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To the Chief Executive Department of Primary Industries and Regions

Opinion

I have audited the financial report of the Department of Primary Industries and Regions for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department of Primary Industries and Regions as at 30 June 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 Income and Expenses 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 Chief Financial Officer.

Basis for opinion

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

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

Responsibilities of the Chief Executive for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department of Primary Industries and Regions for the financial year ended 30 June 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 of Primary Industries and Regions' internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Blaskett
Auditor-General

23 September 2026

Department of Primary Industries and Regions

Financial Statements

For the year ended 30 June 2026

Department of Primary Industries and Regions
Certification of Financial Statements
For the year ended 30 June 2026

We certify that the:

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

- internal controls employed by the Department of Primary Industries and Regions for the financial year over its financial reporting and its preparation of financial statements have been effective.



Professor Mehdi Doroudi PSM
Chief Executive
16 September 2026



Will Kent
Chief Financial Officer
16 September 2026

Department of Primary Industries and Regions
Statement of Comprehensive Income
For the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
Income			
Appropriation	3.1	240 930	162 720
Fees and charges	3.2	3 590	3 516
Grants, subsidies and transfers	3.3	82 105	68 810
Commonwealth grants (National Partnership Payments)	3.4	18 436	26 158
Interest	3.5	3 490	3 727
Sale of goods and services	3.6	16 204	13 104
Resources received free of charge	3.7	3 330	3 436
Net gain from the disposal of property, plant and equipment	4.7	2	-
Other income	3.8	10 263	10 743
Total income		378 350	292 214
Expenses			
Employee related expenses	4.1	107 440	99 991
Supplies and services	4.2	105 891	106 696
Depreciation and amortisation	4.3	8 818	9 522
Grants and subsidies	4.4	91 795	85 463
Borrowing costs	4.5	1 245	1 470
Other expenses	4.6	3 243	1 868
Net loss from the disposal of property, plant and equipment	4.7	-	250
Total expenses		318 432	305 260
Net result		59 918	(13 046)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in fair value of investments classified as fair value through other comprehensive income	5.3	1 440	2 831
Changes in property, plant and equipment asset revaluation surplus	5.6	-	7 518
Total other comprehensive income		1 440	10 349
Total comprehensive result		61 358	(2 697)

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

Department of Primary Industries and Regions
Statement of Financial Position
As at 30 June 2026

		2026	2025
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	5.1	170 334	135 742
Receivables	5.2	43 422	27 939
Contract assets	5.4	19 698	16 434
Inventories	5.5	9 590	4 744
Total current assets		243 044	184 859
Non-current assets			
Receivables	5.2	17 379	15 313
Other financial assets	5.3	38 800	37 360
Property, plant and equipment	5.6	190 986	190 767
Right-of-use plant and equipment	5.7	167	216
Intangible assets	5.8	10 769	7 759
Total non-current assets		258 101	251 415
Total assets		501 145	436 274
Current liabilities			
Payables	6.1	8 656	17 792
Other financial liabilities	6.2	11 905	8 240
Contract liabilities	6.3	37 518	28 766
Employee related liabilities	6.4	13 490	12 535
Provisions	6.5	626	565
Other non-financial liabilities	6.6	673	673
Total current liabilities		72 868	68 571
Non-current liabilities			
Other financial liabilities	6.2	14 317	15 365
Employee related liabilities	6.4	18 931	18 170
Provisions	6.5	1 745	1 567
Other non-financial liabilities	6.6	3 986	4 661
Total non-current liabilities		38 979	39 763
Total liabilities		111 847	108 334
Net assets		389 298	327 940
Equity			
Retained earnings		256 087	196 169
Asset revaluation surplus	7.1	112 100	112 100
Investment reserve	7.1	21 111	19 671
Total equity		389 298	327 940

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

Department of Primary Industries and Regions
Statement of Changes in Equity
for the year ended 30 June 2026

	Note	Asset revaluation surplus \$'000	Investment reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2024		104 582	16 840	209 215	330 637
Net result for 2024-25		-	-	(13 046)	(13 046)
Gain on revaluation of property plant and equipment	5.6	7 518	-	-	7 518
Fair value movement of investments classified as fair value through other comprehensive income	5.3	-	2 831	-	2 831
Total comprehensive result for 2024-25		7 518	2 831	(13 046)	(2 697)
Balance at 30 June 2025		112 100	19 671	196 169	327 940
Net result for 2025-26		-	-	59 918	59 918
Fair value movement of investments classified as fair value through other comprehensive income	5.3	-	1 440	-	1 440
Total comprehensive result for 2025-26		-	1 440	59 918	61 358
Balance at 30 June 2026		112 100	21 111	256 087	389 298

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

Department of Primary Industries and Regions
Statement of Cash Flows
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		240 930	162 720
Fees and charges		3 441	3 994
Grants, subsidies and transfers		84 489	82 858
Commonwealth grants (National Partnership Payments)		18 436	26 158
Interest		2 094	2 336
Sale of goods and services		12 663	13 383
Dividends received		1 486	1 526
GST recovered from the ATO		11 140	8 834
Other receipts		11 365	3 628
Cash generated from operating activities		386 044	305 437
Cash (outflows)			
Employee related payments		(105 600)	(99 025)
Supplies and services		(122 310)	(114 657)
Grants and subsidies		(100 452)	(87 362)
Interest paid		(1 244)	(1 496)
Other payments		(3 343)	(679)
Cash used in operations		(332 949)	(303 219)
Net cash (used in) / from operating activities	7.2	53 095	2 218
Cash flows from investing activities			
Cash inflows			
Loans repaid by the rural sector and industry		8 013	9 549
Proceeds from the sale of property, plant and equipment		143	91
Sale of inventories		4 430	2 691
Cash generated from investing activities		12 586	12 331
Cash (outflows)			
Purchase of property plant and equipment		(8 308)	(5 800)
Loans advanced		(20 550)	-
Purchase of inventories		(1 131)	(1 223)
Purchase of intangibles		(3 716)	(3 475)
Cash used in investing activities		(33 705)	(10 498)
Net cash (used in) / from investing activities		(21 119)	1 833
Cash flows from financing activities			
Cash inflows			
Proceeds of borrowings	6.2	10 550	-
Cash generated by financing activities		10 550	-
Cash (outflows)			
Repayment of borrowings	6.2	(7 850)	(8 155)
Repayment of principal portion of lease liabilities		(84)	(953)
Cash used in financing activities		(7 934)	(9 108)
Net cash from / (used in) by financing activities		2 616	(9 108)
Net increase / (decrease) in cash and cash equivalents		34 592	(5 057)
Cash and cash equivalents at the beginning of the reporting period		135 742	140 799
Cash and cash equivalents at the end of the reporting period	5.1	170 334	135 742

Department of Primary Industries and Regions

Notes to and forming part of the financial statements

For the year ended 30 June 2026

1. About the Department of Primary Industries and Regions

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

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

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

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

1.1. Basis of preparation

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

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

For the purpose of preparing the financial statements, the department is a not-for-profit entity. The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

All amounts in the financial statements and accompanying notes are rounded to the nearest thousand dollars (\$'000).

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

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (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.

Assets that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the department has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

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.

Material accounting policy information are set out throughout the notes.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.2. Objectives and programs

Objectives

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

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

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

Key Priorities

- Stimulate value growth - grow the value of primary industries by leveraging government's cross-functional capabilities to pursue opportunities where South Australia has a competitive advantage
- Reset the operating environment - remove barriers to economic growth of primary industries and the advancement of regions.
- Sustain the resource - protect and maximise primary industry resources through integration of targeted research, monitoring, policy and regulatory interventions
- Manage risk and recovery - preparing for risks and being able to respond and recover quickly from adverse events that impact economic growth and community wellbeing
- Enable regional growth - support key regional development drivers
- Perform well - as a modern, flexible and responsive organisation that values its partners and people.

The following tables present income, expenses, assets and liabilities attributable to PIRSA's programs for 2025-26 and 2024-25.

Department of Primary Industries and Regions
Income and expenses by program
For the year ended 30 June 2026

	Primary Industries		Regional Development		General/Not Attributable		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriation	-	-	-	-	240 930	162 720	240 930	162 720
Fees and charges	3 590	3 516	-	-	-	-	3 590	3 516
Grants, subsidies and transfers	82 105	68 795	-	15	-	-	82 105	68 810
Commonwealth grants (National Partnership Payments)	18 436	23 658	-	2 500	-	-	18 436	26 158
Interest	3 490	3 727	-	-	-	-	3 490	3 727
Sale of goods and services	16 189	13 092	15	12	-	-	16 204	13 104
Resources received free of charge	-	-	-	-	3 330	3 436	3 330	3 436
Net gain from the disposal of property, plant and equipment	2	-	-	-	-	-	2	-
Other income	10 251	10 652	12	91	-	-	10 263	10 743
Total income	134 063	123 440	27	2 618	244 260	166 156	378 350	292 214
Expenses								
Employee related expenses	104 398	96 593	3 042	3 398	-	-	107 440	99 991
Supplies and services	105 085	105 663	806	1 033	-	-	105 891	106 696
Depreciation and amortisation	8 818	9 522	-	-	-	-	8 818	9 522
Grants and subsidies	78 215	67 224	13 580	18 239	-	-	91 795	85 463
Borrowing costs	1 245	1 470	-	-	-	-	1 245	1 470
Other expenses	3 243	1 840	-	28	-	-	3 243	1 868
Net loss from the disposal of property, plant and equipment	-	250	-	-	-	-	-	250
Total expenses	301 004	282 562	17 428	22 698	-	-	318 432	305 260
Net result	(166 941)	(159 122)	(17 401)	(20 080)	244 260	166 156	59 918	(13 046)

Department of Primary Industries and Regions
Assets and liabilities by program
For the year ended 30 June 2026

	Primary Industries		Regional Development		General/Not Attributable		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and cash equivalents	-	-	-	-	170 334	135 742	170 334	135 742
Receivables	60 801	43 252	-	-	-	-	60 801	43 252
Contract assets	19 698	16 434	-	-	-	-	19 698	16 434
Inventories	9 590	4 744	-	-	-	-	9 590	4 744
Other financial assets	38 800	37 360	-	-	-	-	38 800	37 360
Property, plant and equipment	190 986	190 767	-	-	-	-	190 986	190 767
Right-of-use plant and equipment	167	216	-	-	-	-	167	216
Intangible assets	10 769	7 759	-	-	-	-	10 769	7 759
Total assets	330 811	300 532	-	-	170 334	135 742	501 145	436 274
Liabilities								
Payables	6 904	14 214	825	764	927	2 814	8 656	17 792
Other financial liabilities	26 222	23 605	-	-	-	-	26 222	23 605
Contract liabilities	37 518	28 766	-	-	-	-	37 518	28 766
Employee related liabilities	31 752	29 727	669	978	-	-	32 421	30 705
Provisions	2 371	2 132	-	-	-	-	2 371	2 132
Other non-financial liabilities	4 659	5 334	-	-	-	-	4 659	5 334
Total liabilities	109 426	103 778	1 494	1 742	927	2 814	111 847	108 334
Net assets	221 385	196 754	(1 494)	(1 742)	169 407	132 928	389 298	327 940

Note:

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

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

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

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 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). Appropriation reflects appropriation issued to special deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

		Original budget 2026 \$'000	Actual 2026 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Appropriation	(a)	172 822	240 930	68 108
Fees and charges		3 468	3 590	122
Grants, subsidies and transfers		69 741	82 105	12 364
Commonwealth grants (National Partnership Payments)		21 776	18 436	(3 340)
Interest		3 604	3 490	(114)
Sale of goods and services		20 562	16 204	(4 358)
Net gain from the disposal of property, plant and equipment		-	2	2
Resources received free of charge		-	3 330	3 330
Other income		4 866	10 263	5 397
Total income		296 839	378 350	81 511
Expenses				
Employee related expenses		105 968	107 440	1 472
Supplies and services		92 462	105 891	13 429
Depreciation and amortisation		9 565	8 818	(747)
Grants and subsidies		88 406	91 795	3 389
Borrowing costs		1 335	1 245	(90)
Other expenses		1 876	3 243	1 367
Total expenses		299 612	318 432	18 820
Net result		(2 773)	59 918	62 691
Other comprehensive income				
Changes in fair value of investments classified as fair value through other comprehensive income		-	1 440	1 440
Total other comprehensive income		-	1 440	1 440
Total comprehensive result		(2 773)	61 358	64 131
Investing expenditure summary				
Total existing projects	(b)	6 000	597	(5 403)
Total annual programs		11 840	11 360	(480)
Total investing expenditure		17 840	11 957	(5 883)

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.3. Budget performance (continued)

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

- (a) Increase in appropriation mainly relates to additional funding provided during 2025-26 for drought support grants, drought loan scheme and Algal Bloom response activities.
- (b) The decrease mainly relates to delay in construction of the coastal research vessel.

1.4. Significant transactions with government related entities

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

2. Boards, committees and employees

2.1. Key management personnel

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

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

	2026	2025
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	2 553	2 431
Post-employment benefits	431	400
Total compensation	2 984	2 831

Apart from the remuneration for key management personnel, the Department of Primary Industries and Regions 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 of Primary Industries and Regions
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:

PIRSA Animal Ethics Committee

M Steer* (Chair)
A Boyd - Exec Officer*
G Aust
Dr C Brown
Dr M Carr
Prof J O Harris
C Walsh
S Gillin
G Grigson*
A O'Connell
M Peters
S Rudiger*
J Savaglia
Dr A Weaver*
H Zemitis

Allocation Review Committee

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

**Forest Industries Advisory Council
of South Australia**

J Douglas (Co-Chair)
M Ingley-Smith (Co-Chair)
T Auld
P Badenoch
C Bell
J Forster
G McMillan
J Collins*
D Quill
A Dunbar*
A Excell*
A Flowers
L Hein
D Jordan*
A Langfield
T Lawson
V McLoughlin*

Risk and Performance Committee

R DiMonte (Chair)
P Appleford*
A Barclay*
G Cornish*
S Furey
J C Grant
M Griffiths*
M Steer*

Aquaculture Tenure Allocation Board

K N Shierlaw (Presiding Member)
Dr Z A Doubleday
J W Elferink (deputy member)
Dr L Giorgio (deputy member)
Dr P R Lauer
A S Narayan
K Reznikov
A C Thamm

**South Australia Varroa Industry
Advisory Committee**

D Plowman (Chair)
K Blignaut
C Poulos*
A Cotton
D L Feuvre
A Flavel
T Jackson
R Beer
P Mew
A Harvey*
T Tenney

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2026

2.2. Board and committee members (continued)

Dog Fence Rebuild Committee

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

Cost Recovery Implementation Committee

B Jeffriess (Chair)
Prof G Begg*
M Griffiths*
L Lowe
N MacDonald
F Najjar*
K Toumazos
T Sutton*

**Marine Scalefish Fishery Management
Advisory Committee**

I Stobutzki (Chair)
A Deszery
G Grammer*
S Jennings
A Jones*
K Jones
N Kimber
M Petherick
P Rogers
K Rowling
A Simpson
D Smith
T Ward

* These board members are current SA Government employees. 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.

Board and committee remuneration

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

	2026	2025
\$0 - \$19 999	91	120
Total number of members	91	120

Total remuneration received or receivable by members was \$0.081 million (2025: \$0.104 million). Remuneration of members reflects all costs of performing board/committee member duties including: sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

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

Department of Primary Industries and Regions
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3. Income

3.1. Appropriation

	2026	2025
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	172 822	141 041
Appropriation from Governor's Appropriation Fund	68 108	21 679
Total appropriation	240 930	162 720

Appropriations are recognised on receipt.

3.2. Fees and charges

	2026	2025
	\$'000	\$'000
Accreditation and licence fees	2 560	2 471
Inspection and Audit fees	953	954
Other fees	77	91
Total fees and charges	3 590	3 516

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

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

3.3. Grants, subsidies and transfers

	2026	2025
	\$'000	\$'000
Grants		
Industry	44 906	45 574
Administered industry funds ⁽¹⁾	13 879	14 446
SA Government agencies	4 748	1 595
Commonwealth Government agencies	2 985	3 051
Other	368	614
Total grants	66 886	65 280
Subsidies and transfers		
Industry	4 599	3 439
SA Government agencies	10 620	91
Total subsidies and transfers	15 219	3 530
Total Grants, subsidies and transfers	82 105	68 810

Department of Primary Industries and Regions
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3.3. Grants, subsidies and transfers (continued)

- (1) Contributions from industry groups are received into the administered funds of the department (refer note A3.2 & A4.3). Contributions may be transferred in part to PIRSA controlled to undertake specific research or deliver projects proposed by the industry groups in their approved management plans. Costs recovered from the Fisheries Research and Development Fund and the Aquaculture Fund for the administration of licences and registration are used to fund projects in compliance, research and fishing industry development. In 2025-26 the amount received from the Fisheries Research and Development Fund and the Aquaculture Fund was \$13.778 million (2025: \$14.426 million).

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

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

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

3.4. Commonwealth grants (National Partnership Payments)

	2026	2025
	\$'000	\$'000
Murray-Darling Basin - Sustainable Communities	13 000	1 000
Building Resilience to Manage Fruit Fly	1 370	2 840
Enhance the National Soil Resources - PIRSA	1 083	849
Future Drought Fund - Farm Business Resilience Planning	834	5 817
Strengthen Australia's Frontline Biosecurity Capability and Domestic Preparedness	750	1 375
Enhancing National Pest Animal and Weed Management	360	900
Boosting HPAI Biosecurity Response Capability	321	964
National Water Grid Fund	290	5 690
Future Drought Fund - Regional Drought Resilience Planning	282	2 768
National Plant Health Surveillance Program	146	127
Regional Roads Australia Mobile Program - Pilot Program	-	2 500
On-Farm Emergency Water Infrastructure Rebate Scheme	-	1 229
Fishing and Facilities Program	-	99
Total Commonwealth grants (National Partnership Payments)	18 436	26 158

National Partnership Payments are recognised as income on receipt.

Obligations under National Partnership Payments are required to be met by the State of South Australia. For accounting purposes, these obligations are not recognised as the department's liabilities.

3.5. Interest

	2026	2025
	\$'000	\$'000
Special deposit accounts	2 177	2 315
Loans to the rural sector	1 295	1 412
SA Drought Loan Scheme	18	-
Total interest	3 490	3 727

Department of Primary Industries and Regions
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3.6. Sale of goods and services

	2026	2025
	\$'000	\$'000
Sale of goods		
Livestock	4 430	2 691
Agricultural produce	873	560
Other sale of goods	226	205
Total sale of goods	5 529	3 456
Total sale of services	10 675	9 648
Total sale of goods and services	16 204	13 104

Revenue from sale of goods is recognised at the point in time when the goods have been delivered to the customer. Revenue from sale of services is generally recognised over time. This is because the department's obligations are satisfied over time, and the customer receives and uses the benefits simultaneously.

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

3.7. Resources received free of charge

	2026	2025
	\$'000	\$'000
Shared Services SA	1 719	1 724
Office of the Chief Information Officer	1 372	1 398
Audit Office of SA	239	314
Total resources received free of charge	3 330	3 436

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

Services received from other entities

The department receives the following services free of charge:

- Financial services from Shared Services SA
- ICT services from the Office of the Chief Information Officer
- Audit services from the Audit Office of South Australia.

Department of Primary Industries and Regions
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3.8. Other Income

	2026	2025
	\$'000	\$'000
Reimbursements/recoveries ⁽¹⁾	4 600	6 455
Seed and other royalties	2 114	2 114
Dividends ⁽²⁾	1 486	1 526
Gain from changes in fair value of biological assets ⁽³⁾	1 843	178
Diesel fuel rebates	155	114
Other	54	348
Sponsorship contributions	11	8
Total other income	10 263	10 743

(1) Includes recovery of \$0.816 million (2025: \$1.535 million) from the Dog Fence Board for the Dog Fence Rebuild project.

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

(3) The changes in livestock fair value and movement of inventory are reconciled in note 5.5.

4. Expenses

4.1. Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	80 473	74 748
Superannuation*	10 658	9 644
Annual leave	7 494	7 219
Other employee related expenses	5 236	4 903
Long service leave	2 113	2 608
Workers' compensation	857	267
Skills and experience retention leave	493	507
Board and committee fees	81	95
Targeted voluntary separation packages	35	-
Total employee related expenses	107 440	99 991

***Superannuation**

Department employees are employed under Part 7 of the *Public Sector Act 2009*. Superannuation employment on-cost charges represent the department's contribution to superannuation plans in respect of current services of current employees.

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

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4.1 Employee related expenses (continued)

Employee remuneration 2025-26

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

	2026	2025
	No.	No.
\$171,001 to \$177,000*	N/A	7
\$177,001 to \$197,000	8	4
\$197,001 to \$217,000	3	5
\$217,001 to \$237,000	4	1
\$237,001 to \$257,000	4	3
\$257,001 to \$277,000	4	3
\$277,001 to \$297,000	1	2
\$297,001 to \$317,000	2	-
\$317,001 to \$337,000	2	1
\$337,001 to \$357,000	2	1
\$457,001 to \$477,000	-	1
\$497,001 to \$517,000	1	-
Total	31	28

*This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2024-25. The total remuneration received by these employees for the year was \$7.803 million (2025: \$6.485 million). The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits and any related fringe benefits tax paid.

Targeted voluntary separation packages

The number of employees who received a targeted voluntary separation package (TVSP) during the reporting period was 1 (2025: nil).

	2026	2025
	\$'000	\$'000
Amount paid and accrued during the reporting period to separated employees:		
TVSPs	35	-
Leave paid to those employees	1	-
Total amount paid	36	-

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4.2. Supplies and services

	2026	2025
	\$'000	\$'000
Contractors and temporary staff	48 010	48 425
Administrative and operating costs	15 103	18 234
Utility and property costs	9 694	10 548
Information technology and communication charges	9 488	8 899
Professional and technical services	6 915	5 078
Other vehicle and equipment operating and management costs	5 430	5 896
Travel	2 660	2 335
Accommodation	2 498	2 356
Shared Services costs	1 778	1 744
Short term leases	1 600	441
Staff development and safety	1 525	1 678
Property and risk insurance	1 027	834
Low-value leases	163	228
Total supplies and services	105 891	106 696

Accommodation

Most of the department's accommodation is provided by DIT under various Memoranda of Administrative Arrangements (MoAAs) issued in accordance with Government-wide accommodation policies. MoAA arrangements do not constitute a lease under AASB 16 *Leases*, and accordingly expenditure is expensed as it is incurred (disclosed in accommodation expense).

Department of Primary Industries and Regions
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4.3. Depreciation and amortisation

	2026	2025
	\$'000	\$'000
Buildings and infrastructure	4 221	3 978
Plant and equipment	3 514	3 258
Intangible assets	645	819
Accommodation improvements	326	334
Large vessels	62	124
Right-of-use plant and equipment	50	1 009
Total depreciation and amortisation	8 818	9 522

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

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

Review of accounting estimates

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

Useful life

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

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

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4.4. Grants and subsidies

	2026	2025
	\$'000	\$'000
Major grant programs		
Thriving Regions Fund	9 985	9 955
Regional Development Australia	3 381	3 309
Adverse events recovery programs		
Drought Support Package	42 141	20 643
Giant Pine Scale	2 889	-
Future Drought Fund	1 869	2 936
Tomato Brown Rugose Fruit Virus Response	1 616	1 030
River Murray Recovery	722	4 020
Regional Recovery Program	-	4 000
Cooperative Research projects ⁽¹⁾	3 529	5 217
National Biosecurity Contributions		
Red imported fire ants	5 434	5 091
High Pathogenicity Avian Influenza	303	2 010
Industry development and restructuring initiatives greater than \$1 million:		
Implementation of eID in Sheep and Goats	8 345	3 633
Forestry Centre of Excellence	1 750	4 000
SA Wine Recovery Program	1 072	801
Dog Fence Rebuild Contribution and Storm Repairs	1 005	2 473
National Water Infrastructure Development Fund	290	6 140
Horticultural Netting Program	-	1 882
Aggregate of all other individually low value payments less than \$1 million made during the year	7 464	8 323
Total grants and subsidies	91 795	85 463

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

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

Department of Primary Industries and Regions
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4.5. Borrowing costs

	2026	2025
	\$'000	\$'000
Interest paid/payable on borrowings measured at amortised cost	1 066	1 136
Guarantee fees	158	235
Interest paid to creditors on late payment of invoices	14	6
Interest expense on lease liabilities	7	93
Total borrowing costs	1 245	1 470

The department does not capitalise borrowing costs.

4.6. Other expenses

	2026	2025
	\$'000	\$'000
Deemed cost of produce consumed ⁽¹⁾	2 024	1 125
SA Drought Loan concessional expense	644	-
Royalty payments	413	527
Publications, seed and miscellaneous stocks - cost of sales	122	113
Other	40	28
Impairment loss on receivables	-	73
Bad debts	-	2
Total other expenses	3 243	1 868

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

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4.7. Net gain/(loss) from the disposal of property, plant and equipment

Net gain/(loss) from the disposal of:	2026 \$'000	2025 \$'000
Land and buildings	(51)	-
Plant and equipment	114	(250)
Computer software	(61)	-
Total net gain/(loss) from disposal of property, plant and equipment	2	(250)

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

5. Assets

5.1. Cash and cash equivalents

	2026 \$'000	2025 \$'000
Deposits with the Treasurer	170 333	135 741
Imprest account and cash on hand	1	1
Total cash and cash equivalents in the Statement of Financial Position	170 334	135 742
Total cash and cash equivalents in the Statement of Cash Flows	170 334	135 742

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

Funds held in the Accrual Appropriation Excess Funds Account.	37 439	34 688
Funds held pursuant to the <i>Rural Industry Adjustment and Development Act 1985</i> and other State and Commonwealth Schemes for rural financial assistance	59 055	57 782
External funds held in the nature of grants or under cooperative agreements where unspent funds may be returned to the funder	20 895	16 481
Commonwealth funds held pursuant to the various Concessional Loans Schemes	195	22
Deposits with the Treasurer held as working capital, but subject to Department of Treasury and Finance budget and cash alignment policies	52 749	26 768
Total deposits with the Treasurer	170 333	135 741

Cash is measured at nominal values.

Deposits with the Treasurer

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

Department of Primary Industries and Regions
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5.2. Receivables

	2026	2025
	\$'000	\$'000
Current receivables		
Contractual receivables		
From government entities	330	1 070
From non-government entities	12 511	7 491
Less: impairment loss on receivables	(197)	(221)
Total contractual receivables	12 644	8 340
Statutory receivables		
GST receivable	867	1 876
Workers compensation recoveries	13	13
Total statutory receivables	880	1 889
Loan receivables		
Loans to cooperatives	9 896	7 613
Loans – Commonwealth loan schemes	1 788	541
Total loan receivables	11 684	8 154
Other receivables		
Other accrued revenue	10 560	7 475
Prepayments	689	1 491
Accrued interest on loans and deposits	645	590
Loan funding advanced to QRIDA	6 320	-
Total other receivables	18 214	9 556
Total current receivables	43 422	27 939
Non-current receivables		
Statutory receivables		
Workers compensation recoveries	48	43
Total non-current receivables	48	43
Loan receivables		
Loans to cooperatives	12 997	11 830
SA Drought loan scheme	3 054	-
Loans - Commonwealth concessional loan schemes	1 280	3 440
Total loan receivables	17 331	15 270
Total non-current receivables	17 379	15 313
Total receivables	60 801	43 252

Contractual receivables

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

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

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5.2. Receivables (continued)

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

Refer to note 9.3 for further information on risk management.

Allowance for impairment loss on contractual receivables

	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	221	157
Amounts written off	(19)	(9)
Increase/(Decrease) in allowance recognised in profit or loss	(5)	73
Carrying amount at the end of the period	197	221

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government.

Refer to note 9.3 for details regarding 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. Statutory receivables are not financial assets.

Workers compensation recoveries are related to the interim benefits receivable from employees pursuant to Section 32(3) of *Return to Work Act 2014*. This receivable is recognised when the relevant employees' claims are rejected.

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

No impairment loss was recognised in relation to statutory receivables.

Prepayments

Prepayments are generally related to payments made to suppliers before receiving the purchased goods or services. They are not to be confused with contractual receivables or contractual assets, both of which are related to payments to be received from customers. Prepayments are not financial assets or statutory receivables.

Loan receivables

Loan receivables consist of:

Loans to cooperatives

Cooperative loans are agreements between the Treasurer, PIRSA and an approved loan applicant, whereby the principal borrowed by PIRSA from the Treasurer is on-lent to an approved loan applicant (refer note 6.2). Similarly, repayments of principal made by an approved loan applicant are returned to the Treasurer to reduce the level of borrowing made by PIRSA.

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

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

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

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

All of the Commonwealth concessional loan programs are now closed to new applicants, but the department will continue to administer the outstanding loan agreements (including principal and interest repayments) until the end of the loan term or the loan is repaid or refinanced by another financier.

Commencing 1 July 2018, the Regional Investment Corporation was established by the Commonwealth Government as a national administrator of future Concessional loan schemes.

The department's role with the Commonwealth Concessional Loan Schemes is and was to:

- assess applications and offer loans under the terms, conditions and interest rates prescribed by the Commonwealth to eligible applicants.
- manage the administration of approved loan facilities over their offered term. Funding was received from the Commonwealth (through the State) for each scheme and all or part of that funding was on-lent by the department to eligible applicants meeting the requirements of the Commonwealth program.
- returned uncommitted funds from the received loan pool funds to the Commonwealth at the end of the program.

Additionally, any loan principal and interest repaid by eligible applicants to the department is returned on collection to the Commonwealth, and the associated borrowing is reduced. Refer to Note 6.2 Other financial liabilities for further detail.

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

South Australia Drought Loan Scheme

The South Australia Drought Loan Scheme commenced in April 2026 and provides concessional loans to eligible South Australian farm businesses affected by drought. The Scheme is open to applications until 31 December 2026.

Loan terms are up to ten years. During the first two years of the loan term, borrowers are not required to make principal or interest repayments. Interest is capitalised and added to the outstanding loan balance. Principal and interest repayments commence over the remaining eight years of the loan term.

The Scheme is funded by the South Australian Government and administered by the Queensland Rural and Industry Development Authority (QRIDA) under a Memorandum of Understanding (MOU) with the department.

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5.2. Receivables (continued)

Under the MOU, QRIDA is responsible for:

- receiving and assessing loan applications under the Scheme;
- approving or declining applications in accordance with the Scheme Guidelines approved by the department;
- preparing and executing loan agreements and security documentation;
- advancing loan funds and collecting loan repayments; and
- remitting all principal and interest repayments to the department on a quarterly basis.

The department is responsible for:

- developing and approving the Scheme Guidelines;
- providing funding to QRIDA for the issue of loans;
- paying QRIDA loan establishment and administration fees; and
- bearing the credit risk associated with the loan portfolio, including non-performing loans, loan write-offs and recovery costs.

Loans are initially recognised at fair value. As the loans are provided at concessional interest rates, the difference between the amount advanced and the fair value of the loans on initial recognition is recognised as a concessional loan expense. Subsequently, the loans are measured at amortised cost using the effective interest method and are subject to the expected credit loss requirements of AASB 9 *Financial Instruments*.

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5.3. Other financial assets

	2026	2025
	\$'000	\$'000
Investments in shares - unlisted public companies	38 800	37 360
Total other financial assets	38 800	37 360

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

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

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

The department's investments include:

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

The fair value of the AGT investment was \$38.77 million. An independent valuation was conducted in July 2026 for the year ended 30 June 2026 by EY Parthenon for the respective interests of shareholders. The valuation methodology consisted primarily of a discounted free cash flow applied to long range business and earnings forecasts provided by AGT.

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

Measurement uncertainty, valuation sensitivity and valuation risk mitigation -

The valuation approach considered long range forecast business and earnings data provided by AGT. The independent valuer, in their measurement approach, undertook a number of valuation cross checks including earnings and trading multiples and considered companies that operate in the same industry and geography or exposed to similar risks. The independent valuer noted that the investments value is most sensitive to changes in volume assumptions and discount rate. The discount rate range used by the valuer this year was between 14% and 16% (2025:13.5% and 15%).

Trading multiples were also considered to vary significantly with potential comparable companies being larger in size and/or more diversified than AGT. To mitigate these risks, the independent valuer provided a range of possible outcomes to allow for valuation sensitivities and used long term historical averages and harvest forecasts in its valuation methodology.

The department considered the information presented and took a conservative approach in using the midpoint (\$38.77 million) of the low-high range of possible outcomes (between \$33.259 million and \$44.281 million) as the basis of measurement for the investment. Selecting a measurement point different to the midpoint will increase or reduce the fair value movement recognised through other comprehensive income.

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5.3 Other financial assets (continued)

Liquidation value of the investment

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

Assessment summary

The independent valuation provides assessment of the valuation of the investment, which can be periodically remeasured. The analysis and report were prepared in accordance with the requirements of AASB 9 and AASB 13, and in the judgement of the department the valuation represents a fair estimate of the value of the investment at 30 June 2026.

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

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

	2026	2025
	\$'000	\$'000
Movement in financial assets		
Carrying amount at the beginning of the period	37 360	34 529
Fair value movement	1 440	2 831
Carrying amount at the end of the period	38 800	37 360

For further information on risk management refer to note 9.3 Financial instruments.

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5.4. Contract assets

	2026	2025
	\$'000	\$'000
Current		
Grants	19 665	14 981
Sale of services	33	1 453
Total current contract assets	19 698	16 434
Total contract assets	19 698	16 434

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

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

Department of Primary Industries and Regions
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5.5. Inventories

	2026	2025
	\$'000	\$'000
Biological assets		
Livestock	4 779	2 788
Agricultural produce	419	136
Total biological assets	5 198	2 924
Other inventories		
Chemicals and other	4 350	1 777
Fuel and related items	42	43
Total other inventories	4 392	1 820
Total inventories	9 590	4 744

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

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

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

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

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

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

	Agricultural produce \$'000	Livestock \$'000
Balance at the beginning of the period	136	2 788
Acquisitions	787	2 364
Sales	(874)	(3 381)
Used as feed stock	(1 075)	-
Harvests transferred to inventories	1 445	3 008
Balance at the end of the period	419	4 779

Agricultural activities are carried out to assist with research and are conducted on a commercial basis. At 30 June 2026 inventory included 9 375 sheep, 1 431 cattle and 1 254 tonnes of crops and grain.

Production for the year included 172 tonnes of grapes and fruit, 5 807 lambs, 162 calves and 2 973 tonnes of other grain crops.

Department of Primary Industries and Regions
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5.6. Property, plant and equipment owned by the department

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

Property, plant and equipment owned by the department with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the department is recorded at fair value. Detail about the department's approach to fair value is set out in note 9.1.

The following table shows the movement of property, plant and equipment during 2025-26:

	Land	Buildings and infrastructure (specialised)	Buildings and infrastructure (non specialised)	Accommodation improvements	Plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2025	71 708	70 063	8 263	2 439	19 417
Acquisitions	-	400	-	-	4 801
Disposals	-	-	(51)	-	(29)
Depreciation	-	(3 667)	(554)	(326)	(3 514)
Transfer between asset classes	-	15 890	-	-	193
Biologicals - movements	-	-	-	-	-
Carrying amount at 30 June 2026	71 708	82 686	7 658	2 113	20 868

Carrying amount

Gross carrying amount	71 708	92 981	9 175	3 656	56 234
Accumulated depreciation	-	(10 295)	(1 517)	(1 543)	(35 366)
Total	71 708	82 686	7 658	2 113	20 868

	Bearer plants	Large vessels	Works in progress - Plant and equipment	Works in progress - Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2025	112	1 250	1 558	15 957	190 767
Acquisitions	-	-	1 944	1 274	8 419
Disposals	-	-	-	-	(80)
Depreciation	-	(62)	-	-	(8 123)
Transfer between asset classes	-	-	(211)	(15 872)	-
Biologicals - movements	3	-	-	-	3
Carrying amount at 30 June 2026	115	1 188	3 291	1 359	190 986

Carrying amount

Gross carrying amount	115	1 250	3 291	1 359	239 769
Accumulated depreciation	-	(62)	-	-	(48 783)
Total	115	1 188	3 291	1 359	190 986

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2026

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

The following table shows the movement of property, plant and equipment during 2024-25:

	Land	Buildings and infrastructure (specialised)	Buildings and infrastructure (non specialised)	Accommodation improvements	Plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2024	64 793	67 837	8 748	2 767	19 402
Acquisitions	-	197	-	-	2 814
Disposals	-	-	-	-	(368)
Depreciation	-	(3 493)	(485)	(334)	(3 258)
Revaluation increment/(decrement)	6 915	-	-	-	-
Transfer between asset classes	-	5 522	-	-	1 008
Contribution received*	-	-	-	6	-
Other movements	-	-	-	-	(181)
Carrying amount at 30 June 2025	71 708	70 063	8 263	2 439	19 417
Carrying amount					
Gross carrying amount	71 708	76 695	9 233	3 657	53 737
Accumulated depreciation	-	(6 632)	(970)	(1 218)	(34 320)
Total	71 708	70 063	8 263	2 439	19 417

	Works in progress - Plant and equipment		Works in progress - Buildings		Total
	Bearer plants	Large vessels	\$'000	\$'000	\$'000
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2024	112	771	2 229	19 259	185 918
Acquisitions	-	-	334	2 223	5 568
Disposals	-	-	-	-	(368)
Depreciation	-	(124)	-	-	(7 694)
Revaluation increment/(decrement)	-	603	-	-	7 518
Transfer between asset classes	-	-	(1 005)	(5 525)	-
Contribution received*	-	-	-	-	6
Other movements	-	-	-	-	(181)
Carrying amount at 30 June 2025	112	1 250	1 558	15 957	190 767
Carrying amount					
Gross carrying amount	112	1 250	1 558	15 957	233 907
Accumulated depreciation	-	-	-	-	(43 140)
Total	112	1 250	1 558	15 957	190 767

Department of Primary Industries and Regions
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For the year ended 30 June 2026

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

Impairment

Property, plant and equipment owned by the department are non-cash generating assets and so have not been assessed for impairment. Assets are specialised in nature and held for continual use of their service capacity. Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 9.1. 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.

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

5.7. Right-of-use plant and equipment

	2026	2025
	\$'000	\$'000
Right-of-use plant and equipment		
Right-of-use plant and equipment at cost	350	3 258
Accumulated depreciation	(183)	(3 042)
Total right-of-use plant and equipment	167	216

Right-of-use assets for property, plant and equipment leased by the department as lessee are measured at cost. Additions to leased property, plant and equipment during 2025-26 were nil (2025: \$0.248 million).

Short-term leases of 12 months or less and low-value leases, where the underlying asset value is less than \$15 000, are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.2.

The department has 1 tractor lease and 2 storage facility leases with private sector providers.

The lease liabilities related to the right-of-use assets are disclosed in note 6.2. The department's maturity analysis of its lease liabilities is disclosed in note 9.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4.3 and note 4.5. Cash outflows related to leases are disclosed in note 7.2.

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5.8. Intangible assets

	Computer software \$'000	Computer software development \$'000	Water rights \$'000	Total \$'000
Carrying amount at 1 July 2025	1 619	5 952	188	7 759
Additions	-	3 716	-	3 716
Disposals	(61)	-	-	(61)
Transfer between asset classes	338	(338)	-	-
Amortisation expense	(645)	-	-	(645)
Carrying amount at 30 June 2026	1 251	9 330	188	10 769

Carrying amount

Gross carrying amount	19 633	9 330	188	29 151
Accumulated amortisation	(18 382)	-	-	(18 382)
Total	1 251	9 330	188	10 769

Reconciliation 2024-25

	Computer software \$'000	Computer software development \$'000	Water rights \$'000	Total \$'000
Carrying amount at 1 July 2024	2 317	2 598	188	5 103
Additions	121	3 354	-	3 475
Amortisation expense	(819)	-	-	(819)
Carrying amount at 30 June 2025	1 619	5 952	188	7 759

Carrying amount

Gross carrying amount	19 703	5 952	188	25 843
Accumulated amortisation	(18 084)	-	-	(18 084)
Total	1 619	5 952	188	7 759

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

Intangible assets are initially measured at cost and are tested for indicators of impairment at each reporting date.

Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

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

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

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

An agreement secures access to water resources for the research farm operated by the South Australian Research and Development Institute at Nuriootpa. This provides a perpetual right to an annual water allocation. Water allowances are now at 100% (2025: 100%), with no rationing.

Department of Primary Industries and Regions
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6. Liabilities

6.1. Payables

	2026	2025
	\$'000	\$'000
Current		
Contractual payables	8 217	17 354
Accrued interest on borrowings	439	438
Total current payables	8 656	17 792
Total payables	8 656	17 792

Payables are measured at nominal amounts.

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 15 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

6.2. Other financial liabilities

	2026	2025
	\$'000	\$'000
Current		
Indebtedness to the Treasurer		
Borrowings for Commonwealth concessional loan schemes	1 944	541
Borrowings for loans to cooperatives	9 895	7 613
Lease liabilities	66	86
Total current other financial liabilities	11 905	8 240
Non-current		
Indebtedness to the Treasurer		
Borrowings for Commonwealth concessional loan schemes	1 280	3 432
Borrowings for loans to cooperatives	12 997	11 830
Lease liabilities	40	103
Total non-current other financial liabilities	14 317	15 365
Total other financial liabilities	26 222	23 605

	2026	2025
	\$'000	\$'000
Movement in indebtedness to the Treasurer		
Carrying amount at the beginning of the period	23 416	31 570
Additional borrowing during the year	10 550	-
Repayment of borrowings	(7 850)	(8 154)
Carrying amount at the end of the period	26 116	23 416

Department of Primary Industries and Regions
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6.2. Other financial liabilities (continued)

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

Borrowings consist of loans to cooperatives and loans to eligible applicants of various concessional loan schemes offered by the Commonwealth Government. Refer to further details of the loan schemes in note 5.2.

In assessing the requirements of AASB 9 the department has taken the position that borrowings in respect of Commonwealth Concessional Loan schemes are a pass-through arrangement between the Commonwealth, State and department, with the department operating as a delivery agent and administrator for the Commonwealth Funds.

Further, the department bears no financial or credit risk, nor foregoes any resources from the concessional interest rate under the Commonwealth agreement.

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. For details of right-of-use assets, refer to note 5.7.

Note 9.2 describes possible cash outflows for leases the department is exposed to that are not included in lease liabilities.

6.3. Contract Liabilities

	2026	2025
	\$'000	\$'000
Current		
Grants	35 493	26 316
Sale of services	2 025	2 450
Total current contract liabilities	37 518	28 766
Total contract liabilities	37 518	28 766

Revenue totalling \$28.766 million was recognised in 2025-26 that was included in contract liabilities at 1 July 2025. No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods.

All contract liabilities as at 30 June 2026 are expected to be recognised as revenue in 2026-27.

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

Department of Primary Industries and Regions
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6.4. Employee related liabilities

	2026	2025
	\$'000	\$'000
Current		
Annual leave	8 147	7 475
Accrued salaries and wages	642	286
Long service leave	1 765	2 036
Skills and experience retention leave	676	642
Employment on-costs	2 260	2 096
Total current employee related liabilities	13 490	12 535
Non-current		
Long service leave	17 138	16 448
Employment on-costs	1 793	1 722
Total non-current employee related liabilities	18 931	18 170
Total employee related liabilities	32 421	30 705

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

Department of Primary Industries and Regions
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6.4 Employee related liabilities (continued)

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

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

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

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2025 rate (4.25%) to 2026 rate (4.75%). This increase in the bond yield results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and employee related expense of \$557 000. The impact on future periods is impracticable to estimate as the long service liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the long-term salary inflation rate at 3.5% for the calculation of the long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The current portion of employee related liabilities reflects the amount for which the department does not have right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

Employment on costs

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

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

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave has remained unchanged at the 2025 rate of 44% and the average factor for the calculation of employer superannuation costs on-costs has remained at 2025 rate (12%). These rates are used in the employment on-cost calculation.

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6.5. Provisions

	2026	2025
	\$'000	\$'000
Current		
Provision for workers compensation	626	565
Total current provisions	626	565
Non-current		
Provision for workers compensation	1 745	1 567
Total non-current provisions	1 745	1 567
Total provisions	2 371	2 132
Carrying amount at the beginning of the period	2 132	2 154
Reductions arising from payments	(696)	(345)
Revaluation of liability	316	(267)
Additional provisions recognised	619	590
Carrying amount at the end of the period	2 371	2 132

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

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

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2026 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

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

In addition to these uncertainties, the additional compensation scheme \$0.341 million (2025: \$0.284 million) is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

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6.6. Other non-financial liabilities

	2026	2025
	\$'000	\$'000
Current		
Accommodation incentive	673	673
Total current other non-financial liabilities	673	673
Non-current		
Accommodation incentive	3 986	4 660
Other liabilities	-	1
Total non-current other non-financial liabilities	3 986	4 661
Total non-financial other liabilities	4 659	5 334

Accommodation incentive liabilities relate to arrangements with DIT for office accommodation described in note 4.2. DIT has provided fit-out free of charge and rental rebate. The benefit of this incentive is spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

7. Other disclosures

7.1. Equity

Asset Revaluation

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

Investment reserve

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

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7.2. Cash flow

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

Total cash outflows for leases was \$2.57 million (2025: \$1.201 million).

Reconciliation of net result to cash flows from operating activities

	2026	2025
	\$'000	\$'000
Reconciliation of cash at 30 June 2026		
Cash disclosed in the Statement of Financial Position	170 334	135 742
Balance as per the Statement of Cash Flows	170 334	135 742
 Reconciliation of net cash provided by operating activities to net result		
Net cash provided by / (used in) operating activities	53 095	2 218
 Add / (less) non-cash items		
Depreciation and amortisation	(8 812)	(9 522)
Gain/(loss) on disposal of property, plant and equipment	2	(250)
Gain/(loss) from changes in fair value of biological assets	1 843	-
Gain/(loss) on inventories	4 430	2 691
Accommodation incentive	673	673
Impairment loss on receivables movement	-	(73)
Asset write down	-	(2)
 Movement in assets and liabilities		
(Decrease)/increase in receivables	6 955	(2 273)
(Decrease)/increase in inventories	2 017	39
(Decrease)/increase in contract assets	3 264	2 492
(Increase)/decrease in payables	7 156	(58)
(Increase)/decrease in provisions	(239)	22
(Increase)/decrease in contract liabilities	(8 752)	(7 911)
(Increase)/decrease in employee benefits	(1 714)	(1 092)
Net result	59 918	(13 046)

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8. Outlook

8.1. Unrecognised commitments

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

Contractual commitments to acquire property, plant and equipment

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

	2026	2025
	\$'000	\$'000
Within one year	55	48
Total contractual commitments to purchase property, plant and equipment	55	48

8.1. Unrecognised commitments (continued)

Other contractual commitments

	2026	2025
	\$'000	\$'000
Within one year	16 159	42 211
Later than one year but not longer than five years	21 206	15 088
Later than five years	9 847	11 135
Total other contractual commitments	47 212	68 434

The department's other contractual commitments include:

- MoAA with DIT for accommodation commitments of \$22.111 million (2025: \$24.348 million).
- amounts owing under fixed price contracts outstanding at the end of the reporting period and future amounts payable under approved grant and funding agreements where payment by the department is conditional on the grant applicant meeting any conditions precedent in the agreement. Non-performance by the applicant would result in a withdrawal of the grant offer.

Leases entered which have not yet commenced

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

8.2. Contingent assets and liabilities

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

Contingent assets

The department is not aware of any contingent assets.

Contingent liabilities

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

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

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8.3. Impact of standards not yet effective

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

8.4. Events after the reporting period

No events have occurred after balance date that would affect the financial statements of PIRSA as at 30 June 2026.

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9. Measurement and risk

9.1. Fair value

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

Initial recognition

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

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

Revaluation

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

The revaluation process is reviewed by the department each year.

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

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

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

Fair value hierarchy

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

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

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

During 2026 and 2025, the department had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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9.1. Fair value (continued)

		2026	Level 2	Level 3
	Note	\$'000	\$'000	\$'000
Fair value classification - at 30 June 2026				
Recurring fair value measurements				
Land	5.6	71 708	71 708	-
Buildings and infrastructure specialised	5.6	82 686	-	82 686
Buildings and infrastructure non specialised	5.6	7 658	7 658	-
Accommodation improvements	5.6	2 113	-	2 113
Bearer plants	5.6	115	-	115
Plant and equipment	5.6	20 868	-	20 868
Large vessels	5.6	1 188	-	1 188
Other financial assets	5.3	38 800	-	38 800
Total recurring fair value measurements		225 136	79 366	145 770
Total		225 136	79 366	145 770
Fair value classification - at 30 June 2025				
Recurring fair value measurements				
Land	5.6	71 708	71 708	-
Buildings and infrastructure specialised	5.6	70 063	-	70 063
Buildings and infrastructure non specialised	5.6	8 263	8 263	-
Accommodation improvements	5.6	2 439	-	2 439
Bearer plants	5.6	112	-	112
Plant and equipment	5.6	19 417	-	19 417
Large vessels	5.6	1 250	-	1 250
Other financial assets	5.3	37 360	-	37 360
Total recurring fair value measurements		210 612	79 971	130 641
Total		210 612	79 971	130 641

Land

Land assets were revalued to fair value as at 30 June 2025. The department undertook the valuation using indices provided by an independent, professionally qualified valuer, Liquid Pacific Pty Ltd. These indices were derived from observable market activity and reference to transaction prices.

The use of indexation is consistent with the PIRSA's valuation methodology where a full valuation is not cost-effective to perform frequently. The last full revaluation, which included site inspections, was performed as at 30 June 2023 by Liquid Pacific Pty Ltd.

The department has reviewed its land holdings and determined there was no material changes in land use or zoning.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2026

9.1. Fair value (continued)

Buildings and infrastructure

Buildings and infrastructure were independently reviewed and revalued to fair value as at 30 June 2023, by Liquid Pacific Pty Ltd. The valuer arrived at fair value using the market approach based on recent market transactions for similar buildings and infrastructure in the area considering zoning and restricted use.

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

Large vessels

The department's purpose-built high-speed patrol vessel 'Southern Ranger' used for South Australia's Fisheries and Aquaculture operations was reviewed by an independent valuer and revalued to fair market value in 2024-25.

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

Other financial assets – investments in shares

The fair value of unlisted investments is based on expected cash flows discounted at a market interest rate and considering the risk premium specific to the investments. These investments are classified as Level 3 in the hierarchy. Refer to note 5.3.

Plant and equipment

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

Reconciliation of level 3 recurring fair value measurements

There was no asset transfer between level 2 and level 3 in 2024-25 and 2025-26. Movements in Level 3 are the same as reflected in note 5.3 and note 5.6.

9.2. Possible lease cash outflows not reflected in lease liabilities

Variable lease payments are required where the department uses the tractors above specified levels. These are not reflected in the lease liability. The department did not incur such charges in 2025-26 and is not expected to incur such charges in 2026-27.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2026

9.3. Financial instruments

Financial risk management

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

Risk Management Principles and Guidelines

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

Liquidity risk

The department is funded principally from appropriation by the SA Government (refer note 3.1). The department works with DTF to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to notes 5.2 and note 6.2 for information in relation to loans and borrowings.

The department's performance against budget is presented in note 1.3.

Credit risk

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

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

Impairment of financial assets

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

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

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

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

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

Loans Receivables

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

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

Loan issued under SA Drought Loan Scheme do not require any repayments in the first two years of the loan term.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2026

9.3. Financial instruments (continued)

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

	Debtor gross carrying amount		Lifetime expected losses
	\$'000	Loss %	\$'000
Current	8 779	0.18%	16
1-30 days past due	732	0.45%	3
31 - 60 days past due	198	1.63%	3
61-90 days past due	855	3.87%	33
More than 90 days past due	1 947	7.29%	142
Loss allowance			197

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

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

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

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

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

Market risk

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

Exposure to interest rate risk may arise through its interest-bearing liabilities, including borrowings. PIRSA's interest bearing liabilities are managed through the South Australian Government Financing Authority (SAFA) and any movement in interest rates are monitored on a daily basis. Except as noted at 5.1. there is no exposure to foreign currency or other price risks.

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

Categorisation of financial instruments

Details of the 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/financial liability note.

Department of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2026

9.3. Financial instruments (continued)

Maturity Analysis of Financial Statements

Category of financial asset and financial liability		2026	2026 Contractual maturities*		
		Carrying	Within	1-5 years	More than
		amount / fair			
		value			
		\$'000	1 year	1-5 years	5 years
			(\$'000)	(\$'000)	(\$'000)
Financial assets at amortised cost					
Cash	5.1	170 334	170 334	-	-
Receivables	5.2	23 849	23 849	-	-
Loans receivable	5.2	29 015	11 682	7 995	9 963
Financial assets at fair value through other comprehensive income					
Other financial assets	5.3	38 800	38 800	-	-
Total financial assets		261 998	244 665	7 995	9 963
Financial liabilities at amortised cost					
Payables	6.1	8 656	8 656	-	-
Borrowings	6.2	26 116	11 838	6 510	7 768
Lease liabilities*	6.2	106	66	40	-
Total financial liabilities		34 878	20 560	6 550	7 768

Category of financial asset and financial liability		2025	2025 Contractual maturities*		
		Carrying	Within	1-5 years	More than
		amount / fair			
		value			
		\$'000	1 year	1-5 years	5 years
			(\$'000)	(\$'000)	(\$'000)
Financial assets at amortised cost					
Cash	5.1	135 742	135 742	-	-
Receivables	5.2	16 405	16 405	-	-
Loans receivable	5.2	23 424	8 154	15 270	-
Financial assets at fair value through other comprehensive income					
Other financial assets	5.3	37 360	37 360	-	-
Total financial assets		212 931	197 661	15 270	-
Financial liabilities at amortised cost					
Payables	6.1	17 792	17 792	-	-
Borrowings	6.2	23 416	8 154	15 262	-
Lease liabilities*	6.2	189	86	103	-
Total financial liabilities		41 397	26 032	15 365	-

* 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 of Primary Industries and Regions
Notes to and forming part of the financial statements
For the year ended 30 June 2026

9.3 Financial instruments (continued)

Receivables and payables.

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

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

Administered Financial Statements

For the year ended 30 June 2026

Department of Primary Industries and Regions
Statement of Administered Comprehensive Income
for the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
Administered income			
Appropriation	A3.1	5 202	5 061
Fees and charges	A3.2	29 609	32 958
Interest	A3.3	566	670
Levies collections	A3.4	223	196
Transfer from PIRSA	A3.5	554	172
Other income	A3.6	26	2
Total administered income		36 180	39 059
Administered expenses			
Employee related expenses	A4.1	432	421
Supplies and services	A4.2	3 348	3 186
Grants and subsidies	A4.3	32 565	34 017
Levies payments	A4.4	222	140
Other expenses	A4.5	-	20
Total administered expenses		36 567	37 784
Net result		(387)	1 275
Total comprehensive result		(387)	1 275

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

Department of Primary Industries and Regions
Statement of Administered Financial Position
as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Administered current assets			
Cash and cash equivalents	A5.1	23 156	23 595
Receivables	A5.2	3 888	3 678
Total current assets		27 044	27 273
Total assets		27 044	27 273
Administered current liabilities			
Payables	A6.1	1 971	1 175
Other liabilities	A6.2	646	1 290
Total current liabilities		2 617	2 465
Total liabilities		2 617	2 465
Net assets		24 427	24 808
Administered equity			
Retained earnings		24 427	24 808
Total equity		24 427	24 808

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

Department of Primary Industries and Regions
Statement of Administered Cash Flows
for the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		5 202	5 061
Fees and charges		29 505	34 128
Transfer from PIRSA		554	172
Interest		568	676
Levies collections		237	208
Other income		-	52
Cash generated from operations		36 066	40 297
Cash (outflows)			
Employee related payments		(432)	(421)
Supplies and services		(3 450)	(3 413)
Grants and subsidies		(32 387)	(33 982)
Levies payments		(236)	(152)
Cash used in operations		(36 505)	(37 968)
Net cash provided by / (used in) / operations	A7.1	(439)	2 329
Net increase / (decrease) in cash and cash equivalents		(439)	2 329
Cash and cash equivalents at the beginning of the period		23 595	21 266
Cash and cash equivalents at the end of the period	A5.1	23 156	23 595

The accompanying notes form part of these financial statements.

Department of Primary Industries and Regions
Income and Expenses by Administered Programs
For the year ended 30 June 2026

Administered programs - refer note A1.1

	Adelaide Hills Wine Industry Fund		Aquaculture Fund		Barossa Wine Industry Fund		Citrus Growers Fund		Clare Valley Wine Industry Fund	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Administered income										
Appropriation	-	-	-	-	-	-	-	-	-	-
Fees and charges	390	408	2 185	2 480	951	1 133	215	168	231	281
Interest	7	8	64	109	20	28	9	11	10	12
Levies collections	-	-	-	-	-	-	-	-	-	-
Transfer from PIRSA	-	-	203	-	-	-	-	-	-	-
Other income	-	-	(54)	-	-	-	-	-	-	-
Total administered income	397	416	2 398	2 589	971	1 161	224	179	241	293
Administered expenses										
Employee related expenses	-	-	-	-	-	-	-	-	-	-
Supplies and services	23	17	-	-	154	140	96	131	46	33
Grants and subsidies	386	342	2 662	2 265	1 126	1 034	100	110	290	264
Levies payments	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	(4)	-	-	-	-	-	-
Total administered expenses	409	359	2 662	2 261	1 280	1 174	196	241	336	297
Net result	(12)	57	(264)	328	(309)	(13)	28	(62)	(95)	(4)

	Fisheries Research and Development Fund		ForestrySA Community Service Obligations		Grain Industry Fund		Grain Industry Research and Development Fund		Langhorne Creek Wine Industry Fund	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Administered income										
Appropriation	-	-	4 769	4 641	-	-	-	-	-	-
Fees and charges	13 769	15 446	-	-	2 520	1 856	3 024	2 254	274	353
Interest	-	-	-	-	53	60	22	14	5	4
Levies collections	-	-	-	-	-	-	-	-	-	-
Transfer from PIRSA	351	172	-	-	-	-	-	-	-	-
Other income	80	2	-	-	-	-	-	-	-	-
Total administered income	14 200	15 620	4 769	4 641	2 573	1 916	3 046	2 268	279	357

Department of Primary Industries and Regions
Income and Expenses by Administered Programs
For the year ended 30 June 2026

	Fisheries Research and Development Fund		ForestrySA Community Service Obligations		Grain Industry Fund		Grain Industry Research and Development Fund		Langhorne Creek Wine Industry Fund	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered expenses										
Employee related expenses	-	-	-	-	-	-	-	-	-	-
Supplies and services	2 251	2 106	-	-	21	23	23	20	89	23
Grants and subsidies	11 919	12 925	4 769	4 641	1 800	2 500	3 048	1 909	271	210
Levies payments	-	-	-	-	-	-	-	-	-	-
Other expenses	-	24	-	-	-	-	-	-	-	-
Total administered expenses	14 170	15 055	4 769	4 641	1 821	2 523	3 071	1 929	360	233
Net result	30	565	-	-	752	(607)	(25)	339	(81)	124

	McLaren Vale Wine Industry Fund		Riverland Wine Industry Fund		South Australian Apiary Industry Fund		South Australian Cattle Industry Fund		South Australian Grape Growers Industry Fund	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income										
Appropriation	-	-	-	-	-	-	-	-	-	-
Fees and charges	587	659	571	817	57	53	845	885	549	763
Interest	12	15	15	28	19	22	47	48	30	28
Levies collections	-	-	-	-	-	-	-	-	-	-
Transfer from PIRSA	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
Total administered income	599	674	586	845	76	75	892	933	579	791
Administered expenses										
Employee related expenses	-	-	-	-	-	-	-	-	-	-
Supplies and services	63	74	297	317	7	17	22	24	110	102
Grants and subsidies	582	624	409	570	81	6	619	887	500	500
Levies payments	-	-	-	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-	-	-	-
Total administered expenses	645	698	706	887	88	23	641	911	610	602
Net result	(46)	(24)	(120)	(42)	(12)	52	251	22	(31)	189

Department of Primary Industries and Regions
Income and Expenses by Administered Programs
For the year ended 30 June 2026

	South Australian Pig Industry Fund		South Australian Sheep Industry Fund		Other Funds		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Administered income								
Appropriation	-	-	-	-	433	420	5 202	5 061
Fees and charges	155	170	3 286	5 232	-	-	29 609	32 958
Interest	110	114	143	169	-	-	566	670
Levies collections	-	-	-	-	223	196	223	196
Transfer from PIRSA	-	-	-	-	-	-	554	172
Other income	-	-	-	-	-	-	26	2
Total administered income	265	284	3 429	5 401	656	616	36 180	39 059
Administered expenses								
Employee related expenses	-	-	-	-	432	421	432	421
Supplies and services	10	13	123	136	13	10	3 348	3 186
Grants and subsidies	125	255	3 878	4 975	-	-	32 565	34 017
Levies payments	-	-	-	-	222	140	222	140
Other expenses	-	-	-	-	-	-	-	20
Total administered expenses	135	268	4 001	5 111	667	571	36 567	37 784
Net result	130	16	(572)	290	(11)	45	(387)	1 275

Department of Primary Industries and Regions
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2026

A1. Basis of preparation

The basis of preparation for administered financial statements is the same as the basis outlined in note 1.1.

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

A1.1 Administered funds of the department

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

Adelaide Hills Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 8 August 2003 with new Regulations assented to on 2 September 2021. The primary purposes of the fund are to promote the Adelaide Hills wine industry, undertake research and development and encourage communication and cooperation between participants in the Adelaide Hills wine industry.

Aquaculture Fund

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

Barossa Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 29 November 2007 with new Regulations assented to on 2 September 2021. The primary purposes of the fund are to promote the Barossa wine industry, undertake research and development and encourage communication and cooperation between participants in the Barossa wine industry.

Citrus Growers Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 20 October 2005 with new Regulations assented to on 19 January 2018. The primary purposes of the fund are to provide services to growers, promote the SA citrus industry, represent growers in regional, State or national citrus or horticulture industry forums and encourage communication and cooperation between participants in the citrus industry.

Clare Valley Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 21 February 2008 with new Regulations assented to on 2 September 2021. The primary purposes of the fund are to promote the Clare Valley wine industry, undertake research and development and encourage communication and cooperation between participants in the Clare Valley wine industry.

Fisheries Research and Development Fund

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

Department of Primary Industries and Regions
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2026

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

Forestry SA Community Service Obligations

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

Grain Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 1 March 2012 with new Regulations assented to on 1 July 2024. The primary purposes of the fund are to promote the grain industry through industry field days, conferences and other events; represent grain growers in regional, state or national grain or agriculture industry forums; collect and disseminate to grain growers information relevant to the grain industry; and undertake programs designed to encourage communication and cooperation between grain growers and other persons associated with the grain industry.

Grain Industry Research and Development Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 8 August 2013 with new Regulations assented to on 1 July 2024. The primary purposes of the fund are to collect industry funds and make payments to the South Australian Grain Industry Trust Fund and others; to undertake or facilitate research and development into the growing, harvesting, storage, processing and marketing of grain; and collect and disseminate to grain growers information relevant to research and development into grains.

Langhorne Creek Wine Industry Fund

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

McLaren Vale Wine Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 5 June 2003 with new Regulations assented to on 2 September 2021. The primary purposes of the fund are to promote the McLaren Vale wine industry, undertake research and development and encourage communication and cooperation between participants in the McLaren Vale wine industry.

Riverland Wine Industry Fund

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

South Australian Apiary Industry Fund

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

Department of Primary Industries and Regions
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2026

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

South Australian Cattle Industry Fund

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

South Australian Grape Growers Industry Fund

This fund was established by Regulations under the *Primary Industry Funding Schemes Act 1998* on 29 November 2007 with new Regulations assented to on 2 September 2021. The primary purposes of the fund are to promote the SA grape grower's industry, undertake research and development and encourage communication and cooperation between participants in the SA grape grower's industry.

South Australian Pig Industry Fund

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

South Australian Sheep Industry Fund

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

Other Funds

This is the total of all other administered funds including the payment of Ministerial salaries and allowances, and seed levies collected and remitted pursuant to the Commonwealth *Primary Industries (Excise) Levies Act 2024* and *Primary Industries Levies and Charges Collection Act 2024*.

Department of Primary Industries and Regions
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2026

A1.2 Budget performance

The budget performance table compares the departments outcomes against budget information presented to Parliament (2025-26 budget paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

	Original budget 2026	Actual 2026	Variance
	\$'000	\$'000	\$'000
Statement of Administered Comprehensive Income			
Administered Income			
Appropriation	5 196	5 202	6
Fees and charges (a)	31 785	29 609	(2 176)
Interest	474	566	92
Levies collections	166	223	57
Transfer from PIRSA	-	554	554
Other income	-	26	26
Total administered income	37 621	36 180	(1 441)
Administered Expenses			
Employee benefits expenses	427	432	5
Supplies and services	2 944	3 348	404
Grants and subsidies	34 184	32 565	(1 619)
Levies payments	166	222	56
Other expenses	12	-	(12)
Total administered expenses	37 733	36 567	(1 166)
Net result	(112)	(387)	(275)
Total comprehensive result	(112)	(387)	(275)

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) Decrease in Fees and Charges mainly relates to lower contributions received by the wine and grape industry funds, driven by market conditions.

A1.3. Significant transactions with government related entities

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

A2. Board, committees and employees

A2.1. Key management personnel

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

The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 the *Parliamentary Remuneration Act 1990*. Refer to note A4.1 for the Minister's remuneration.

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A3. Income

A3.1. Appropriation

	2026	2025
	\$'000	\$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	4 769	4 641
Reimbursements received for Parliamentary salaries and expense allowances	433	420
Total appropriations	5 202	5 061

Appropriations are recognised upon receipt.

A3.2. Fees and charges

	2026	2025
	\$'000	\$'000
Industry contributions	13 655	15 032
Aquaculture and fishing licences	13 388	14 775
Other fees and levies	2 566	3 110
Penalties and fines	-	41
Total fees and charges	29 609	32 958

Aquaculture and Fishing Licences

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

Industry contributions

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

A3.3. Interest

	2026	2025
	\$'000	\$'000
Interest on special deposit accounts	566	670
Total interest	566	670

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A3.4. Levies collections

	2026	2025
	\$'000	\$'000
Seed levies	223	196
Total levies collections	223	196

Seed levies comprise amounts collected pursuant to the Commonwealth *Primary Industries (Excise) Levies Act 2024* and *Primary Industries Levies and Charges Collection Act 2024* for certification of pasture seed by the State and fees charged by Australian Seed Authority Ltd (ASA) under licence by the Commonwealth Department of Agriculture and Water and Environment. ASA has undertaken the role of the National Designated Authority for the Organisation for Economic Cooperation and Development (OECD) seed schemes, and, at the request of the Australian seed industry, operates the Australian Seed Certification Scheme which is used principally for seed not destined for export. The department has an agreement with ASA to collect and remit the levy on their behalf.

Payments are recognised under note A4.4.

A3.5. Transfer from PIRSA

Transfer from PIRSA in 2025-26 were provided to deliver financial relief to fishery and aquaculture licence holders affected by the Harmful Algal Bloom and Abalone viral ganglioneuritis. In 2024-25, transfers were provided to Marine Scalefish Fishery licence holders impacted by higher quota holdings fees.

A3.6. Other income

	2026	2025
	\$'000	\$'000
Reduction in impairment on receivables	26	-
Other	-	2
Total other income	26	2

A4. Expenses

A4.1. Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	432	421
Total employee related expenses	432	421

A4.2. Supplies and services

	2026	2025
	\$'000	\$'000
Professional and technical services	2 348	2 203
Administrative and operating costs	934	864
Audit Fees	66	119
Total supplies and services	3 348	3 186

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A4.3. Grants and subsidies

	2026	2025
	\$'000	\$'000
Recurrent grants to industry	13 535	13 752
Transfer to PIRSA for industry research and project delivery	13 879	14 446
Intra government transfers	5 151	5 819
Total grants and subsidies	32 565	34 017

A4.4. Levies payments

	2026	2025
	\$'000	\$'000
Seed levies	222	140
Total levies payments	222	140

Seed levies collected pursuant to the Commonwealth *Primary Industries Levies and Charges Collection Act 2024* are paid to the Commonwealth Department of Agriculture and Water and Environment. Fees charged by ASA are by an agreement with the department, collected and remitted to ASA.

Income is recognised under note A3.4.

A4.5. Other expenses

	2026	2025
	\$'000	\$'000
Increase in impairment of receivables	-	20
Total other expenses	-	20

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A5. Financial assets

A5.1. Cash and cash equivalents

	2026	2025
	\$'000	\$'000
Deposits with the Treasurer	23 156	23 595
Total cash and cash equivalents in the Statement of Financial Position	23 156	23 595
Total cash and cash equivalents in the Statement of Cash Flows	23 156	23 595

Deposits with the Treasurer

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

A5.2. Receivables

	2026	2025
	\$'000	\$'000
Contractual receivables		
From non-government entities	2 413	1 624
Less impairment loss on receivables	(338)	(364)
Total contractual receivables	2 075	1 260
Other receivables		
Accrued interest on deposits	52	54
Other accrued revenue	1 761	2 364
Total other receivables	1 813	2 418
Total receivables	3 888	3 678

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

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

Allowance for impairment loss on receivables

	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	364	344
(Decrease) / increase in allowance recognised in profit and loss	(26)	20
Carrying amount at the end of the period	338	364

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

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A6. Liabilities

A6.1. Payables

	2026	2025
	\$'000	\$'000
Contractual payables	1 971	1 175
Total payables	1 971	1 175

A6.2. Other liabilities

	2026	2025
	\$'000	\$'000
Contract liabilities ⁽¹⁾	553	1 197
Other	93	93
Total other liabilities	646	1 290

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

A7. Other disclosures

A7.1. Cash flow

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

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

Reconciliation of net result to cash flows from operating activities

	2026	2025
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	23 156	23 595
Balance as per the Statement of Cash Flows	23 156	23 595
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	(439)	2 329
Add / (less) non-cash items		
Impairment of receivables	26	(20)
Movement in assets and liabilities		
Increase/(decrease) in receivables	178	317
(Increase)/decrease in other liabilities	644	(846)
(Increase)/decrease in payables	(796)	(505)
Net result	(387)	1 275

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A8. Outlook

A8.1. Contingent assets and liabilities

The department is not aware of any contingent assets affecting the administered entities comprising the consolidated financial report as at 30 June 2026.

Contingent liabilities - refunds of contributions

Funds established by Regulations under the *Primary Industry Funding Schemes Act 1998* may enable contributors to claim a refund for contributions made in relation to a prescribed period. At the reporting date the possible emergence of valid refund requests within each fund is present.

However, as uncertainty exists as to the number, timing and amount of refund requests that will be received, these potential obligations cannot be reliably estimated and therefore represent a contingent liability. Once a valid refund request has been received from a past contributor and it is approved by the Minister or delegate, a present obligation to pay the refund arises. The refund amount is then recognised as a liability and expense of the fund.

A8.2. Events after the reporting period

No events have occurred after balance date that would affect the consolidated administered financial statements of PIRSA as at 30 June 2026.

A9. Measurement and risk

A9.1. Financial instruments

Impairment of financial assets

Refer to note 9.3 in PIRSA Controlled statements for the department's accounting policy and calculation method for expected credit losses.

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

	Debtor gross carrying amount		Lifetime expected losses
	\$'000	Loss %	\$'000
Current (not past due)	-	0.61%	-
1-30 days past due	-	7.36%	-
31-60 days past due	-	12.20%	-
61-90 days past due	-	14.11%	-
More than 90 days past due	2 365	14.30%	338
Loss allowance	2 365		338

Maturity Analysis of financial assets and liabilities

Financial assets (cash) and financial liabilities (payables) are measured at amortised cost and have contractual maturities of less than one year. Payables of \$1.97 million (2025: \$1.175 million) have statutory audit fees payable excluded from this disclosure.