the *Public Sector (Reorganisation of Public Sector Operations) Notice 2022* will come into operation on 1 July 2022.

**Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022**

11. Measurement and risk

11.1 Long Service Leave liability - measurement

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

The actuarial assessment performed by the Department of Treasury and Finance 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 1.25% in 2021 to 3.5% in 2022.

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

The net financial effect of the changes to the actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$7.15 million and employee benefit expense of \$0.688 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

As a result of the actuarial assessment performed by the Department of Treasury and Finance, the salary inflation rate has remained unchanged from the 2021 rate of 2.5% for long service leave liability. The long service leave liability has been allocated between current and non-current liabilities using the leave pattern history of previous years.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

11.2 Fair Value Measurement

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

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

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date. The department does not have any Level 1 assets.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly. For example, the department has domestic housing and commercial building assets that are valued by comparing the subject properties to similar properties in similar areas.
- Level 3 – not traded in an active market and are derived from unobservable inputs. Examples in the department include the rail and road networks.

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

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

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

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

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

11.2 Fair Value Measurement (continued)

Fair value measurements at 30 June 2022

	2022	Level 2	Level 3
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (note 5.1)	908 910	891 267	17 643
Buildings and facilities (note 5.1)	1 438 957	332 206	1 106 751
Property, Plant and Equipment (note 5.2)	689 631	1 688	687 943
Road and structures (note 5.3)	27 166 920	-	27 166 920
Rail and bus track (note 5.3)	3 164 632	-	3 164 632
Total recurring fair value measurements	33 369 050	1 225 161	32 143 889
Non-recurring fair value measurements			
Land, buildings and facilities held for sale (note 5.7)	6 309	6 309	-
Total non-recurring fair value measurements	6 309	6 309	-
Total fair value measurements	33 375 359	1 231 470	32 143 889

Fair value measurements at 30 June 2021

	2021	Level 2	Level 3
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (note 5.1)	925 462	907 965	17 497
Buildings and facilities (note 5.1)	1 416 657	336 361	1 080 296
Property, Plant and Equipment (note 5.2)	669 992	2 388	667 604
Road and structures (note 5.3)	26 897 205	-	26 897 205
Rail and bus track (note 5.3)	2 661 684	-	2 661 684
Total recurring fair value measurements	32 571 000	1 246 714	31 324 286
Non-recurring fair value measurements			
Land, buildings and facilities held for sale (note 5.7)	9 963	9 963	-
Total non-recurring fair value measurements	9 963	9 963	-
Total fair value measurements	32 580 963	1 256 677	31 324 286

Valuation Techniques and Inputs

Valuation techniques used to derive Level 2 and 3 fair values are detailed in Notes 5.1 – 5.5. There were no changes in valuation techniques during 2021-22.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

11.2 Fair Value Measurement (continued)

Reconciliation of Level 3 Fair value Measurements as at 30 June 2022

2022	Land	Buildings and Facilities ⁽¹⁾	Property, Plant and Equipment	Road and Structures	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	17 497	1 080 296	667 604	26 897 205	2 661 684	31 324 286
Additions	146	68 662	75 929	622 797	584 330	1 351 864
Disposals	-	(32)	(459)	-	-	(491)
Resources received free of charge	-	2 591	-	-	-	2 591
Write offs	-	(451)	(366)	(20)	(5 773)	(6 610)
Revaluation increment (decrement) (3)	-	-	1 799	-	-	1 799
Depreciation and amortisation	-	(44 316)	(56 310)	(353 218)	(75 829)	(529 673)
Transfers due to reclassification of assets at same Fair Value level	-	-	(370)	153	218	1
Transfer into Level 3	-	-	156	-	-	156
Transfer out of Level 3	-	-	(40)	-	-	(40)
Other Movements	-	1	-	3	2	6
Carrying amount at the end of the period	17 643	1 106 751	687 943	27 166 920	3 164 632	32 143 889

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

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

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

Total gains/losses for the period included in profit or loss under Net Gain (Loss) from Disposal of Non-Current Assets	-	-	243	-	-	243
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Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

11.2 Fair Value Measurement (continued)

Reconciliation of Level 3 Fair value Measurements as at 30 June 2021

2021	Land	Buildings and Facilities (1)	Property, Plant and Equipment	Road and Structures	Rail and Bus Track	Intangibles - Service Concession Data	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	19 337	1 095 022	623 221	25 891 592	2 593 896	283 596	30 506 664
Additions	-	26 138	30 050	829 420	159 461	-	1 045 069
Disposals	-	-	(453)	-	-	-	(453)
Donated assets	-	(215)	-	-	-	-	(215)
Resources received free of charge	-	-	566	-	-	-	566
Write offs	-	(310)	(403)	(1 662)	(1 631)	-	(4 006)
Revaluation increment (decrement) (3)	(1 840)	(6 416)	71 221	527 623	(2 938)	11 282	598 932
Depreciation and amortisation	-	(44 958)	(56 521)	(349 766)	(75 852)	-	(527 097)
Transfers due to reclassification of assets at same Fair Value level	-	11 252	-	-	(11 252)	878	(294 878)
Transfers due to Administrative Restructures at same Fair Value level	-	(216)	(109)	-	-	-	(325)
Transfer into Level 3	-	-	31	-	-	-	31
Other Movements	-	(1)	1	(2)	-	-	(2)
Carrying amount at the end of the period	17 497	1 080 296	667 604	26 897 205	2 661 684	-	31 324 286

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

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

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

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

- - - 69 - - - 69

Transfers In and Out of Level 3

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

11.3 Financial Instruments

Financial risk management

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

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

Liquidity Risk

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

Refer to Notes 7.1 and 7.2 for further information.

Credit Risk

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

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

Impairment of financial assets

Loss allowances for 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.

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

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

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2022

11.3 Financial Instruments (continued)

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	5 514	2	90
1 – 30 days past due	1 837	6	117
31 – 60 days past due	625	8	48
More than 60 days past due	6 044	6	382
Loss allowance			637

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

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

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

Receivables with a contractual amount of \$0.111 million written off during the year are still subject to enforcement activity.

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

Market Risk

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

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

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

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

Categorisation of financial instruments

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

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
For the year ended 30 June 2022

11.3 Financial Instruments (continued)

Category of financial asset and financial liability		Note	Carrying amount / fair value \$'000	2022 Contractual maturities*		
				Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents:						
	Cash and cash equivalent	6.1	4 427 738	4 427 738	-	-
Financial assets at amortised cost:						
	Receivables**	6.2	176 908	176 545	363	-
	Finance lease receivable	6.2	191 161	21 344	69 969	99 848
Total financial assets			4 795 807	4 625 627	70 332	99 848
Financial liabilities						
Financial liabilities at amortised cost:						
	Payables**	7.1	295 874	287 807	8 067	-
	Lease liability	7.2	1 148 337	136 465	425 066	586 806
Total financial liabilities			1 444 211	424 272	433 133	586 806
Category of financial asset and financial liability		Note	2021 Carrying amount / fair value \$'000	2021 Contractual maturities*		
				Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents:						
	Cash and cash equivalent	6.1	4 532 863	4 532 863	-	-
Financial assets at amortised cost:						
	Receivables**	6.2	266 383	266 039	344	-
	Finance lease receivable		210 056	27 376	67 898	114 782
Total financial assets			5 009 302	4 826 278	68 242	114 782
Financial liabilities						
Financial liabilities at amortised cost:						
	Payables**	7.1	448 117	435 338	12 779	-
	Lease liability	7.2	1 125 739	129 545	367 477	628 717
Total financial liabilities			1 573 856	564 883	380 256	628 717

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

** Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.3.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
For the year ended 30 June 2022

11.3 Financial Instruments (continued)

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents; fees and charges and 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 ReturnToWork SA levies.

In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

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

Administered Financial Statements

For the year ended 30 June 2022

**Department for Infrastructure and Transport - Administered
Statement of Administered Comprehensive Income
for the year ended 30 June 2022**

	Note	2022 \$'000	2021 \$'000
Administered income			
Appropriation	A11	5 043	3 105
Fees and charges	A12	1 696	72 703
Collection on Behalf of Third Parties	A13	993 528	966 546
Interest revenue	A14	-	2
Other income	A15	147	9 105
Total income		1 000 414	1 051 461
Administered expenses			
Employee benefits expenses	A5	571	450
Supplies and services	A6	894	1 376
Grants and subsidies expense	A7	1 794	17 066
Disbursements on Behalf of Third Parties	A8	996 998	969 313
Other expenses	A9	-	721
Payments to Consolidated Account	A10	-	59 460
Total administered expenses		1 000 257	1 048 386
Net result		157	3 075
Total comprehensive result		157	3 075

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

**Department for Infrastructure and Transport - Administered
Statement of Administered Financial Position
as at 30 June 2022**

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	A16	18 254	51 674
Receivables	A17	438	25
Total current assets		18 692	51 699
Non-current assets			
Property, plant and equipment	A18	-	-
Total non-current assets		-	-
Total assets		18 692	51 699
Current liabilities			
Payables	A19	16 542	49 706
Other liabilities		-	-
Total current liabilities		16 542	49 706
Total liabilities		16 542	49 706
Net assets		2 150	1 993
Administered equity			
Retained earnings		2 150	1 993
Asset revaluation surplus		-	-
Total equity		2 150	1 993

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

Contingent assets and liabilities A22
Unrecognised contractual commitments A21

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

**Department for Infrastructure and Transport - Administered
Statement of Administered Changes in Equity
as at 30 June 2022**

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020		5 352	(1 478 895)	(1 473 543)
Net result for 2020-21		-	3 075	3 075
Total comprehensive result for 2020-21		-	3 075	3 075
Net assets transferred as a result of an administrative restructure		(5 352)	1 477 813	1 472 461
Balance at 30 June 2021		-	1 993	1 993
Net result for 2021-22		-	157	157
Total comprehensive result for 2021-22		-	157	157
Balance at 30 June 2022		-	2 150	2 150

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

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

**Department for Infrastructure and Transport - Administered
Statement of Administered Cash Flows
for the year ended 30 June 2022**

		2022	2021
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		5 043	3 053
Receipts from fees and charges		1 285	70 315
Collection on behalf of third parties		993 526	966 590
Interest		-	5
Other income		147	553
Cash generated from operations		1 000 001	1 040 516
Cash outflows			
Employee benefit payments		(571)	(468)
Payments for supplies and services		(34 205)	(5 278)
Grants and subsidies		(1 794)	(9 263)
Disbursements on behalf of third parties		(996 851)	(971 725)
Payments to Consolidated Account		-	(59 459)
Cash used in operations		(1 033 421)	(1 046 193)
Net cash provided by / (used in) operations	A20	(33 420)	(5 677)
Net increase (decrease) in cash held		(33 420)	(5 677)
Cash at 1 July		51 674	57 351
Cash at 30 June	A16	18 254	51 674

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

Department for Infrastructure and Transport - Administered Expenses and Income by Administered Programs
For the year ended 30 June 2022

Administered programs - refer note A2

	Land Use Planning		Roads and Marine	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administered income				
Appropriation	-	-	3 477	2 774
Fees and charges	-	8 095	1 696	1 729
Collections on behalf of third parties	-	-	993 353	966 400
Interest revenue	-	1	-	-
Other income	-	442	-	-
Total administered income	-	8 538	998 526	970 903
Administered expenses				
Employee benefit expenses	-	21	-	-
Supplies and services	-	55	-	-
Grants and subsidies	-	15 471	1 794	1 595
Disbursements on behalf of third parties	-	-	996 831	969 173
Other expenses	-	721	-	-
Payments to Consolidated Account	-	-	-	-
Total administered expenses	-	16 268	998 625	970 768
Net result	-	(7 730)	(99)	135

	Infrastructure Planning and Policy		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administered income				
Appropriation	1 566	331	5 043	3 105
Fees and charges	-	62 879	1 696	72 703
Collections on behalf of third parties	175	146	993 528	966 546
Interest revenue	-	1	-	2
Other income	147	8 663	147	9 105
Total administered income	1 888	72 020	1 000 414	1 051 461
Administered expenses				
Employee benefit expenses	571	429	571	450
Supplies and services	894	1 321	894	1 376
Grants and subsidies	-	-	1 794	17 066
Disbursements on behalf of third parties	167	140	996 998	969 313
Other expenses	-	-	-	721
Payments to Consolidated Account	-	59 460	-	59 460
Total administered expenses	1 632	61 350	1 000 257	1 048 386
Net result	256	10 670	157	3 075

**Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2022**

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

A1: Basis of preparation and accounting policies

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

A2: Objectives/programs of the Department

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

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

Department Organisation

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

The Administered Items of the department as at 30 June 2022 comprised the following:

- Asbestos Program
- Compulsory Third Party Insurance
- Emergency services levy
- Expiation receipts
- Firearm receipts
- Flinders Ports — land tax equivalent
- Hospital Fund — contributions
- Lifetime Support Scheme receipts
- Registration and Licensing collections and disbursements
- Service SA disbursements
- Special Act salaries
- Stamp duty receipts

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2022

A3: Transfer Payments

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

	2022	2021
	\$'000	\$'000
Transfer payments to SA Government Entities		
Department of Treasury and Finance	303 308	346 293
Lifetime Support Authority	179 650	168 514
CTP Regulator	107 132	106 644
South Australian Fire and Emergency Services Commission	50 958	49 296
South Australian Police	3 472	11 561
Other	1 863	8 774
Transfer payment to local government:		
Councils	-	9 492
Transfer payment to non-SA Government Entities		
Compulsory Third Party Insurance	321 324	316 323
Refunds	17 401	16 533
National Heavy Vehicle Regulator	14 551	14 053
Other	27	453
Total Transfer Payments	999 686	1 047 936

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

	Note	Original	Actual	Variance
		budget		
		2022	2022	
		\$'000	\$'000	\$'000
Statement of Administered Comprehensive Income				
Administered Income				
Appropriation		4 418	5 043	625
Fees and charges		-	1 696	1 696
Collections on behalf of third parties		974 478	993 528	19 050
Other income		-	147	147
Total administered income		978 896	1 000 414	21 518
Administered Expenses				
Employee benefit expenses		373	571	198
Supplies and services		1 123	894	(229)
Grants and subsidies		3 067	1 794	(1 273)
Disbursements on behalf of third parties		973 840	996 998	23 158
Other expenses		515	-	(515)
Total administered expenses		978 918	1 000 257	21 339
Net result		(22)	157	179

The budget performance table compares the department's outcomes against budget information presented to Parliament (2021-22 Budget Paper 4, Volume 3). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2022

A5: Employee Benefit Expenses

	2022	2021
	\$'000	\$'000
Minister and Valuer-General salaries	571	450
Total employee benefits expenses	571	450

Includes Minister for Infrastructure and Transport and Minister for Local Roads and Regional Roads in 21-22.

The Valuer-General salary (2021) transferred to the Attorney-General's Department, effective 1 October 2020.

A6: Supplies and Services

	2022	2021
	\$'000	\$'000
Project Expenditure	-	106
Professional and Technical Services	893	1 198
Other	1	72
Total supplies and services	894	1 376

A7: Grants and Subsidies

	2022	2021
	\$'000	\$'000
Planning and Development Fund grant payments	-	8 771
Planning Reform contribution	-	6 700
Land Tax Equivalent - Flinders Ports (Transfer to DTF)	1 696	1 473
Lincoln Cove Marina (Transfer to DTF)	98	122
Total grants and subsidies expense	1 794	17 066

A8: Disbursements on Behalf of Third Parties

	2022	2021
	\$'000	\$'000
Compulsory Third Party Insurance	428 455	422 967
Stamp Duties - Department of Treasury and Finance	223 794	209 537
Lifetime Support Scheme - Lifetime Support Authority	179 650	168 514
Hospital Fund - Department of Treasury and Finance	77 720	75 701
Emergency Services Levy - SA Fire & Emergency Services Commission	50 958	49 296
Refunds	17 401	16 533
National Heavy Vehicle Regulator	14 551	14 053
Expiation Notices - South Australian Police	1	7 908
Other	4 468	4 804
Total disbursements on behalf of third parties	996 998	969 313

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2022

A9: Other Expenses

	2022	2021
	\$'000	\$'000
Planning fees*	-	721
Total other expenses	-	721

*Planning fees transferred to the Attorney-General's Department, effective 1 October 2020.

A10: Payments to Consolidated Account

	2022	2021
	\$'000	\$'000
Payments to Consolidated Account *	-	59 460
Total Payments to Consolidated Account	-	59 460

*Payments made into the Consolidated Account pursuant to the *Real Property Act 1886*.
The *Real Property Act* collections transferred to the Attorney-General's Department, effective 1 October 2020.

A11: Appropriation

	2022	2021
	\$'000	\$'000
<i>Appropriations from the Consolidated Account pursuant to the Appropriations Act*</i>	4 600	2 694
Special Act Salaries	443	411
Total revenues from appropriation	5 043	3 105

*Includes \$3.477 million (\$2.773 million) to fund remissions provided on Emergency Services Levy charges.

A12: Fees and Charges

	2022	2021
	\$'000	\$'000
Regulatory Fees - Land Services*	-	62 754
Regulatory Fees - Planning*	-	8 220
Land Tax Equivalent - Flinders Ports	1 696	1 729
Total fees and charges	1 696	72 703

* Receipts for Regulatory Fees – Land Services pursuant to the *Real Property Act 1886* and
Regulatory Fees -Planning transferred to the Attorney-General's Department, effective 1 October 2020.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2022

A13: Collections on Behalf of Third Parties

	2022	2021
	\$'000	\$'000
Compulsory Third Party Insurance	428 455	422 967
Stamp Duties - Department of Treasury and Finance	223 794	209 537
Lifetime Support Scheme - Lifetime Support Authority	179 650	168 514
Hospital Fund - Department of Treasury and Finance	77 720	75 701
Emergency Services Levy - SA Fire & Emergency Services Commission	47 481	46 523
Refunds	17 401	16 533
National Heavy Vehicle Regulator	14 551	14 053
Expiation Notices - South Australian Police	1	7 908
Other	4 475	4 810
Total Collection on Behalf of Third Parties	993 528	966 546

A14: Interest Revenue

	2022	2021
	\$'000	\$'000
Interest Revenue	-	2
Total interest revenue	-	2

A15: Other Income

	2022	2021
	\$'000	\$'000
Land Services commercialisation*	-	8 552
Other income	147	553
Total other income	147	9 105

* The Land Services commercialisation income was transferred to the Attorney-General's Department, effective 1 October 2020.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2022

A16: Cash and Cash Equivalents

	2022	2021
	\$'000	\$'000
Deposits at call	18 254	51 674
Total cash and cash equivalents	18 254	51 674

A17: Receivables

	2022	2021
	\$'000	\$'000
Current		
Current Receivables	1	1
Accrued Revenues	437	24
Total current receivables	438	25
Total receivables	438	25

Refer to Note A24 for information on risk management.

A18: Land

	2022	2021
	\$'000	\$'000
Land		
Land at fair value	-	-
Total land	-	-

Reconciliation of Land

The following table shows the movement of Land during 2020-21.

	2022	2021
	\$'000	\$'000
Carrying amount at 1 July	-	17 964
Disposals	-	(36)
Transfer due to Administrative Restructures	-	(17 928)
Carrying amount at 30 June	-	-

Land associated with the Planning and Development Fund was transferred to the Attorney-General's Department, effective 1 October 2020.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2022

A19: Payables

	2022	2021
	\$'000	\$'000
Current		
Creditors	14 853	14 591
Accrued Expenses	1 689	35 115
Total current payables	16 542	49 706
Total payables	16 542	49 706

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

For further information on risk management refer to Note A24.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the financial statements
For the year ended 30 June 2022

A20: Cash Flow Reconciliation

	2022	2021
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Statement of Cash flows	18 254	51 674
Statement of Financial Position	18 254	51 674
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	(33 420)	(5 677)
Add / (less) non-cash items		
Unearned revenue	-	-
Land Services Commercialisation - unearned revenue assumed	-	-
Movement in assets and liabilities		
Increase / (decrease) in receivables	413	(153)
(Increase) / decrease in payables	33 164	6 359
(Increase) / decrease in other liabilities	-	2 546
Net result	157	3 075

A21: Unrecognised Contractual Commitments

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

A22: Contingent Assets and Liabilities

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

A23: Events After the Reporting Period

As a result of restructuring of administrative arrangements outlined in the Government Gazette on 30 June 2022, the Office of Local Government will be transferred from the Attorney-General's Department to the Department for Infrastructure and Transport under the responsibility of the Minister for Local Government, which includes the Outback Communities Authority and Local Government Grants Commission.

The notice in the Government Gazette on 30 June 2022 cited as the *Public Sector (Reorganisation of Public Sector Operations) Notice 2022* will come into operation on 1 July 2022.

For more information on the impact of the administrative arrangements on the department's administered items, refer to note 10.5 in the 2021-22 financial statements for the Department for Infrastructure and Transport.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the financial statements
For the year ended 30 June 2022

A24: Financial Instruments

A24.1 Financial Risk Management

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

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

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

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

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

A24.2 Categorisation of Financial Instruments

	Carrying Amount \$'000	Contract Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
2022				
Financial Assets				
Cash and cash equivalents	18 254	18 254	-	-
Receivables (a)	438	438	-	-
Total Financial Assets	18 692	18 692	-	-
Financial liabilities				
Payables (a)	1 804	1 804	-	-
Total Financial Liabilities	1 804	1 804	-	-
2021				
Financial Assets				
Cash and cash equivalents	51 674	51 674	-	-
Receivables (a)	25	25	-	-
Total Financial Assets	51 699	51 699	-	-
Financial liabilities				
Payables (a)	35 115	35 115	-	-
Total Financial Liabilities	35 115	35 115	-	-

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