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To the Chief Executive Department for Infrastructure and Transport

Opinion

I have audited the financial report of the Department for Infrastructure and Transport for the financial year ended 30 June 2026.

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 2026, 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 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2026
- a Statement of Administered Financial Position as at 30 June 2026
- a Statement of Administered Cash Flows for the year ended 30 June 2026
- a Schedule of Expenses and Income by Administered Programs for the year ended 30 June 2026
- 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 2026.

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

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

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

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

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



Andrew Blaskett
Auditor-General

23 September 2026

Department for Infrastructure and Transport - Controlled

Financial Statements

For the year ended 30 June 2026

Department for Infrastructure and Transport - Controlled
Statement of Comprehensive Income
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
Appropriation	3.1	1 544 390	822 875
Fees and charges	3.2	923 741	878 691
Grants and subsidies	3.3	1 581 378	1 186 479
Intra-government transfers	3.4	206 963	153 142
Sales of goods and services	3.5	44 722	46 384
Rental income	3.6	236 982	221 879
Interest	3.7	13 550	12 716
Resources received free of charge	3.8	33 816	16 311
Net gain from the disposal of property plant and equipment	3.9	8 005	7 391
Other income	3.10	45 339	39 084
Total income		4 638 886	3 384 952
Expenses			
Employee related expenses	4.1	167 943	154 307
Supplies and services	4.2	980 719	928 339
Depreciation and amortisation	4.3	948 293	791 929
Grants, subsidies and SA Government transfers	4.4	50 578	253 426
Borrowing costs	4.5	35 695	32 029
Cash alignment payments to Department of Treasury and Finance	4.7	283 171	125 190
Other expenses	4.6	350 392	66 073
Total expenses		2 816 791	2 351 293
Net result		1 822 095	1 033 659
Other comprehensive income			
Items that will not be reclassified to net result:			
Changes in property, plant and equipment asset revaluation surplus	5.1,5.2,5.3	4 599 311	2 002 657
Total other comprehensive income		4 599 311	2 002 657
Total comprehensive result		6 421 406	3 036 316

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 2026

	Note	2026 \$'000	2025 \$'000
Current assets			
Cash and cash equivalents	6.1	3 814 266	3 924 701
Receivables	6.2	318 554	298 404
Inventories	5.6	5 237	5 301
Other Assets	6.3	127 369	61 245
Non-current assets held for sale	5.7	4 543	4 074
Total current assets		4 269 969	4 293 725
Non-current assets			
Receivables	6.2	105 190	119 551
Other Assets	6.3	95 230	126 380
Land Buildings and Facilities	5.1	5 859 524	5 462 138
Plant and Equipment	5.2	796 766	760 331
Network assets	5.3	41 074 658	36 374 658
Capital works in progress	5.4	5 050 849	3 311 789
Intangible assets	5.5	9 856	12 198
Total non-current assets		52 992 073	46 167 045
Total assets		57 262 042	50 460 770
Current liabilities			
Payables	7.1	453 918	449 325
Lease liabilities	7.2	122 358	122 681
Employee related liabilities	7.3	37 900	36 055
Provisions	7.4	104 994	5 011
Other current liabilities	7.5	56 544	18 820
Total current liabilities		775 714	631 892
Non-current liabilities			
Payables	7.1	10 743	8 607
Lease liabilities	7.2	1 028 416	950 762
Employee related liabilities	7.3	52 325	50 223
Provisions	7.4	17 207	17 087
Total non-current liabilities		1 108 691	1 026 679
Total liabilities		1 884 405	1 658 571
Net assets		55 377 637	48 802 199
Equity			
Contributed Capital		5 658 279	5 504 252
Retained earnings		17 048 873	15 226 654
Asset revaluation surplus		32 670 485	28 071 293
Total equity		55 377 637	48 802 199

Total equity is attributable to the SA Government as owner.

Department for Infrastructure and Transport - Controlled
Statement of Changes in Equity
for the year ended 30 June 2026

	Note	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024		5 227 404	26 067 628	14 202 516	45 497 548
Prior Period - error corrections	8.2	-	-	(9 242)	(9 242)
Restated Balance at 1 July 2024		5 227 404	26 067 628	14 193 274	45 488 306
Net result for 2024-25		-	-	1 033 659	1 033 659
Gain / (loss) on Revaluation of Land, Buildings and Facilities during 2024-25	5.1	-	963 580	-	963 580
Gain / (loss) on Revaluation of Network Assets during 2024-25	5.3	-	1 021 892	-	1 021 892
Gain / (loss) on Revaluation of Plant and Equipment during 2024-25	5.2	-	17 185	-	17 185
Total comprehensive result for 2024-25		-	2 002 657	1 033 659	3 036 316
Transfer between equity components					
Equity transfer on asset disposals		-	1 008	(1 008)	-
Net assets transferred as a result of an administrative restructure		-	-	729	729
Transactions with SA Government as Owner					
Equity Contribution Received		276 848	-	-	276 848
Balance at 30 June 2025		5 504 252	28 071 293	15 226 654	48 802 199
Net result for 2025-26		-	-	1 822 095	1 822 095
Gain / (loss) on Revaluation of Land, Buildings and Facilities during 2025-26	5.1	-	273 634	-	273 634
Gain / (loss) on Revaluation of Network Assets during 2025-26	5.3	-	4 316 236	-	4 316 236
Gain / (loss) on Revaluation of Plant and Equipment during 2025-26	5.2	-	9 441	-	9 441
Total comprehensive result for 2025-26		-	4 599 311	1 822 095	6 421 406
Transfer between equity components					
Equity transfer on asset additions and disposals		-	(122)	122	-
Other		-	3	2	5
Transactions with SA Government as Owner					
Equity Contribution Received		154 027	-	-	154 027
Balance at 30 June 2026		5 658 279	32 670 485	17 048 873	55 377 637

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 2026

		2026 (Outflows) Inflows \$'000	2025 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash inflows			
Appropriation		1 544 390	822 875
Fees and charges		922 958	878 428
Grants and subsidies		1 581 378	1 186 479
Intra-government transfers		206 963	153 142
Rental income		262 429	248 735
Sales of goods and services		28 128	43 072
Interest received		12 073	11 927
Construction work reimbursements		1 014 705	974 146
GST recovered from the ATO		373 562	239 922
Other receipts		44 536	43 653
Cash generated from operations		5 991 122	4 602 379
Cash outflows			
Employee related payments		(164 539)	(154 325)
Payments for supplies and services		(1 339 391)	(1 182 646)
Payments of grants, subsidies and SA Government transfers		(50 578)	(253 426)
Interest paid		(35 695)	(32 029)
Cash alignment payments to Department of Treasury and Finance		(283 171)	(125 190)
Construction work payments		(1 019 465)	(917 578)
Other payments		(41 315)	(27 363)
Cash used in operations		(2 934 154)	(2 692 557)
Net cash provided by/(used in) operating activities	8.3	3 056 968	1 909 822
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of property, plant and equipment		25 635	17 179
Cash generated from investing activities		25 635	17 179
Cash outflows			
Purchase of property, plant and equipment and network assets		(3 239 010)	(2 038 775)
Cash used in investing activities		(3 239 010)	(2 038 775)
Net cash provided by/(used in) investing activities		(3 213 375)	(2 021 596)
Cash flows from financing activities			
Cash inflows			
Equity contributions received		154 027	276 848
Repayment of finance lease receivables		16 586	15 294
Cash generated from financing activities		170 613	292 142
Cash outflows			
Repayment of lease liabilities		(124 641)	(119 506)
Advance payment to meet T2D capital requirements		-	(58 000)
Cash used in financing activities		(124 641)	(177 506)
Net cash provided by/(used in) financing activities		45 972	114 636
Net increase/(decrease) in cash and cash equivalents		(110 435)	2 862
Cash and cash equivalents at 1 July		3 924 701	3 921 839
Cash and cash equivalents at 30 June	6.1, 8.3	3 814 266	3 924 701

**Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026**

1. About the Department for Infrastructure and Transport

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

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

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

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

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

1.1. Basis of preparation

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

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

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

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

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

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

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

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

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 2026 are:

- Commercial and Contract Management;
- People and Corporate Services;
- Transport Strategy and Planning;
- Transport Policy and Regulation;
- Public Transport South Australia;
- Road and Marine Services;
- Infrastructure Delivery;
- Public Affairs;
- North-South Corridor Program Delivery Office; and
- Northern Water Project 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 SA 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 2026

1.2. Objectives and programs (continued)

Program 5 Infrastructure Planning and Policy

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

Program 6 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 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 2026 and 30 June 2025 below.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.2. Objectives and programs (continued)

	Road Safety		Public Transport Services		Roads and Marine	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	6 042	182 411	280 694	449 827	151 969	183 863
Fees and charges	2 737	2 703	133 037	115 419	787 967	760 569
Grants and subsidies	10 387	24 455	80 385	58 127	50 807	49 072
Intra-government transfers	109 038	103 495	2 504	2 456	17 083	17 425
Sales of goods and services	-	-	-	20	5 233	4 147
Rental income	-	-	73	100	40	19
Interest	-	-	-	-	1 768	1 954
Net gain from the disposal of property plant and equipment	14	8	-	(154)	96	8
Resources received free of charge	116	1 161	3 477	5 442	7 204	6 233
Other income	3	49	15 445	15 188	8 939	11 197
Total income	128 337	314 282	515 615	646 425	1 031 106	1 034 487
Expenses						
Employee related expenses	7 266	6 965	36 850	30 977	76 860	71 783
Supplies and services	4 794	5 690	575 704	567 209	215 912	204 071
Depreciation and amortisation	226	264	198 894	173 624	595 665	468 887
Grants, subsidies and SA Government transfers	16 291	150 927	15 943	15 752	14 929	23 666
Borrowing costs	-	1	-	13	5	48
Cash alignment payments to Department of Treasury and Finance	-	-	-	-	-	-
Other expenses	10	72	143 688	(2 805)	10 027	20 533
Total expenses	28 587	163 919	971 079	784 770	913 398	788 988
Net result	99 750	150 363	(455 464)	(138 345)	117 708	245 499

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.2. Objectives and programs (continued)

	Provision and Management of					
	Delivery of Transport Projects		Across Government Services		Infrastructure Planning and Policy	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Income						
Appropriation	1 101 000	-	-	-	4 685	6 774
Fees and charges	-	-	-	-	-	-
Grants and subsidies	1 424 134	1 033 107	-	-	15 665	21 718
Intra-government transfers	-	776	229	58	78 109	28 932
Sales of goods and services	16	487	39 473	41 730	-	-
Rental income	5 210	8 688	231 659	213 072	-	-
Interest	1 622	566	8 731	8 826	1 429	1 370
Net gain from the disposal of property plant and equipment	-	7 654	7 895	(125)	-	-
Resources received free of charge	297	599	22 308	2 234	414	642
Other income	9 607	2 806	119	330	11 226	9 514
Total income	2 541 886	1 054 683	310 414	266 125	111 528	68 950
Expenses						
Employee related expenses	2 494	2 696	30 014	30 795	14 459	11 091
Supplies and services	27 628	30 573	95 285	96 954	61 396	23 842
Depreciation and amortisation	-	-	129 680	124 594	23 828	24 560
Grants, subsidies and SA Government transfers	20	32 613	165	96	3 230	30 372
Borrowing costs	-	53	35 690	31 913	-	1
Cash alignment payments to Department of Treasury and Finance	-	-	-	-	-	-
Other expenses	44 315	18 750	152 146	29 478	206	45
Total expenses	74 457	84 685	442 980	313 830	103 119	89 911
Net result	2 467 429	969 998	(132 566)	(47 705)	8 409	(20 961)

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.2. Objectives and programs (continued)

	General / Not Attributable		Total	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Income				
Appropriation	-	-	1 544 390	822 875
Fees and charges	-	-	923 741	878 691
Grants and subsidies	-	-	1 581 378	1 186 479
Intra-government transfers	-	-	206 963	153 142
Sales of goods and services	-	-	44 722	46 384
Rental income	-	-	236 982	221 879
Interest	-	-	13 550	12 716
Net gain from the disposal of property plant and equipment	-	-	8 005	7 391
Resources received free of charge	-	-	33 816	16 311
Other income	-	-	45 339	39 084
Total income	-	-	4 638 886	3 384 952
Expenses				
Employee related expenses	-	-	167 943	154 307
Supplies and services	-	-	980 719	928 339
Depreciation and amortisation	-	-	948 293	791 929
Grants, subsidies and SA Government transfers	-	-	50 578	253 426
Borrowing costs	-	-	35 695	32 029
Cash alignment payments to Department of Treasury and Finance	283 171	125 190	283 171	125 190
Other expenses	-	-	350 392	66 073
Total expenses	283 171	125 190	2 816 791	2 351 293
Net result	(283 171)	(125 190)	1 822 095	1 033 659

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.2. Objectives and programs (continued)

	Public Transport					
	Road Safety		Services		Roads and Marine	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Assets						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	183	-	13 410	7 231	5 384	703
Inventories	-	-	3 182	3 349	2 055	1 929
Other assets	-	-	-	655	457	163
Non-current assets classified as held for sale	-	-	246	246	-	-
Land, buildings and facilities	85	262	577 674	585 081	1 513 507	1 461 796
Plant and equipment	656	647	744 638	721 128	47 995	34 004
Network assets	-	-	3 807 394	3 454 131	37 235 846	32 891 513
Capital works in progress	3 857	2 733	116 718	71 153	256 850	165 242
Intangible assets	-	-	2 552	3 322	7 304	8 876
Total assets	4 781	3 642	5 265 814	4 846 296	39 069 398	34 564 226
Liabilities						
Payables	328	-	50 392	41 801	43 103	59 233
Lease liabilities	-	-	-	-	-	-
Employee related liabilities	3 904	4 342	19 797	9 401	41 292	44 739
Provisions	738	729	107 417	7 476	9 278	8 990
Other liabilities	-	-	13 384	15 182	224	1 109
Total liabilities	4 970	5 071	190 990	73 860	93 897	114 071

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.2. Objectives and programs (continued)

	Delivery of Transport Projects		Provision and Management of Across Government Services		Infrastructure Planning and Policy	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	11 861	11 197	385 674	394 518	7 232	4 306
Inventories	-	-	-	-	-	23
Other assets	94 636	89 224	127 462	97 422	44	161
Non-current assets classified as held for sale	-	-	4 297	3 828	-	-
Land, buildings and facilities	-	151	3 361 644	2 983 869	406 614	430 979
Plant and equipment	216	290	148	479	3 113	3 783
Network assets	31 418	28 422	-	594	-	(2)
Capital works in progress	4 567 348	2 865 090	48 782	130 518	57 294	77 053
Intangible assets	-	-	-	-	-	-
Total assets	4 705 479	2 994 374	3 928 007	3 611 228	474 297	516 303
Liabilities						
Payables	288 127	233 695	75 040	110 648	7 671	12 555
Lease liabilities	-	-	1 150 774	1 072 916	-	527
Employee related liabilities	1 340	1 681	16 124	19 200	7 768	6 915
Provisions	253	282	3 047	3 224	1 468	1 397
Other liabilities	477	1 132	42 459	807	-	590
Total liabilities	290 197	236 790	1 287 444	1 206 795	16 907	21 984

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.2. Objectives and programs (continued)

	General / Not Attributable		Total	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Assets				
Cash and cash equivalents	3 814 266	3 924 701	3 814 266	3 924 701
Receivables	-	-	423 744	417 955
Inventories	-	-	5 237	5 301
Other assets	-	-	222 599	187 625
Non-current assets classified as held for sale	-	-	4 543	4 074
Land, buildings and facilities	-	-	5 859 524	5 462 138
Plant and equipment	-	-	796 766	760 331
Network assets	-	-	41 074 658	36 374 658
Capital works in progress	-	-	5 050 849	3 311 789
Intangible assets	-	-	9 856	12 198
Total assets	3 814 266	3 924 701	57 262 042	50 460 770
Liabilities				
Payables	-	-	464 661	457 932
Lease liabilities	-	-	1 150 774	1 073 443
Employee related liabilities	-	-	90 225	86 278
Provisions	-	-	122 201	22 098
Other liabilities	-	-	56 544	18 820
Total liabilities	-	-	1 884 405	1 658 571

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.3. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2025-26 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.

		Original budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000
Statement of Comprehensive Income	Note			
Income				
Appropriation		1 586 283	1 544 390	(41 893)
Fees and charges		875 936	923 741	47 805
Grants and subsidies		1 644 111	1 581 378	(62 733)
Intra-government transfers		171 656	206 963	35 307
Sales of goods and services		16 101	44 722	28 621
Rental income		212 552	236 982	24 430
Interest		8 228	13 550	5 322
Net gain from the disposal of property plant and equipment		300	8 005	7 705
Resources received free of charge		-	33 816	33 816
Other income		51 868	45 339	(6 529)
Total income		4 567 035	4 638 886	71 851
Expenses				
Employee related expenses		194 237	167 943	(26 294)
Supplies and services	a	769 729	980 719	210 990
Depreciation and amortisation	b	783 260	948 293	165 033
Grants, subsidies and SA Government transfers		53 337	50 578	(2 759)
Borrowing costs		28 547	35 695	7 148
Cash alignment payments to Department of Treasury and Finance	c	-	283 171	283 171
Other expenses	d	33 942	350 392	316 450
Total expenses		1 863 052	2 816 791	953 739
Net result		2 703 983	1 822 095	(881 888)
Other comprehensive income				
Items that will not be reclassified to net result				
Changes in property, plant and equipment asset revaluation surplus	e	40 761	4 599 311	4 558 550
Total other comprehensive income		40 761	4 599 311	4 558 550
Total comprehensive result		2 744 744	6 421 406	3 676 662

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.3. Budget Performance (continued)

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

- a) Supplies and Services is predominantly higher than original budget due to indexation escalation and cost increases related to the delivery of public transport services and the reprofiling of the Northern Water project delivery office expenditure in accordance with the procurement and pre-delivery schedule.
- b) Depreciation is higher than original budget due to asset revaluations effective from 1 July 2025 which were not included in the original budget.
- c) Cash Alignment payments to the Department of Treasury and Finance are determined from the previous financial year net result, for the department's Operating Account. The budget for the Cash Alignment payments is determined during the financial year and is not part of the original budget.
- d) Other expenses are predominantly higher than original budget due to donated assets including, the Adelaide Aquatic Centre to the Office for Recreation, Sport and Racing and the donation of the Warriappendi Secondary School to the Department for Education. Asset donations are determined during the financial year and are not part of the original budget.
- e) Changes in the revaluation surplus are due to asset revaluations and not part of the original budget.

Investing Expenditure Summary

	Original budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000
Investing expenditure summary			
Total new projects	51 325	29 731	21 594
Total existing projects	3 041 192	3 086 078	(44 886)
Total annual programs	163 501	149 987	13 514
Total investing expenditure	3 256 018	3 265 796	(9 778)

1.4. Significant transactions with government related entities

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

In addition, payments made to the Construction Industry Training Board (CITB) under the *Construction Industry Training Fund Act 1993* for the levy are predominately associated with the department's investing program and are contained within Capital Work in progress.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

2. Board and committees

2.1. Key Management Personnel

Key management personnel of the department include the Minister for Infrastructure and Transport, the Chief Executive and the 11 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 department and recovered from the Consolidated Account.

	2026	2025
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	3 227	3 574
Post-employment benefits	878	405
Total	4 105	3 979

Transactions with key management personnel and other related parties

Apart from the remuneration for key management personnel, the department did not have any material transactions with key management personnel, their close family members and/or their controlled or jointly controlled entities in 2024-25 and 2025-26.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

2.2. Board and Committee Members

Members during the 2025-26 financial year were:

Passenger Transport Standards Committee

BUTLER C *
HORVAT D*
JOANNOU K*
KOHLMORGEN A *
KOWALSKI D*
KUSS R *
LANDS J *
LEPORE C *
LOHMEYER M*
MORTIMER K P*
O'GRADY J *
POPLE F *
SHAIK S *
SMITH N *
TILBROOK D*
VENNING-SMITH S*
WILSON J*
WILLIAMS M *

Performance and Risk Committee

ALFORD A
CLARK S*
DAW S
HASLAM R
JACKSON G*
NORMAN P*

South Australian Boating Facility Advisory Committee

ANDREW B
BOLTON G
FISHER M
HARRIS A
MILAZZO A
SEAMAN V
WEBBER C
BENTHAM D
BROWN B
CASSIDY R
FLAHERTY T

Road Safety Governance Committee

ADAMSON J
MOUNTAIN C
SCARCE K
STEVENS G*
WHELAN J*
WUNDERSITZ L*

Mount Barker Infrastructure Advisory Committee

BROPHY N
BURTON P
KERNICH G*
LUCAS, C K
WARD G

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

2.2. Board and Committee Members (continued)

Board and Committee Remuneration

The number of members whose remuneration received or receivable falls within the following bands:	2026	2025
\$1 - \$19 999	5	11
Total number of members	5	11

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 \$0.032 million (\$0.076 million).

3. Income

3.1. Appropriation

	2026	2025
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the Appropriation Act	1 544 390	822 875
Total appropriation	1 544 390	822 875

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.

3.2. Fees and Charges

	2026	2025
	\$'000	\$'000
Drivers licence fees	82 870	78 671
Metrotickets	97 150	96 413
Motor registrations	673 787	645 298
Marine related fees and charges	16 667	22 411
Other regulatory fees	42 195	25 160
Other fees and charges	11 072	10 738
Total fees and charges	923 741	878 691

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*, \$13.812 million (\$13.112 million) being one-sixth of driver's licence collections and \$1.540 million (\$1.403 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 2026

3.3. Grants and subsidies

	2026 \$'000	2025 \$'000
Australian Government sourced grants		
Land Transport and Infrastructure projects*	1 497 153	1 122 796
Roads to Recovery Program**	2 670	5 370
Local Roads and Community Infrastructure Program***	4 149	1 375
SA Government grants and subsidies		
Concessional passenger income	77 187	56 849
Other grants and subsidies	219	89
Total grants and subsidies	1 581 378	1 186 479

Australian Government sourced funding

Australian Government sourced funding is recognised in accordance with AASB 1058 as income on receipt. Obligations under Australian Government sourced funding are required to be met by the State of South Australia.

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

Where the department receives the grant monies directly from the Australian Government (i.e. Roads to Recovery funding and Local Roads and Community Infrastructure funding) 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 2026 the department did not have any unsatisfied obligations on the revenue recognised as all funds were spent.

* Australian Government sourced funding received from DTF represents funding provided under Land Transport Infrastructure Projects – Federation Funding Agreement (FFAS) pursuant to the *National Land Transport Act 2014*. The significant increase in the Australian Government contribution is predominately due to the continuation of the delivery of the North-South Corridor, River Torrens to Darlington (T2D) Project.

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

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

SA Government grants and subsidies

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

3.4. Intra-government transfers

	2026	2025
	\$'000	\$'000
Intra-government transfers	197 118	134 699
Transfers from contingency provisions	9 845	18 443
Total intra-government transfers	206 963	153 142

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

Intra-government transfers include an amount for the transfer of funding from DIT Administered from the Community Road Safety Fund (CRSF) of \$88.361 million (\$91.032 million) for road safety works. In addition, it includes transfers from the Department for Energy and Mining to the department for pre-delivery and procurement functions undertaken in relation to the Northern Water project.

3.5. Sales of Goods and Services

	2026	2025
	\$'000	\$'000
Project and contract management fees	27 878	28 300
Other sale of goods and services	16 844	18 084
Total sales of goods and services	44 722	46 384

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.

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 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
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3.6. Rental Income

	2026	2025
	\$'000	\$'000
Government accommodation	221 154	203 849
Property rents and recoveries	8 007	11 729
Other	7 821	6 301
Total rental income	236 982	221 879

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 AASB 15, 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.

3.7. Interest

	2026	2025
	\$'000	\$'000
Interest on deposit accounts	9 056	8 436
Interest on finance leases	3 896	4 086
Other	598	194
Total interest	13 550	12 716

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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3.8. Resources Received Free of Charge

	2026	2025
	\$'000	\$'000
Land, buildings and facilities	20 536	6 260
Network assets	3 547	-
Services received free of charge – SA Government entities	9 733	10 051
Total resources received free of charge	33 816	16 311

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

In 2025-26 the department received assets free of charge relating to Land, buildings and facilities and Network assets. These assets were a land asset from South Australian Police (SAPOL) of \$20.536 million and road infrastructure works at Womma Road, Penfield from Renewal SA totalling \$3.547 million.

Services received from other entities – SA Government entities

The department receives accounting services from Shared Services SA and ICT services from Department of Treasury and Finance free of charge. The department also receives audit services free of charge from the Audit Office of South Australia.

3.9. Net gain from the disposal of property, plant and equipment

	2026	2025
	\$'000	\$'000
Land, Buildings and Facilities		
Net Proceeds from disposal	13 068	10 973
Less carrying amount of assets disposed	(7 826)	(7 195)
Costs incurred to facilitate disposal	(139)	(57)
Net gain (loss) from disposal of land, buildings and facilities	5 103	3 721
Plant and equipment		
Net Proceeds from disposal	118	44
Less carrying amount of assets disposed	(9)	(187)
Net gain (loss) from disposal of plant and equipment	109	(143)
Non-Current Assets Held for Sale		
Net Proceeds from disposal	12 449	6 162
Less carrying amount of assets disposed	(9 518)	(1 912)
Costs incurred to facilitate disposal	(138)	(437)
Net gain (loss) from disposal of non-current assets held for sale	2 793	3 813
Total:		
Net Proceeds from disposal	25 635	17 179
Less carrying amount of assets disposed	(17 353)	(9 294)
Costs incurred to facilitate disposal	(277)	(494)
Net gain (loss) from disposal of property plant and equipment	8 005	7 391

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

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

	2026	2025
	\$'000	\$'000
Recoveries and contributions	16 641	16 745
Reimbursement works and external project contributions	25 357	18 993
Service recoveries received from other government agencies	3 341	3 346
Total other income	45 339	39 084

The department receives recoveries and contributions in accordance with contractual obligations.

Reimbursement works and external project contributions relate to recoveries in relation to contracted project works. This includes reimbursement works for infrastructure projects undertaken for councils and developers. Revenue from these activities is demand-driven and may vary significantly from year to year.

4. Expenses

4.1. Employee Related Expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	121 613	109 512
Board and committee fees	32	68
Employment on-costs - superannuation	15 793	14 477
Employment on-costs - payroll	7 466	6 852
Annual leave	11 514	11 746
Long service leave	5 724	5 998
Workers compensation expenses	2 493	1 950
TVSPs payments	2 088	1 901
Skills and Experience Retention Leave	717	1 046
Other employee related expenses	503	757
Total employee related expenses	167 943	154 307

The superannuation employment on-costs represents the department's contributions to superannuation plans in respect of services provided by employees.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4.1. Employee Related Expenses (continued)

Remuneration of Employees

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

	2026	2025
	No.	No.
\$171 001 - \$177 000*	n.a.	13
\$177 001 - \$197 000	50	17
\$197 001 - \$217 000	16	14
\$217 001 - \$237 000	16	11
\$237 001 - \$257 000	10	10
\$257 001 - \$277 000	5	8
\$277 001 - \$297 000 (b)	10	4
\$297 001 - \$317 000	4	4
\$317 001 - \$337 000 (a) (c)	4	5
\$337 001 - \$357 000	-	2
\$357 001 - \$377 000	3	1
\$377 001 - \$397 000	2	1
\$397 001 - \$417 000	1	1
\$537 001 - \$557 000 (d)	-	2
\$557 001 - \$577 000	1	-
Total	122	93

*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2024-25.

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 \$28.2 million (\$22.4 million).

(a) 2026 - includes TVSP payment for one employee

(b) 2025 - includes TVSP payment for one employee

(c) 2025 – includes TVSP payment for two employees

(d) 2025 - includes Executive Termination payment for one employee

The department had 53 (47) Executives as at 30 June 2026.

Department for Infrastructure and Transport - Controlled
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4.1. Employee Related Expenses (continued)

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 21 (20).

	2026	2025
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	2 088	1 901
Leave paid to separated employees	1 024	984
Net cost to the department	3 112	2 885

4.2. Supplies and Services

	2026	2025
	\$'000	\$'000
Public transport service contracts	439 054	452 780
Rail Commissioner employee expense reimbursements	65 035	44 923
Major infrastructure maintenance contracts	112 212	117 168
Other service contracts	170 569	136 192
Property expenses	56 942	51 408
Utilities	32 969	31 393
Short term and low value leases	16 152	14 666
Information technology and communications	12 247	10 606
Insurance	10 568	9 659
Administrative costs	9 120	8 464
Materials and other purchases	8 141	7 737
Plant, equipment and vehicle expenses	10 974	7 814
Legal services	5 006	4 707
Auditor's remuneration*	1 677	1 512
Other	30 053	29 310
Total supplies and services	980 719	928 339

*Includes the fair value of services received free of charge by the Audit Office of South Australia under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office.

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

	2026	2025
	\$'000	\$'000
Depreciation		
Network assets	681 536	541 552
Plant and equipment	64 989	54 714
Buildings and facilities	95 339	92 239
Right-of-use plant and equipment	80	1 665
Right-of-use building	103 990	98 794
Total depreciation	945 934	788 964
Amortisation		
Intangible assets	2 359	2 965
Total amortisation	2 359	2 965
Total depreciation and amortisation	948 293	791 929

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.

Depreciation and amortisation expense for the current year have been impacted by asset revaluations effective at 1 July 2025. Refer to Notes 5.1, 5.2 and 5.3.

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

Useful Life

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

<u>Asset Class</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and Facilities:		
Buildings and facilities	Straight Line	1 to 204 years
Dwellings	Straight Line	10 to 67 years
Right-of-use buildings	Straight Line	1 to 17 years
Plant and Equipment:		
Plant and equipment	Straight Line	3 to 100 years
Buses	Diminishing Value	25 years
Second hand buses	Straight Line	3 to 17 years
Tram and train rolling stock	Straight Line	28 to 40 years
Information technology	Straight Line	3 to 15 years
Right-of-use plant and equipment	Straight Line	1 to 3 years
Network Assets:		
Roads (sealed surface)	Straight Line	25 to 30 years
Roads (sealed pavement)	Straight Line	48 to 77 years
Roads (sheeted)	Straight Line	18 years
Structures	Straight Line	33 to 195 years
Metro rail Infrastructure	Straight Line	10 to 149 years
Busway Infrastructure	Straight Line	70 to 100 years
Other	Straight Line	28 to 100 years
Intangible Assets:		
Intangible	Straight Line	3 to 24 years

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

Review of accounting estimates

During the year, the department reassessed the useful lives of the above-mentioned asset classes. As a result, the 2025-26 and future depreciation expense will decrease by \$2.1 million per annum. This does not include assets that were revalued in 2025-26.

Asset revaluations undertaken during 2025-26 resulted in an increase in current and future depreciation expense of \$84 million. This includes \$60.208 million attributable to the road revaluation, reflecting enhancements to road asset data and valuation assumptions. The increase reflects revised pavement profiles and design standards, higher surfacing and pavement replacement costs, growth in sealed road coverage, and updated construction cost inputs – refer to Note 5.3.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026.

4.4. Grants, subsidies and SA Government transfers

Grants, subsidies and SA Government transfers by program	2026	2025
	\$'000	\$'000
Transport Subsidy Scheme	11 898	11 469
Grants to local councils	24 965	65 595
Transport concessions	3 729	3 725
Local Roads and Community Infrastructure Program	-	2 033
Intra-government transfer - Community Road Safety Fund*	-	139 172
Other **	9 986	31 432
Total grants, subsidies and SA Government transfers	50 578	253 426

*In 2024-25 the Community Road Safety Fund (CRSF) was transferred from a Controlled item to an Administered item of the department. Funding received in 2024-25 by the department for the CRSF was transferred to the DIT Administered Statements via intra-government transfer. In 2025-26 appropriation funding for the CRSF has been directly allocated to Administered Items.

**In 2024-25 Other Grants includes a \$25 million contribution towards the Thebarton Oval Precinct development including public accessibility, improved active travel and public realm connections to Thebarton Oval and Kings Reserve.

4.5. Borrowing Costs

	2026	2025
	\$'000	\$'000
Interest on leases	35 695	32 029
Total borrowing costs	35 695	32 029

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

	2026	2025
	\$'000	\$'000
Rates, taxes and levies	9 366	9 873
Donated assets*	178 763	38 391
Property, plant and equipment write-offs**	29 672	1 735
Indentured Ports- payment to consolidated account***	7 769	10 058
Other payments to consolidated account****	5 150	5 939
Increase in provision for contractual arrangements	539	(2 317)
Bad debts	178	685
Expected credit loss movement	(151)	206
Prescribed Scheme - <i>Passenger Transport Act 1994</i> *****	118 270	-
Other	836	1 503
Total other expenses	350 392	66 073

* Donated assets relate to land, infrastructure and plant and equipment assets transferred to other government and non-government agencies. The most significant asset donations were the Adelaide Aquatic Centre \$132.171 million to the Office for Recreation, Sport and Racing and the Warriappendi Secondary School \$39.730 million to the Department for Education.

**Significant Property, plant and equipment write offs for 2025-26 include the write off of the South Road Tram overpass of \$24.589 million.

***Indentured Ports – payment to the Consolidated Account relate to charges collected for cargo and harbour services 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.

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

***** Provision recognised under the Prescribed Scheme established pursuant to section 52AB of South Australia's *Passenger Transport Act 1994* for the SA Government's cancellation of perpetual taxi licences, as published in the Government Gazette on 4 December 2025.

4.7. Cash alignment payments to Department of Treasury and Finance

	2026	2025
	\$'000	\$'000
Return of surplus cash pursuant to cash alignment policy	283 171	125 190
Total cash alignment payments to department of treasury and finance	283 171	125 190

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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5. Non-Financial Assets

5.1. Land, Buildings and Facilities

	2026 \$'000	2025 \$'000
Land		
Land at fair value	1 468 181	1 200 476
Total land	1 468 181	1 200 476
Land Under Roads		
Land under roads at cost	378 569	373 989
Total land under roads	378 569	373 989
Land for Current Projects		
Land for current projects at cost*	1 028 105	997 190
Total land for current projects	1 028 105	997 190
Buildings and Facilities		
Buildings and facilities at fair value	4 024 050	3 894 545
Accumulated depreciation at 30 June	1 806 136	1 718 601
Total buildings and facilities	2 217 914	2 175 944
Right-of-use land and buildings		
Right-of-use land and buildings at cost	1 500 147	1 350 833
Accumulated depreciation at 30 June	733 392	636 294
Total right-of-use land and buildings	766 755	714 539
Total land, buildings and facilities	5 859 524	5 462 138

* This includes land transferred from other land categories deemed at cost. Land under Roads 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 2026

5.1. Land, Buildings and Facilities (continued)

Reconciliation Of Land, Buildings and Facilities

Reconciliation 2025-26

	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 2025	1 200 476	373 989	997 190	2 175 944	714 539	5 462 138
Reclassification from/(to) assets held for sale	(7 633)	-	-	(2 354)	-	(9 987)
Additions	222	1 164	65 983	275 862	96 065	439 296
Disposals	(7 784)	-	-	(42)	-	(7 826)
Donated assets	(3)	-	(8 043)	(169 800)	-	(177 846)
Resources received free of charge	20 536	-	-	-	-	20 536
Write offs	-	-	-	(1 433)	-	(1 433)
Revaluation increment/(decrement)	238 966	-	-	34 668	-	273 634
Depreciation and amortisation	-	-	-	(95 339)	(103 990)	(199 329)
Transfers due to reclassification of assets	23 400	3 416	(27 025)	409	-	200
Re-Measurement	-	-	-	-	60 139	60 139
Other movements	1	-	-	(1)	2	2
Carrying amount at 30 June 2026	1 468 181	378 569	1 028 105	2 217 914	766 755	5 859 524

Reconciliation 2024-25

	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 2024	983 157	345 914	912 810	1 489 055	742 797	4 473 733
Reclassification from/(to) assets held for sale	(1 028)	-	-	(3 019)	-	(4 047)
Additions	-	2 408	105 161	75 014	46 788	229 371
Disposals	(6 870)	-	-	(325)	-	(7 195)
Donated assets	(433)	-	(2 322)	(22 697)	-	(25 452)
Resources received free of charge	-	-	6 260	-	-	6 260
Write offs	-	-	-	(933)	-	(933)
Revaluation increment/(decrement)	226 597	-	-	736 983	-	963 580
Depreciation and amortisation	-	-	-	(92 239)	(98 794)	(191 033)
Transfers due to reclassification of assets	(948)	25 667	(24 719)	(5 896)	-	(5 896)
Re-Measurement	-	-	-	-	23 748	23 748
Other movements	1	-	-	1	-	2
Carrying amount at 30 June 2025	1 200 476	373 989	997 190	2 175 944	714 539	5 462 138

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

Valuation of Land, Buildings and Facilities

In 2025-26 independent valuers were engaged by the department to undertake and prepare full fair value valuations for the Government Employee Housing (GEH), Ex-Australian National Railways assets, land and buildings held for future road construction, and Leigh Creek assets.

Non-specialised land, buildings and facilities comprise land held for future road construction, GEH land and buildings, and certain Leigh Creek facilities. The valuer arrived at fair value for these assets using the market approach. The valuation was based on recent market transactions for similar land, buildings and facilities in the area. This includes adjustments for factors specific to the land, buildings and facilities being valued, such as size and location and are disclosed in Note 11.1.

For specialised building and facilities, including Ex-Australian National Railways assets, buildings held for future road construction and certain Leigh Creek facilities, the valuer used depreciated replacement cost given the lack of an active market. The valuation has been prepared from a combination of internal records, specialised knowledge, acquisition and or transfer costs.

Land under Roads 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 the 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.

A fair value review of Facilities Management Unit (FMU) assets was also completed using the Australian Bureau of Statistics (ABS) Non-Residential Building Construction Index for South Australia and land values recorded in South Australian Integrated Land Information System (SAILIS). The review identified a material increase in FMU land values, resulting in an internal revaluation. No material movement was identified in FMU building values; therefore, no adjustments were made to the carrying value of those assets.

Right-of-Use (ROU) Buildings

Right of Use (ROU) buildings leased by the department are recorded at cost. Movements in the ROU buildings are shown in the above movement schedule. Short term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in Note 4.2.

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 AASB.16 Leases.

For the first time in 2025-26, the department recognised right-of-use building assets associated with Government Employee Housing. The assets relate to 27 residential properties leased from private lessors under 10-year agreements.

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 11.2. 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 2026

5.1. Land, Buildings and Facilities (continued)

Timing of Land, Buildings and Facilities Revaluations

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

Asset Class	Assets Valued	Last Valued / Revalued	By Whom	Timing of Revaluations (years)	Input level	Fair Value Approach
Land	Government Employee Housing	1 July 2025	Valuer-General	1	2	Market
	Government Agency Accommodation	1 July 2020	Savillis/Opteon/m3	6	2	Market
	Ex Australian National Railways Land	1 July 2025	Knight Frank	6	3	Cost
	Metro Rail Stations, Yards and Corridors	1 July 2024	Acumentis	6	2&3	Market
	Marine Land	1 July 2024	Public Private Property	6	2&3	Market
	Bus Depot Land	1 July 2020	Knight Frank	6	2	Market
	Future Road Construction	1 July 2025	Knight Frank	6	2	Market
	Leigh Creek Land	1 July 2025	Knight Frank	6	2	Market
	Adelaide Oval	1 July 2023	Marsh Ltd	6	2	Market
	Other Departmental Land (Bus Interchanges)	1 July 2024	Jones Lang LaSalle	6	2	Market
Buildings and Facilities	Marine Related	1 July 2024	Public Private Property	6	2&3	Cost
	Metro Rail Stations and Yards	1 July 2024	Acumentis	6	3	Cost
	Ex Australian National Railways	1 July 2025	Knight Frank	6	3	Cost
	Bus Depots	1 July 2020	Knight Frank	6	3	Cost
	Tram/Train Depot	1 July 2024	Acumentis	6	3	Cost
	Leigh Creek Building	1 July 2025	Knight Frank	6	2&3	Cost/Market
	Adelaide Oval	1 July 2023	Marsh Ltd	6	3	Cost
	Busway Interchanges	1 July 2024	Jones Lang LaSalle	6	3	Cost
	Residential Buildings					
	Government Employee Housing	1 July 2025	Valuer-General	1	2	Market
	Future Road Construction	1 July 2025	Knight Frank	6	3	Cost
	Commercial Buildings					
	Government Agency Accommodation	1 July 2020	Savillis/Opteon/m3	6	2	Market
	Future Road Construction	1 July 2025	Knight Frank	6	3	Cost
	Depots	1 July 2022	Public Private Property	6	2	Market
Land, Buildings and Improvements Under Lease	Land, Buildings and Improvements Under Lease- Roma Mitchell House	NA	NA	NA	NA	NA

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

	2026	2025
	\$'000	\$'000
Plant and Equipment		
Plant and equipment (at fair value)	2 255 339	2 143 425
Information technology	3 743	4 088
Right-of-use plant at cost	241	240
	2 259 323	2 147 753
Accumulated Depreciation		
Accumulated depreciation - Plant and equipment	1 458 913	1 383 750
Accumulated depreciation - Information technology	3 497	3 605
Accumulated depreciation - ROU Plant	147	67
	1 462 557	1 387 422
Total plant and equipment	796 766	760 331

Reconciliation Of Plant and Equipment

Reconciliation 2025-26

	Plant and Equipment	Information Technology	ROU Plant	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2025	759 675	483	173	760 331
Additions	92 410	24	-	92 434
Disposals	(9)	-	-	(9)
Donated assets	(9)	-	-	(9)
Write offs	(157)	-	-	(157)
Revaluation increment/(decrement)	9 441	-	-	9 441
Depreciation and amortisation	(64 728)	(261)	(80)	(65 069)
Transfers due to reclassification of assets	(200)	-	-	(200)
Other movements	3	-	1	4
Carrying amount at 30 June 2026	796 426	246	94	796 766

Reconciliation 2024-25

	Plant and Equipment	Information Technology	ROU Plant	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2024	769 185	826	3 156	773 167
Additions	27 177	31	2 932	30 140
Disposals	(187)	-	-	(187)
Write offs	(370)	-	-	(370)
Revaluation increment/(decrement)	17 185	-	-	17 185
Depreciation and amortisation	(54 339)	(375)	(1 665)	(56 379)
Transfers due to reclassification of assets	1 025	-	-	1 025
Other movements	(1)	1	(4 250)	(4 250)
Carrying amount at 30 June 2025	759 675	483	173	760 331

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

Valuation of Plant and Equipment

In 2025-26 independent valuers were engaged by the department to undertake and prepare full fair value valuations for the Tall Ships, Ferries, Aids to Navigation and Heavy Plant assets.

For non-specialised plant and equipment, including Heavy Plant assets and certain Ferries, 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, comprising the Tall Ships, Aids to Navigation and certain Ferries, 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.

Right-of-Use (ROU) Plant

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

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

Timing of Plant and Equipment Revaluations

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

Asset Class	Assets Valued	Last Valued / Revalued	By Whom	Timing of Revaluations (years)	Input level	Fair Value Approach
<i>Plant and Equipment</i>	Buses	1 July 2024	Jones Lang LaSalle	6	3	Cost/Market
	Tram and Train Rolling Stock	1 July 2024	Acumentis	6	3	Cost
	Bus Depots	1 July 2024	Jones Lang LaSalle	6	3	Cost
	Rail	1 July 2021	Colliers	6	2 & 3	Cost/Market
	Patrol Boats	1 July 2024	Jones Lang LaSalle	6	2 & 3	Cost/Market
	Tall Ships	1 July 2025	Knight Frank	6	3	Cost
	Ferries (including Modules)	1 July 2025	Knight Frank	6	2 & 3	Cost/Market
	Aids to Navigation	1 July 2025	Marsh Ltd	6	3	Cost
	Heavy Plant	1 July 2025	Knight Frank	6	2	Market
	Metro-ticket System	1 July 2024	Jones Lang LaSalle	6	3	Cost
	Other Plant & Equipment	Not required under Policy	Not applicable	NA	NA	NA
<i>Information Technology (IT)</i>	Information Technology	NA	Not applicable	NA	NA	NA

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

	2026 \$'000	2025 \$'000
Network Assets		
Roads and structures (at fair value)	54 049 579	46 537 409
Rail and bus track (at fair value)	6 083 608	5 582 011
	60 133 187	52 119 420
Accumulated Depreciation		
Accumulated depreciation - Roads and structures	17 132 998	13 919 230
Accumulated depreciation - Rail and bus track	1 925 531	1 825 532
	19 058 529	15 744 762
Total network assets	41 074 658	36 374 658

Reconciliation Of Network Assets

Reconciliation 2025-26

	Roads	Structures	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2025	28 599 867	4 018 312	3 756 479	36 374 658
Additions	394 642	185 266	509 925	1 089 833
Resources Received Free of Charge	3 547	-	-	3 547
Write offs	-	(44)	(28 038)	(28 082)
Revaluation increment/(decrement)	3 088 563	1 172 093	55 580	4 316 236
Depreciation and amortisation	(441 968)	(103 698)	(135 870)	(681 536)
Other movements	-	1	1	2
Carrying amount at 30 June 2026	31 644 651	5 271 930	4 158 077	41 074 658

Reconciliation 2024-25

	Roads	Structures	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2024	27 686 702	3 945 438	3 656 563	35 288 703
Additions	496 508	51 787	57 500	605 795
Donated assets	(4 660)	-	-	(4 660)
Write offs	-	(392)	-	(392)
Revaluation increment/(decrement)	755 625	107 223	159 044	1 021 892
Depreciation and amortisation	(339 540)	(79 488)	(122 524)	(541 552)
Transfers due to reclassification of assets	5 232	(6 256)	5 896	4 872
Carrying amount at 30 June 2025	28 599 867	4 018 312	3 756 479	36 374 658

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

Valuation of Network Assets

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 to 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 unit rates independently sourced and verified for key areas by industry experts.

A full revaluation of the network assets was completed as at 1 July 2025 following further assessment and validation activities to incorporate updated asset data, review valuation assumptions and methodologies. The department continued to comply with Treasurer's Instruction (Accounting Policy Statements) 116.E.

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 network 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. The valuation is based on unobservable inputs, including current replacement costs, unit rates, condition assessments, remaining useful lives, consumption profiles, and estimates of physical, functional and economic obsolescence. Other key inputs include labour and material costs, construction cost indices, location-specific factors and asset design standards. 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 road 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. Significant changes were made to sealed stereotypes during the 1 July 2025 revaluation, separating each stereotype into asphalt and spay seal granular stereotypes. The main stereotypes are as follows:

- Motorways – Asphalt
- Motorways – Spray Seal
- Heavy Urban – Asphalt
- Heavy Urban – Spray Seal
- Light Urban – Asphalt
- Light Urban – Spray Seal
- Heavy Rural – Asphalt
- Heavy Urban – Spray Seal
- Light Rural – Asphalt
- Light Rural – Spray Seal
- Unsealed Roads (Sheeted, Graded, and Formed)

Replacement cost 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.

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

While the methodology applied in the 2019 road revaluation remained unchanged, the department enhanced a number of key assumptions and significantly improved the quality and accuracy of the asset data for the 1 July 2025 revaluation. Key changes include:

- *Sealed Road Stereotypes:* Following recommendations from the Pavement Stereotype Review (PAS), significant updates were made to sealed road stereotypes. Pavement profiles were revised, and each sealed road stereotype was split into separate asphalt and spray seal granular stereotypes.
- *Road and Shoulder Surfacing Costs:* Costs increased due to higher quality bitumen and asphalt mix specifications, increased asphalt surfacing thickness, and more accurate calculations of the road network area. This includes recognition of significant growth in sealed pavement area between 2019 and 2025, including the sealing of previously unsealed sections of Kempe Road and the Strzelecki Track.
- *Road and Shoulder Pavement Costs:* Costs increased as a result of higher weighted annual pavement temperatures, reduced maximum constructable pavement layer thicknesses, and the adoption of thicker granular pavement design standards for spray seal pavements and unsealed shoulders.

The road revaluation has been recognised in the financial statements as at 30 June 2026, resulting in a fair value increase of \$3.088 billion, an increase in replacement cost of \$4.691 billion, and an increase in depreciation expense of \$60.208 million.

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

The 1 July 2025 revaluation of structure assets resulted in a fair value increase of \$1.172 billion, an increase in replacement cost of \$2.241 billion and an increase in depreciation expense of \$22.4 million.

Rail and bus network assets comprise busway track and structures, metro rail structures and metro tram lines and track. Given the specialised nature of these assets and the absence of an active market, fair value is determined using the depreciated replacement cost approach. The valuation is based on a combination of internal records, specialised knowledge and acquisition/transfer costs. Busway tracks and the tunnel are classified as specific assets and valued individually using the estimated cost of constructing equivalent assets under current standards. Other busway structures are classified as generic assets and valued using a unit rate per square metre of deck area.

As at 1 July 2025 the busway track and structure assets revaluation resulted in an increase in fair value of \$55.580 million, of which \$33.240 million is attributable to busway tunnel.

The increase in the value of the network assets was primarily attributable to:

- revisions to valuation assumptions and methodology improvements, as outlined above;
- increases in the cost of road and bridge construction materials, including granular materials, asphalt and precast components, reflecting prevailing market conditions; and
- increases in labour costs associated with the construction of roads and related infrastructure.

All network assets, except for earthworks, graded and formed unsealed roads and the pavement sub-base, are subject to depreciation.

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

Timing of Network Asset Revaluations

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

Asset Class	Assets Valued	Last Valued / Revalued	By Whom	Timing of Revaluations (years)	Input Level	Fair Value Approach
Network Assets						
Roads	Road Pavements base, Sub-base, and Surface	1 July 2025	Karen Lee-Jones, B.Eng (Civil)	5	3	Cost
	Earthworks	1 July 2025	Karen Lee-Jones, B.Eng (Civil)	5	3	Cost
Structures	Bridges / Culverts	1 July 2025	Grant Wilksch, B.Eng (Civil)	5	3	Cost
	Ferry Landings	1 July 2025	Grant Wilksch, B.Eng (Civil)	5	3	Cost
	Drainage	1 July 2025	Marsh Ltd	5	3	Cost
	Weighbridges and Weigh Slabs	1 July 2025	Marsh Ltd	5	3	Cost
Rail and Bus Track	Busway Track and Structures	1 July 2025	Grant Wilksch, B.Eng (Civil)	5	3	Cost
	Metro Rail Structure (includes bridges)	1 July 2024	Acumentis	6	3	Cost
	Metro Rail, Tram Lines Track and Other	1 July 2024	Acumentis	6	3	Cost

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5.4. Capital Works in Progress

	2026	2025
	\$'000	\$'000
Land, buildings and facilities	111 839	225 632
Road network	4 706 529	2 834 235
Plant, equipment and intangibles	133 388	85 779
Rail and bus track	99 093	166 143
Total capital works in progress	5 050 849	3 311 789

Reconciliation of Capital Works in Progress

Reconciliation 2025-26

	Road Network	Plant and Equipment/ Intangibles	Land, Buildings and Facilities	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2025	2 834 235	85 779	225 632	166 143	3 311 789
Additions	2 452 447	140 061	230 601	442 874	3 265 983
Transfer to capital	(579 908)	(92 450)	(343 232)	(509 925)	(1 525 515)
Transfer to operating	(246)	-	(255)	-	(501)
Transfer due to reclassification of assets	-	-	-	-	-
Donated asset	-	-	(908)	-	(908)
Other movements	1	(2)	1	1	1
Carrying amount at 30 June 2026	4 706 529	133 388	111 839	99 093	5 050 849

Reconciliation 2024-25

	Road Network	Plant and Equipment/ Intangibles	Land, Buildings and Facilities	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2024	1 765 395	71 008	117 886	79 314	2 033 603
Additions	1 617 373	42 604	316 467	144 331	2 120 775
Transfer to capital	(548 296)	(27 674)	(199 970)	(57 500)	(833 440)
Transfer to operating	(236)	(160)	(471)	(1)	(868)
Donated expense	-	-	(8 279)	-	(8 279)
Other movements	(1)	1	(1)	(1)	(2)
Carrying amount at 30 June 2025	2 834 235	85 779	225 632	166 143	3 311 789

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5.4. Capital Works in Progress (continued)

Capital Works in Progress

The increase in Capital Works in Progress as at 30 June 2026 is largely attributable to capital expenditure incurred with the ongoing delivery of the North-South Corridor, River Torrens to Darlington (T2D) Project.

The T2D Project expenditure recognised in Capital Works in Progress, includes the cost of unfixed materials, operating plant and equipment for the delivery of the T2D Project acquired under the Project Alliance Agreement (PAA), for which title passes to the department upon payment.

The unfixed materials, plant and equipment acquired under the PAA will contribute to the delivery of the completed T2D network asset. These assets have been specifically acquired for the delivery of the T2D Project and subsequently recorded in Capital Works in Progress rather than standalone property, plant and equipment. As these costs are directly attributable to construction of the T2D Project they will be capitalised as part of the completed network asset and depreciated over the useful life of that asset when the relevant asset recognition criteria are met.

At each reporting date the department will undertake an assessment of the T2D Project property, plant and equipment to determine if these assets continue to contribute to the delivery of T2D Project.

If any items of property, plant and equipment are identified as no longer required for the T2D Project, and have no alternative departmental use, these items will be disposed of in accordance with the department's disposal policy. As a result, Capital Works in Progress will be adjusted to remove the property, plant and equipment value and any net gain on disposal, will be recognised.

In the event any assets are retained by the department and no longer required for the T2D Project will be removed from Capital Works in Progress and recognised separately as property, plant and equipment, when they satisfy the relevant asset recognition criteria.

At 30 June 2026, the department cannot determine with certainty if any items of property, plant and equipment will be retained for other uses or be disposed.

Valuation of Capital Works in Progress

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

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

	2026	2025
	\$'000	\$'000
Intangibles		
Intangibles	84 853	86 103
	84 853	86 103
Accumulated amortisation		
Accumulated amortisation - Intangibles	74 997	73 905
	74 997	73 905
Total intangible assets	9 856	12 198

Reconciliation Of Intangible Assets

Reconciliation 2025-26

	Intangibles	Total
	\$'000	\$'000
Carrying amount at 1 July 2025	12 198	12 198
Additions	16	16
Amortisation	(2 359)	(2 359)
Other	1	1
Carrying amount at 30 June 2026	9 856	9 856

Reconciliation 2024-25

	Intangibles	Total
	\$'000	\$'000
Carrying amount at 1 July 2024	14 199	14 199
Additions	1 004	1 004
Write-off of non-current assets	(40)	(40)
Amortisation	(2 965)	(2 965)
Carrying amount at 30 June 2025	12 198	12 198

Intangible Assets

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

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

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

Department for Infrastructure and Transport - Controlled
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5.6. Inventories

	2026	2025
	\$'000	\$'000
Current - held for distribution at no or nominal consideration		
Road making material and stores at cost	2 033	1 930
Rail material and stores at cost	3 102	3 084
Total inventories held for distribution at no or nominal consideration	5 135	5 014
Current - other than those held for distribution at no or nominal consideration:		
Other inventory at cost	102	287
Total inventories other than those held for distribution at no or nominal consideration	102	287
Total current inventories	5 237	5 301

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

	2026	2025
	\$'000	\$'000
Land, buildings and facilities	4 543	4 074
Total non-current assets classified as held for sale	4 543	4 074
Reconciliation of non-current assets classified as held for sale movement		
Carrying amount at the beginning of the period	4 074	1 939
Transfers from land, buildings and facilities	9 987	4 047
Disposals	(9 518)	(1 912)
Total non-current assets classified as held for sale	4 543	4 074

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

	2026 \$'000	2025 \$'000
Deposits at call with the Treasurer	3 809 573	3 919 085
Deposits with SAFA	4 563	5 504
Other	130	112
Total cash and cash equivalents	3 814 266	3 924 701

6.2. Receivables

	2026 \$'000	2025 \$'000
Current		
Contractual receivables		
Receivables	226 124	242 085
Less impairment loss on receivables	(466)	(617)
Total contractual receivables	225 658	241 468
Statutory receivables		
GST receivable	48 248	5 302
Total statutory receivables	48 248	5 302
Finance lease receivables	17 404	16 346
Accrued revenues	27 244	35 288
Total current receivables	318 554	298 404
Non-current		
Receivables	367	348
Finance lease receivables	104 823	119 203
Total non-current receivables	105 190	119 551
Total receivables	423 744	417 955

All receivables are non-interest bearing. They are held with the objective of collecting the contractual cash flows.

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

Contractual receivables

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 the goods or services have been provided under a contractual agreement.

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

Allowance for impairment loss on contractual receivables	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	617	411
Amounts written off	(178)	(685)
Increase / (Decrease) in allowance recognised in profit or loss	27	891
Carrying amount at 30 June	466	617

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

Refer to Note 11.2 for further information on credit risk and the methodology for determining impairment.

Statutory receivables

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

The net amount of GST receivable is included as part of statutory receivables.

No impairment loss was recognised in relation to statutory receivables.

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

Finance lease receivables

The department is responsible for managing whole of government office accommodation arrangements under Premier and Cabinet Circular PC018. This includes leasing of accommodation from private landlords and subsequent sub-leasing these properties to government agencies. Where the sub-lease meets the definition of a lease under AASB 16 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 20 sub-leases.

During 2025-26, the department recognised finance income on finance lease receivables of \$3.896 million (\$4.086 million).

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

Finance Lease receivables	2026	2025
	\$'000	\$'000
Finance lease receivables contracted for at the reporting date are as follows:		
Within one year	20 872	20 157
Later than one year but no longer than five years	79 323	80 094
Later than five years	36 099	52 900
Minimum lease payments	136 294	153 151
Less unearned finance income	(14 067)	(17 602)
Total finance lease receivables	122 227	135 549
The present value of finance lease receivable is as follows:		
Within one year	17 404	16 346
Later than one year but no longer than five years	70 357	69 403
Later than five years	34 466	49 800
Present value of finance lease	122 227	135 549
Representing:		
Current	17 404	16 346
Non-current	104 823	119 203
Total finance lease receivables	122 227	135 549

Refer to Note 11.2 for further information on risk management.

Department for Infrastructure and Transport - Controlled
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6.3. Other Assets

	2026	2025
	\$'000	\$'000
Current		
Prepayments	56 609	49 567
Accommodation Incentives	12 335	11 216
Other	425	462
Advance payment to meet T2D capital requirements*	58 000	-
Total current other assets	127 369	61 245
Non-Current Assets		
Accommodation Incentives	95 230	68 380
Advance payment to meet T2D capital requirements*	-	58 000
Total non-current other assets	95 230	126 380
Total other assets	222 599	187 625

Accommodation Incentives received by the department which do not fall under AASB 16 are amortised over the lease term.

*Advance payment of \$58 million provided to the Alliance to meet the capital requirements for the project. In particular, the payment of quarterly foreign exchange contracts (exchange of AUD currency to EUR currency) entered into by the T2D Alliance to mitigate against exchange rate volatility for the purchase of specialist plant, equipment and associated services required for the delivery of the North-South Corridor, River Torrens to Darlington (T2D) Project. The \$58 million payment will be progressively returned to the department with this process anticipated to be completed by the 30 June 2027. The funds are held in a separate interest-bearing bank account with any interest earned anticipated to be progressively paid to the department by the third quarter of 2027.

Department for Infrastructure and Transport - Controlled
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7. Liabilities

7.1. Payables

	2026	2025
	\$'000	\$'000
Current		
Contractual payables	10 325	15 393
Accrued expenses	429 812	421 939
Rail Commissioner (Federally Awarded Employees)	12 764	11 018
Statutory payables	1 017	975
Total current payables	453 918	449 325
Non-Current		
Rail Commissioner (Federally Awarded Employees)	10 743	8 607
Total non-current payables	10 743	8 607
Total payables	464 661	457 932

Payables and accrued expenses are recognised for all amounts owing but unpaid. All payables are non-interest bearing.

Contractual payables

Contractual payables are liabilities that arise from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid.

Contractual payables are normally settled within 15 days from the date the invoice is first received.

Statutory payables

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, as well as statutory fees and charges.

Department for Infrastructure and Transport - Controlled
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7.2. Lease Liabilities

	2026	2025
	\$'000	\$'000
Lease Liabilities	122 358	122 681
Total current lease liability	122 358	122 681
Non-Current		
Lease Liabilities	1 028 416	950 762
Total non-current lease liability	1 028 416	950 762
Total lease liabilities	1 150 774	1 073 443

Movements in the Lease Liabilities:	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	1 073 443	1 121 589
Additions	128 536	51 333
Increase/(Decrease) due to lease modifications and re-measurements	73 436	20 027
Reductions resulting from payments	(124 641)	(119 506)
Carrying amount at 30 June	1 150 774	1 073 443

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 2026 the department had committed to material leases for building assets which had not yet commenced. The future cash flows for these leases are \$94.398 million over 10 years.

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

Department for Infrastructure and Transport - Controlled
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7.3. Employee Related Liabilities

	2026 \$'000	2025 \$'000
Current		
Annual leave	24 067	22 612
Long service leave	5 356	5 945
Skills and Experience Retention Leave	1 547	1 612
Accrued salaries and wages	1 559	865
Employment on-costs	5 371	5 021
Total current employee related liabilities	37 900	36 055
Non-current		
Long service leave	47 357	45 454
Employment on-costs	4 968	4 769
Total non-current employee related liabilities	52 325	50 223
Total employee related liabilities	90 225	86 278

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Apart from long service leave, employee related liabilities are measured at nominal amounts.

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

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

The annual leave and SERL liabilities are expected to be paid within 12 months and are 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 the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long term Commonwealth Government bonds has increased to 4.75% from 4.25% the previous year.

The actuarial assessment performed by the Department of Treasury and Finance for the salary inflation rate of 3.5% is consistent with the previous year.

The net financial effect of changes to actuarial assumptions in 2026 is a decrease in the reported long service leave liability of \$1.467m and a decrease in employee related expenses of \$0.154m.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7.3. Employee Related Liabilities (continued)

The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

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

Employment on-costs liabilities

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The department contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed schemes.

Actuarial assumptions for long service leave are consistent with previous year rate of 44%, and the average factor for the calculation of employer superannuation on-costs is also consistent at 12%. These rates are used in the employment on-cost calculation. As these rates are consistent with the previous year there is no change to the calculation.

Department for Infrastructure and Transport - Controlled
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7.4. Provisions

	2026	2025
	\$'000	\$'000
Current		
Provision for workers compensation	2 404	2 350
Site remediation	1 476	1 476
Provision for contractual arrangements	1 554	1 185
Prescribed Scheme - <i>Passenger Transport Act 1994</i>	99 560	-
Total current provisions	104 994	5 011
Non-current		
Provision for workers compensation	14 176	14 226
Provision for contractual arrangements	3 031	2 861
Total non-current provisions	17 207	17 087
Total provisions	122 201	22 098
Reconciliation of Workers Compensation		
The following table shows the movement of the workers compensation provision:		
Carrying amount as at 1 July	16 576	18 055
Increase (decrease) in provision due to revision of estimates	2 005	1 408
Reductions resulting from payments	(2 001)	(2 887)
Carrying amount at 30 June	16 580	16 576
Reconciliation of Site Remediation		
The following table shows the movement of the site remediation provision:		
Carrying amount as at 1 July	1 476	5 942
Reductions resulting from payments	-	(4 466)
Carrying amount at 30 June	1 476	1 476
Reconciliation of Provision for contractual arrangements		
The following table shows the movement of the contractual arrangements provision:		
Carrying amount as at 1 July	4 046	6 362
Increase (decrease) in provision due to revision of estimates	864	(2 126)
Reductions resulting from payments	(325)	(190)
Carrying amount at 30 June	4 585	4 046
Reconciliation of Provision for Prescribed Scheme		
The following table shows the movement of the prescribed scheme provision:		
Carrying amount as at 1 July	-	-
Increase (decrease) in provision to establish estimate	118 270	-
Reductions resulting from payments	(18 710)	-
Carrying amount at 30 June	99 560	-

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.

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

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2026 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. The department is responsible for the payment of workers compensation claims.

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

A provision has been established to recognise a present obligation arising from amendments to South Australia's *Passenger Transport Act 1994* and the commencement of the Prescribed Scheme for the SA Government's cancellation of perpetual taxi licences, as published in the Government Gazette on 4 December 2025. All applications under the Prescribed Scheme that are deemed eligible will be approved by the Chief Executive and the qualifying licence holder will be informed in writing by the Chief Executive that the Chief Executive has determined to make a payment under Clause 8 of the Prescribed Scheme.

The timing of payments under the Prescribed Scheme to eligible applicants is subject to funding availability.

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

	2026	2025
	\$'000	\$'000
Current		
Deferred income	18 243	18 796
Accommodation fit-out advance payment	38 262	-
Other	39	24
Total current other liabilities	56 544	18 820
Total other liabilities	56 544	18 820

Deferred Income

The department sells MetroCards for travel on public transport. The value of unused MetroCards as at 30 June 2026 was \$12.876 million (\$13.659 million) and is recognised as a liability.

In 2025-26 the department received a lease incentive that included an advance payment for accommodation fit-out works yet to be completed. The remaining balance as at 30 June 2026 of this advance is \$38.262 million.

Department for Infrastructure and Transport - Controlled
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8. Other disclosures

8.1. Equity

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

8.2. Equity Adjustments

	2026
	\$'000
Restatement of Opening Balances	
Adjustments against Retained Earnings:	
Work in progress adjustments	(5 054)
Asset recognition adjustments	(3 385)
Other adjustments	(803)
Total equity	(9 242)

The table above represents total adjustments to the equity opening balance. Adjustments totalling \$9.242 million (\$19.305 million) were identified in the year ended 30 June 2026 which affect the year ended 30 June 2025 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 2026 identified \$5.433 million (\$1.202 million) of costs included in capital works in progress as at 30 June 2025 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 2024-25 is summarised below:

	2025	2024
	\$'000	\$'000
Road network - work in progress	(236)	(4 637)
Plant, Equipment and Intangibles - work in progress	(143)	(279)
Land, Buildings and Facilities - work in progress	-	(138)
Total work in progress adjustment	(379)	(5 054)

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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8.2. Equity Adjustments (continued)

Asset Recognition

The total effect of assets book value adjustments that relate to prior financial periods is \$2.803 million (\$14.903 million) mainly due to disposal of various Buildings & Facility 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 2024-25 is summarised below:

	2025	2024
	\$'000	\$'000
Land, buildings and facilities	-	(3 646)
Plant and equipment	519	(69)
Rail and Track	66	-
Roads and Structures	(3)	330
Total asset recognition adjustments	582	(3 385)

Other Adjustments

A review of operating income and expenditure by the department in the year ended 30 June 2026 identified \$0.803 million (\$1.299 million) of prior period errors predominantly due to incorrect issue of Accounts receivable invoices in prior years and incomplete accruals recorded as at 30 June 2025. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements for 2024-25 is summarised below:

	2025	2024
	\$'000	\$'000
Accounts Receivables	-	(471)
Supplies & Services	-	(332)
Total other adjustments	-	(803)

Department for Infrastructure and Transport - Controlled
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8.3. Cash Flow Reconciliation

	2026 \$'000	2025 \$'000
Leases		
Buildings	119 152	112 700
Plant and equipment	7 609	8 182
Total cash outflow for leases	126 761	120 882
	2026 \$'000	2025 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	3 814 266	3 924 701
Balance as per the Statement of Cash Flows	3 814 266	3 924 701
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by/(used in) operating activities	3 056 968	1 909 822
Add / (less) non-cash Items		
Net gain (loss) on sale or disposal of non-current assets	8 005	7 391
Depreciation/amortisation expense of non-current assets	(948 293)	(791 929)
Assets written off	(29 672)	(1 735)
Assets donated	(178 763)	(38 391)
Resources received free of charge	33 816	16 311
Works in progress adjustments	-	159
Movements in Assets and Liabilities:		
Increase (Decrease) in receivables	32 170	13 165
Increase (Decrease) in inventories	(64)	(903)
Increase (Decrease) in other assets	27 927	(7 563)
(Increase) Decrease in payables and provisions	(138 854)	(71 413)
(Increase) Decrease in employee benefits	(3 398)	(1 458)
(Increase) Decrease in other liabilities	(37 747)	203
Net result	1 822 095	1 033 659

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

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

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

Business Overheads

The department adopts a full cost approach to recognising its infrastructure capital and recurrent works. This methodology involves allocating project support costs using a costing model designed to reflect the consumption of support resources by Projects through appropriate allocation drivers. The costs captured in the model include centralised costs, such as finance, procurement, and HR, that are required to support projects but are inefficient to engage in activity-based costings due to the size and complexity of the Department's in scope works. Business areas that provide project support are also captured, by approximating the time spent on projects within the scope of the model. Management certifies the estimate of time worked on projects that are within scope.

Contracts in progress

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

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

Non-Current Assets

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

Acquisition and Recognition of Non-Current assets

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

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

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

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

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

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 all other government agency property is revalued every 6 years. The department also conducts fair value reviews to ensure carrying value is not materially different from asset fair value.

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

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

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

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

AASB 116.70 specifies that an entity will de-recognise the carrying amount of a replaced portion of an asset and if unable to determine this amount, the replacement cost may be used. The department does not recognise the disposal of road pavements or track network assets as the determination of the disposal amount is impracticable to calculate due to the data structure of the financial systems.

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

Impairment

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

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

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

Remediation of Non-Current Assets

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

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

Leases

The department enters lease arrangements as both lessee and lessor.

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.

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

Lease activities in the department:

As Lessee:

Commercial Property:

The department is responsible for the management of accommodation arrangements on behalf of other government agencies under Premier and Cabinet Circular PC018 *Government Office Accommodation Framework* (PC018). The department has approximately 311 leases of commercial properties from external parties as well as departmentally owned properties to enable this. Approximately 236 of these external leases include extension options.

Commercial accommodation leases with external parties are non-cancellable with remaining terms ranging from 1 to 25 years. Lease extensions or options are typically renegotiated before the end of the current term. Rent is generally payable monthly in advance. Leases include a fixed rate increase, CPI and/or periodic market review. Major value leases typically have a predetermined fixed rate annual increase (between 2%-4%) factored into the lease.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

8.4 Accounting policies (continued)

Office accommodation provided to general government sector agencies under PC018 do not meet the definition of a lease under AASB 16. Revenue for these agencies is recognised under AASB 15 and classified as Government accommodation rental income (refer Note 3.6). Where the department leases this accommodation from an external party the department records the Right-of-Use asset and Lease Liability on its statement of financial position.

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

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

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

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

Significant judgments/policy:

Reasonably certain

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

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

Lease components

Where a contract contains both lease and non-lease components such as asset maintenance services, the department excludes the non-lease component amounts when determining the lease liability and right-of-use asset amount in accordance with AASB 16 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 may include motor vehicles, office equipment and other plant. 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 AASB 16.

These lease payments are recognised as expenses on a straight-line basis over the lease term.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

8.4. Accounting policies (continued)

As Lessor:

Departmental Owned property

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

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

Recreational Jetties

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

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

9. Changes in accounting policy

The department has assessed that the Australian Accounting Standards and Interpretations that first applied during 2025-26 did not have a material impact on the department's financial statements.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

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 AASB 16 have been recognised by the department as an Other contractual commitment.

Capital Contractual commitments

	2026	2025
	\$'000	\$'000
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:		
Within one year	3 213 000	2 909 684
Later than one year but not longer than five years	4 580 583	7 096 896
Later than five years	8 944	666
Total capital commitments	7 802 527	10 007 246

Other Contractual commitments

	2026	2025
	\$'000	\$'000
Within one year	688 273	649 264
Later than one year but not longer than five years	1 711 173	2 032 746
Later than five years	961 302	945 657
Total expenditure commitments	3 360 748	3 627 667

Operating Lease Commitments as Lessor

	2026	2025
	\$'000	\$'000
Commitments under operating leases at the reporting date but not recognised as receivable in the financial report, are as follows:		
Within one year	2 457	1 309
Later than one year but no later than five years	6 553	3 552
Total operating lease commitments as lessor	9 010	4 861

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 22 years. Rent is receivable in advance.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

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 2026, 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 2026, 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 the South Australian Financing Authority (SAFA), 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.

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 2026.

10.4. Events after the reporting period

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

11. Measurement and risk

11.1. 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.

The department transferred \$0.373 million of buildings and facilities and plant and equipment assets from Level 3 to Level 2. This reclassification was identified during revaluation, with the assets assessed as being capable of being traded in an active market.

Conversely, the department transferred assets totalling \$306.882 million from Level 2 to Level 3 following an independent revaluation. Land holdings totalling \$301.089 million were reclassified to Level 3 given difficulties in obtaining independently verified site information, limiting the ability to undertake a contemporary direct comparison with market evidence. The remaining \$5.793 million comprised of building assets held for future road construction, where the valuation for these assets relied upon significant unobservable inputs requiring professional judgement to be exercised.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

11.1. Fair Value Measurement (continued)

Fair value measurements at 30 June 2026

	2026	Level 2	Level 3
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (note 5.1)	1 468 181	993 995	474 186
Buildings and facilities (note 5.1)	2 217 914	345 388	1 872 526
Plant and Equipment (note 5.2)	796 426	4 050	792 376
Road and structures (note 5.3)	36 916 581	-	36 916 581
Rail and bus track (note 5.3)	4 158 077	-	4 158 077
Total recurring fair value measurements	45 557 179	1 343 433	44 213 746
Non-recurring fair value measurements			
Land, buildings and facilities held for sale (note 5.7)	4 543	4 543	-
Total non-recurring fair value measurements	4 543	4 543	-
Total fair value measurements	45 561 722	1 347 976	44 213 746

Fair value measurements at 30 June 2025

	2025	Level 2	Level 3
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (note 5.1)	1 200 476	1 027 380	173 096
Buildings and facilities (note 5.1)	2 175 944	338 397	1 837 547
Plant and Equipment (note 5.2)	759 675	2 124	757 551
Road and structures (note 5.3)	32 618 179	-	32 618 179
Rail and bus track (note 5.3)	3 756 479	-	3 756 479
Total recurring fair value measurements	40 510 753	1 367 901	39 142 852
Non-recurring fair value measurements			
Land, buildings and facilities held for sale (note 5.7)	4 074	4 074	-
Total non-recurring fair value measurements	4 074	4 074	-
Total fair value measurements	40 514 827	1 371 975	39 142 852

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 2025-26.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

11.1. Fair Value Measurement (continued)

Reconciliation of Level 3 Fair value Measurements as at 30 June 2026

2026	Land	Buildings and Facilities ⁽¹⁾	Plant and Equipment ⁽¹⁾	Road and Structures	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	173 096	1 837 547	757 551	32 618 179	3 756 479	39 142 852
Additions	-	260 743	91 636	579 908	509 925	1 442 212
Disposals	(165)		(7)			(172)
Donated assets	-	(169 434)	(9)			(169 443)
Resources received free of charge	-			3 547		3 547
Write offs	-	(1 433)	(157)	(44)	(28 038)	(29 672)
Revaluation increment (decrement) ⁽²⁾	-	14 259	7 701	4 260 656	55 580	4 338 196
Depreciation and amortisation	-	(74 774)	(64 140)	(545 666)	(135 870)	(820 450)
Transfers due to reclassification of assets at same Fair Value level	165					165
Transfer into Level 3	301 089	5 793	-	-	-	306 882
Transfer out of Level 3	-	(173)	(200)	-	-	(373)
Other Movements	1	(2)	1	1	1	2
Carrying amount at the end of the period	474 186	1 872 526	792 376	36 916 581	4 158 077	44 213 746
 Total gains/losses for the period included in profit or loss under Net Gain (Loss) from Disposal of Non-Current Assets	 -165	 -	 -7	 -	 -	 -

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

(2) 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.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2026

11.1. Fair Value Measurement (continued)

Reconciliation of Level 3 Fair value Measurements as at 30 June 2025

2025	Land	Buildings and Facilities ⁽¹⁾	Plant and Equipment ⁽¹⁾	Road and Structures	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	27 857	1 151 881	768 040	31 632 141	3 656 563	37 236 482
Additions	-	64 938	26 981	548 296	57 500	697 715
Disposals	-	-	(187)	-	-	(187)
Donated assets	-	(22 697)	-	(4 660)	-	(27 357)
Write offs	-	(658)	(287)	(392)	-	(1 337)
Revaluation increment (decrement) ⁽²⁾	18 743	722 525	16 915	862 848	159 044	1 780 075
Depreciation and amortisation	-	(72 548)	(53 980)	(419 028)	(122 524)	(668 080)
Transfers due to reclassification of assets at same Fair Value level	4 010	(5 896)	1 025	(1 025)	5 896	4 010
Transfer into Level 3	129 255	-	-	-	-	129 255
Transfer out of Level 3	(6 770)	-	(955)	-	-	(7 725)
Other Movements	1	2	(1)	(1)	-	1
Carrying amount at the end of the period	173 096	1 837 547	757 551	32 618 179	3 756 479	39 142 852
Total gains/losses for the period included in profit or loss under Net Gain (Loss) from Disposal of Non-Current Assets	-	-	-159	-	-	

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

(2) 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.

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 2026

11.2. 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.

Credit Risk

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

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

Impairment of financial assets

Loss allowances for contractual receivables are measured at an amount equal to lifetime expected credit loss (ECL) using the simplified approach in AASB 9. The department uses an allowance matrix to measure the expected credit loss of contractual receivables from non-government debtors.

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

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

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
For the year ended 30 June 2026

11.2. Financial Instruments (continued)

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	12 524	1.41%	177
1 – 30 days past due	1 632	2.88%	47
31 – 60 days past due	642	4.05%	26
More than 60 days past due	4 307	5.02%	216
Loss allowance			466

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

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

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

Receivables with a contractual amount of \$0.178 million written off during the year are still subject to enforcement activity.

Cash

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

Market Risk

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

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

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

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

Categorisation of financial instruments

Details of the material accounting policy information and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / liability note and in Note 8.4.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
For the year ended 30 June 2026

11.2. Financial Instruments (continued)

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Maturity analysis of financial instruments

			Carrying amount / fair value \$'000	2026 Contractual maturities*		
				Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Category of financial liability		Note				
Financial liabilities						
Financial liabilities at amortised cost:						
	Contractual payables	7.1	463 682	452 939	10 743	-
	Lease liability	7.2	1 479 948	159 479	516 120	804 349
Total financial liabilities			1 943 630	612 418	526 863	804 349

			2025	2025 Contractual maturities*			
			Carrying amount / fair value	Within		More than	
Category of financial liability			\$'000	1 year	1-5 years	5 years	
Note			\$'000	\$'000	\$'000	\$'000	
Financial liabilities							
Financial liabilities at							
amortised cost:		Contractual Payables	7.1	456 957	448 350	8 607	-
		Lease liability	7.2	1 267 966	152 470	477 131	638 365
Total financial liabilities				1 724 923	600 820	485 738	638 365

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.

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

Administered Financial Statements

For the year ended 30 June 2026

Department for Infrastructure and Transport - Administered
Statement of Administered Comprehensive Income
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Administered income			
Appropriation	A9	142 086	4 879
Fees and charges	A10	4 651	3 374
Collection on Behalf of Third Parties	A11	1 130 896	1 088 904
Grants, subsidies and SA Government transfers received	A12	7 938	242 409
Other income	A13	1 946	1 157
Total income		1 287 517	1 340 723
Administered expenses			
Employee related expenses	A5	472	592
Supplies and services	A6	1 230	1 172
Grants, subsidies and SA Government transfers	A7	174 332	164 801
Disbursements on Behalf of Third Parties	A8	1 134 013	1 092 004
Total administered expenses		1 310 047	1 258 569
Net result		(22 530)	82 154
Total comprehensive result		(22 530)	82 154

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 2026

	Note	2026 \$'000	2025 \$'000
Current assets			
Cash and cash equivalents	A14	84 564	105 763
Receivables	A15	230	22
Total current assets		84 794	105 785
Total assets		84 794	105 785
Current liabilities			
Payables	A16	22 842	21 303
Total current liabilities		22 842	21 303
Total liabilities		22 842	21 303
Net assets		61 952	84 482
Administered equity			
Retained earnings		61 952	84 482
Total equity		61 952	84 482

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

Unrecognised contractual commitments	A18
Contingent assets and liabilities	A19

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 2026

		2026	2025
		(Outflows)	(Outflows)
		Inflows	Inflows
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		142 086	4 879
Receipts from fees and charges		4 652	3 374
Collection on behalf of third parties		1 130 895	1 088 905
Grants, subsidies and SA Government transfers received		7 938	242 409
Other income		1 738	1 157
Cash generated from operations		1 287 309	1 340 724
Cash outflows			
Employee related expenses		(472)	(592)
Payments for supplies and services		(1 146)	(2 082)
Grants, subsidies and SA Government transfers		(174 332)	(164 801)
Disbursements on behalf of third parties		(1 132 558)	(1 092 290)
Cash used in operations		(1 308 508)	(1 259 765)
Net cash provided by / (used in) operations	A17	(21 199)	80 959
Net increase (decrease) in cash held		(21 199)	80 959
Cash at 1 July		105 763	24 804
Cash at 30 June	A14	84 564	105 763

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 2026

Administered programs - refer note A2	Roads and Marine		Infrastructure Planning and Policy	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Administered income				
Appropriation	3 116	3 100	1 708	1 779
Fees and charges	4 651	3 374	-	-
Collections on behalf of third parties	1 130 762	1 088 752	134	152
Grants, subsidies and SA Government transfers received	-	-	7 938	103 237
Other income	-	-	157	152
Total administered income	1 138 529	1 095 226	9 937	105 320
Administered expenses				
Employee related expenses	-	-	472	592
Supplies and services	-	-	1 230	1 172
Grants, subsidies and SA Government transfers	4 651	3 482	31 046	21 240
Disbursements on behalf of third parties	1 133 879	1 091 853	134	151
Total administered expenses	1 138 530	1 095 335	32 882	23 155
Net result	(1)	(109)	(22 945)	82 165

	Road Safety		Total	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
Administered income				
Appropriation	137 262	-	142 086	4 879
Fees and charges	-	-	4 651	3 374
Collections on behalf of third parties	-	-	1 130 896	1 088 904
Grants, subsidies and SA Government transfers received	-	139 172	7 938	242 409
Other income	1 789	1 005	1 946	1 157
Total administered income	139 051	140 177	1 287 517	1 340 723
Administered expenses				
Employee related expenses	-	-	472	592
Supplies and services	-	-	1 230	1 172
Grants, subsidies and SA Government transfers	138 635	140 079	174 332	164 801
Disbursements on behalf of third parties	-	-	1 134 013	1 092 004
Total administered expenses	138 635	140 079	1 310 047	1 258 569
Net result	416	98	(22 530)	82 154

**Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2026**

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, Program 6: Road Safety 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 2026 comprised the following:

- Asbestos Program
- Commonwealth funded grant programs
- Community Road Safety Fund
- 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 2026

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 SA Government in accordance with government policy. The following table lists recipients by class and amounts transferred.

	2026	2025
	\$'000	\$'000
Transfer payments to SA Government Entities		
Department of Treasury and Finance	375 705	362 653
Lifetime Support Authority	233 957	222 095
CTP Regulator	118 419	113 152
South Australian Fire and Emergency Services Commission	54 564	53 651
South Australian Police	54 066	52 626
Community Road Safety Fund- Road Safety	88 361	91 033
Other	2 338	1 380
Transfer payment to non-SA Government Entities		
Compulsory Third Party Insurance	311 239	301 106
Refunds	23 183	21 937
National Heavy Vehicle Regulator	16 688	16 057
Grants for Commonwealth programs	29 564	21 239
Grants for Commonwealth programs - repayment	1 375	-
Other	116	1 048
Total Transfer Payments	1 309 575	1 257 977

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2026

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

		Original budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000
Statement of Administered Comprehensive Income	Note			
Administered Income				
Appropriation		142 144	142 086	(58)
Fees and charges		-	4 651	4 651
Collections on behalf of third parties		1 052 615	1 130 896	78 281
Grants and subsidies received		109	7 938	7 829
Other income		420	1 946	1 526
Total administered income		1 195 288	1 287 517	92 229
Administered Expenses				
Employee related expenses		422	472	50
Supplies and services		1 276	1 230	(46)
Grants and subsidies		200 592	174 332	(26 260)
Disbursements on behalf of third parties		1 052 537	1 134 013	81 476
Total administered expenses		1 254 827	1 310 047	55 220
Net result		(59,539)	(22 530)	37 009

The budget performance table compares the department's outcomes against budget information presented to Parliament (2025-26 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 2026

A5. Employee Related Expenses

	2026	2025
	\$'000	\$'000
Minister's salaries	472	592
Total employee related expenses	472	592

A6. Supplies and Services

	2026	2025
	\$'000	\$'000
Professional and Technical Services	988	828
Other	242	344
Total supplies and services	1 230	1 172

A7. Grants, subsidies and SA Government transfers

	2026	2025
	\$'000	\$'000
Land Tax Equivalent - Flinders Ports (Transfer to DTF)	4 651	3 374
Contribution for policing services	50 274	49 048
Intra Government Transfer	88 361	91 033
Grants for Commonwealth programs	29 564	21 239
Grants for Commonwealth programs- repayment	1 375	-
Lincoln Cove Marina (Transfer to DTF)	107	107
Total grants, subsidies and SA Government transfers	174 332	164 801

Intra Government Transfer represents the transfer of funds to DIT Controlled from the Community Road Safety Fund (CRSF) for the purposes of expenditure on road safety works.

Grants for Commonwealth programs represents grant payments to external bodies under the Growing Regions, Active Transport Fund, Thriving Suburbs, Urban Precincts and Partnerships, and Regional Precincts and Partnerships programs which the department administers on behalf of the Commonwealth Government.

A8. Disbursements on Behalf of Third Parties

	2026	2025
	\$'000	\$'000
Compulsory Third Party Insurance	429 658	414 258
Stamp Duties - Department of Treasury and Finance	285 954	275 784
Lifetime Support Scheme - Lifetime Support Authority	233 957	222 095
Hospital Fund - Department of Treasury and Finance	84 993	83 388
Emergency Services Levy - SA Fire & Emergency Services Commission	54 564	53 651
Refunds	23 183	21 937
National Heavy Vehicle Regulator	16 688	16 057
Other	5 015	4 834
Total disbursements on behalf of third parties	1 134 013	1 092 004

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2026

A9. Appropriation

	2026	2025
	\$'000	\$'000
Appropriations from the Consolidated Account pursuant to the Appropriations Act*	141 618	4 310
Special Act Salaries	468	569
Total revenues from appropriation	142 086	4 879

*Appropriation for 2025-26 includes funding for the Community Road Safety Fund (CRSF). During 2024-25 the CRSF was transferred to an Administered item of the department rather than as a Controlled item. Also includes \$3.116 million (\$3.100 million) to fund remissions provided on Emergency Services Levy charges.

A10. Fees and Charges

	2026	2025
	\$'000	\$'000
Land Tax Equivalent - Flinders Ports	4 651	3 374
Total fees and charges	4 651	3 374

A11. Collections on Behalf of Third Parties

	2026	2025
	\$'000	\$'000
Compulsory Third Party Insurance	429 658	414 258
Stamp Duties - Department of Treasury and Finance	285 954	275 784
Lifetime Support Scheme - Lifetime Support Authority	233 957	222 095
Hospital Fund - Department of Treasury and Finance	84 993	83 388
Emergency Services Levy - SA Fire & Emergency Services Commission	51 448	50 551
Refunds	23 183	21 937
National Heavy Vehicle Regulator	16 688	16 057
Other	5 015	4 834
Total collection on behalf of third parties	1 130 896	1 088 904

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2026

A12. Grants, subsidies and SA Government transfers received

	2026	2025
	\$'000	\$'000
Commonwealth sourced revenue	7 938	103 237
Intra Government Transfer	-	139 172
Total grants, subsidies and SA Government transfers	7 938	242 409

Intra government transfer represents appropriation transferred from DIT Controlled for the Community Road Safety Fund (CRSF) in 2024-25. In 2025-26 appropriation funding for the CRSF is received directly to the Administered statements. See Note A9.

Commonwealth sourced revenue represents contributions to programs which the department administers on behalf of the Commonwealth Government. In 2025-26 funds were received in relation to the Active Transport Fund and Regional Precincts and Partnerships programs.

A13. Other Income

	2026	2025
	\$'000	\$'000
Interest revenue	1 789	1 005
Other income	157	152
Total other income	1 946	1 157

Interest revenue relates to the CRSF.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2026

A14. Cash and Cash Equivalents

	2026	2025
	\$'000	\$'000
Deposits at call	84 564	105 763
Total cash and cash equivalents	84 564	105 763

A15. Receivables

	2026	2025
	\$'000	\$'000
Current		
Contractual Receivables	230	22
Total current receivables	230	22
Total receivables	230	22

Refer to Note A21 for information on risk management.

A16. Payables

	2026	2025
	\$'000	\$'000
Current		
Contractual Payables	22 842	21 303
Total current payables	22 842	21 303
Total payables	22 842	21 303

Contractual payables are liabilities that arise from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. Contractual payables are normally settled within 15 days from the date the invoice is first received.

For further information on risk management refer to Note A21.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the financial statements
for the year ended 30 June 2026

A17. Cash Flow Reconciliation

	2026 \$'000	2025 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Statement of Cash flows	84 564	105 763
Statement of Financial Position	84 564	105 763
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	(21 199)	80 959
Movement in assets and liabilities		
Increase / (decrease) in receivables	208	(1)
(Increase) / decrease in payables	(1 539)	1 196
Net result	(22 530)	82 154

A18. Unrecognised Contractual Commitments

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

A19. Contingent Assets and Liabilities

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

A20. Events After the Reporting Period

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

Department for Infrastructure and Transport - Administered
Notes to and forming part of the financial statements
for the year ended 30 June 2026

A21. Financial Instruments

A21.1 Financial Risk Management

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

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

Liquidity risk arises where the department is unable to meet its financial obligations as they fall due. The department normally settles accounts within 15 days from the date the invoice is first received.

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

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

A21.2 Categorisation of Financial Instruments

	Carrying Amount \$'000	Contract Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
2026				
Financial liabilities				
Contractual Payables	874	874	-	-
Total Financial Liabilities	874	874	-	-
2025				
Financial liabilities				
Contractual Payables	790	790	-	-
Total Financial Liabilities	790	790	-	-

Department for Infrastructure and Transport CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

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



Jon Whelan
Chief Executive

Department for Infrastructure
and Transport
South Australia

16 September 2026



Graeme Jackson
Executive Director, People
and Corporate Services

Department for Infrastructure
and Transport
South Australia

16 September 2026