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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 (the Department) for the financial year ended 30 June 2023.

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 2023, 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 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2023
- a Statement of Administered Financial Position as at 30 June 2023
- a Statement of Administered Cash Flows for the year ended 30 June 2023
- a Schedule of Administered Expenses and Income by Administered Programs for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Chief Executive and the Executive Director, People and Corporate Services.

## **Basis for opinion**

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

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

## **Responsibilities of the Chief Executive for the financial report**

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

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

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Infrastructure and Transport for the financial year ended 30 June 2023.

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'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**

18 September 2023

# **Department for Infrastructure and Transport - Controlled**

## **Financial Statements**

For the year ended 30 June 2023

**Department for Infrastructure and Transport - Controlled**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2023*

	Note	2023 \$'000	2022 \$'000
<b>Income</b>			
Appropriation	2.1	756 029	747 682
Fees and charges	2.2	788 908	738 383
Australian Government sourced funding	2.3	839 185	695 315
SA Government grants, subsidies and transfers	2.4	98 645	51 617
Sales of goods and services	2.5	38 578	141 486
Rental Income	2.6	198 208	193 225
Grants and subsidies income	2.7	53 580	56 470
Interest	2.8	10 244	4 700
Resources received free of charge	2.9	7 472	10 260
Net gain from the disposal of property plant and equipment	2.10	1 179	8 535
Other income	2.11	49 907	39 549
<b>Total income</b>		<b>2 841 935</b>	<b>2 687 222</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	151 312	148 518
Supplies and services	4.1	862 382	938 447
Depreciation and amortisation	4.2	728 034	648 629
Grants and subsidies	4.3	103 121	105 467
Borrowing costs	4.4	26 350	20 583
Cash alignment payments to Department of Treasury and Finance	4.6	231 321	-
Other expenses	4.5	30 913	173 391
<b>Total expenses</b>		<b>2 133 433</b>	<b>2 035 035</b>
<b>Net result</b>		<b>708 502</b>	<b>652 187</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result:</b>			
Changes in property, plant and equipment asset revaluation surplus	5.2,5.3,5.7	2 401 354	12 841
<b>Total other comprehensive income</b>		<b>2 401 354</b>	<b>12 841</b>
<b>Total comprehensive result</b>		<b>3 109 856</b>	<b>665 028</b>

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 2023*

	Note	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	4 341 966	4 427 738
Receivables	6.2	255 049	203 624
Inventories	5.6	6 366	6 283
Other Assets	6.3	27 595	26 955
Non-current assets held for sale	5.7	4 776	6 309
<b>Total current assets</b>		<b>4 635 752</b>	<b>4 670 909</b>
<b>Non-current assets</b>			
Receivables	6.2	139 355	147 383
Other Assets	6.3	63 033	58 654
Land Buildings and Facilities	5.1	4 043 521	3 543 121
Property Plant and Equipment	5.2	741 380	693 341
Network assets	5.3	33 430 525	30 331 552
Capital works in progress	5.4	1 717 818	1 855 913
Intangible assets	5.5	14 442	10 057
<b>Total non-current assets</b>		<b>40 150 074</b>	<b>36 640 021</b>
<b>Total assets</b>		<b>44 785 826</b>	<b>41 310 930</b>
<b>Current liabilities</b>			
Payables	7.1	313 674	298 981
Financial liabilities	7.2	111 545	117 120
Employee benefits	3.4	30 226	29 051
Provisions	7.3	11 721	21 402
Other current liabilities	7.4	19 082	20 232
<b>Total current liabilities</b>		<b>486 248</b>	<b>486 786</b>
<b>Non-current liabilities</b>			
Payables	7.1	11 502	12 285
Financial liabilities	7.2	980 863	888 053
Employee benefits	3.4	41 370	43 836
Provisions	7.3	15 803	16 309
<b>Total non-current liabilities</b>		<b>1 049 538</b>	<b>960 483</b>
<b>Total liabilities</b>		<b>1 535 786</b>	<b>1 447 269</b>
<b>Net assets</b>		<b>43 250 040</b>	<b>39 863 661</b>
<b>Equity</b>			
Contributed Capital		4 950 556	4 673 708
Retained earnings		13 598 537	12 889 395
Asset revaluation surplus		24 700 947	22 300 558
<b>Total equity</b>		<b>43 250 040</b>	<b>39 863 661</b>

**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 2023*

	Note	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2021</b>		<b>4 396 860</b>	<b>22 298 404</b>	<b>12 232 454</b>	<b>38 927 718</b>
Prior Period - error corrections	8.1	-	-	(5 931)	(5 931)
<b>Restated Balance at 1 July 2021</b>		<b>4 396 860</b>	<b>22 298 404</b>	<b>12 226 523</b>	<b>38 921 787</b>
Net result for 2021-22		-	-	652 187	652 187
Gain / (loss) on Revaluation of Land, Buildings and Facilities during 2021-22		-	10 966	-	10 966
Gain / (loss) on Revaluation of Network Assets during 2020-21		-	-	-	-
Gain / (loss) on Revaluation of Plant and Equipment during 2021-22		-	1 904	-	1 904
Gain / (loss) on Revaluation of Intangibles during 2020-21		-	-	-	-
Gain / (loss) on Revaluation of Non-Current Assets Classified as Held for Sale		-	(29)	-	(29)
<b>Total comprehensive result for 2021-22</b>		<b>-</b>	<b>12 841</b>	<b>652 187</b>	<b>665 028</b>
<b>Transfer between equity components</b>					
Equity transfer on asset disposals		-	(10 687)	10 687	-
Other		-	-	(2)	(2)
<b>Transactions with SA Government as Owner</b>					
Equity Contribution Received		276 848	-	-	276 848
<b>Balance at 30 June 2022</b>		<b>4 673 708</b>	<b>22 300 558</b>	<b>12 889 395</b>	<b>39 863 661</b>
Net result for 2022-23		-	-	708 502	708 502
Gain / (loss) on Revaluation of Land, Buildings and Facilities during 2022-23	5.1	-	76 192	-	76 192
Gain / (loss) on Revaluation of Network Assets during 2022-23	5.3	-	2 325 162	-	2 325 162
<b>Total comprehensive result for 2022-23</b>		<b>-</b>	<b>2 401 354</b>	<b>708 502</b>	<b>3 109 856</b>
<b>Transfer between equity components</b>					
Equity transfer on asset disposals		-	( 965)	965	-
Other		-	-	(3)	(3)
Net assets transferred as a result of an administrative restructure	1.3	-	-	(322)	(322)
<b>Transactions with SA Government as Owner</b>					
Equity Contribution Received		276 848	-	-	276 848
<b>Balance at 30 June 2023</b>		<b>4 950 556</b>	<b>24 700 947</b>	<b>13 598 537</b>	<b>43 250 040</b>

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 2023*

		2023 (Outflows) Inflows \$'000	2022 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>	Note		
<b>Cash inflows</b>			
Appropriation		756 029	747 682
Fees and charges		790 214	739 653
Receipts from Australian Government sourced funding		839 185	695 315
SA Government grants, subsidies and transfers		98 645	51 617
Rental income		207 945	207 544
Sale of goods and services		50 078	493 060
Grants and subsidies		53 580	56 470
Interest received		9 624	13 259
Construction work reimbursements		467 255	687 071
GST received from the ATO		187 489	218 603
Other receipts		62 991	20 290
<b>Cash generated from operations</b>		<b>3 523 035</b>	<b>3 930 564</b>
<b>Cash outflows</b>			
Employee benefit payments		(151 474)	(164 577)
Payments for supplies and services		(784 381)	(1 409 129)
Payments of grants and subsidies		(103 121)	(105 467)
Interest paid		(26 350)	(20 583)
Cash alignment payments to Department of Treasury and Finance		(231 321)	-
Construction work payments		(525 545)	(722 344)
Other payments		(34 591)	(34 919)
<b>Cash used in operations</b>		<b>(1 856 783)</b>	<b>(2 457 019)</b>
<b>Net cash provided by/(used in) operating activities</b>	8.3	<b>1 666 252</b>	<b>1 473 545</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from sale of property, plant and equipment		18 976	54 883
<b>Cash generated from investing activities</b>		<b>18 976</b>	<b>54 883</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment and network assets		(1 948 882)	(1 810 928)
<b>Cash used in investing activities</b>		<b>(1 948 882)</b>	<b>(1 810 928)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>(1 929 906)</b>	<b>(1 756 045)</b>
<b>Cash flows from financing activities</b>			
<b>Cash inflows</b>			
Equity contributions received		276 848	276 848
Repayment of finance lease receivables		17 072	27 077
<b>Cash generated from financing activities</b>		<b>293 920</b>	<b>303 925</b>
<b>Cash outflows</b>			
Repayment of lease liabilities		(116 038)	(126 550)
<b>Cash used in financing activities</b>		<b>(116 038)</b>	<b>(126 550)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>177 882</b>	<b>177 375</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(85 772)</b>	<b>(105 125)</b>
<b>Cash and cash equivalents at 1 July</b>		<b>4 427 738</b>	<b>4 532 863</b>
<b>Cash and cash equivalents at 30 June</b>	6.1	<b>4 341 966</b>	<b>4 427 738</b>



# Department for Infrastructure and Transport - Controlled

## Notes to and forming part of the financial statements

for the year ended 30 June 2023

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### 1. About the Department for Infrastructure and Transport

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

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

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

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

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

#### 1.1. Basis of preparation

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

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

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

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

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

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

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

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

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 2023*

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**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 2023 are:

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

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

**Program 1 Public Transport Services**

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

**Program 2 Roads and Marine**

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

**Program 3 Delivery of Transport Projects**

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

**Program 4 Provision and Management of Across Government Services**

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**Program 5 Infrastructure Planning and Policy**

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

**Program 6 Office of Local Government**

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

**Program 7 Road Safety**

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

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2023 and 30 June 2022 below.

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**1.2 Objectives and programs (continued)**

	SA Public Transport					
	Road Safety		Authority		Roads and Marine	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
Appropriation	109 450	111 499	462 291	433 943	177 759	195 590
Fees and charges	2 350	2 436	93 863	71 461	692 695	664 486
Australian Government sourced funding	3 502	15 169	5 080	71 012	50 436	29 245
SA Government grants, subsidies and transfers	3 018	3 419	1 573	1 731	13 142	15 179
Sales of goods and services	9	-	104	8	4 102	4 195
Rental Income	-	-	37	95	58	39
Grants and subsidies income	-	-	53 580	56 458	-	-
Interest	571	-	-	-	1 246	-
Net gain from the disposal of property plant and equipment	-	-	(251)	(165)	5	4 862
Resources received free of charge	-	-	-	-	7 472	7 592
Other income	1 480	151	16 248	11 071	19 054	17 939
<b>Total income</b>	<b>120 380</b>	<b>132 674</b>	<b>632 525</b>	<b>645 614</b>	<b>965 969</b>	<b>939 127</b>
<b>Expenses</b>						
Employee benefits expenses	7 431	7 326	14 366	23 775	74 506	60 504
Supplies and services	5 010	5 169	517 819	465 965	218 590	200 059
Depreciation and amortisation	206	223	145 626	127 120	434 382	379 587
Net loss from the disposal of non-current assets	-	-	-	-	-	-
Grants and subsidies	54 762	52 147	16 848	13 004	15 613	11 851
Borrowing costs	1	-	1	5	15	15
Cash alignment payments to Department of Treasury and Finance	-	-	-	-	-	-
Other expenses	17	16	1 529	6 918	14 667	26 034
<b>Total expenses</b>	<b>67 427</b>	<b>64 881</b>	<b>696 189</b>	<b>636 787</b>	<b>757 773</b>	<b>678 050</b>
<b>Net result</b>	<b>52 953</b>	<b>67 793</b>	<b>(63 664)</b>	<b>8 827</b>	<b>208 196</b>	<b>261 077</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**1.2 Objectives and programs (continued)**

	Delivery of Transport		Provision and Management of		Infrastructure Planning and Policy	
	Projects		Across Government Services			
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>						
Appropriation	-	-	-	-	6 529	6 650
Fees and charges	-	-	-	-	-	-
Australian Government sourced funding	776 511	574 099	-	-	3 656	5 790
SA Government grants, subsidies and transfers	71 256	25 842	2 432	1 494	7 224	3 952
Sales of goods and services	-	5	34 363	137 278	-	-
Rental Income	-	-	198 113	193 091	-	-
Grants and subsidies income	-	-	-	12	-	-
Interest	-	-	7 705	4 700	722	-
Net gain from the disposal of property plant and equipment	-	-	1 425	3 838	-	-
Resources received free of charge	-	77	-	-	-	2 591
Other income	3 499	3 704	539	93	9 072	6 591
<b>Total income</b>	<b>851 266</b>	<b>603 727</b>	<b>244 577</b>	<b>340 506</b>	<b>27 203</b>	<b>25 574</b>
<b>Expenses</b>						
Employee benefits expenses	13 001	11 854	30 516	37 676	10 525	7 383
Supplies and services	1 788	44 775	102 907	203 999	13 349	18 480
Depreciation and amortisation	404	447	121 648	116 290	25 768	24 962
Grants and subsidies	-	-	1 030	-	12 162	28 465
Borrowing costs	9	8	26 324	20 555	-	-
Other expenses	3	125 748	13 930	14 669	16	6
<b>Total expenses</b>	<b>15 205</b>	<b>182 832</b>	<b>296 355</b>	<b>393 189</b>	<b>61 820</b>	<b>79 296</b>
<b>Net result</b>	<b>836 061</b>	<b>420 895</b>	<b>(51 778)</b>	<b>(52 683)</b>	<b>( 34 617)</b>	<b>(53 722)</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**1.2 Objectives and programs (continued)**

	Office of Local Government		General / Not Attributable		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Income</b>						
Appropriation	-	-	-	-	756 029	747 682
Fees and charges	-	-	-	-	788 908	738 383
Australian Government sourced funding	-	-	-	-	839 185	695 315
SA Government grants, subsidies and transfers	-	-	-	-	98 645	51 617
Sales of goods and services	-	-	-	-	38 578	141 486
Rental Income	-	-	-	-	198 208	193 225
Grants and subsidies income	-	-	-	-	53 580	56 470
Interest	-	-	-	-	10 244	4 700
Net gain from the disposal of property plant and equipment	-	-	-	-	1 179	8 535
Resources received free of charge	-	-	-	-	7 472	10 260
Other income	15	-	-	-	49 907	39 549
<b>Total income</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 841 935</b>	<b>2 687 222</b>
<b>Expenses</b>						
Employee benefits expenses	967	-	-	-	151 312	148 518
Supplies and services	2 919	-	-	-	862 382	938 447
Depreciation and amortisation	-	-	-	-	728 034	648 629
Grants and subsidies	2 706	-	-	-	103 121	105 467
Borrowing costs	-	-	-	-	26 350	20 583
Cash alignment payments to Department of Treasury and Finance	-	-	231 321	-	231 321	-
Other expenses	751	-	-	-	30 913	173 391
<b>Total expenses</b>	<b>7 343</b>	<b>-</b>	<b>231 321</b>	<b>-</b>	<b>2 133 433</b>	<b>2 035 035</b>
<b>Net result</b>	<b>(7 328)</b>	<b>-</b>	<b>(231 321)</b>	<b>-</b>	<b>708 502</b>	<b>652 187</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2023*

**1.2 Objectives and programs (continued)**

	SA Public Transport					
	Road Safety		Authority		Roads and Marine	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	-	-	6 704	9 429	638	1 262
Inventories	-	-	4 283	4 243	2 061	2 020
Other assets	-	-	152	20	22	163
Non-current assets classified as held for sale	-	-	246	246	-	-
Land, buildings and facilities	550	618	325 326	392 171	690 727	671 449
Plant and equipment	2 274	2 411	690 945	642 777	42 794	41 491
Network assets	-	-	3 138 974	2 931 737	30 291 551	27 399 815
Capital works in progress	906	-	50 837	98 381	324 068	226 840
Intangible assets	-	3	3 461	2 798	10 981	7 256
<b>Total assets</b>	<b>3 730</b>	<b>3 032</b>	<b>4 220 928</b>	<b>4 081 802</b>	<b>31 362 842</b>	<b>28 350 296</b>
<b>Liabilities</b>						
Payables	552	539	43 706	49 935	91 151	77 065
Financial liabilities	-	-	-	-	-	-
Employee benefits	3 859	4 069	576	3 605	38 687	33 602
Provisions	579	584	7 008	6 574	15 726	26 018
Other liabilities	-	-	17 448	18 559	73	73
<b>Total liabilities</b>	<b>4 990</b>	<b>5 192</b>	<b>68 738</b>	<b>78 673</b>	<b>145 637</b>	<b>136 758</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2023*

**1.2 Objectives and programs (continued)**

	Delivery of Transport Projects		Provision and Management of Across Government Services		Infrastructure Planning and Policy	
	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Assets</b>						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	-	654	342 266	304 815	821	1 565
Inventories	-	-	-	-	22	20
Other assets	3 996	1 453	86 410	83 931	48	39
Non-current assets classified as held for sale	-	-	4 530	6 063	-	-
Land, buildings and facilities	-	-	2 552 616	2 037 284	474 302	441 599
Plant and equipment	-	-	764	1 424	4 603	5 238
Network assets	-	-	-	-	-	-
Capital works in progress	1 171 014	1 427 938	17 642	17 902	153 351	84 852
Intangible assets	-	-	-	-	-	-
<b>Total assets</b>	<b>1 175 010</b>	<b>1 430 045</b>	<b>3 004 228</b>	<b>2 451 419</b>	<b>633 147</b>	<b>533 313</b>
<b>Liabilities</b>						
Payables	115 732	104 495	59 908	60 687	13 494	18 545
Financial liabilities	-	-	1 089 415	1 002 172	2 993	3 001
Employee benefits	6 751	6 584	15 848	20 926	5 465	4 101
Provisions	1 013	945	2 378	3 002	820	588
Other liabilities	136	119	599	716	826	765
<b>Total liabilities</b>	<b>123 632</b>	<b>112 143</b>	<b>1 168 148</b>	<b>1 087 503</b>	<b>23 598</b>	<b>27 000</b>



**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*as at 30 June 2023*

**1.2 Objectives and programs (continued)**

	Office of Local Government		General / Not Attributable		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Assets</b>						
Cash and cash equivalents	-	-	4 341 966	4 427 738	4 341 966	4 427 738
Receivables	14	-	43 961	33 282	394 404	351 007
Inventories	-	-	-	-	6 366	6 283
Other assets	-	-	-	3	90 628	85 609
Non-current assets classified as held for sale	-	-	-	-	4 776	6 309
Land, buildings and facilities	-	-	-	-	4 043 521	3 543 121
Plant and equipment	-	-	-	-	741 380	693 341
Network assets	-	-	-	-	33 430 525	30 331 552
Capital works in progress	-	-	-	-	1 717 818	1 855 913
Intangible assets	-	-	-	-	14 442	10 057
<b>Total assets</b>	<b>14</b>	<b>-</b>	<b>4 385 927</b>	<b>4 461 023</b>	<b>44 785 826</b>	<b>41 310 930</b>
<b>Liabilities</b>						
Payables	633	-	-	-	325 176	311 266
Financial liabilities	-	-	-	-	1 092 408	1 005 173
Employee benefits	410	-	-	-	71 596	72 887
Provisions	-	-	-	-	27 524	37 711
Other liabilities	-	-	-	-	19 082	20 232
<b>Total liabilities</b>	<b>1 043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 535 786</b>	<b>1 447 269</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**1.3. Changes to the department**

As a result of restructuring of administrative arrangements outlined in the Government Gazette on 30 June 2022, the Office of Local Government transferred from the Attorney-General's Department to the department. The effective date was 1 July 2022.

**Transferred in:**

	<b>OLG</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Total assets</b>		
Intangibles	740	740
Other Assets	3	3
<b>Total assets</b>	<b>743</b>	<b>743</b>
<b>Total liabilities</b>		
Payables	648	648
Other liabilities	417	417
<b>Total liabilities</b>	<b>1 065</b>	<b>1 065</b>
<b>Net assets transferred as a result of an administrative restructure</b>	<b>(322)</b>	<b>(322)</b>

Net assets assumed by the department because of the administrative restructure are the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to transfer. The net assets transferred were treated as a contribution by the government as owner.

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**1.4. Budget performance**

The budget performance table compares the department's outcomes against budget information presented to Parliament (2022-23 Budget Paper 4, Volume 3). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures.

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

Statement of Comprehensive Income	Note	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
<b>Income</b>				
Appropriation		705 605	756 029	50 424
Fees and charges		749 600	788 908	39 308
Australian Government sourced funding	a	1 095 324	839 185	(256 139)
SA Government grants, subsidies and transfers		23 579	98 645	75 066
Sales of goods and services		32 702	38 578	5 876
Rental Income		200 562	198 208	(2 354)
Grants and subsidies income		56 395	53 580	(2 815)
Interest		4 174	10 244	6 070
Net gain from the disposal of property plant and equipment		300	1 179	879
Resources received free of charge		-	7 472	7 472
Other income		49 045	49 907	862
<b>Total income</b>		<b>2 917 286</b>	<b>2 841 935</b>	<b>(75 351)</b>
<b>Expenses</b>				
Employee benefits expenses		144 075	151 312	7 237
Supplies and services	b	710 028	862 382	152 354
Depreciation and amortisation		701 968	728 034	26 066
Grants and subsidies		81 335	103 121	21 786
Borrowing costs		20 855	26 350	5 495
Cash alignment payments to Department of Treasury and Finance	c	-	231 321	231 321
Other expenses		33 144	30 913	(2 231)
<b>Total expenses</b>		<b>1 691 405</b>	<b>2 133 433</b>	<b>442 028</b>
<b>Net result</b>		<b>1 225 881</b>	<b>708 502</b>	<b>(517 379)</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to net result</b>				
Changes in property, plant and equipment asset revaluation surplus	d	40 761	2 401 354	2 360 593
<b>Total other comprehensive income</b>		<b>40 761</b>	<b>2 401 354</b>	<b>2 360 593</b>
<b>Total comprehensive result</b>		<b>1 266 642</b>	<b>3 109 856</b>	<b>1 843 214</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**1.4 Budget Performance (continued)**

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

- a) Australian Government sourced funding was lower than original budget largely due to the timing and recognition of Australian Government contributions towards several major projects.
- b) Additional costs associated with disaster recovery works for flood damage, increased public transport operating costs and additional road maintenance works.
- c) Cash Alignment payments are determined from previous financial year net result for the department's Operating Account. Budgets are determined during the financial year and are not part of the original budget.
- d) Changes in the revaluation surplus are predominantly due to the revaluation of road network asset

**INVESTING EXPENDITURE SUMMARY**

	Note	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
<b>Investing expenditure summary</b>				
Total new projects		185 695	114 352	71 343
Total existing projects	a	1 772 143	1 434 388	337 755
Total annual programs		144 543	129 117	15 426
<b>Total investing expenditure</b>		<b>2 102 381</b>	<b>1 677 857</b>	<b>424 524</b>

- a) Total existing projects investing expenditure was lower than original budget predominantly due to the reprofiling of expenditure cashflows in accordance with project schedules for the following: Road Safety Package, Strzelecki Track, Hahndorf Traffic Improvements, the Princes Highway Corridor, and the Mike Turtur Bikeway.

**1.5. Significant transactions with government related entities**

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**2. Income**

**2.1. Appropriation**

	2023	2022
	\$'000	\$'000
<b>Appropriation</b>		
Appropriations from Consolidated Account pursuant to the Appropriation Act	756 029	747 682
<b>Total appropriation</b>	<b>756 029</b>	<b>747 682</b>

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**

	2023	2022
	\$'000	\$'000
<b>Fees and Charges</b>		
Drivers licence fees	87 478	87 398
Metro tickets	77 897	56 810
Motor registrations	569 552	542 264
Marine related fees and charges	22 517	23 150
Other fees and charges	31 464	28 761
<b>Total fees and charges</b>	<b>788 908</b>	<b>738 383</b>

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

**Road Safety**

In accordance with the *Highways Act 1926*, \$14.580 million (\$14.566 million) being one-sixth of driver's licence collections and \$1.226 million (\$1.143 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 2023*

**2.3. Australian Government sourced funding**

	2023	2022
	\$'000	\$'000
<b>Australian Government sourced funding</b>		
Australian Government sourced funding*	831 872	689 101
Roads to Recovery Program**	1 200	4 398
Local Roads and Community Infrastructure Program***	6 113	1 816
<b>Total Australian Government sourced funding</b>	<b>839 185</b>	<b>695 315</b>

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

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

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

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

Obligations under Australian Government sourced funding is 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 2023 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**

	2023	2022
	\$'000	\$'000
<b>SA Government grants, subsidies and transfers</b>		
Intra-government transfers	32 152	39 831
Transfers from contingency provisions	66 493	11 786
<b>Total SA Government grants, subsidies and transfers</b>	<b>98 645</b>	<b>51 617</b>

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 2023*

**2.5. Sales of Goods and Services**

	2023 \$'000	2022 \$'000
<b>Sale of Goods and Services</b>		
Maintenance services	6 234	103 503
Other sale of goods and services	32 344	37 983
<b>Total sales of goods and services</b>	<b>38 578</b>	<b>141 486</b>

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:***

The South Australian Government has entered into a contract for the administration and works coordination role for the Across Government Facilities Management Arrangements (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.

Prior to entering into the new contract in its role as one of the across government facilities management service providers, the department managed property maintenance and enhancement services to its portfolio of buildings, facilities and assets and recovered the costs of providing these services from participating agencies under the previous 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 obligation being satisfied.

It is anticipated that all work performed under the previous arrangement will cease in the 2023-24 financial year.

***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.

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**2.6. Rental Income**

	2023	2022
	\$'000	\$'000
<b>Rental Income</b>		
Government accommodation	187 024	185 176
Property rents and recoveries	4 692	2 638
Other	6 492	5 411
<b>Total Rental Income</b>	<b>198 208</b>	<b>193 225</b>

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**

	2023	2022
	\$'000	\$'000
Concessional passenger income	53 482	52 123
Covid-19 Support Fund*	-	4 246
Other	98	101
<b>Total Grants and subsidies income</b>	<b>53 580</b>	<b>56 470</b>

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

\* In 2021-22 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**

	2023	2022
	\$'000	\$'000
<b>Interest</b>		
Interest on deposit accounts	5 436	-
Interest on finance leases	4 808	4 700
<b>Total interest</b>	<b>10 244</b>	<b>4 700</b>

Deposits at call with the Treasurer earn a floating interest rate based on a daily banking deposit rate. This was reintroduced in 2022-23.



**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**2.9. Resources Received Free of Charge**

	2023	2022
	\$'000	\$'000
<b>Resources received/receivable free of charge:</b>		
Land, buildings and facilities	-	2 668
Plant and equipment	50	-
Services provided by Shared Services SA	4 335	4 617
Services provided by the Department of the Premier and Cabinet	3 087	2 975
<b>Total resources received free of charge</b>	<b>7 472</b>	<b>10 260</b>

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

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

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

	2023	2022
	\$'000	\$'000
<b>Net gain (loss) from the disposal of non-current assets received / receivable:</b>		
<b>Land, Buildings and Facilities:</b>		
Net Proceeds from disposal	14 315	11 911
Less carrying amount of assets disposed	(14 332)	(17 039)
Costs incurred to facilitate disposal	(33)	(89)
<b>Net gain (loss) from disposal of land, buildings and facilities</b>	<b>(50)</b>	<b>(5 217)</b>
<b>Plant and equipment:</b>		
Net Proceeds from disposal	84	1 568
Less carrying amount of assets disposed	(547)	(1 037)
<b>Net gain (loss) from disposal of plant and equipment</b>	<b>(463)</b>	<b>531</b>
<b>Non-Current Assets Held for Sale:</b>		
Net Proceeds from disposal	4 577	37 069
Less carrying amount of assets disposed	(3 034)	(27 353)
Costs incurred to facilitate disposal	149	(525)
<b>Net gain (loss) from disposal of non-current assets held for sale</b>	<b>1 692</b>	<b>9 191</b>
<b>Intangibles:</b>		
Net Proceeds from disposal	-	4 335
Less carrying amount of assets disposed	-	(305)
<b>Net gain (loss) from disposal of non-current assets held for sale</b>	<b>-</b>	<b>4 030</b>
<b>Total assets:</b>		
Net Proceeds from disposal	18 976	54 883
Less carrying amount of assets disposed	(17 913)	(45 734)
Costs incurred to facilitate disposal	116	(614)
<b>Net gain (loss) from disposal of assets</b>	<b>1 179</b>	<b>8 535</b>

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 2023*

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**2.11. Other Income**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other Income</b>		
Recoveries and contributions	27 000	22 945
Reimbursement works and external project contributions	22 297	16 006
Service recoveries received from other government agencies	610	598
<b>Total other income</b>	<b>49 907</b>	<b>39 549</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**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 8 members of the Executive Team who have responsibility for the strategic direction and management of the department.

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Compensation</b>		
Salaries and other short term employee benefits	2 932	3 389
Post-employment benefits	315	377
Termination benefits	-	476
Other long-term employment benefits	-	116
<b>Total</b>	<b>3 247</b>	<b>4 358</b>

**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 2023*

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**3.2. Board and Committee Members**

Members during the 2022-23 financial year were:

**Passenger Transport Standards Committee**

BIRCH C P (resigned 30/9/2022)  
DUNSTONE J (reappointed 01/01/2023)  
KING B (reappointed 01/01/2023)  
MADAN V (reappointed 01/01/2023)  
MORTIMER K P\* (reappointed 01/01/2023)  
SPAGNOLETTI M\* (reappointed 01/01/2023)  
SIMIONATO P (reappointed 01/01/2023)  
TURNER M (reappointed 01/01/2023)  
WIGGLESWORTH R\* (reappointed 01/01/2023)  
WILSON J\* (reappointed 01/01/2023)  
BIRD M (reappointed 01/01/2023)  
RICHARDS J (appointed 01/01/2023)

**Performance and Risk Committee**

ALFORD A (appointed 25/07/2022)  
OCKENDEN A\* (resigned 18/04/2023)  
CLARK S\* (appointed 18/04/2023)  
FORMSTON J\* (resigned 15/06/2023)  
JACKSON, G\* (appointed 15/6/2023)  
DAVIES T (reappointed 28/06/2023)  
WESSEL N\* (resigned 31/08/2022)  
SUMMERS K (resigned 25/07/2022)  
HASLAM R (reappointed 01/4/2023)  
BUCKERFIELD W\* (appointed 20/09/2022)

**South Australian Boating Facility Advisory Committee**

MILAZZO A J (reappointed 02/12/2022)  
ANDREW B (reappointed 02/11/2022)  
BOLTON G (reappointed 02/11/2022)  
SCHAHINGER B M (reappointed 02/11/2022)  
SEAMAN V (reappointed 02/11/2022)  
MCGRATH S (expired 01/11/2022)  
ROMEO F (expired 01/11/2022)  
TOUMAZOS K (reappointed 02/11/2022)  
FLAHERTY T (reappointed 02/11/2022)  
STEPHENS L (reappointed 24/05/2023)  
VINES S (appointed 24/05/2023)

**Road User Safety Advisory Committee**

PLOUFFE J (reappointed 13/02/2023)  
WUNDERSITZ L (reappointed 13/02/2023)  
PETROCCITTO S (reappointed 13/02/2023)  
GIBSON N\* (expired 31/12/2022)  
KOKAR E M\* (reappointed 13/02/2023)  
KOSTADINOV I\* (expired 31/12/2022)  
MOUNTAIN C (reappointed 13/02/2023)  
PARROT I\* (reappointed 13/02/2023)  
SHANNON A B (reappointed 13/02/2023)  
WADDINGTON-POWELL J M\* (reappointed 13/02/2023)  
MCARDLE S (appointed 13/02/2023)

**Mount Barker Infrastructure Advisory Committee**

BROPHY N (reappointed 01/02/2023)  
CLANCEY B J (reappointed 01/02/2023)  
EXCELL A\*  
MAYER L (expired 31/01/2023)  
KERNICH G\* (reappointed 22/06/2023)  
BHINDI M (appointed 24/05/2023)

**South Australian Public Transport Authority Advisory Board \*\***

HAACK N  
PRICE-MCGREGOR A N  
VELLACOTT G

**Behavioural Standards Panel \*\*\***

CRICHTON A (appointed 28/03/2022)  
JERVIS R (appointed 28/03/2022)  
LEGIERSE T (appointed 28/03/2022)

\* 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.

\*\* The South Australian Public Transport Authority Advisory Board was discontinued from the 19 June 2023.

\*\*\* The Behavioural Standards Panel was transitioned to the department from the Attorney-General's department 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 2023*

**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:

	2023	2022
\$0 - \$19 999	17	16
\$20 000 - \$39 999	-	1
\$40 000 - \$59 999	-	-
<b>Total number of members</b>	<b>17</b>	<b>17</b>

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 \$0.148 million (\$0.120 million).

**3.3. Employee Benefits Expenses**

	2023	2022
	\$'000	\$'000
Salaries and wages	105 392	103 027
Board and committee fees	106	100
Employment on-costs - superannuation	11 983	11 285
Employment on-costs - payroll	6 474	6 079
Annual leave	10 722	10 395
Long service leave	6 061	6 385
Workers compensation expenses	2 687	3 096
TVSPs payments	5 046	5 428
Skills and Experience Retention Leave	1 190	1 143
Other employee related expenses	1 651	1 580
<b>Total employee benefits expenses</b>	<b>151 312</b>	<b>148 518</b>

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 2023*

**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:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
\$157 001 - \$160 000	n.a.	5
\$160 001 - \$180 000	26	27
\$180 001 - \$200 000	16	15
\$200 001 - \$220 000	11	13
\$220 001 - \$240 000	6	11
\$240 001 - \$260 000 (b)	9	3
\$260 001 - \$280 000 (a), (c)	4	3
\$280 001 - \$300 000 (a)	3	4
\$300 001 - \$320 000 (a), (c)	3	4
\$320 001 - \$340 000 (d)	4	5
\$340 001 - \$360 000	1	2
\$360 001 - \$380 000	1	2
\$380 001 - \$400 000 (e)	1	3
\$420 001 - \$440 000	-	1
\$500 001 - \$520 000	1	-
\$640 001 - \$660 000 (f)	-	1
\$820 001 - \$840 000 (f)	-	1
<b>Total</b>	<b>86</b>	<b>100</b>

\*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

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 \$19.1million (\$23.6 million).

(a) 2023 - includes TVSP payment for one employee

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

(c) 2022 - includes TVSP payment for one employee

(d) 2022 - includes TVSP for three employees

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

(f) 2022 - includes executive termination payment for one employee

The department had 45 (49) Executives as at 30 June 2023.

There were no executive termination payments in 2022-23 (\$0.694 million paid during 2021-22)

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**Targeted Voluntary Separation Packages (TVSPs)**

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

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

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid to separated employees:		
Targeted voluntary separation packages	5 046	5 428
Leave paid to separated employees	2 942	3 014
Rejuvenation scheme payments	-	1 085
Leave paid to separated employees (rejuvenated employees)	-	1 316
Recovery from the Department of Treasury and Finance	<u>(4 682)</u>	<u>(5 426)</u>
<b>Net cost to the department</b>	<b>3 306</b>	<b>5 417</b>

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 2023*

**3.4. Employee Benefits Liability**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Annual leave	21 385	20 662
Long service leave	7 196	6 756
Skills and Experience Retention Leave	1 645	1 633
<b>Total current employee benefits</b>	<b>30 226</b>	<b>29 051</b>
<b>Non-current</b>		
Long service leave	41 370	43 836
<b>Total non-current employee benefits</b>	<b>41 370</b>	<b>43 836</b>
<b>Total employee benefits</b>	<b>71 596</b>	<b>72 887</b>

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 2023*

**4. Expenses**

**4.1. Supplies and Services**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Public transport service contracts	441 052	426 329
Rail Commissioner salary reimbursements	16 948	16 226
Major infrastructure maintenance contracts	140 583	131 073
Other service contracts	91 485	108 707
Property expenses	62 616	141 690
Plant, equipment and vehicle expenses	4 193	3 977
Information technology and communications	11 738	12 114
Materials and other purchases	12 046	8 003
Utilities	30 282	28 453
Insurance	6 200	5 074
Legal services	2 734	2 335
Short term and low value leases	14 628	17 598
Commissions - transaction processing	1 499	1 490
Auditor's remuneration*	1 224	1 112
Administrative costs	6 729	6 413
Other	18 425	27 853
<b>Total supplies and services</b>	<b>862 382</b>	<b>938 447</b>

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**4.2. Depreciation and Amortisation**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation:</b>		
Network assets	496 856	429 047
Plant and equipment	62 297	57 369
Buildings and facilities	64 280	62 254
Right-of-use plant and equipment	1 166	1 653
Right-of-use building	100 911	95 784
<b>Total Depreciation</b>	<b>725 510</b>	<b>646 107</b>
<b>Amortisation:</b>		
Intangible assets	2 524	2 522
<b>Total Amortisation</b>	<b>2 524</b>	<b>2 522</b>
<b>Total depreciation and amortisation</b>	<b>728 034</b>	<b>648 629</b>

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 2023*

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**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>
<b>Buildings and Facilities:</b>		
Buildings and facilities	Straight Line	1 to 150 years
Dwellings	Straight Line	10 to 67 years
Right-of-use buildings	Straight Line	1 to 19 years
<b>Plant and Equipment:</b>		
Plant and equipment	Straight Line	2 to 100 years
Buses	Diminishing Value	25 years
Tram and train rolling stock	Straight Line	21 to 40 years
Information technology	Straight Line	3 to 15 years
Right-of-use plant and equipment	Straight Line	1 to 5 years
<b>Network Assets:</b>		
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	20 to 100 years
<b>Intangible Assets:</b>		
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 2022-23 the department reassessed the useful life of some of its assets. As a result the 2022-23 and future depreciation expense will decrease by \$0.7 million.

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**4.3. Grants and Subsidies**

Grants and subsidies by program	2023 \$'000	2022 \$'000
Contribution for policing services	46 893	45 749
Transport Subsidy Scheme	10 276	8 310
Grants to local councils*	21 487	42 117
Transport concessions	3 360	2 499
Provision of Municipal Services	2 453	-
Local Roads and Community Infrastructure Program	2 845	571
Other	15 807	6 221
<b>Total grants and subsidies</b>	<b>103 121</b>	<b>105 467</b>

\* Includes grants under the Community Infrastructure Grants program in 2021-22 and 2022-23.

\*\* Provision of Municipal Services in Aboriginal Communities delivered by the Office of Local Government which was transferred to the Department as at 1 July 2022.

**4.4. Borrowing Costs**

Interest paid/payable on Borrowing Costs:	2023 \$'000	2022 \$'000
Interest on leases	26 350	20 583
<b>Total borrowing costs</b>	<b>26 350</b>	<b>20 583</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**4.5. Other Expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Rates, taxes and levies	7 024	7 621
Donated assets*	425	121 527
Bad debts	80	111
Write-off of assets	3 628	12 734
Indentured Ports***	12 868	12 109
Local government and income tax equivalent payments	677	812
Increase in provision for contractual arrangements	611	798
Other payments to consolidated account**	5 535	6 203
Site remediation	-	13 394
Expected credit loss movement	(94)	(1 991)
Other	159	73
<b>Total other expenses</b>	<b>30 913</b>	<b>173 391</b>

\* Asset construction expenditure was 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.

**4.6. Cash alignment payments to Department of Treasury and Finance**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Return of surplus cash pursuant to cash alignment policy	231 321	-
<b>Total cash alignment payments to department of treasury and finance</b>	<b>231 321</b>	<b>-</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**5. Non-Financial Assets**

**5.1 Land, Buildings and Facilities**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land:</b>		
Land at fair value	946 405	911 274
<b>Total Land</b>	<b>946 405</b>	<b>911 274</b>
<b>Land Under Roads:</b>		
Land under roads at cost	270 855	225 736
<b>Total Land Under Roads</b>	<b>270 855</b>	<b>225 736</b>
<b>Land for Current Projects:</b>		
Land for current projects at cost*	612 243	291 079
<b>Total Land for Current Projects</b>	<b>612 243</b>	<b>291 079</b>
<b>Buildings and Facilities:</b>		
Buildings and facilities at fair value	2 353 574	2 174 629
Accumulated depreciation at 30 June	864 873	736 502
<b>Total Buildings and Facilities</b>	<b>1 488 701</b>	<b>1 438 127</b>
<b>Right-of-use land and buildings</b>		
Right-of-use land and buildings at cost	1 235 440	1 205 693
Accumulated depreciation at 30 June	510 123	528 788
<b>Total Right-of-use land and buildings</b>	<b>725 317</b>	<b>676 905</b>
<b>Total Land, Buildings and Facilities</b>	<b>4 043 521</b>	<b>3 543 121</b>

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**5.1 Land, Buildings and Facilities (continued)**

**RECONCILIATION OF LAND, BUILDINGS AND FACILITIES**

**Reconciliation 2022-23**

	Land	Land Under Roads	Land for Current Projects	Buildings & Facilities	ROU Land & Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2022	911 274	225 736	291 079	1 438 127	676 905	3 543 121
Reclassification from/(to) assets held for sale	(1 146)			(355)		(1 501)
Additions	120	-	377 820	79 477	118 703	576 120
Disposals	(9 319)			(5 009)	(4)	(14 332)
Donated assets	(27)			(371)		(398)
Write offs	-			(1 084)		(1 084)
Revaluation increment/(decrement)	34 877			41 315		76 192
Depreciation and amortisation	-			(64 280)	(100 911)	(165 191)
Transfers due to reclassification of assets	10 627	45 119	(56 656)	880		(30)
Reclassification from/ to finance lease receivable					(904)	(904)
Re-Measurement					31 525	31 525
Other movements	(1)	-	-	1	3	3
<b>Carrying amount at 30 June 2023</b>	<b>946 405</b>	<b>270 855</b>	<b>612 243</b>	<b>1 488 701</b>	<b>725 317</b>	<b>4 043 521</b>

**Reconciliation 2021-22**

	Land	Land Under Roads	Land for Current Projects	Buildings & Facilities	ROU Land & Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2021	927 826	191 947	194 815	1 415 827	661 834	3 392 249
Reclassification from/(to) assets held for sale	(21 338)	(1 040)	-	(1 351)	-	(23 729)
Additions	1 807	-	138 656	85 536	87 810	313 809
Disposals	(13 525)	-	-	(3 513)	-	(17 038)
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 to finance lease receivables	-	-	-	-	442	442
Re-Measurement	-	-	-	-	22 604	22 604
Other movements					(1)	(1)
<b>Carrying amount at 30 June 2022</b>	<b>911 274</b>	<b>225 736</b>	<b>291 079</b>	<b>1 438 127</b>	<b>676 905</b>	<b>3 543 121</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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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 2022-23, government employee housing was revalued. The fair value for Adelaide Oval, ex-rail land and building, land and building for future road construction 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 2023**

**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	
<b>Land</b>	Government Employee Housing	1 July 2022	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	
<b>Buildings and Facilities</b>	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	
	<b>Residential Buildings</b>						
	Government Employee Housing	1 July 2022	Valuer-General	1	2	Market	
	Future Road Construction	1 July 2019	Valuer-General	6	2	Market	
<b>Commercial Buildings</b>							
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		
<b>Land, Buildings and Improvements Under Lease</b>	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 2023*

**5.2 Property, Plant and Equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Plant and equipment (at fair value)	1 892 517	1 798 524
Information technology	7 182	8 388
Right-of-use vehicle at cost	4 710	5 031
	<b>1 904 409</b>	<b>1 811 943</b>
Accumulated Depreciation:		
Accumulated depreciation - Plant and equipment	1 154 445	1 108 604
Accumulated depreciation - Information technology	5 875	6 666
Accumulated depreciation - ROU Vehicle	2 709	3 332
	<b>1 163 029</b>	<b>1 118 602</b>
<b>Total Plant and Equipment</b>	<b>741 380</b>	<b>693 341</b>

**RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT**

**Reconciliation 2022-23**

	<b>Plant and Equipment</b>	<b>Information Technology</b>	<b>ROU Vehicle</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at 1 July 2022	689 920	1 722	1 699	693 341
Additions	110 998	539	1 475	113 012
Disposals	(521)		(26)	(547)
Donated assets	(27)			(27)
Resources received free of charge	50			50
Write offs	(995)	(5)		(1 000)
Depreciation and amortisation	(61 348)	(949)	(1 166)	(63 463)
Re-Measurement			(9)	(9)
Other movements	(5)	-	28	23
<b>Carrying amount at 30 June</b>	<b>738 072</b>	<b>1 307</b>	<b>2 001</b>	<b>741 380</b>

**Reconciliation 2021-22**

	<b>Plant and Equipment</b>	<b>Information Technology</b>	<b>ROU Vehicle</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at 1 July 2021	670 281	1 968	2 614	674 863
Additions	76 007	623	746	77 376
Disposals	(1 031)	-	(7)	(1 038)
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	(370)	-	-	(370)
Other movements	3	-	(1)	2
<b>Carrying amount at 30 June</b>	<b>689 920</b>	<b>1 722</b>	<b>1 699</b>	<b>693 341</b>

**Department for Infrastructure and Transport - Controlled**  
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**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.

The impact of the department's annual review of ferries, tall ships and Aids to Navigations resulted in no change to the fair value of these assets.

**Right- of-Use (ROU) vehicles**

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

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

**Department for Infrastructure and Transport - Controlled**  
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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:

<b>Asset Class</b>	<b>Assets Valued</b>	<b>Last Valued / Revalued</b>	<b>By Whom</b>	<b>Timing of Revaluations (years)</b>	<b>Input level</b>	<b>Fair Value Approach</b>
<b>Plant and Equipment</b>	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
<b>Information Technology (IT)</b>	Information Technology	NA	Not applicable	NA	NA	NA

**Department for Infrastructure and Transport - Controlled**  
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**5.3 Network Assets**

	2023 \$'000	2022 \$'000
<b>Network Assets:</b>		
Roads and structures (at fair value)	42 379 301	37 903 167
Rail and bus track (at fair value)	4 835 711	4 417 173
	<b>47 215 012</b>	<b>42 320 340</b>
<b>Accumulated Depreciation:</b>		
Accumulated depreciation - Roads and structures	12 366 928	10 736 247
Accumulated depreciation - Rail and bus track	1 417 559	1 252 541
	<b>13 784 487</b>	<b>11 988 788</b>
<b>Total Network Assets</b>	<b>33 430 525</b>	<b>30 331 552</b>

**RECONCILIATION OF NETWORK ASSETS**

*Reconciliation 2022-23*

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

*Reconciliation 2021-22*

	Roads \$'000	Structures \$'000	Rail and Bus Track \$'000	Total \$'000
<b>Carrying amount at 1 July 2021</b>	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 movements	3	-	2	5
<b>Carrying amount at 30 June 2022</b>	<b>24 107 468</b>	<b>3 059 452</b>	<b>3 164 632</b>	<b>30 331 552</b>

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

**Valuation of Roads and Structures**

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

The Department conducts annual review of road component and structures unit rates by an independent external estimator. This measure is to ensure the Department Network asset portfolio is not significantly different from fair value at reporting. The last annual review was conducted as at 1 July 2022 for the 2022-23 financial year. The revaluation of Road Network assets is conducted every 5 years. The impact of the department's annual review of the road network has resulted in a net fair value increase of \$2.055b of the roads and structures network value. The increase is mainly due to an increase in labour rates and an increase in materials used in road and bridge construction.

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

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

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

- Sealed road surfacings
- Sealed road pavements – Base
- Sealed road pavements – 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.

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:

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

The impact of the department's annual review of the Rail and Bus network assets has resulted in a net fair value increase of \$0.214m due to increases in material and labour rates.

**Department for Infrastructure and Transport - Controlled**  
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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:

<b>Asset Class</b>	<b>Assets Valued</b>	<b>Last Valued / Revalued</b>	<b>By Whom</b>	<b>Timing of Revaluations (years)</b>	<b>Input Level</b>	<b>Fair Value Approach</b>
<b>Network Assets</b>						
<b>Roads*</b>	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
<b>Structures*</b>	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
<b>Rail and Bus Track</b>	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.



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**5.4 Capital Works in Progress**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Land, buildings and facilities	67 843	35 087
Road network	1 564 020	1 679 920
Plant, equipment and intangibles	44 201	47 134
Rail and bus track	41 754	93 772
<b>Total capital works in progress</b>	<b>1 717 818</b>	<b>1 855 913</b>

**RECONCILIATION OF CAPITAL WORKS IN PROGRESS**

**Reconciliation 2022-23**

	<b>Road Network</b>	<b>Plant and Equipment/Inta ngibles</b>	<b>Land, Buildings and Facilities</b>	<b>Rail and Bus Track</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at 1 July 2022</b>	1 679 920	47 134	35 087	93 772	1 855 913
Additions	1 079 291	117 111	461 287	24 375	1 682 064
Transfer to capital	(1 195 080)	(118 446)	(427 646)	(76 365)	(1 817 537)
Transfer to operating	(111)	(1 597)	(886)	(27)	(2 621)
Other movements		(1)	1	(1)	(1)
<b>Carrying amount at 30 June 2023</b>	<b>1 564 020</b>	<b>44 201</b>	<b>67 843</b>	<b>41 754</b>	<b>1 717 818</b>

**Reconciliation 2021-22**

	<b>Road Network</b>	<b>Plant and Equipment/Inta ngibles</b>	<b>Land, Buildings and Facilities</b>	<b>Rail and Bus Track</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at 1 July 2021</b>	1 129 871	25 390	147 971	483 232	1 786 464
Additions	1 174 195	105 435	242 182	195 236	1 717 048
Transfer to capital	(622 797)	(78 146)	(225 999)	(584 330)	(1 511 272)
Transfer to operating	(1 350)	(5 544)	(1 820)	(366)	(9 080)
Write offs	-	-	(5 725)	-	(5 725)
Donated expense	-	-	(121 524)	-	(121 524)
Other movements	1	(1)	2	-	2
<b>Carrying amount at 30 June 2022</b>	<b>1 679 920</b>	<b>47 134</b>	<b>35 087</b>	<b>93 772</b>	<b>1 855 913</b>

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

**Department for Infrastructure and Transport - Controlled**  
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**5.5 Intangible Assets**

	2023	2022
	\$'000	\$'000
<b>Intangibles</b>		
Intangibles	82 747	76 631
	<b>82 747</b>	<b>76 631</b>
<b>Accumulated amortisation</b>		
Accumulated amortisation - Intangibles	68 305	66 574
	<b>68 305</b>	<b>66 574</b>
<b>Total Intangible Assets</b>	<b>14 442</b>	<b>10 057</b>

**RECONCILIATION OF INTANGIBLE ASSETS**

**Reconciliation 2022-23**

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

**Reconciliation 2021-22**

	Intangibles	Total
	\$'000	\$'000
<b>Carrying amount at 1 July 2021</b>	11 369	11 369
Additions	1 516	1 516
Disposals	(305)	(305)
Amortisation	(2 522)	(2 522)
Other	(1)	(1)
<b>Carrying amount at 30 June 2022</b>	<b>10 057</b>	<b>10 057</b>

**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**

	2023	2022
	\$'000	\$'000
<b>Current - held for distribution at no or nominal consideration</b>		
Road making material and stores at cost	2 061	2 020
Rail material and stores at cost	3 924	3 977
<b>Total inventories held for distribution at no or nominal consideration</b>	<b>5 985</b>	<b>5 997</b>
<b>Current - other than those held for distribution at no or nominal consideration:</b>		
Other inventory at cost	381	286
<b>Total inventories other than those held for distribution at no or nominal consideration</b>	<b>381</b>	<b>286</b>
<b>Total Current Inventories</b>	<b>6 366</b>	<b>6 283</b>

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**

	2023	2022
	\$'000	\$'000
<b>Non-Current Assets Classified as Held for Sale:</b>		
Land, buildings and facilities	4 776	6 309
<b>Total non-current assets classified as held for sale</b>	<b>4 776</b>	<b>6 309</b>

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

**Valuation of Non-Current Assets Classified as Held for Sale**

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

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
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**6. Financial assets**

**6.1 Cash and Cash Equivalents**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits at call with the Treasurer	4 341 203	4 427 143
Imprest Account	15	15
Deposits with SAFA	624	455
Other	124	125
<b>Total cash and cash equivalents</b>	<b>4 341 966</b>	<b>4 427 738</b>

**6.2 Receivables**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
<b>Contractual receivables</b>		
From government entities	178 100	104 612
From non-government entities	23 631	25 397
Less impairment loss on receivables	(543)	(637)
<b>Total contractual receivables</b>	<b>201 188</b>	<b>129 372</b>
<b>Statutory receivables</b>		
GST input tax recoverable	13 576	12 598
<b>Total statutory receivables</b>	<b>13 576</b>	<b>12 598</b>
Finance lease receivables	15 902	16 951
Accrued revenues	24 383	44 703
<b>Total current receivables</b>	<b>255 049</b>	<b>203 624</b>
<b>Non-current</b>		
<b>Trade receivables</b>		
From government entities	174	174
From non-government entities	181	189
Finance lease receivables	139 000	147 020
<b>Total non-current receivables</b>	<b>139 355</b>	<b>147 383</b>
<b>Total receivables</b>	<b>394 404</b>	<b>351 007</b>
<b>Movements in the expected credit loss (impairment loss):</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	637	2 628
Amounts written off	(80)	(111)
Increase / (Decrease) in allowance recognised in profit or loss	(14)	(1 880)
<b>Carrying amount at 30 June</b>	<b>543</b>	<b>637</b>

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

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

Collectability of receivables is reviewed on an ongoing basis. Other than as recognised in the allowance for impairment loss on 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.

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

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

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**Finance lease receivables:**

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

During 2022-23, the department recognised finance income on finance lease receivables of \$4.808 million (\$4.700 million).

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

<i>Finance Lease receivables</i>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Finance lease receivables contracted for at the reporting date are as follows:		
Within one year	20 400	21 344
Later than one year but no longer than five years	74 135	69 969
Later than five years	84 624	99 848
Minimum lease payments	179 159	191 161
Less unearned finance income	(24 257)	(27 190)
<b>Total Finance Lease Receivables</b>	<b>154 902</b>	<b>163 971</b>
The present value of finance lease receivable is as follows:		
Within one year	15 902	16 951
Later than one year but no longer than five years	60 708	55 977
Later than five years	78 292	91 043
<b>Present Value of Finance Lease</b>	<b>154 902</b>	<b>163 971</b>
<b>Representing:</b>		
Current	15 902	16 951
Non-current	139 000	147 020
<b>Total Finance Lease Receivables</b>	<b>154 902</b>	<b>163 971</b>

Refer to Note 11.3 for further information on risk management.

**Department for Infrastructure and Transport - Controlled**  
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**6.3 Other Assets**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Current:		
Prepayments	19 912	18 149
Accommodation Incentives	7 267	8 392
Other	416	414
<b>Total Current Other Assets</b>	<b>27 595</b>	<b>26 955</b>
Non-Current Assets:		
Accommodation Incentives	63 033	58 654
<b>Total Non-Current Other Assets</b>	<b>63 033</b>	<b>58 654</b>
<b>Total other assets</b>	<b>90 628</b>	<b>85 609</b>

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

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**7. Liabilities**

**7.1 Payables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Contractual payables	19 482	21 155
Accrued expenses	282 950	266 299
Rail Commissioner (Federally Awarded Employees)	6 670	7 408
<b>Total trade payables</b>	<b>309 102</b>	<b>294 862</b>
<b>Statutory payables</b>		
Employment on-costs	4 572	4 119
<b>Total statutory payables</b>	<b>4 572</b>	<b>4 119</b>
<b>Total current payables</b>	<b>313 674</b>	<b>298 981</b>
<b>Non-Current:</b>		
Rail Commissioner (Federally Awarded Employees)	7 382	8 067
<b>Total trade payables</b>	<b>7 382</b>	<b>8 067</b>
<b>Statutory payables</b>		
Employment on-costs	4 120	4 218
<b>Total statutory payables</b>	<b>4 120</b>	<b>4 218</b>
<b>Total non-current payables</b>	<b>11 502</b>	<b>12 285</b>
<b>Total payables</b>	<b>325 176</b>	<b>311 266</b>

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 30 days from the date the invoice is first received. 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. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The department 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 changed from the 2022 rate of 42% to 43% and the average factor for the calculation of employer superannuation cost on-cost has changed from the 2022 rate of 10.6% to the rate of 11.1% in 2023. 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 \$0.284 million (\$0.228 million). The impact on future periods is impracticable to estimate.



**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**7.2 Financial Liabilities**

	2023	2022
	\$'000	\$'000
Lease Liabilities	111 545	117 120
<b>Total current lease liability</b>	<b>111 545</b>	<b>117 120</b>
<b>Non-Current</b>		
Lease Liabilities	980 863	888 053
<b>Total non-current lease liability</b>	<b>980 863</b>	<b>888 053</b>
<b>Total lease liability</b>	<b>1 092 408</b>	<b>1 005 173</b>
<b>Movements in the Lease Liabilities:</b>	<b>2023</b>	<b>2022</b>
	\$'000	\$'000
Carrying amount at the beginning of the period	1 005 173	983 313
Additions	159 576	104 559
Increase/(Decrease) due to lease modifications and re-measurements	43 698	43 851
Reductions resulting from payments	(116 039)	(126 550)
Carrying amount at 30 June	<b>1 092 408</b>	<b>1 005 173</b>

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 2023 the department had committed to material leases for building assets which had not yet commenced. The future cash flows for these leases is \$18.313 million over 10 years.

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**7.3 Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers compensation	1 918	1 760
Site remediation	8 822	18 697
Provision for contractual arrangements	981	945
<b>Total current provisions</b>	<b>11 721</b>	<b>21 402</b>
<b>Non-current</b>		
Provision for workers compensation	9 795	9 476
Site remediation	1 100	2 500
Provision for contractual arrangements	4 908	4 333
<b>Total non-current provisions</b>	<b>15 803</b>	<b>16 309</b>
<b>Total provisions</b>	<b>27 524</b>	<b>37 711</b>

**Reconciliation of Workers Compensation**

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

Carrying amount as at 1 July	11 235	10 981
Increase (decrease) in provision due to revision of estimates	2 079	2 783
Reductions resulting from payments	(1 601)	(2 528)
<b>Carrying Amount at 30 June</b>	<b>11 713</b>	<b>11 236</b>

**Reconciliation of Site Remediation**

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

Carrying amount as at 1 July	21 197	13 114
Increase in provision due to revision of estimates	-	13 394
Reductions resulting from payments	(11 275)	(5 311)
<b>Carrying Amount at 30 June</b>	<b>9 922</b>	<b>21 197</b>

**Reconciliation of Provision for contractual arrangements**

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

Carrying amount as at 1 July	5 278	4 480
Increase in provision due to initial estimate	1 097	1 005
Reductions resulting from payments	(486)	(207)
<b>Carrying Amount at 30 June</b>	<b>5 889</b>	<b>5 278</b>

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

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The department is responsible for the payment of workers compensation claims.

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**7.4 Other Liabilities**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Deferred income	16 455	17 767
Other	2 627	2 465
<b>Total current other liabilities</b>	<b>19 082</b>	<b>20 232</b>
<b>Total other liabilities</b>	<b>19 082</b>	<b>20 232</b>

**Deferred Income**

The department sells Metro tickets for travel on public transport. The value of unused Metro tickets as at 30 June 2023 was \$13.896 million (\$15.202 million) and is recognised as a liability.

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**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**

	<b>2023</b>
	<b>\$'000</b>
<b>Restatement of Opening Balances</b>	
Adjustments against Retained Earnings:	
Work in progress adjustments	(13 546)
Asset recognition adjustments	1 823
Statement of Comprehensive Income adjustments	14 174
Other adjustments	<b>(8 382)</b>
<b>Total equity</b>	<b>(5 931)</b>

The table above represents total adjustments to equity identified. Adjustments totalling \$5.931 million (\$0.9 million) were identified in the year ended 30 June 2023 which affect the year ended 30 June 2022 and prior years.

**RESTATEMENT OF OPENING BALANCES**

**Adjustments against Retained Earnings**

***Work in progress adjustment***

A review of projects expenditure by the department in the year ended 30 June 2023 identified \$13.546 million (\$1.177 million) of costs included in capital works in progress at 30 June 2022 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 2021-22 is summarised below:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Rail and Bus Track - work in progress	(334)	
Road network - work in progress	(1 350)	(1 218)
Plant, Equipment and Intangibles - work in progress	(5 406)	(2 433)
Land, Buildings and Facilities - work in progress	(1 684)	(1 121)
<b>Total work in progress adjustment</b>	<b>(8 774)</b>	<b>(4 772)</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**Asset Recognition**

The total effect of assets book value adjustments that relate to prior financial periods is \$1.823 million (\$2.127 million) mainly due to addition and disposal of various land and facilities assets omitted in prior years. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements prior to 2021-22 is summarised below:

	2022	2021
	\$'000	\$'000
Land, buildings and facilities	-	1 534
Plant and equipment	-	289
<b>Total asset recognition adjustments</b>	<b>-</b>	<b>1 823</b>

**Other Adjustments**

A review of operating income and expenditure by the department in the year ended 30 June 2023 identified \$8.382 million (\$3.279 million) of prior period errors predominantly due to incorrect accruals recorded as at 30 June 2022. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements for 2021-22 is summarised below:

	2022	2021
	\$'000	\$'000
Other assets	-	-
Other liabilities	(5 400)	(2 982)
<b>Total other adjustments</b>	<b>(5 400)</b>	<b>(2 982)</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**8.3. Cash Flow Reconciliation**

	2023	2022
	\$'000	\$'000
<b>Leases</b>		
Buildings	107 102	107 094
Plant and equipment	6 493	9 977
<b>Total cash outflow for leases</b>	<b>113 595</b>	<b>117 071</b>

	2023	2022
	\$'000	\$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	4 341 966	4 427 738
<b>Balance as per the Statement of Cash Flows</b>	<b>4 341 966</b>	<b>4 427 738</b>

<b>Reconciliation of net cash provided by operating activities to net result</b>		
Net cash provided by/(used in) operating activities	1 666 252	1 473 545

<b>Add / (less) non-cash Items</b>		
Net gain (loss) on sale or disposal of non-current assets	1 179	8 535
Depreciation/amortisation expense of non-current assets	(728 034)	(648 629)
Assets written off	(3 628)	(12 734)
Assets donated	(425)	(121 527)
Resources received free of charge	7 472	10 260
Expensing of works in progress	-	(8 774)
Fair value of assets received		
<b>Movements in Assets and Liabilities:</b>		
Increase (Decrease) in receivables	63 387	(48 264)
Increase (Decrease) in inventories	83	93
Increase (Decrease) in other assets	3 259	11 785
(Increase) Decrease in payables and provisions	(302 832)	(29 096)
(Increase) Decrease in employee benefits	639	16 314
(Increase) Decrease in other liabilities	1 150	679
<b>Net result</b>	<b>708 502</b>	<b>652 187</b>

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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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 AASB 15.

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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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.

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**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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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 department's accounting for leases.

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

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

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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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 278 leases of commercial properties from external parties as well as departmentally owned properties to enable this. Approximately 216 of these external leases include extension options.

Commercial accommodation leases with external parties are non-cancellable with remaining terms ranging from 1 to 19 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 2023*

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**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). Refer to Note 5.2 for more detail.

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

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

As Lessor:

**Departmental Owned property**

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

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

**Recreational Jetties**

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

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

**9. Changes in accounting policy**

The department has not voluntarily adopted any changes in accounting policies during 2022-23.

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**10. Outlook**

**10.1 Unrecognised Commitments**

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

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

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

***Capital Contractual commitments***

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:		
Within one year	1 662 295	1 113 148
Later than one year but not longer than five years	247 198	727 440
Later than five years	25 011	49 390
<b>Total capital commitments</b>	<b>1 934 504</b>	<b>1 889 978</b>

***Other contractual commitments***

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	529 407	518 309
Later than one year but not longer than five years	1 867 180	2 443 881
Later than five years	761 685	898 170
<b>Total expenditure commitments</b>	<b>3 158 272</b>	<b>3 860 360</b>

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**10.1 Unrecognised Contractual Commitments (continued)**

<i>Operating Lease Commitments as Lessor</i>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Commitments under operating leases at the reporting date but not recognised as receivable in the financial report, are as follows:		
Within one year	2 033	2 192
Later than one year but no later than five years	996	3 101
Later than five years	-	269
<b>Total Operating Lease Commitments as Lessor</b>	<b>3 029</b>	<b>5 562</b>

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 25 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 2023, 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 2023, 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 2023*

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**10.3 Impact of standards not yet effective**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Department for the reporting period ending 30 June 2023. The Department has assessed the impact of these changes and they are not expected to have a material impact in the department's report with the exception of *AASB 2022-10 Amendments to Australian Accounting Standards- Fair Value Measurement of Non-Financial Assets of Not-for Profit Public Sector Entities* which it is still assessing.

**10.4 Events after the reporting period**

There are no known events between 30 June 2023 and the date the financial statements are authorised that may have a material impact on the results of subsequent years.

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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**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 3.5% in 2022 to 4.0% in 2023.

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 \$1.33 million and employee benefit expense of \$0.133 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate has changed from the 2022 rate of 2.5% to 3.5% 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 2023*

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## 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 2023*

**11.2 Fair Value Measurement (continued)**

**Fair value measurements at 30 June 2023**

	<b>2023</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurring fair value measurements</b>			
Land (note 5.1)	946 405	928 762	17 643
Buildings and facilities (note 5.1)	1 488 701	334 445	1 154 256
Property, Plant and Equipment (note 5.2)	738 072	1 292	736 780
Road and structures (note 5.3)	30 012 373	-	30 012 373
Rail and bus track (note 5.3)	3 418 152	-	3 418 152
<b>Total recurring fair value measurements</b>	<b>36 603 703</b>	<b>1 264 499</b>	<b>35 339 204</b>
<b>Non-recurring fair value measurements</b>			
Land, buildings and facilities held for sale (note 5.7)	4 776	4 776	-
<b>Total non-recurring fair value measurements</b>	<b>4 776</b>	<b>4 776</b>	<b>-</b>
<b>Total fair value measurements</b>	<b>36 608 479</b>	<b>1 269 275</b>	<b>35 339 204</b>

**Fair value measurements at 30 June 2022**

	<b>2022</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurring fair value measurements</b>			
Land (note 5.1)	911 274	893 631	17 643
Buildings and facilities (note 5.1)	1 438 134	332 213	1 105 921
Property, Plant and Equipment (note 5.2)	689 918	1 686	688 232
Road and structures (note 5.3)	27 166 917	-	27 166 917
Rail and bus track (note 5.3)	3 164 630	-	3 164 630
<b>Total recurring fair value measurements</b>	<b>33 370 873</b>	<b>1 227 530</b>	<b>32 143 343</b>
<b>Non-recurring fair value measurements</b>			
Land, buildings and facilities held for sale (note 5.7)	6 309	6 309	-
<b>Total non-recurring fair value measurements</b>	<b>6 309</b>	<b>6 309</b>	<b>-</b>
<b>Total fair value measurements</b>	<b>33 377 182</b>	<b>1 233 839</b>	<b>32 143 343</b>

**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 2022-23.

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

**11.2 Fair Value Measurement (continued)**

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

2023	Land	Buildings and Facilities <sup>(1)</sup>	Property, Plant and Equipment	Road and Structures	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance at the beginning of the period</b>	<b>17 643</b>	<b>1 105 921</b>	<b>688 232</b>	<b>27 166 917</b>	<b>3 164 630</b>	<b>32 143 343</b>
Additions	-	62 410	110 998	1 195 080	76 365	1 444 853
Disposals	-	(4 502)	(305)	-	-	(4 807)
Donated assets	-	(279)	(27)	-	-	(306)
Resources received free of charge	-	-	50	-	-	50
Write offs	-	(1 060)	(995)	(69)	(735)	(2 859)
Revaluation increment (decrement) (3)	-	37 489	-	2 055 583	269 579	2 362 651
Depreciation and amortisation	-	(45 724)	(61 173)	( 405 168)	(91 687)	(603 752)
Transfer into Level 3	-	-	-	30	-	30
Other Movements	-	1	-	-	-	1
<b>Carrying amount at the end of the period</b>	<b>17 643</b>	<b>1 154 256</b>	<b>736 780</b>	<b>30 012 373</b>	<b>3 418 152</b>	<b>35 339 204</b>

(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	-	-	4 428	221	-	-	4 649
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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 2023*

**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
<b>Opening balance at the beginning of the period</b>	17 497	1 079 466	667 892	26 897 205	2 661 684	31 323 744
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	1	-	-	2
<b>Carrying amount at the end of the period</b>	<b>17 643</b>	<b>1 105 921</b>	<b>688 232</b>	<b>27 166 917</b>	<b>3 164 630</b>	<b>32 143 343</b>

(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
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**Transfers In and Out of Level 3**

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

**Department for Infrastructure and Transport - Controlled**  
**Notes to and forming part of the financial statements**  
*for the year ended 30 June 2023*

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### **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 2023*

**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
<b>Current (not past due)</b>	13 420	1.67%	224
1 – 30 days past due	1 137	3.95%	45
31 – 60 days past due	915	3.73%	34
More than 60 days past due	4 091	5.87%	240
<b>Loss allowance</b>			<b>543</b>

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 \$0.080 million written off during the year are still subject to enforcement activity.

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

**Market Risk**

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

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

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

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

**Categorisation of financial instruments**

Details of the 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 2023*

**11.3 Financial Instruments (continued)**

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2023 Contractual maturities*		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents:					
Cash and cash equivalent	6.1	4 341 966	4 341 966		
Financial assets at amortised cost					
Receivables**	6.2	225 926	225 571	355	
Finance lease receivable	6.2	179 159	20 400	74 135	84 624
<b>Total financial assets</b>		<b>4 747 051</b>	<b>4 587 937</b>	<b>74 490</b>	<b>84 624</b>
<b>Financial liabilities</b>					
Financial liabilities at amortised cost:					
Payables**	7.1	313 106	305 724	7 382	
Lease liability	7.2	1 278 246	137 195	464 491	676 560
<b>Total financial liabilities</b>		<b>1 591 352</b>	<b>442 919</b>	<b>471 873</b>	<b>676 560</b>

Category of financial asset and financial liability	Note	2022 Carrying amount / fair value \$'000	2022 Contractual maturities*		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents:					
Cash and cash equivalent	6.1	4 427 738	4 427 738	-	-
Financial assets at amortised cost					
Receivables**	6.2	174 438	174 075	363	-
Finance lease receivable		191 161	21 344	69 969	99 848
<b>Total financial assets</b>		<b>4 793 337</b>	<b>4 623 157</b>	<b>70 332</b>	<b>99 848</b>
<b>Financial liabilities</b>					
Financial liabilities at amortised cost:					
Payables**	7.1	300 035	291 968	8 067	-
Lease liability	7.2	1 148 337	136 465	425 066	586 806
<b>Total financial liabilities</b>		<b>1 448 372</b>	<b>428 433</b>	<b>433 133</b>	<b>586 806</b>

\* 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 2023*

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**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 and fringe benefits tax. 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 2023



**Department for Infrastructure and Transport - Administered**  
**Statement of Administered Comprehensive Income**  
*for the year ended 30 June 2023*

	Note	2023 \$'000	2022 \$'000
<b>Administered income</b>			
Appropriation	A9	7 986	5 043
Fees and charges	A10	1 835	1 696
Collection on Behalf of Third Parties	A11	1 053 862	993 528
Other income	A12	169	147
<b>Total income</b>		<b>1 063 852</b>	<b>1 000 414</b>
<b>Administered expenses</b>			
Employee benefits expenses	A5	959	571
Supplies and services	A6	1 071	894
Grants and subsidies expense	A7	4 742	1 794
Disbursements on Behalf of Third Parties	A8	1 056 928	996 998
<b>Total administered expenses</b>		<b>1 063 700</b>	<b>1 000 257</b>
<b>Net result</b>		<b>152</b>	<b>157</b>
<b>Total comprehensive result</b>		<b>152</b>	<b>157</b>

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 2023*

	Note	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	A13	22 853	18 254
Receivables	A14	27	438
<b>Total current assets</b>		<b>22 880</b>	<b>18 692</b>
<b>Total assets</b>		<b>22 880</b>	<b>18 692</b>
<b>Current liabilities</b>			
Payables	A15	20 578	16 542
<b>Total current liabilities</b>		<b>20 578</b>	<b>16 542</b>
<b>Total liabilities</b>		<b>20 578</b>	<b>16 542</b>
<b>Net assets</b>		<b>2 302</b>	<b>2 150</b>
<b>Administered equity</b>			
Retained earnings		2 302	2 150
Asset revaluation surplus		-	-
<b>Total equity</b>		<b>2 302</b>	<b>2 150</b>

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

Contingent assets and liabilities A18  
 Unrecognised contractual commitments A17

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

**Department for Infrastructure and Transport - Administered**  
**Statement of Administered Cash Flows**  
*for the year ended 30 June 2023*

		<b>2023</b>	<b>2022</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Appropriation		7 986	5 043
Receipts from fees and charges		2 246	1 285
Collection on behalf of third parties		1 053 854	993 526
Other income		177	147
<b>Cash generated from operations</b>		<b>1 064 263</b>	<b>1 000 001</b>
<b>Cash outflows</b>			
Employee benefit payments		(962)	(571)
Payments for supplies and services		(916)	(34 205)
Grants and subsidies		(4,742)	(1 794)
Disbursements on behalf of third parties		(1,053,044)	(996 851)
<b>Cash used in operations</b>		<b>(1 059 664)</b>	<b>(1 033 421)</b>
<b>Net cash provided by / (used in) operations</b>	A16	<b>4 599</b>	<b>(33 420)</b>
<b>Net increase (decrease) in cash held</b>		<b>4 599</b>	<b>(33 420)</b>
<b>Cash at 1 July</b>		<b>18 254</b>	<b>51 674</b>
<b>Cash at 30 June</b>	A13	<b>22 853</b>	<b>18 254</b>

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 2023*

Administered programs - refer note A2	Infrastructure Planning and			
	Roads and Marine		Policy	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Administered income</b>				
Appropriation	3 079	3 477	2 090	1 566
Fees and charges	1 835	1 696	-	-
Collections on behalf of third parties	1 053 704	993 353	158	175
Other income	-	-	169	147
<b>Total administered income</b>	<b>1 058 618</b>	<b>998 526</b>	<b>2 417</b>	<b>1 888</b>
<b>Administered expenses</b>				
Employee benefit expenses	-	-	959	571
Supplies and services	-	-	1 071	894
Grants and subsidies	1 925	1 794	-	-
Disbursements on behalf of third parties	1 056 770	996 831	158	167
<b>Total administered expenses</b>	<b>1 058 695</b>	<b>998 625</b>	<b>2 188</b>	<b>1 632</b>
<b>Net result</b>	<b>( 77)</b>	<b>( 99)</b>	<b>229</b>	<b>256</b>

	General/Not Attributable		Total	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Administered income</b>				
Appropriation	2 817	-	7 986	5 043
Fees and charges	-	-	1 835	1 696
Collections on behalf of third parties	-	-	1 053 862	993 528
Other income	-	-	169	147
<b>Total administered income</b>	<b>2 817</b>	<b>-</b>	<b>1 063 852</b>	<b>1 000 414</b>
<b>Administered expenses</b>				
Employee benefit expenses	-	-	959	571
Supplies and services	-	-	1 071	894
Grants and subsidies	2 817	-	4 742	1 794
Disbursements on behalf of third parties	-	-	1 056 928	996 998
<b>Total administered expenses</b>	<b>2 817</b>	<b>-</b>	<b>1 063 700</b>	<b>1 000 257</b>
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>152</b>	<b>157</b>

**Department for Infrastructure and Transport - Administered**  
**Notes to and forming part of the Administered Financial Statements**  
*for the year ended 30 June 2023*

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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 2023 comprised the following:

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

**Department for Infrastructure and Transport - Administered**  
**Notes to and forming part of the Administered Financial Statements**  
*for the year ended 30 June 2023*

**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.

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Transfer payments to SA Government Entities</b>		
Department of Treasury and Finance	329 833	303 308
Lifetime Support Authority	189 713	179 650
CTP Regulator	111 541	107 132
South Australian Fire and Emergency Services Commission	51 577	50 958
South Australian Police	3 253	3 472
Outback Communities Authority and Local Govt Grants Commission	2 817	-
Other	1 640	1 863
<b>Transfer payment to non-SA Government Entities</b>		
Compulsory Third Party Insurance	338 129	321 324
Refunds	18 230	17 401
National Heavy Vehicle Regulator	15 295	14 551
Other	713	27
<b>Total Transfer Payments</b>	<b>1 062 741</b>	<b>999 686</b>

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

		<b>Original</b>		
		<b>budget</b>	<b>Actual</b>	
		<b>2023</b>	<b>2023</b>	<b>Variance</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Statement of Administered Comprehensive Income</b>	<b>Note</b>			
<b>Administered Income</b>				
Appropriation		7 079	7 986	907
Fees and charges		-	1 835	1 835
Collections on behalf of third parties		994 389	1 053 862	59 473
Other income		-	169	169
<b>Total administered income</b>		<b>1 001 468</b>	<b>1 063 852</b>	<b>62 384</b>
<b>Administered Expenses</b>				
Employee benefit expenses		786	959	173
Supplies and services		1 151	1 071	(80)
Grants and subsidies		3 144	4 742	1 598
Disbursements on behalf of third parties		995 892	1 056 928	61 036
Payments to Consolidated Account		515	-	(515)
<b>Total administered expenses</b>		<b>1 001 488</b>	<b>1 063 700</b>	<b>62 212</b>
<b>Net result</b>		<b>(20)</b>	<b>152</b>	<b>172</b>

The budget performance table compares the department's outcomes against budget information presented to Parliament (2022-23 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 2023*

**A5: Employee Benefit Expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Ministers salaries	959	571
<b>Total employee benefits expenses</b>	<b>959</b>	<b>571</b>

2022-23 includes the Minister for Infrastructure and Transport and the Minister for Local Roads and Regional Roads for a full financial year.

**A6: Supplies and Services**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Professional and Technical Services	1 065	893
Other	6	1
<b>Total supplies and services</b>	<b>1 071</b>	<b>894</b>

**A7: Grants and Subsidies Expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Land Tax Equivalent - Flinders Ports (Transfer to DTF)	1 835	1 696
Transfer to Outback Communities Authority and Local Govt Grants Commission*	2 817	-
Lincoln Cove Marina (Transfer to DTF)	90	98
<b>Total grants and subsidies expense</b>	<b>4 742</b>	<b>1 794</b>

\*Transfer to Outback Communities Authority and Local Government Grants Commission is a transfer of Appropriation received by DIT on their behalf. The Authority and Commission transferred into DIT from 1 July 2022.

**A8: Disbursements on Behalf of Third Parties**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Compulsory Third Party Insurance	449 670	428 455
Stamp Duties - Department of Treasury and Finance	248 272	223 794
Lifetime Support Scheme - Lifetime Support Authority	189 713	179 650
Hospital Fund - Department of Treasury and Finance	79 636	77 720
Emergency Services Levy - SA Fire & Emergency Services Commission	51 577	50 958
Refunds	18 230	17 401
National Heavy Vehicle Regulator	15 295	14 551
Other	4 535	4 469
<b>Total disbursements on behalf of third parties</b>	<b>1 056 928</b>	<b>996 998</b>

**Department for Infrastructure and Transport - Administered**  
**Notes to and forming part of the Administered Financial Statements**  
*for the year ended 30 June 2023*

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**A9: Appropriation**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Appropriations from the Consolidated Account pursuant to the Appropriations Act*</i>	7 047	4 600
Special Act Salaries	939	443
<b>Total revenues from appropriation</b>	<b>7 986</b>	<b>5 043</b>

\*Includes \$3.079 million (\$3.477 million) to fund remissions provided on Emergency Services Levy charges. 2023 includes Appropriations for the Outback Communities Authority and the Local Government Grants Commission.

**A10: Fees and Charges**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>A10: Fees and charges</b>		
Land Tax Equivalent - Flinders Ports	1 835	1 696
<b>Total fees and charges</b>	<b>1 835</b>	<b>1 696</b>

**A11: Collections on Behalf of Third Parties**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Compulsory Third Party Insurance	449 670	428 455
Stamp Duties - Department of Treasury and Finance	248 272	223 794
Lifetime Support Scheme - Lifetime Support Authority	189 713	179 650
Hospital Fund - Department of Treasury and Finance	79 636	77 720
Emergency Services Levy - SA Fire & Emergency Services Commission	48 511	47 481
Refunds	18 230	17 401
National Heavy Vehicle Regulator	15 295	14 551
Other	4 535	4 476
<b>Total Collection on Behalf of Third Parties</b>	<b>1 053 862</b>	<b>993 528</b>

**A12: Other Income**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Other income	169	147
<b>Total other income</b>	<b>169</b>	<b>147</b>



**Department for Infrastructure and Transport - Administered**  
**Notes to and forming part of the Administered Financial Statements**  
*for the year ended 30 June 2023*

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**A13: Cash and Cash Equivalents**

	2023	2022
	\$'000	\$'000
Deposits at call	22 853	18 254
<b>Total cash and cash equivalents</b>	<b>22 853</b>	<b>18 254</b>

**A14: Receivables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Current Receivables	1	1
Accrued Revenues	26	437
<b>Total current receivables</b>	<b>27</b>	<b>438</b>
<b>Total receivables</b>	<b>27</b>	<b>438</b>

Refer to Note A20 for information on risk management.

**A15: Payables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Creditors	18 619	14 853
Accrued Expenses	1 959	1 689
<b>Total current payables</b>	<b>20 578</b>	<b>16 542</b>
<b>Total payables</b>	<b>20 578</b>	<b>16 542</b>

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

For further information on risk management refer to Note A20.

**Department for Infrastructure and Transport - Administered**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

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**A16: Cash Flow Reconciliation**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Statement of Cash flows	22 853	18 254
Statement of Financial Position	22 853	18 254
<b>Reconciliation of net cash provided by / (used in) operating activities to net result</b>		
Net cash provided by/(used in) operating activities	4 599	(33 420)
<b>Add / (less) non-cash items</b>		
<b>Movement in assets and liabilities</b>		
Increase / (decrease) in receivables	(411)	413
(Increase) / decrease in payables	(4 036)	33 164
<b>Net result</b>	<b>152</b>	<b>157</b>

**A17: Unrecognised Contractual Commitments**

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

**A18: Contingent Assets and Liabilities**

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

**A19: Events After the Reporting Period**

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

**Department for Infrastructure and Transport - Administered**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2023*

**A20: Financial Instruments**

**A20.1 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.

**A20.2 Categorisation of Financial Instruments**

	Carrying Amount \$'000	Contract Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
<b>2023</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	22 853	22 853	-	-
Receivables (a)	27	27	-	-
<b>Total Financial Assets</b>	<b>22 880</b>	<b>22 880</b>	-	-
<b>Financial liabilities</b>				
Payables (a)	1 959	1 959	-	-
<b>Total Financial Liabilities</b>	<b>1 959</b>	<b>1 959</b>	-	-
<b>2022</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	18 254	18 254	-	-
Receivables (a)	438	438	-	-
<b>Total Financial Assets</b>	<b>18 692</b>	<b>18 692</b>	-	-
<b>Financial liabilities</b>				
Payables (a)	1 804	1 804	-	-
<b>Total Financial Liabilities</b>	<b>1 804</b>	<b>1 804</b>	-	-

(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.

# 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

14 September 2023



Graeme Jackson  
Executive Director, People  
and Corporate Services

Department for Infrastructure  
and Transport  
South Australia

14 September 2023