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To the Under Treasurer Department of Treasury and Finance

Opinion

I have audited the financial report of the Department of Treasury and Finance 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 Treasury and Finance as at 30 June 2026, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2026
- a Statement of Administered Financial Position as at 30 June 2026
- a Statement of Administered Cash Flows for the year ended 30 June 2026
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information for administered items
- a Certificate from the Under Treasurer and the Director, Accounting and Financial Services.

Basis for opinion

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

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

In preparing the financial report, the Under Treasurer 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 Under Treasurer 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 Treasury and Finance 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 Treasury and Finance's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Under Treasurer
- conclude on the appropriateness of the Under Treasurer'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 Under Treasurer 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

18 September 2026

Department of Treasury and Finance

Financial Statements

For the year ended 30 June 2026

Department of Treasury and Finance
Statement of Certification

For the year ended 30 June 2026

We certify that the:

- financial statements of the Department of Treasury and Finance:
 - 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 operations and cash flows for the financial year.
- internal controls employed by the Department of Treasury and Finance for the financial year over its financial reporting and its preparation of financial statements have been effective.



Tammie Pribanic
Under Treasurer

15 September 2026



Paul Williams
Director, Accounting and Financial Services

15 September 2026

Department of Treasury and Finance
Statement of Comprehensive Income
For the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
<u>Income</u>			
Appropriation	3.1	265 951	261 804
Fees and charges	3.2	107 949	102 249
Intra-government transfers	3.3	14 979	13 824
Resources received free of charge	3.4	905	1 985
Other income	3.5	3 616	2 596
Total income		393 400	382 458
<u>Expenses</u>			
Employee related expenses	4.1	217 330	196 677
Supplies and services	4.2	165 784	151 790
Depreciation and amortisation		17 010	16 677
Cash alignment transfers to Consolidated Account		5 366	10 661
Borrowing costs		2	44
Grants and subsidies		261	340
Other expenses	4.3	1 811	528
Total expenses		407 564	376 717
Net result		(14 164)	5 741
Total comprehensive result		(14 164)	5 741

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

Department of Treasury and Finance
Statement of Financial Position
As at 30 June 2026

	Note	2026 \$'000	2025 \$'000
<u>Current assets</u>			
Cash and cash equivalents	5.1	62 813	65 411
Receivables	5.2	29 993	28 506
Total current assets		92 806	93 917
<u>Non-current assets</u>			
Receivables	5.2	98	306
Property, plant and equipment	5.4	34 582	38 166
Intangible assets	5.7	12 858	23 485
Total non-current assets		47 538	61 957
Total assets		140 344	155 874
<u>Current liabilities</u>			
Payables	6.1	14 704	19 269
Other financial liabilities	6.2	-	95
Employee related liabilities	6.3	24 952	22 515
Provisions	6.4	1 026	1 073
Other liabilities	6.5	728	1 178
Total current liabilities		41 410	44 130
<u>Non-current liabilities</u>			
Employee related liabilities	6.3	36 929	34 528
Provisions	6.4	4 371	5 129
Other liabilities	6.5	2 913	3 202
Total non-current liabilities		44 213	42 859
Total liabilities		85 623	86 989
Net assets		54 721	68 885
<u>Equity</u>			
Contributed capital		5 344	5 344
Asset revaluation surplus		3 627	3 900
Retained earnings		45 750	59 641
Total equity		54 721	68 885

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

Department of Treasury and Finance
Statement of Changes in Equity
For the year ended 30 June 2026

	Note	Contributed Capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024		5 344	3 900	35 451	44 695
Net result for 2024-25		-	-	5 741	5 741
Total comprehensive result for 2024-25		-	-	5 741	5 741
Net assets transferred as a result of an administrative restructure		-	-	18 449	18 449
Balance at 30 June 2025		5 344	3 900	59 641	68 885
Net result for 2025-26		-	-	(14 164)	(14 164)
Total comprehensive result for 2025-26		-	-	(14 164)	(14 164)
Transfer between equity components		-	(273)	273	-
Balance at 30 June 2026		5 344	3 627	45 750	54 721

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

Department of Treasury and Finance
Statement of Cash Flows
For the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
<u>Cash flows from operating activities</u>			
<i><u>Cash inflows</u></i>			
Appropriation		265 951	261 804
Fees and charges		115 947	104 649
Intra-government transfers		14 979	13 824
GST recovered		8 781	6 090
Other receipts		3 616	2 583
Cash generated from operations		409 274	388 950
<i><u>Cash outflows</u></i>			
Employee related payments		(213 327)	(189 717)
Payments for supplies and services		(188 244)	(162 835)
Payments of grants and subsidies		(261)	(340)
Cash alignment transfers to Consolidated Account		(5 366)	(10 661)
Cash used in operations		(407 198)	(363 553)
Net cash from operating activities	7.2	2 076	25 397
<u>Cash flows from investing activities</u>			
<i><u>Cash outflows</u></i>			
Purchase of property, plant and equipment		(4 191)	(4 369)
Purchase of intangible assets		(410)	(1 507)
Cash used in investing activities		(4 601)	(5 876)
Net cash used in investing activities		(4 601)	(5 876)
<u>Cash flows from financing activities</u>			
<i><u>Cash outflows</u></i>			
Repayment of principal portion of lease liabilities		(73)	(833)
Cash used in financing activities		(73)	(833)
Net cash used in financing activities		(73)	(833)
Net increase/(decrease) in cash and cash equivalents		(2 598)	18 688
Cash and cash equivalents at the beginning of the period		65 411	46 723
Cash and cash equivalents at the end of the period	5.1	62 813	65 411
Non-cash transactions	7.2		

The accompanying notes form part of these financial statements.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1. About the Department of Treasury and Finance

The Department of Treasury and Finance (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.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared to comply 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*;
- relevant Australian Accounting Standards.

For the purposes of preparing the financial statements, the department is a not-for-profit entity. The financial statements are prepared 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 have been rounded to the nearest thousand dollars (\$'000).

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;
- receivables and payables, which are stated with the amount of GST included.

Assets and liabilities 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 component of cash flows arising from investing and financing activities are recoverable from, or payable to, the ATO are classified as operating cash flows.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.2. Objectives and programs

Objectives

The department's purpose is to ensure South Australia is a thriving, prosperous State now and into the future. The department is the Government's trusted fiscal, economic and policy advisor, and a provider of quality financial services and digital services.

The department's objectives are:

- **Economic Prosperity:** seeking growth and opportunity for all within our state
- **Fiscal Sustainability:** enabling investment in services and infrastructure to make South Australia a great place to live, learn, work and play now and in the future
- **Service Excellence:** delivering knowledgeable, thorough and high-quality services
- **Contemporary Leadership** providing central leadership on across-government initiatives that support a high-performing public service
- **Compelling Advice:** providing high-quality, well informed, innovative advice that helps achieve successful outcomes

During the year, the department administered a range of programs and services to support the prosperity and wellbeing of all South Australians.

Programs

In achieving its objectives for 2025-26, the department undertook the following programs:

Electorate Services

Provision of support services to members of parliament to assist them in meeting their responsibilities to the parliament and the broader community.

Accountability for Public Sector Resources

The department ensures accountability for public sector resources through providing fiscal, economic, and policy advice to the government and coordinating and advising on resources for government programs and priorities at the whole-of-government level.

The department supports delivery of a range of key projects aimed at maximising financial and commercial outcomes for government. These projects progress policy reforms and commercial initiatives for the economic or social benefit of the state.

Treasury Services

The department managed the government's financial assets and liabilities and provided certainty of funding to the state.

These services included:

- Administration of taxation legislation through the management of revenue and compliance systems, processes, policy advice and taxpayer education
- Administration of various government grant and subsidy schemes
- Provision of insurance cover to government agencies and advice and management of government risks
- Provision of fleet management services to agencies and vehicle disposal services to government
- Administration of various public sector superannuation schemes and provision of superannuation policy and legislative advice.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.2. Objectives and programs (continued)

Information, Data Analytics and Communication Technology Services

The department delivers specialised information and communication technology (ICT), digital data and cyber security services and support and information to government citizens and industry.

Government Services

The department delivered a comprehensive range of services to various government agencies and the community.

These services included:

- Delivery of corporate services to various government agencies in the areas of accounts payable, accounts receivable, payroll, work injury services and finance
- Providing across government contracts for goods, services, energy and information communications technology and specialist procurement advice and assistance
- Management of overdue fines and expiations issued by authorities across South Australia, including court imposed pecuniary sums. The department also administers the recovery of Victims of Crime and Criminal Injury Compensation debts and recovery of civil (state) debts referred from state government entities.

General/not attributable

Certain activities of the department are not allocated to programs.

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

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.2. Objectives and programs (continued)

Income and expenses by program	Accountability for Public Sector					
	Electorate Services		Resources		Treasury Services	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
<u>Income</u>						
Appropriation	-	-	-	-	-	-
Fees and charges	42	86	209	842	78 459	75 144
Intra-government transfers	101	92	404	367	1 924	1 378
Resources received free of charge	18	40	72	159	272	596
Other income	31	23	717	863	994	855
Total income	192	241	1 402	2 231	81 649	77 973
<u>Expenses</u>						
Employee related expenses	6 000	5 412	18 069	18 472	68 364	64 558
Supplies and services	2 378	1 671	4 182	4 946	43 624	43 988
Depreciation and amortisation	56	71	301	451	8 903	8 688
Cash alignment transfer to Consolidated Account	-	-	-	-	-	-
Borrowing costs	-	1	-	3	1	14
Grants and subsidies	-	2	117	86	-	36
Other expenses	30	1	119	3	446	12
Total expenses	8 464	7 158	22 788	23 961	121 338	117 296
Net result	(8 272)	(6 917)	(21 386)	(21 730)	(39 689)	(39 323)

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.2. Objectives and programs (continued)

Income and expenses by program	Information, Data Analytics and Communication		Government Services		General / Not attributable		Total	
	Technology Services							
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Income								
Appropriation	-	-	-	-	265 951	261 804	265 951	261 804
Fees and charges	12 156	11 890	17 083	14 287	-	-	107 949	102 249
Intra-government transfers	9 975	9 645	2 575	2 342	-	-	14 979	13 824
Resources received free of charge	81	179	462	1 011	-	-	905	1 985
Other income	168	102	1 706	753	-	-	3 616	2 596
Total income	22 380	21 816	21 826	18 393	265 951	261 804	393 400	382 458
Expenses								
Employee related expenses	22 345	21 413	102 552	86 822	-	-	217 330	196 677
Supplies and services	48 975	43 007	66 625	58 178	-	-	165 784	151 790
Depreciation and amortisation	6 265	5 600	1 485	1 867	-	-	17 010	16 677
Cash alignment transfer to Consolidated Account	-	-	-	-	5 366	10 661	5 366	10 661
Borrowing costs	-	4	1	22	-	-	2	44
Grants and subsidies	144	155	-	61	-	-	261	340
Other expenses	453	492	763	20	-	-	1 811	528
Total expenses	78 182	70 671	171 426	146 970	5 366	10 661	407 564	376 717
Net result	(55 802)	(48 855)	(149 600)	(128 577)	260 585	251 143	(14 164)	5 741

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.2. Objectives and programs (continued)

Assets and liabilities by program	Accountability for Public Sector				Treasury Services	
	Electorate Services		Resources			
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
<u>Assets</u>						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Property, plant and equipment	-	-	226	368	3 965	4 482
Intangible assets	-	-	25	88	8 893	17 272
Total assets	-	-	251	456	12 858	21 754
<u>Liabilities</u>						
Payables	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
Employee related liabilities	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net assets	-	-	251	456	12 858	21 754

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.2. Objectives and programs (continued)

Assets and liabilities by program	Information, Data Analytics and Communication Technology Services		Government Services		General / Not attributable		Total	
	2026	2025	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Assets</u>								
Cash and cash equivalents	-	-	-	-	62 813	65 411	62 813	65 411
Receivables	-	-	13	13	30 078	28 799	30 091	28 812
Property, plant and equipment	8 525	11 285	3 912	4 136	17 954	17 895	34 582	38 166
Intangible assets	3 735	5 890	72	92	133	143	12 858	23 485
Total assets	12 260	17 175	3 997	4 241	110 978	112 248	140 344	155 874
<u>Liabilities</u>								
Payables	-	-	-	-	14 704	19 269	14 704	19 269
Other financial liabilities	-	-	-	-	-	95	-	95
Employee related liabilities	-	-	-	-	61 881	57 043	61 881	57 043
Provisions	-	-	-	-	5 397	6 202	5 397	6 202
Other liabilities	-	-	-	-	3 641	4 380	3 641	4 380
Total liabilities	-	-	-	-	85 623	86 989	85 623	86 989
Net assets	12 260	17 175	3 997	4 241	25 355	25 259	54 721	68 885

Department of Treasury and Finance
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 to special deposit accounts and 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		265 951	265 951	-
Fees and charges		95 078	107 949	12 871
Intra-government transfers		12 902	14 979	2 077
Resources received free of charge		-	905	905
Other income		2 499	3 616	1 117
Total income		376 430	393 400	16 970
Expenses				
Employee related expenses		228 360	217 330	(11 030)
Supplies and services	1	138 025	165 784	27 759
Depreciation and amortisation		15 831	17 010	1 179
Cash alignment transfers to Consolidated Account		-	5 366	5 366
Borrowing costs		404	2	(402)
Grants and subsidies		281	261	(20)
Other expenses		2 922	1 811	(1 111)
Total expenses		385 823	407 564	21 741
Net result		(9 393)	(14 164)	(4 771)
Total comprehensive result		(9 393)	(14 164)	(4 771)
Investing expenditure summary				
Total annual program		7 268	4 609	(2 659)
Total investing expenditure		7 268	4 609	(2 659)

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.

1. The \$27.8 million variation against the original budget mainly reflects higher costs associated with engaging temporary staff to backfill vacant positions across the department which is partially offset by lower than budgeted costs in Employee related expenses. Further contributing to the variation to budget is higher ICT expenditure across the department reflecting the change to consumption-based ICT services and the transition of infrastructure to cloud-based platforms which resulted in a budget reclassification from capital to operating budget.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

1.4. Significant transactions with government related entities

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

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the department include the Treasurer, the Chief Executive Officer and other directors/members of the Executive Leadership Team who have responsibility for the strategic direction and management of the department.

The compensation detailed below excludes salaries and other benefits the Treasurer receives. The Treasurer's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of South Australia respectively and are payable from the Consolidated Account under section 6 the *Parliamentary Remuneration Act 1990*. See administered items for disclosures of the Treasurer's remuneration paid and recovered from the consolidated account.

	2026	2025
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	4 648	4 484
Post-employment benefits	525	605
Total compensation	5 173	5 089

Transaction with key management personnel and other related parties

Apart from the remuneration for key management personnel, the department does not have material transactions with key management personnel, their close family members and/or their controlled or jointly controlled entities.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

2.2. Board and committee members

SAFA Advisory Board

Tammie Pribanic* (Presiding Member)
Michelle Stone* (Deputy to the Presiding Member)
Dr Guy Debelle
Mark Day (term expired July 2025)
David Russell
Jacqueline Guerin*
Susan Crago

SAFA Risk and Performance Committee

Susan Crago (Chair)
Gianna Giannopoulos*
David Russell
John Frazer

Super SA Board Members Outcome and Insurance Committee

Alison Kimber (Chair)
Dr Bill Griggs
Rosina Hislop
June Roache (resigned September 2025)
Richard Dennis (term expired July 2025)

Super SA Audit, Risk and Finance Committee

Rosina Hislop (Chair)
Richard Dennis (term expired July 2025)
June Roache (resigned September 2025)
Alison Kimber
Dr Bill Griggs
Alicia Genet (appointed October 2025)

Super SA Board

June Roache (Presiding Member, resigned September 2025)
David George Lloyd (Presiding Member, appointed October 2025)
Rosina Hislop
Richard Dennis (term expired July 2025)
Dr Bill Griggs
Alicia Genet (appointed October 2025)

DTF Risk and Performance Committee

Debra Contala (Chair)
Patty Therrios
Jasmine Sinodinos*
Mark Carey*
Scott Bayliss*
Phuong Chau*

*Government employees did not receive any remuneration for Committee duties during the financial year.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

2.2. Board and committee members (continued)

Board and committee remuneration

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

	2026	2025
	Number	Number
\$0	-	1
\$1 - \$19 999	6	4
\$20 000 - \$39 999	3	2
\$40 000 - \$59 999	5	5
\$60 000 - \$79 999	-	1
Total number of members	14	13

The total remuneration received or receivable by members was \$384 000 (2025: \$381 000). 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 benefit tax.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

3. Income

3.1. Appropriation

	2026	2025
	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	265 951	261 804
Total appropriation	265 951	261 804

Appropriations are recognised on receipt.

Appropriation pursuant to the *Appropriation Act* consist of \$259.5 million (2025: \$258 million) for operational funding and \$6.4 million (2025: \$3.8 million) for capital projects. This appropriation comprises money issued and applied to the department as per Schedule 1 of the Act, varied pursuant to section 5 of the Act for changed functions and duties of the department.

3.2. Fees and charges

	2026	2025
	\$'000	\$'000
South Australian Superannuation Board	52 110	50 418
South Australian Government Financing Authority	17 578	16 204
Service provision	27 932	26 316
Other recoveries	1 772	1 295
Administration fee - Community Emergency Services Fund	7 983	7 421
Land Tax certificates	414	443
Regulatory fees	160	152
Total fees and charges	107 949	102 249

All revenue from fees and charges is revenue recognised from contracts with customers except for the South Australian Superannuation Board recoveries, South Australian Government Financing Authority recoveries, and other recoveries.

The department measures revenue based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. All revenue is recognised at a point in time.

The department recognises revenue from the following major sources:

Service provision – Services are provided to South Australian government agencies. This includes recoveries for specialised information and communication services provided by Office of the Chief Information Officer, whole of government contract management (e.g. electricity, banking) and non-service level agreement transactional services provided by Shared Services SA (e.g. targeted voluntary separation package calculations). Revenue from these services is recognised on a time-and-material basis as services are provided. Any amounts remaining unpaid at the end of the reporting period are treated as accounts receivable.

Administration fee – Community Emergency Services Fund (CESF): Revenue SA charges the CESF an administration fee to administer the fixed property component of the emergency services levy. Administration fee revenue is recognised at the point in time as the performance obligation is discharged, which is once the services are provided.

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3.3. Intra-government transfers

	2026	2025
	\$'000	\$'000
Grants and subsidies provided by SA Government entities	10 169	13 200
Contingency Funding provided by Department of Treasury and Finance		
Administered Items	4 810	624
Total Intra-government transfers	14 979	13 824

Intra-government transfers are recognised as income on receipt.

3.4. Resources received free of charge

	2026	2025
	\$'000	\$'000
Services received free of charge	905	1 985
Total resources received free of charge	905	1 985

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

The department receives audit services free of charge of \$0.905 million (2025: \$0.936 million) from the Audit Office of South Australia.

A corresponding expense is recognised in the financial statements refer note 4.2.

3.5. Other income

	2026	2025
	\$'000	\$'000
Other income	3 616	2 596
Total other income	3 616	2 596

Department of Treasury and Finance
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4. Expenses

4.1. Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	161 813	145 726
Superannuation	22 472	19 803
Annual leave	15 720	14 074
Employment on-costs - other	9 960	8 964
Long service leave	4 323	4 178
Targeted voluntary separation packages	110	-
Skills and experience retention leave	922	884
Board and committee fees	346	373
Other employee related expenses	1 664	2 675
Total employee related expenses	217 330	196 677

Superannuation

The superannuation expense represents the department's contributions to superannuation plans in respect of current services of current employees.

Department of Treasury and Finance
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4.1. Employee related expenses (continued)

Employees remuneration

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

	2026	2025
	Number	Number
\$171 001 - \$177 000*	N/A	3
\$177 001 - \$197 000	8	6
\$197 001 - \$217 000	7	10
\$217 001 - \$237 000	9	13
\$237 001 - \$257 000	13	14
\$257 001 - \$277 000	12	8
\$277 001 - \$297 000	9	3
\$297 001 - \$317 000	3	4
\$317 001 - \$337 000	4	3
\$337 001 - \$357 000	3	-
\$357 001 - \$377 000	-	3
\$377 001 - \$397 000	2	1
\$397 001 - \$417 000	1	1
\$417 001 - \$437 000	1	-
\$537 001 - \$557 000	-	1
\$577 001 - \$597 000	-	1
\$737 001 - \$757 000	1	-
Total number of employees	73	71

* 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 those employees for the year was \$19.6 million (2025: \$18.4 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, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the department.

Targeted voluntary separation packages (TVSPs)

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

	2026	2025
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	110	-
Leave paid to separated employees	40	-
Net cost to the department	150	-

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4.2. Supplies and services

	2026	2025
	\$'000	\$'000
Information technology and communication	78 620	70 431
Contractors and temporary staff	42 266	41 584
Accommodation	15 539	15 055
General administration and consumables	11 575	9 106
Valuation fees	6 785	6 476
Other	5 880	4 726
Consultants	1 748	1 566
Corporate recharge expense	1 211	1 173
Minor works, maintenance and equipment	1 546	969
Legal costs	614	704
Total supplies and services	165 784	151 790

Information technology and communication

Information technology and communication expenses include information technology costs relating to department's operation as well as information, data analytics and communication technology services provided by Office of the Chief Information Officer to government, citizens and industry.

Accommodation

Most of the department's accommodation is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangements issued in accordance with government-wide accommodation policies. These accommodation costs are recognised as expenses as they become due, as the arrangements do not meet the definition of a lease set out in *AASB 16*. Information about accommodation incentives relating to these arrangements are shown at note 6.5.

Other

Other expenses include the fair value of resources received free of charge, which includes \$0.905 million (2025: \$0.936 million) for audit services received from the Audit Office of South Australia for work performed under the *Public Finance and Audit Act 1987*. In 2025 resources received free of charge also included information and technology services of \$1.049 million received from the Department of the Premier and Cabinet. No other services were provided by the Audit Office of South Australia.

4.3. Other expenses

	2026	2025
	\$'000	\$'000
Plant and equipment write-off	114	367
Inventory write-off	-	130
Work in progress write-off	1 280	-
Buildings fitouts write-off	307	31
Internally developed computer software write-off	110	-
Total other expenses	1 811	528

Other expenses in 2025-26 relate to plant and equipment write-offs and work in progress write-offs resulting from the Department's annual asset stocktake.

Department of Treasury and Finance
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5. Assets

5.1. Cash and cash equivalents

	2026	2025
	\$'000	\$'000
<u>Deposits with the Treasurer (Special deposit accounts)</u>		
Treasury and Finance Operating Account	27 315	39 252
Accrual Appropriation Excess Funds	35 498	26 159
Total deposits with the Treasurer (Special deposit accounts)	62 813	65 411
Total cash and cash equivalents in the Statement of Financial Position	62 813	65 411
Total cash and cash equivalents in the Statement of Cash Flows	62 813	65 411

Deposits with the Treasurer

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Some of the department's appropriation is deposited into the Accrual Appropriation Excess Funds account (AAEFA). Although the department controls the funds reported above in the AAEFA, its use must be approved by the Treasurer. The department does not earn interest on its deposits with the Treasurer.

Department of Treasury and Finance
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5.2. Receivables

	2026	2025
	\$'000	\$'000
<u>Current receivables</u>		
Contractual receivables		
Receivables	5 141	4 808
Accrued revenues	13 242	12 052
Total contractual receivables	18 383	16 860
Statutory receivables		
Workers compensation recoveries	21	25
Net GST receivable from the ATO	1 746	1 477
Total statutory receivables	1 767	1 502
Prepayments	9 843	10 144
Total current receivables	29 993	28 506
<u>Non-current receivables</u>		
Statutory receivables		
Workers compensation recoveries	98	108
Total statutory receivables	98	108
Prepayments	-	198
Total non-current receivables	98	306
Total receivables	30 091	28 812

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.

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 9.2 for further information on risk management.

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 the *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 part of statutory receivables.

No impairment loss was recognised in relation to statutory receivables as all were with South Australian government debtors.

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5.3. Useful life and depreciation of non-financial assets

Useful life

Depreciation and amortisation are 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	50-90
Building fitouts	1-13
Plant and equipment	1-10
Internally developed computer software	2-50
Externally acquired computer software	5
Right-of-use assets	Lease term

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.

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5.4. Property, plant and equipment by asset class

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

Reconciliation 2025-26

	Building fitouts	Plant and equipment	Work in Progress	ROU Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	24 455	6 831	6 794	86	38 166
Additions	-	81	4 110	8	4 199
Capital transfers from work in progress	1 834	4 623	(6 457)	-	-
Depreciation and amortisation	(2 933)	(3 202)	-	(90)	(6 225)
Derecognition	(307)	(114)	-	-	(421)
Cost expensed	-	-	(1 137)	-	(1 137)
Carrying amount at the end of the period	23 049	8 219	3 310	4	34 582
Gross carrying amount					
Gross carrying amount	28 760	28 382	3 310	507	60 959
Accumulated depreciation	(5 711)	(20 163)	-	(503)	(26 377)
Carrying amount	23 049	8 219	3 310	4	34 582

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5.4. Property, plant and equipment by asset class (continued)

Reconciliation 2024-25	Building fitouts	Plant and equipment	Work in progress	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	23 340	1 209	905	-	1 075	26 529
Additions	-	137	4 746	119	762	5 764
Capital transfers from work in progress	2 531	467	(2 998)	-	-	-
Transfer between asset classes	-	(272)	-	-	-	(272)
Transfer through administrative restructure	1 497	8 271	4 141	56	-	13 965
Depreciation and amortisation	(2 882)	(2 617)	-	(89)	(671)	(6 259)
Write-offs	(31)	(367)	-	-	-	(398)
Derecognition	-	-	-	-	(1 166)	(1 166)
Cost expensed	-	3	-	-	-	3
Carrying amount at the end of the period	24 455	6 831	6 794	86	-	38 166
Gross carrying amount						
Gross carrying amount	27 332	29 410	6 794	499	1 616	65 651
Accumulated depreciation	(2 877)	(22 579)	-	(413)	(1 616)	(27 485)
Carrying amount	24 455	6 831	6 794	86	-	38 166

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5.5. Property, plant and equipment owned by the department

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

\$3.350 million of fully depreciated property, plant and equipment is still in use.

Impairment

Property, plant and equipment owned by the department has not been assessed for impairment as they are non-cash generating assets, specialised in nature, and held for continual use of their service capacity.

Refer to note 9.1 for further information on revaluation.

5.6. Property, plant and equipment leased by the department

Right-of-use assets for property, plant and equipment leased by the department as lessee are measured at cost.

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 included in note 4.2.

The lease liabilities and interest expenses related to the right-of-use assets are disclosed in note 6.2. The department's maturity analysis of the lease liabilities is disclosed in note 6.2. Depreciation is disclosed at note 5.4. Cash outflows related to leases are disclosed in note 7.2.

Impairment

There was no indication of impairment for property, plant and equipment leased by the department as at 30 June 2026. No impairment loss or reversal of impairment loss was recognised in 2025-26.

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5.7. Intangible assets

Intangible assets are initially measured at cost and are tested for indications 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 of or internal development of computer 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.

Reconciliation of Intangible assets

	Internally developed computer software	Externally acquired computer software	Other Intangibles	Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation 2025-26					
Carrying amount at the beginning of the period	21 474	312	560	1 139	23 485
Additions	-	-	-	410	410
Derecognitions	(110)	-	-	-	(110)
Capital transfers from work in progress	1 138	190	-	(1 328)	-
Amortisation	(10 639)	(99)	(47)	-	(10 785)
Costs expensed	-	-	-	(142)	(142)
Carrying amount at the end of the period	11 863	403	513	79	12 858
Gross carrying amount	88 445	529	1 609	79	90 662
Accumulated amortisation	(76 582)	(126)	(1 096)	-	(77 804)
Carrying amount	11 863	403	513	79	12 858

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5.7. Intangible assets (continued)

	Internally developed computer software	Externally acquired computer software	Other Intangibles	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Reconciliation 2024-25					
Carrying amount at the beginning of the period	23 608	17	-	80	23 705
Additions	-	100	-	1 437	1 537
Transfer through administrative restructure	6 419	-	560	1 473	8 452
Transfers between asset classes	-	209	-	-	209
Capital transfers from work in progress	1 851	-	-	(1 851)	-
Amortisation	(10 404)	(14)	-	-	(10 418)
Carrying amount at the end of the period	21 474	312	560	1 139	23 485
Gross carrying amount	90 477	392	1 609	1 139	93 617
Accumulated amortisation	(69 003)	(80)	(1 049)	-	(70 132)
Carrying amount	21 474	312	560	1 139	23 485

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6. Liabilities

6.1. Payables

	2026 \$'000	2025 \$'000
<u>Current</u>		
Contractual payables	14 704	19 269
Total current payables	14 704	19 269
 Total payables	 14 704	 19 269

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

Contractual payables

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

6.2. Other financial liabilities

The department's financial liabilities are lease liabilities.

A maturity analysis of financial liabilities based on undiscounted gross cash flow is reported in the table below:

	2026 \$'000	2025 \$'000
Other financial liabilities		
1 to 3 years	-	97
Total other financial liabilities (undiscounted)	-	97

Lease liabilities have been measured by discounting lease payments using either the interest rate implicit in the lease where it is readily determined or the department's incremental borrowing rate. There were no defaults or breaches on any of the financial liabilities throughout the year.

Borrowing costs associated with these lease liabilities was \$2 000 (2025: \$44 000).

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6.3. Employee related liabilities

	2026	2025
	\$'000	\$'000
<u>Current</u>		
Accrued salaries and wages	1 474	617
Annual leave	16 094	14 216
Long service leave	2 633	3 429
Skills and experience retention leave	1 188	1 102
Employment on-costs	3 563	3 151
Total current employee related liabilities	24 952	22 515
<u>Non-current</u>		
Long service leave	33 418	31 245
Employment on-costs	3 511	3 283
Total non-current employee related liabilities	36 929	34 528
Total employee related liabilities	61 881	57 043

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Non-current employee related liabilities are measured at present value and current employee related liabilities are measured at nominal amounts.

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

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

The annual leave liability and the SERL liability 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.

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6.3. Employee related liabilities (continued)

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.

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

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions for 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 4.25% in 2025 to 4.75% in 2026.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$1.059 million and employee related expense of \$1.059 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the department resulted in the salary inflation rate remaining unchanged at 3.5% in 2026 for long service leave liability.

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 and expected amount of leave to be paid on termination to eligible employees within 12 months.

Employment on-costs liabilities

Employment on-costs liabilities include payroll tax, Fringe Benefits Tax, Pay As You Go Withholding, ReturnToWorkSA levies and superannuation contributions. They 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. The estimated proportion of long service leave to be taken as leave, rather than to be paid on termination, affects the amount of on-costs liabilities recognised as a consequence of long service leave liabilities.

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

As a result of an actuarial assessment performed by the department, the portion of long service leave taken as leave has remained at 44% in both 2025 and 2026. The average factor for the calculation of employer superannuation on-costs has also remained the same at 12%. These rates are used in the employment on-cost calculation.

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6.4. Provisions

All provisions relate to workers compensation.

	2026	2025
	\$'000	\$'000
Movement in provisions		
Carrying amount at the beginning of the period	6 202	4 920
Transfers through administrative restructure	-	600
Revaluation	(1 430)	-
Payments/other sacrifices of future economic benefits	(429)	(474)
Additional provisions recognised	1 054	1 156
Carrying amount at the end of the period	5 397	6 202

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

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

The department is an exempt 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 workers' compensation claims and the implementation and funding of preventative programs.

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

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 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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6.5. Other liabilities

	2026	2025
	\$'000	\$'000
<u>Current</u>		
Accommodation incentive	728	1 178
Total current other liabilities	728	1 178
<u>Non-current</u>		
Accommodation incentive	2 913	3 192
Unearned revenue	-	10
Total non-current other liabilities	2 913	3 202
Total other liabilities	3 641	4 380

Accommodation incentive liabilities relate to the office accommodation arrangements with the Department for Infrastructure and Transport (DIT) described in note 4.2. DIT has provided a range of incentives. The benefit of these incentives 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.

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7. Other disclosures

7.1. Equity

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

7.2. Cash flow

	2026 \$'000	2025 \$'000
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by operating activities	2 076	25 397
<u>Add/(less) non-cash items</u>		
Depreciation and amortisation	(17 010)	(16 677)
Other expenses - write off	(1 811)	(528)
Borrowing costs	(2)	(44)
<u>Movement in assets and liabilities</u>		
Increase in receivables	1 279	11 007
(Increase)/Decrease in payables	4 598	(5 824)
Increase in employee liabilities	(4 838)	(6 524)
(Increase)/Decrease in provisions	805	(1 282)
Decrease in other liabilities	739	216
Net result	(14 164)	5 741

Total cash outflows for leases were \$0.073 million (2025: \$0.833 million).

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8. Outlook

8.1. Unrecognised commitments

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

Other contractual commitments

	2026	2025
	\$'000	\$'000
Within one year	60 988	62 287
Later than one year but not later than five years	128 257	118 399
Later than five years	38 217	24 277
Total other contractual commitments	227 462	204 963

The department's other contractual commitments are primarily agreements for accommodation, computer software licences and software development.

The department's accommodation commitments reflect the Memoranda of Administrative Arrangements with the Department for Infrastructure and Transport for accommodation.

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.

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

8.3. Impact of standards and statements not yet effective

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

8.4. Events after the reporting period

There were no events occurring after the end of the reporting period that had a material financial implication on these financial statements.

Department of Treasury and Finance
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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

Where assets are acquired at significantly less than fair value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at significantly less than fair value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately before the restructure).

Revaluation

Property, plant and equipment, other than right-of-use assets, is subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is reviewed by the Chief Finance Officer and audit committee each year.

For property, plant and equipment subsequently measured at fair value, a revaluation of assets or a group of assets is only performed on assets that:

- has a cost greater than \$1.5 million at the time of acquisition, and/or
- has an estimated useful life 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.

Revaluation is undertaken on a regular cycle. If at any time management considers 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.

The last independent valuation of building fitouts was performed in 30 June 2021 and the next revaluation is due in 30 June 2027.

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 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 techniques.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

9.1. Fair value (continued)

Building fitout

An independent valuation of building fitouts owned by the department was performed in June 2021 by independent certified practising valuers.

Plant and equipment

All items of plant and equipment owned by the department which had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

9.2. Financial instruments

Financial risk management

The department's risk management policies are in accordance with the *South Australian 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 Government of South Australia. The department determines the cash flows associated with its government approved program of work and to ensure funding is provided through the Government of South Australia budgetary processes to meet the expected cash flows.

Refer to notes 6.1 and 6.2 for further information.

Credit risk

The department has policies and procedures in place to ensure it transacts with customers with appropriate credit history.

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

Cash and debt investments

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.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2026

9.2. Financial instruments (continued)

Market risk

The department does not trade in foreign currency, nor 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 according to the government's risk management strategy articulated in TI 23 *Management of Foreign Currency Exposures*.

Categorisation of financial instruments

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

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Department of Treasury and Finance

Administered Financial Statements

For the year ended 30 June 2026

Department of Treasury and Finance
Statement of Administered Comprehensive Income
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
<u>Administered income</u>			
Appropriation	A2.1	4 256 132	3 841 520
Taxation	A2.2	6 810 646	6 318 246
Commonwealth revenues	A2.3	15 351 873	13 772 584
Dividends	A2.4	318 451	204 537
Interest revenues	A2.5	392 837	409 512
Intra-government transfers	A2.6	1 866	23
Grants and contributions	A2.7	228 487	209 073
Fees and charges	A2.8	312 885	269 975
Other income	A2.9	851 520	672 760
Total administered income		28 524 697	25 698 230
<u>Administered expenses</u>			
Employee related expenses	A3.1	619 465	592 845
Supplies and services	A3.2	72 852	54 139
Borrowing costs	A3.3	1 305 911	1 129 657
Grants and subsidies	A3.4	7 191 889	6 422 116
Depreciation and amortisation		1 121	1 864
Payments to SA Government	A3.5	18 572 687	16 994 998
Other expenses	A3.6	556 779	406 817
Total administered expenses		28 320 704	25 602 436
Net result		203 993	95 794
<u>Other comprehensive income</u>			
Changes in property, plant and equipment asset revaluation surplus		-	(2 750)
Total other comprehensive income		-	(2 750)
Total comprehensive result		203 993	93 044

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 Treasury and Finance
Statement of Administered Financial Position
as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
<u>Administered current assets</u>			
Cash and cash equivalents	A4.1	2 114 028	1 396 136
Receivables	A4.2	240 595	250 312
Non-current assets held for sale	A4.5	12 000	-
Inventories	A4.4	11 802	-
Other financial assets	A4.3	44 407	39 717
Total current assets		2 422 832	1 686 165
<u>Administered non-current assets</u>			
Receivables	A4.2	13	13
Other financial assets	A4.3	892 912	707 431
Property plant and equipment		9 423	9 210
Intangible assets	A4.6	325	325
Total non-current assets		902 673	716 979
Total assets		3 325 505	2 403 144
<u>Administered current liabilities</u>			
Payables	A5.1	1 370 421	791 951
Employee related liabilities	A5.2	2 479	1 950
Provisions	A5.4	157	147
Other current liabilities	A5.5	5 723	5 906
Total current liabilities		1 378 780	799 954
<u>Administered non-current liabilities</u>			
Payables	A5.1	30 774	30 774
Other financial liabilities	A5.3	57 863	624
Employee related liabilities	A5.2	1 120	1 522
Provisions	A5.4	435	407
Other non-current liabilities	A5.5	305 534	222 857
Total non-current liabilities		395 726	256 184
Total liabilities		1 774 506	1 056 138
Net assets		1 550 999	1 347 006
<u>Administered equity</u>			
Accumulated surplus	A6.1	1 550 999	1 346 964
Asset revaluation surplus		-	42
Total equity		1 550 999	1 347 006

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

Department of Treasury and Finance
Statement of Administered Cash Flows
For the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
<u>Cash flows from operating activities</u>			
<u>Cash inflows</u>			
Taxation received		6 810 646	6 318 246
Receipts from Commonwealth		15 423 104	13 906 452
Dividends		318 451	204 537
Interest received		392 741	409 454
Appropriation		4 256 132	3 841 520
Intra-government transfers		1 866	23
Grants and contributions		228 487	209 073
Fees and charges		314 400	268 834
GST recovered from ATO		546	2 805
Other receipts		693 818	653 870
<u>Cash outflows</u>			
Payments to SA Government		(18 055 479)	(16 975 596)
Employee related payments		(619 302)	(593 107)
Payments for supplies and services		(11 229)	(68 103)
Interest payments		(1 305 911)	(1 129 657)
Grants, subsidies and transfers		(7 260 911)	(6 419 672)
Other payments		(446 820)	(404 557)
Net cash from operating activities	A6.2	740 539	224 122
<u>Cash flows from investing activities</u>			
<u>Cash inflows</u>			
Proceeds from sale of property, plant and equipment		590	-
Cash generated from investing activities		590	-
<u>Cash outflows</u>			
Purchase of property, plant and equipment		(1 924)	(2 556)
Cash used in investing activities		(1 924)	(2 556)
Net cash used in investing activities		(1 334)	(2 556)
<u>Cash flows from financing activities</u>			
<u>Cash inflows</u>			
Proceeds from other financial assets		60 578	58 648
Proceeds from borrowings		57 216	-
Cash generated from financing activities		117 794	58 648
<u>Cash outflows</u>			
Other financial assets granted		(139 107)	(404 973)
Cash used in financing activities		(139 107)	(404 973)
Net cash used in financing activities		(21 313)	(346 325)
Net increase/(decrease) in cash and cash equivalents		717 892	(124 759)
Cash and cash equivalents at the beginning of the period		1 396 136	1 520 895
Cash and cash equivalents at the end of the period	A4.1	2 114 028	1 396 136
Non-cash transactions	A6.2		

Department of Treasury and Finance
Schedule of Expenses and Income Attributable to Administered Activities
For the year ended 30 June 2026

	Administered Items on behalf of the Consolidated Account		Affordable Housing Fund		Commonwealth Mirror Taxes on Commonwealth Places Revenue Account	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
<u>Administered income</u>						
Appropriation	58 800	47 419	-	-	-	-
Taxation	6 395 147	5 907 990	-	-	-	-
Commonwealth revenues	10 131 742	9 296 879	-	-	45 179	40 823
Dividends	318 451	204 537	-	-	-	-
Interest revenues	391 095	407 314	-	-	-	-
Intra-government transfers	-	-	-	-	-	-
Grants and contributions	-	1 000	3 100	3 100	-	-
Fees and charges	259 690	224 987	-	-	-	-
Other income	724 931	651 487	735	650	-	-
Total administered income	18 279 856	16 741 613	3 835	3 750	45 179	40 823
<u>Administered expenses</u>						
Employee related expenses	450	438	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants and subsidies	58 347	46 981	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	18 221 059	16 694 193	-	-	-	-
Other expenses	-	-	-	250	45 179	40 823
Total administered expenses	18 279 856	16 741 612	-	250	45 179	40 823
Net result	-	1	3 835	3 500	-	-

Department of Treasury and Finance
Schedule of Expenses and Income Attributable to Administered Activities
For the year ended 30 June 2026

	Community Development Fund		Community Emergency Services Fund		Country Equalisation Scheme Account	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Administered income</u>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	210 455	204 158	-	-
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	-	-	178	145	-	-
Intra-government transfers	-	-	-	-	-	-
Grants and contributions	20 000	20 000	140 671	134 254	-	-
Fees and charges	-	-	272	258	-	-
Other income	-	-	-	-	-	-
Total administered income	20 000	20 000	351 576	338 815	-	-
<u>Administered expenses</u>						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants and subsidies	20 000	20 000	351 676	338 708	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	35
Other expenses	-	-	-	-	-	-
Total administered expenses	20 000	20 000	351 676	338 708	-	35
Net result	-	-	(100)	107	-	(35)

Department of Treasury and Finance
Schedule of Expenses and Income Attributable to Administered Activities
For the year ended 30 June 2026

	Fines Enforcement Recovery		Hospitals Fund		Intergovernmental Agreement on Federal Financial Relations	
	2026	2025	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Administered income</u>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	202 153	203 120	-	-
Commonwealth revenues	-	-	-	-	5 160 624	4 426 570
Dividends	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-
Intra-government transfers	-	-	-	-	-	-
Grants and contributions	-	-	-	-	11 639	-
Fees and charges	52 923	44 730	-	-	-	-
Other income	-	-	-	-	-	-
Total administered income	52 923	44 730	202 153	203 120	5 172 263	4 426 570
<u>Administered expenses</u>						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants and subsidies	33 518	28 173	-	-	5 077 589	4 513 176
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	202 153	203 120	99 119	36 765
Other expenses	19 405	16 557	-	-	-	-
Total administered expenses	52 923	44 730	202 153	203 120	5 176 708	4 549 941
Net result	-	-	-	-	(4 445)	(123 371)

Department of Treasury and Finance
Schedule of Expenses and Income Attributable to Administered Activities
For the year ended 30 June 2026

	Industry Financial Assistance Account (IFAA)		Local Government Taxation Equivalents Fund	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
<u>Administered income</u>				
Appropriation	-	-	-	-
Taxation	-	-	2 891	2 978
Commonwealth revenues	-	-	-	-
Dividends	-	-	-	-
Interest revenues	42	43	11	15
Intra-government transfers	-	-	-	-
Grants and contributions	17 901	19 298	-	-
Fees and charges	-	-	-	-
Other income	-	16	-	-
Total administered income	17 943	19 357	2 902	2 993
<u>Administered expenses</u>				
Employee related expenses	-	-	-	-
Supplies and services	-	-	-	-
Borrowing costs	-	-	-	-
Grants and subsidies	16 889	18 945	2 902	2 989
Depreciation and amortisation	-	-	-	-
Payments to SA Government	2 700	2 700	-	-
Other expenses	(975)	(679)	-	-
Total administered expenses	18 614	20 966	2 902	2 989
Net result	(671)	(1 609)	-	4

Department of Treasury and Finance
Schedule of Expenses and Income Attributable to Administered Activities
For the year ended 30 June 2026

	Support Services to Parliamentarians		Treasury and Finance Administered Items Account		Treasurer's Interest in the National Wine Centre Account	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
<u>Administered income</u>						
Appropriation	-	-	4 197 332	3 794 101	-	-
Taxation	-	-	-	-	-	-
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-
Intra-government transfers	1 866	23	-	-	-	-
Grants and contributions	34 985	31 417	-	-	191	4
Fees and charges	-	-	-	-	-	-
Other income	1	37	123 791	18 957	-	25
Total administered income	36 852	31 477	4 321 123	3 813 058	191	29
<u>Administered expenses</u>						
Employee related expenses	26 615	23 107	592 400	569 300	-	-
Supplies and services	8 832	9 032	64 020	45 107	-	-
Borrowing costs	-	-	1 305 911	1 129 657	-	-
Grants and subsidies	-	-	1 618 102	1 453 144	-	-
Depreciation and amortisation	803	613	-	-	318	1 251
Payments to SA Government	-	-	47 656	58 185	-	-
Other expenses	14	-	479 072	345 038	-	3 215
Total administered expenses	36 264	32 752	4 107 161	3 600 431	318	4 466
Net result	588	(1 275)	213 962	212 627	(127)	(4 437)

Department of Treasury and Finance
Schedule of Expenses and Income Attributable to Administered Activities
For the year ended 30 June 2026

	Treasury and Finance Working Account		Treasury Asset Management Account		Commonwealth Funding for National Partnerships	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
<u>Administered income</u>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	-	-	-	-
Commonwealth revenues	-	-	-	-	14 328	8 312
Dividends	-	-	-	-	-	-
Interest revenues	-	-	117	123	1 371	1 847
Intra-government transfers	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-
Other income	2 062	1 588	-	-	-	-
Total administered income	2 062	1 588	117	123	15 699	10 159
<u>Administered expenses</u>						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants and subsidies	-	-	-	-	12 866	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
Other expenses	2 061	1 588	-	-	12 000	-
Total administered expenses	2 061	1 588	-	-	24 866	-
Net result	1	-	117	123	(9 167)	10 159

Department of Treasury and Finance
Schedule of Expenses and Income Attributable to Administered Activities
For the year ended 30 June 2026

	Treasurer - Super SA Select		Total	
	2026	2025	2026	2025
	\$'000	\$'000	\$'000	\$'000
<u>Administered income</u>				
Appropriation	-	-	4 256 132	3 841 520
Taxation	-	-	6 810 646	6 318 246
Commonwealth revenues	-	-	15 351 873	13 772 584
Dividends	-	-	318 451	204 537
Interest revenues	23	25	392 837	409 512
Intra-government transfers	-	-	1 866	23
Grants and contributions	-	-	228 487	209 073
Fees and charges	-	-	312 885	269 975
Other income	-	-	851 520	672 760
Total administered income	23	25	28 524 697	25 698 230
<u>Administered expenses</u>				
Employee related expenses	-	-	619 465	592 845
Supplies and services	-	-	72 852	54 139
Borrowing costs	-	-	1 305 911	1 129 657
Grants and subsidies	-	-	7 191 889	6 422 116
Depreciation and amortisation	-	-	1 121	1 864
Payments to SA Government	-	-	18 572 687	16 994 998
Other expenses	23	25	556 779	406 817
Total administered expenses	23	25	28 320 704	25 602 436
Net result	-	-	203 993	95 794

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

A1. About the department's Administered Items

The basis of preparation of the administered financial statement is the same as the basis outlined in note 1.1. The department applies the same accounting policies to the administered financial statements as set out in the notes to the department's financial statements.

A1.1. Overview of Administered financial statements

The administered financial statements include the incomes, expenses, assets and liabilities which the department administers on behalf of the Government of South Australia but does not control. All administered activities and the transactions for the special deposit accounts established under section 8 of the *Public Finance Audit Act (PFAA) 1987* and deposit accounts established under section 21 of the PFAA that are administered by the department are described below:

Administered Items on behalf of the Consolidated Account

The purpose of the account is to record a number of revenue and expense transactions on behalf of the Government of South Australia for the Consolidated Account. Such transactions include the collection of revenues from taxation, revenues from the Commonwealth Government, dividends and interest. The expense transactions include Ministerial salaries, First Home Owners and Home Builders grants and the transfers of revenues to the Consolidated Account. The associated Statement of Financial Position items for the Consolidated Account such as borrowings are recognised in the whole-of-government general purpose financial report.

Affordable Housing Fund

The purpose of the fund is to record all financial transactions of the Fund, including the receipt of revenue, granting and payment of loans to HomeStart Finance as well as the specific accounting disclosures required for concessional loan agreements.

Commonwealth Funding for National Partnerships

The purpose of the fund is to receive, hold and disburse certain monies for major infrastructure projects provided from National Partnerships grants received from the Commonwealth.

Commonwealth Mirror Taxes on Commonwealth Places Revenue Account

The purpose of the account is to receive amounts that are levied pursuant to the *Commonwealth Places (Mirror Taxes) Act 1998* of the Commonwealth and *Commonwealth Places (Mirror Taxes Administration) Act 1999* of the State.

Community Development Fund

The purpose of the fund is to administer annual payments under the *Gaming Machines Act 1992*. Payments are made in accordance with the directions of the Governor towards financial assistance for non-government welfare agencies, financial assistance for community development and the provision of government health, welfare or education services, as well as towards programs of benefit to the live music industry.

Community Emergency Services Fund

The purpose of the fund is to record all fixed property revenue from the Emergency Services Levy collected by RevenueSA and transferred to the Community Emergency Services Fund administered by the South Australian Fire and Emergency Services Commission.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

A1.1. Overview of Administered financial statements (continued)

Country Equalisation Scheme Account

The purpose of the account is to record injections of funds provided from the Consolidated Account, and to make refund to electricity retailers in accordance with the Country Equalisation Scheme. This account is no longer in use with the remaining cash balance of the special deposit account transferred to the Consolidated Account in 2024-25.

ETSA Sales / Lease Proceeds Account*

The purpose of the account is to receive proceeds of a sale/lease agreement, sale or lease under the *Electricity Corporations (Restructuring and Disposal) Act 1999* and other funds as approved by the Treasurer.

Fines Enforcement and Recovery

The purpose of this account is to record all monies recoverable by the Chief Recovery Officer under the *Fines Enforcement and Debt Recovery Act 2017* and the monies are payable to parties defined in legislation or an administrative determination. The account does not receive monies payable to the Consolidated Account but to third parties.

Hospitals Fund

The purpose of the fund is to receive money payable into the Hospitals Fund in accordance with the *State Lotteries Act 1966* and stamp duty on insurance policies relating to motor vehicles in accordance with *Stamp Duties Act 1923* and to make payments from the Hospitals Fund to the Consolidated Account in accordance with the *State Lotteries Act 1966*.

Intergovernmental Agreement on Federal Financial Relations

The purpose of the account is to receive and disburse money paid to the State Treasury in accordance with the Intergovernmental Agreement on Federal Financial Relations, where that money is not receipted directly to the Consolidated Account.

Industry Financial Assistance Account (IFAA)

The account was established to assist with the accounting for the industry assistance contracts written in the name of the Treasurer. The South Australian Government Financing Authority (SAFA) is responsible for administering the IFAA on behalf of the Treasurer.

Local Government Disaster Fund

The purpose of the fund is to record the cost of providing assistance to local authorities which face unusually high expenditures as a result of natural disasters. Assistance may be of an investigative, preventative, remedial, insurance, compensatory or other nature and may include funding of insurance or other commercial schemes.

Local Government Taxation Equivalents Fund

The account was established to record receipts of tax equivalents from the Local Government Finance Authority (LGFA) and payments to the Local Government Association of South Australia as stipulated under the *Local Government Finance Authority Act 1983*.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

A1.1. Overview of Administered financial statements (continued)

Support Services to Parliamentarians

The purpose of the account is to record the financial transactions related to the administration of Support Services to Parliamentarians.

Treasurer – Super SA Select

The purpose of the account is to administer receipts and payments for the Commonwealth Low Income Superannuation Contribution.

Treasury and Finance Administered Items Account

The purpose of the account is to receive administered items appropriation for the department pursuant to the annual *Appropriation Act*, disburse the associated payments and facilitate other transactions of the Treasurer.

Treasurer's Interest in the National Wine Centre Account

The purpose of the account is to record all the financial transactions associated with the management of the *National Wine Centre (Restructuring and Leasing Arrangements) Act 2002* including injections of funds from the Consolidated Account.

Treasury and Finance Working Account

The purpose of the account is to record receipts and payments on behalf of the Treasurer and other SA Government agencies in the course of the Department of Treasury and Finance's across government financial management and administration function, where such amounts are not required to be credited into another account under the *Public Finance and Audit Act 1987* (including Consolidated Account).

Treasury Asset Management Account

The purpose of the account is to record all financial transactions associated with the former South Australian Asset Management Corporation (SAAMC) and the dissolution of the SAAMC Board.

*Deposit account and special deposit accounts with no transactions in the Statement of Comprehensive Income are not included in the disaggregated disclosure schedule.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

A1.2. Budget performance

The budget performance table compares the department's 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 \$'000	Actual 2026 \$'000	Variance \$'000
Statement of Administered Comprehensive Income	Note			
<u>Administered Income</u>				
Appropriation		4 458 952	4 256 132	(202 820)
Taxation		6 247 933	6 810 646	562 713
Commonwealth revenues	1	9 772 726	15 351 873	5 579 147
Dividends		224 786	318 451	93 665
Interest revenues		381 359	392 837	11 478
Intra-government transfers		-	1 866	1 866
Grants and contributions		-	228 487	228 487
Fees and charges		288 650	312 885	24 235
Other income		66 489	851 520	785 031
Total administered income		21 440 895	28 524 697	7 083 802
<u>Administered Expenses</u>				
Employee related expenses		593 822	619 465	25 643
Supplies and services		89 261	72 852	(16 409)
Borrowing costs		1 394 040	1 305 911	(88 129)
Grants and subsidies		7 243 022	7 191 889	(51 133)
Depreciation and amortisation		1 400	1 121	(279)
Payments to SA Government	2	16 943 321	18 572 687	1 629 366
Other expenses		386	556 779	556 393
Total administered expenses		26 265 252	28 320 704	2 055 452
Net result		(4 824 357)	203 993	5 028 350
Total comprehensive result		(4 824 357)	203 993	5 028 350

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A1.2. 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.

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

1 Commonwealth revenues

The \$5.6 billion variation against the original budget is primarily due to the actual funding from the Commonwealth for Intergovernmental Agreement on Federal Financial Relations (\$5.175 billion) being recorded in the Statement of Administered Comprehensive Income while the associated budget is disclosed as part of the Statement of Cash Flows for Other Accounts which does not form part of the Statement of Administered Comprehensive Income original budget amount.

South Australia's share of the GST pool also increased resulting in additional GST revenue grants (\$0.359 billion).

2 Payments to SA Government

The \$1.6 billion variation against the original budget is due to increased payments for the transfer of revenue received on behalf of the Consolidated Account resulting from additional income primarily for taxation and other revenues for return of surplus cash by agencies in accordance with the cash alignment policy and Commonwealth monies for administration costs for Whyalla Steelworks and Port Pirie response package.

A1.3. Significant transactions with government related entities

Significant transactions with the SA government related entities are identifiable throughout this financial report.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
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A2. Income

A2.1. Appropriation

	2026	2025
	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	4 152 377	3 767 101
Appropriation under other Acts	58 800	47 419
Appropriation from Governor's Appropriation Fund	44 955	27 000
Total appropriation	4 256 132	3 841 520

Appropriations are recognised on receipt.

This table does not show appropriations in the form of a loan or an equity contribution.

This appropriation comprises money issued and applied to the department as per Schedule 1 of the Act.

A2.2. Taxation

	2026	2025
	\$'000	\$'000
Stamp Duties - conveyances on sale of property	1 880 189	1 647 531
Stamp Duties - general insurance	743 225	709 686
Stamp Duties - motor vehicles registrations	286 238	276 653
Stamp Duties - other	23 105	21 889
Commonwealth Places Mirror - Stamp Duties	327	263
Payroll Tax	2 458 545	2 230 546
Commonwealth Places Mirror - Payroll Tax	42 995	39 015
Land Tax	828 686	881 102
Commonwealth Places Mirror - Land Tax	1 857	1 544
Emergency Services Levy	210 455	204 158
Local Government rate equivalents	4 596	5 931
Income tax equivalents	117 766	55 237
Contributions from Lotteries Commission of South Australia	118 848	117 534
Betting Operations Tax	68 121	63 921
Casino Duty	25 693	63 236
Total taxation	6 810 646	6 318 246

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
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A2.2 Taxation (continued)

Taxation revenue includes payroll tax, stamp duty, betting operations tax, casino duty, property (land tax and emergency services levy), income tax equivalents and contributions from the Lotteries Commission of South Australia. All taxes and levies are collected on behalf of the state government and recognised on receipt. All taxation and levy revenues are reported net of any refunds issued.

Payroll tax is administered under the *Payroll Tax Act 2009* and *Payroll Tax Regulations 2025*. Payroll tax is calculated on wages an employer pays to employees or deemed employees.

Stamp duty is administered under the *Stamp Duties Act 1923* and *Stamp Duties Regulations 2013*. Stamp duty applies to a range of instruments including conveyances, motor vehicles transfers and insurance transactions.

Stamp duty is charged at either a flat rate or an *ad valorem* rate (based on the value of the transaction) depending on the particular document or transaction.

Land tax is administered under the *Land Tax Act 1936* and *Land Tax Regulations 2025*. Land tax is a state tax that is levied each financial year and is based on the site value of land. The land owner is exempt from land tax where the land constitutes the owner's principal place of residence, conditions apply (other exemptions also apply based on land use).

Casino Duty is administered under the *Casino Act 1997 (SA)* and Casino Agreements. This includes all duty payable from gaming tables and gaming machines within the Adelaide Casino.

Betting operations tax is administered under the *Authorised Betting Operations Act 2000* and *Authorised Betting Operations (Taxation) Variation Regulations 2017*. It is a consumption tax of 15% on the Net Wagering Revenue (NWR) of betting companies offering services to South Australia. All bets placed in South Australia with Australian-based betting companies are liable for the tax.

The Department also collects the fixed property component of emergency services levy administered under the *Emergency Services Funding Act 1998* and *Emergency Services Funding (Remissions-Land) Regulations 2014*. The emergency services levy funds the provision of emergency services in South Australia and applies to all land (fixed property) and some mobile property. The money collected by the emergency services levy is placed into a dedicated fund (Community Emergency Services Fund) for the exclusive use of emergency services in South Australia.

Tax equivalents are collected from applicable public authorities or business units in accordance with *Treasurer's Instruction 22 'Tax Equivalent Payments'*. Tax equivalent payments calculated and collected include Accounting Profits Method at the companies' income tax rate under the *Commonwealth's Income Tax Assessment Act 1997*, *Land Tax (Tax Equivalent Regime)* and *Local Government Rate Equivalents*.

Contributions from the Lotteries Commission of South Australia include distributions to the Hospitals Fund received in accordance with the *State Lotteries Act 1966*.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

A2.3. Commonwealth revenues

	2026 \$'000	2025 \$'000
Commonwealth general purpose grants		
GST revenue grants	9 888 002	9 058 838
Commonwealth Places Mirror taxes	45 179	40 823
Total Commonwealth general purpose grants	9 933 181	9 099 661
Commonwealth specific purpose grants		
Council of Australian Governments Funding arrangements	243 740	238 041
Intergovernmental Agreement on Federal Financial Relations - Recurrent	3 588 194	3 377 971
Intergovernmental Agreement on Federal Financial Relations - Capital	1 586 758	1 056 911
Total Commonwealth specific purpose grants	5 418 692	4 672 923
Total Commonwealth revenues	15 351 873	13 772 584

Commonwealth revenue includes GST grants, Specific Purpose Payments and National Partnership Payments received from the Commonwealth pursuant to the Intergovernmental Agreement on Federal Financial Relations.

Specific Purpose Payments can either be ongoing tied grants or time-limited National Partnership payments (NPPs) and Project Agreements (PAs).

National Partnership Payments are time limited agreements associated with the relevant federal financial agreement, to fund specific projects and to facilitate or reward the states that deliver national significant reforms. Funding can be for both recurrent and capital purposes.

Commonwealth grants

Income from Commonwealth grants is recognised when the department obtains control over the granted assets (eg cash), unless the grant is a capital grant to acquire/construct recognisable non-financial assets. All Commonwealth grants are accounted for under AASB 1058 as the arrangements with the Commonwealth do not constitute contracts with customers.

GST revenue is general revenue assistance provided by the Commonwealth in accordance with the principles of horizontal fiscal equalisation under the Intergovernmental Agreement on Federal Financial Relations that may be spent for any purpose. The GST revenue is received monthly.

Specific Purpose payments and the National Partnership Payments are typically received when the state completes each milestone stipulated in the contract agreement and or/ its schedule and submits the performance report for the completed milestones by the due dates to the Commonwealth.

Commonwealth capital grants to acquire/construct recognisable non-financial assets

Income from Commonwealth capital grants to acquire or construct a recognisable non-financial asset to be controlled by the state is recognised as the non-financial assets are being constructed. The recognition of revenue is in proportion with the expenditure on the asset, as this best represents the satisfaction of the state's obligation to acquire/construct the assets under the agreements. Grants to acquire or construct recognisable non-financial assets primarily relate to Commonwealth funding received for construction or upgrade of transport and road infrastructure assets.

The 2024-25 comparatives have been updated to reflect a reduction in Commonwealth revenues from the Intergovernmental Agreement on Federal Financial Relations – Capital, resulting in an error correction of \$131.19 million. The error relates to incorrect agency advice that at 30 June 2025 \$131.19 million was owed by the Commonwealth government for expenditure incurred on a capital project. It was subsequently identified that the Commonwealth funding had already been received and recognised in a prior year. As a result, Commonwealth revenues were overstated by \$131.19 million at 30 June 2025. Refer to note A6.1 for further information.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
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A2.4. Dividends

	2026	2025
	\$'000	\$'000
Adelaide Venue Management	1 600	1 600
Home Start Finance	73 145	48 202
Renewal SA	62 301	5 630
Public Trustee	12 327	1 225
SA Water Corporation	167 016	142 988
Motor Accident Commission	2 062	3 432
South Australian Government Financing Authority	-	1 460
Total dividends	318 451	204 537

Dividends represent distributions from applicable for-profit government agencies and include returns of accumulated capital. Dividend amounts are approved by the Treasurer before reporting date and recognised on receipt. Dividends are passed on to the Consolidated Account.

A2.5. Interest revenues

	2026	2025
	\$'000	\$'000
Interest	392 837	409 512
Total interest revenues	392 837	409 512

Interest revenues principally relate to the income received/receivable on the Treasurer's deposit with the South Australian Government Financing Authority (SAFA). This interest is received/receivable monthly at prevailing market rates.

A2.6. Intra-government transfers

	2026	2025
	\$'000	\$'000
Transfers from Contingencies	1 866	23
Total Intra-government transfers	1 866	23

Intra-government transfers are recognised on receipt.

A2.7. Grants and contributions

	2026	2025
	\$'000	\$'000
Intra-government transfers	92 475	74 071
Emergency services levy remission	129 174	128 271
Emergency services levy- pensioner	6 838	6 731
Total grants and contributions	228 487	209 073

Grants and contributions from the state government are recognised on receipt.

Department of Treasury and Finance
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A2.8. Fees and charges

	2026	2025
	\$'000	\$'000
Guarantee fees	155 001	140 617
Court fines	80 360	64 135
Court Regulatory fees	24 198	20 117
Victims of Crime levy collections	33 518	28 172
Fines Enforcement and Recovery - suitor collections	19 405	16 558
Other recoveries	403	376
Total fees and charges	312 885	269 975

Guarantee fees represent a price to cover the risk to the Treasurer for guaranteeing agency financial obligations.

Guarantee fees are collected pursuant to Section 20 of the *Public Finance and Audit Act (PFAA) 1987*.

A2.9. Other income

	2026	2025
	\$'000	\$'000
Cash alignment transfers to the Consolidated Account	459 641	312 475
Return of capital	8 325	62 000
Commonwealth contribution to Whyalla Steel Industry	173 925	162 328
Commonwealth contribution to Port Pirie	37 500	-
Return of Whyalla Steelworks Operational Efficiency Improvements Fund	-	55 681
Return of deposit account balances	-	35
Realised Gains on Investment funds for South Australian universities	12 000	-
Unrealised Gains on Investment funds for South Australian universities	4 760	16 323
Recoveries DIT- Indentured Ports	8 335	10 658
Essential Services Commission of SA	18 654	17 698
Revision to carrying value of State Owned Generator Leasing Co. Pty. Ltd.	107 031	2 044
Across Government energy retail agreement rebate	1 560	12 760
Other income	19 789	20 758
Total other income	851 520	672 760

Other revenues mainly represent the receipt of cash from agencies which is passed on to the Consolidated Account in accordance with the government's relevant policy directive. Revenue received in this manner and subsequently transferred to the Consolidated Account includes repayment of capital, return of cash pursuant to the government's cash alignment policy and return of deposit account balances.

Department of Treasury and Finance
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A3. Expenses

A3.1. Employee related expenses

	2026	2025
	\$'000	\$'000
Superannuation contributions to various schemes*	592 400	569 300
Salaries and wages	19 773	17 822
Long service leave	201	146
Annual leave	1 518	1 195
Skills and experience retention leave	21	20
Superannuation	2 475	2 185
Employment on-costs - other	1 231	1 065
Minister's salary, electorate and expense allowance	450	438
Other employee related expenses	1 396	674
Total employee related expenses	619 465	592 845

*These payments were made to support funding of the defined benefit superannuation liability for the Police Superannuation Scheme and the South Australia Superannuation Fund as part of the government's commitment to have all superannuation liabilities fully funded by 2034.

Superannuation

The superannuation expense represents the department's contributions to superannuation plans in respect of current services of current employees.

Employee remuneration

	2026	2025
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$217 001 - \$237 000	2	-
Total	2	-

The total remuneration received by those employees for the year was \$463 000 (2025: nil).

The table includes all employees who received remuneration 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.

Department of Treasury and Finance
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A3.2. Supplies and services

	2026	2025
	\$'000	\$'000
State's share of GST administration	49 560	42 391
Accommodation	15 889	4 493
General administration and consumables	3 537	3 344
Minor works, maintenance and equipment	512	628
Unclaimed monies	1 096	1 604
Information technology and communication expenses	209	268
Consultants	114	86
Legal costs	1 826	1 109
Contractors and temporary staff	-	29
Other	109	187
Total supplies and services	72 852	54 139

A3.3. Borrowing costs

	2026	2025
	\$'000	\$'000
Interest on borrowings	1 229 735	1 049 208
Interest paid on deposit accounts and other monies	76 176	80 449
Total borrowing costs	1 305 911	1 129 657

The department administers payment of interest on borrowings on behalf of the Treasurer but the debt is not recorded in the Statement of Administered Financial Position. Treasurer's borrowings are disclosed in Statement J of the Treasurer's *Statements and the government's annual consolidated financial report*.

Borrowing costs include annual interest charges on the Treasurer's borrowings from the South Australian Government Financing Authority and interest paid by the Treasurer on agency deposit and special deposit accounts. The increase in borrowing costs is mainly due to higher interest rates.

Interest is paid from the Treasury and Finance Administered Items special deposit account using funds appropriated for that purpose. While the department administers these payments on behalf of the Treasurer, the underlying loan arrangements are administered by the South Australian Government Financing Authority and are therefore not included in the Statement of Administered Financial Position.

Further information on borrowings undertaken by the Treasurer for the Government of South Australia and other government financial assets and liabilities can be found in the South Australian Government Financing Authority annual report and the Consolidated Financial Report for the Government of South Australia prepared under AASB 1049 *Whole of Government and Government Sector Financial Reporting*.

Department of Treasury and Finance
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A3.4. Grants, subsidies and transfers

	2026	2025
	\$'000	\$'000
Recurrent grants, subsidies and transfers	5 273 696	4 645 734
Capital grants, subsidies and transfers	1 561 829	1 341 222
Equity capital contribution	322 846	406 987
Victims of Crime Levy collections	33 518	28 173
Total grants, subsidies and transfers	7 191 889	6 422 116

Grants, subsidies, and transfers mainly reflect the transfer of Commonwealth funding received pursuant to the Intergovernmental Agreement on Federal Financial Relations (IAFFR) to relevant government agencies. Also included are the payment of grants and other contributions approved by the Treasurer using appropriation funding provided to the Treasury and Finance administered items account. Grants, subsidies and transfers are recognised when paid.

The following table lists recipient departments including their administered items which received more than \$100 million pursuant to the IAFFR:

	2026	2025
	\$'000	\$'000
Grants paid or payable to SA Government entities		
Department for Education	2 615 507	2 614 219
Department for Infrastructure and Transport	1 505 091	1 226 034
Department of Human Services	148 180	273 681
South Australian Housing Trust	149 314	148 804
Department for Health and Wellbeing	317 337	128 816
Department for State Development	187 184	-
Department of Treasury and Finance	215 895	169 470
Total	5 138 508	4 561 024

Department of Treasury and Finance
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A3.5. Payments to SA Government

	2026	2025
	\$'000	\$'000
Transfer of revenue received on behalf of the Consolidated Account	18 320 178	16 730 958
Other payments to the Consolidated Account	202 153	203 155
Repayment of Advances payable to Consolidated Account	47 656	58 185
Cash alignment transfer to Consolidated Account	2 700	2 700
Total payments to SA Government	18 572 687	16 994 998

A3.6. Other expenses

	2026	2025
	\$'000	\$'000
Administration costs for Whyalla Steelworks	347 400	317 100
Payments to Commonwealth Government	57 179	40 823
Refunds and remissions*	9 880	27 699
Doubtful debts	(975)	(1 106)
Fines Enforcement and Recovery - suitor payments	19 405	16 557
Decrements on revaluation of non-current assets	-	3 215
Port Pirie Response Package	105 000	-
Inventory write-down	4 294	-
Across Government Energy Rebate Agreement Impairment	10 173	-
Other	4 423	2 529
Total other expenses	556 779	406 817

*Refunds and Remissions includes taxation relief approved as part of the government's COVID-19 support fund of zero (2025: \$134 000).

A revaluation decrement of \$3.215 million was recognised as an expense for the revalued National Wine Centre land and building as of 30 June 2025.

The South Australian Government established a whole-of-government electricity retail contract with ZEN Energy Retail Pty Ltd (ZEN Energy).

ZEN Energy entered into voluntary administration on 3 July 2026 and ceased supplying electricity on 6 July 2026. The voluntary administration provided additional evidence of conditions that existed at 30 June 2026 that the prepayment balance may not be recovered in full. Accordingly, the 2025–26 financial statements recognise a loss of \$10.173 million.

Department of Treasury and Finance
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A4. Assets

A4.1. Cash and cash equivalents

	2026	2025
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)	2 114 028	1 396 136
Total cash and cash equivalents in the Statement of Financial Position	2 114 028	1 396 136
Total cash and cash equivalents in the Statement of Cash Flows	2 114 028	1 396 136

A4.2. Receivables

	2026	2025
	\$'000	\$'000
<u>Current receivables</u>		
Contractual receivables		
Receivables	228 549	216 925
Accrued revenues	9 831	11 508
Total contractual receivables	238 380	228 433
Statutory receivables		
Workers compensation recoveries	4	4
GST input tax recoverable	2 211	417
Total statutory receivables	2 215	421
Prepayments	-	21 458
Total current receivables	240 595	250 312
<u>Non-current receivables</u>		
Statutory receivables		
Workers compensation recoveries	13	13
Total statutory receivables	13	13
Total non-current receivables	13	13
Total receivables	240 608	250 325

Receivables

Current receivables from non-government entities mainly comprises Commonwealth funding receivables relating to capital projects by the Department for Infrastructure and Transport for which work has been completed, and recovery is based on achievement of further milestones.

The 2024-25 comparatives have been updated to reflect a reduction in current receivables for Commonwealth revenues from the Intergovernmental Agreement on Federal Financial Relations – Capital, resulting in an error correction of \$131.19 million. The error relates to incorrect agency advice that at 30 June 2025 \$131.19 million was owed by the Commonwealth government for expenditure incurred on a capital project. It was subsequently identified that the Commonwealth funding had already been received and recognised in a prior year. As a result, Commonwealth revenues were overstated by \$131.19 million at 30 June 2025. Refer to note A6.1 for further information.

Allowance for impairment loss on receivables

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated 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. There is no provision recognised at 30 June 2026.

Department of Treasury and Finance
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A4.3. Other financial assets

	2026 \$'000	2025 \$'000
<u>Current</u>		
Loans for financial assistance	5 848	6 718
Less allowance for impairment loss	(5 951)	(6 823)
Loans with the Treasurer	44 510	39 822
Total current other financial assets	44 407	39 717
<u>Non-current</u>		
Loans for financial assistance	28 174	29 350
Less allowance for impairment loss	(17 929)	(18 033)
Loans with the Treasurer	218 381	143 619
Contributed capital in subsidiary company SOGLC	283 203	176 172
Investment funds for South Australian universities	381 083	376 323
Total non-current other financial assets	892 912	707 431
Total other financial assets	937 319	747 148

Loans with the Treasurer

The loans with the Treasurer represent loans advanced to state government departments, statutory authorities and other bodies that are made for policy purposes. Details of the recipient of these loans are disclosed in Statement I of the Treasurer's Statements.

Investments for South Australian universities

The South Australian Government established three Government-owned Investment funds in 2024-25, totalling \$360 million, for research and student support to assist students from educationally disadvantaged backgrounds and the regions to access higher education. The funds were established to support the new Adelaide University through a \$200 million research fund and \$120 million student support fund with a further \$40 million fund to provide student support for Flinders University.

State Owned Generators Leasing Co Pty Ltd

The Treasurer of South Australia holds 113 100 001 fully paid ordinary shares in the State Owned Generators Leasing Co Pty Ltd (SOGLC). SOGLC owns the state's emergency electricity generators and leases these assets to third party operators.

At 30 June 2026, SOGLC's generator assets are operating at their permanent locations, where they are expected to remain for the life of the leases.

Department of Treasury and Finance
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A4.4. Inventories

	2026	2025
	\$'000	\$'000
Fuel inventories at cost	16 096	-
Less: write-down	(4 294)	-
Total current inventories	11 802	-
Total inventories	11 802	-

Inventories are measured at cost and adjusted when applicable for any loss in market value.

Inventory write-down

An inventory impairment of \$4.294 million due to a decrease in market price has been recognised as an expense. See note A3.6 other expenses.

A4.5. Non-current assets classified as held for sale

	2026	2025
	\$'000	\$'000
Land	12 000	-
Total non-current assets held for sale	12 000	-

The Balyana land at Clapham was planned for sale in 2025-26 but did not occur due to delays. As at 30 June 2026, the land remains held for sale and will be sold in 2026-27.

Department of Treasury and Finance
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A4.6. Property, plant and equipment owned by the department

Reconciliation

2025-26	Land	Buildings	Building fitouts	Work in progress	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	1 684	5 155	1 738	622	11	9 210
Additions	12 000	1 897	-	27	-	13 924
Assets reclassified to assets held for sale	(12 000)	-	-	-	-	(12 000)
Capital transfers from WIP	-	-	649	(649)	-	-
Disposals	(590)	-	-	-	-	(590)
Depreciation and amortisation	-	(318)	(800)	-	(3)	(1 121)
Carrying amount at the end of the period	1 094	6 734	1 587	-	8	9 423
Gross carrying amount						
Gross carrying amount	1 094	7 052	5 958	-	13	14 117
Accumulated depreciation/amortisation	-	(318)	(4 371)	-	(5)	(4 694)
Carrying amount	1 094	6 734	1 587	-	8	9 423

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A4.6. Property, plant and equipment owned by the department (continued)

2024-25	Land	Buildings	Building fitouts	Work in progress	Plant & equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	581	11 184	972	926	-	13 663
Additions	590	1 700	-	1 073	13	3 376
Capital transfers from WIP	-	-	1 377	(1 377)	-	-
Depreciation and amortisation	-	(1 251)	(611)	-	(2)	(1 864)
Revaluation increment / (decrement)	513	(6 478)	-	-	-	(5 965)
Carrying amount at the end of the period	1 684	5 155	1 738	622	11	9 210
Gross carrying amount						
Gross carrying amount	1 684	5 155	5 322	622	13	12 796
Accumulated depreciation/amortisation	-	-	(3 584)	-	(2)	(3 586)
Carrying amount	1 684	5 155	1 738	622	11	9 210

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
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A4.6. Property, plant and equipment owned by the department (continued)

Valuation of non-current assets

A valuation of the land and buildings for the National Wine Centre was performed by an independent certified practising valuer as at 30 June 2025. The revaluation involved discounting to net present value of the National Wine Centre land and buildings at the termination of the forty year lease arrangement with University of Adelaide. Revaluation decrement of \$5.965 million was recognised by utilising a revaluation surplus of \$2.750 million and the remaining \$3.215 million loss was recognised as an expense for the revalued land and building. Refer note A3.6 other expenses.

A4.6. Intangible assets

Reconciliation of intangible assets

Reconciliation 2025-26	Water licences \$'000	Total \$'000
Carrying amount at the beginning of the period	325	325
Carrying amount at the end of the period	325	325
Gross carrying amount		
Gross carrying amount	325	325
Carrying amount	325	325

There has been no movement in intangibles.

Water licences transferred to the Treasurer as part of the 2012 forward sale of the State's Green Triangle Forest Plantations. These water licences were retained by the Treasurer after finalising the lease arrangements with OneFortyOne Plantations Pty Ltd.

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A5. Liabilities

A5.1. Payables

	2026 \$'000	2025 \$'000
<u>Current</u>		
Creditors - revenue received on behalf of the Consolidated Account	1 170 034	684 183
Repayment of Advances payable to Consolidated Account	32 770	2 016
Creditors - other	4 293	4 566
Accrued expenses	163 324	101 186
Total current payables	1 370 421	791 951
<u>Non-current</u>		
Creditors - electricity entities lease proceeds	28 273	28 273
Creditors - other	2 501	2 501
Total non-current payables	30 774	30 774
Total payables	1 401 195	822 725

A5.2. Employee related liabilities

	2026 \$'000	2025 \$'000
<u>Current</u>		
Accrued salaries and wages	248	149
Annual leave	1 106	1 251
Long service leave	173	39
Skills and experience retention leave	35	40
Employment on-costs	917	471
Total current employee related liabilities	2 479	1 950
<u>Non-current</u>		
Long service leave	1 009	1 377
Employment on-costs	111	145
Total non-current employee related liabilities	1 120	1 522
Total employee related liabilities	3 599	3 472

Long service leave liability measurement

The net financial effect of the changes to actuarial assumptions in the current financial year is immaterial. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption is the long-term discount rate.

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A5.3. Other financial liabilities

	2026	2025
	\$'000	\$'000
Non-current		
Commonwealth Housing Loan	57 216	-
Super SA Select Loan	647	624
Total non-current financial liabilities	57 863	624
Total other financial liabilities	57 863	624

The Commonwealth and South Australian Governments have announced a commitment to improve the supply of housing suitable for, and available for purchase by, first home buyers. The Commonwealth's contribution will be provided to the State as a non-interest bearing loan. Total loans provided to the State at 30 June 2026 amounted to \$57.2 million.

A5.4. Provisions

	2026	2025
	\$'000	\$'000
<u>Current</u>		
Provision for workers compensation	157	147
Total current provisions	157	147
<u>Non-current</u>		
Provision for workers compensation	435	407
Total non-current provisions	435	407
Total provisions	592	554
Movement in provisions	2026	2025
	\$'000	\$'000
Carrying amount at the beginning of the period	554	647
Additional provisions recognised	155	221
Reductions arising from payments/other sacrifices of future economic benefits	(117)	(314)
Carrying amount at the end of the period	592	554

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A5.5. Other liabilities

	2026 \$'000	2025 \$'000
<u>Current</u>		
Unearned revenue	5 723	5 906
Total current other liabilities	5 723	5 906
<u>Non-current</u>		
Unearned revenue	21 295	26 992
Unearned revenue - capital projects	282 062	193 852
Unclaimed monies Fines Unit	2 177	2 013
Total non-current other liabilities	305 534	222 857
Total other liabilities	311 257	228 763

Reconciliation of unearned revenue - capital projects

	2026 \$'000	2025 \$'000
Balance at the beginning of the year	193 852	108 906
Grant revenue for capital projects received during the year	1 452 075	938 528
Grant revenue for capital projects recognised consistent with the works undertaken during the year	(1 363 865)	(853 582)
Balance at the end of the year	282 062	193 852

Unearned revenue

In 2003 the Treasurer agreed to lease to the University of Adelaide over a forty year period the land and buildings previously owned by the National Wine Centre. The agreement's upfront consideration of \$1 million has been recorded as unearned revenue and is being amortised over the life of the lease.

Unearned revenue includes interest received in advance of \$26.562 million (2025: \$32.443 million) on the novation of Urban Renewal Authority loans to the Treasurer as part of the TAFE buy-back transaction.

Unearned revenue – capital projects

Commonwealth grant funding received in the current and prior years to support various infrastructure and capital projects is recorded as unearned revenue. Income is recognised progressively in proportion with the expenditure on the associated asset as this best represents the State's obligation to acquire/construct the assets under the agreements with the Commonwealth.

The balance of this unearned revenue at 30 June 2026 primarily relates to various road and infrastructure projects to be constructed over the next three years by the Department for Infrastructure and Transport.

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A6. Other disclosures

A6.1. Equity

Prior period adjustments

During the financial year adjustments were made to prior year balances. The impact of these adjustments is detailed in the table below:

		2025	2026	2026
		Original	Error	Restated
		balance	correction	balance
	Note	\$'000	\$'000	\$'000
Statement of Comprehensive Income				
Commonwealth revenues	A2.3	13 903 775	(131 191)	13 772 584
Other income	A2.8	672 170	590	672 760
Prior period adjustments relating to net result		14 575 945	(130 601)	14 445 344
Statement of Financial Position				
Receivables - current	A4.2	381 503	(131 191)	250 312
Property plant and equipment	A4.6	8 620	590	9 210
Total prior period adjustments		390 123	(130 601)	259 522

Equity Adjustments

Restatement of Opening balances

	Original		Restated
	Accumulated	Error	Accumulated
	Surplus	correction	Surplus
	\$'000	\$'000	\$'000
Balance at 30 June 2024	1 251 170	-	1 251 170
Net result for 2024-25	226 395	(130 601)	95 794
Balance at 30 June 2025	1 477 565	(130 601)	1 346 964

Refer to note A2.3 for further information on the error correction.

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A6.2. Cash flow reconciliation

	2026 \$'000	2025 \$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	2 114 028	1 396 136
Balance as per the Statement of Cash Flows	2 114 028	1 396 136
 Reconciliation of net cash provided by operating activities to net result		
Net cash provided by operating activities	740 539	224 122
 <u>Add/(less) non-cash items</u>		
Depreciation and amortisation	(1 121)	(1 864)
Discounted cash flow valuations for financial assistance loans - other income	-	16
Inventory write-down	(4 294)	-
Revision of carrying of SOGLC	107 031	2 044
Realised Gain on Investment funds for Universities of South Australia	12 000	-
Unrealised Gain on Investment funds for Universities of South Australia	4 760	16 323
Decrements on revaluation of non-current assets	-	(3 215)
 <u>Movement in assets and liabilities</u>		
Decrease in receivables	(9 889)	(31 461)
Increase in inventories	16 096	-
Increase in payables	(578 470)	(31 249)
(Increase)/Decrease in employee related liabilities	(127)	177
(Increase)/Decrease in provisions	(38)	93
Increase in other liabilities	(82 494)	(79 192)
Net result	203 993	95 794

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A7. Outlook

A7.1. Unrecognised commitments

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

Expenditure commitments

	2026	2025
	\$'000	\$'000
Within one year	2 701	3 079
Later than one year but not longer than five years	4 738	4 614
Later than five years	274	652
Total expenditure commitments	7 713	8 345

The department's administered expenditure commitments are for arrangements for Memorandum of Administrative Arrangements with the Department for Infrastructure and Transport for accommodation.

Other commitments

The Treasurer entered into a contract on behalf of the State Government in June 2026 to purchase 200 PJ of gas as SA Strategic gas reserve. The gas will be received and recognised as inventory over a 10-year period from early 2030. A prepayment of \$280 million was made for gas on 1 July 2026. The remaining amounts will be paid monthly after delivery.

The department's remaining administered other commitments relate to distribution of Commonwealth funds to agencies in accordance with Schedule G of the Intergovernmental Agreement on Federal Financial Relations and Industry Assistance grants.

Commitments in relation to other expenditure contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2026	2025
	\$'000	\$'000
Within one year	369 090	109 648
Later than one year but not longer than five years	361 719	15 613
Later than five years	1 893 000	-
Total other commitments	2 623 809	125 261

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A7.2. Contingent assets and liabilities

The following contingent assets and liabilities exist for the Administered Items:

Residual responsibilities for structural integrity of the National Wine Centre's buildings outside agreed maintenance regimes as required by the Memorandum of Lease - National Wine Centre. The lease expires in September 2043. The estimated maximum exposure of this liability is undefined.

On 26 November 2012, the State appointed Tatts Lotteries SA Pty Ltd (Tatts) as its exclusive Master Agent to operate SA Lotteries' brands and products for a term of 40 years, starting 11 December 2012. Under this arrangement the Lotteries Commission of South Australia is required to pay the Master Agent a master agency fee (payment obligation). The Treasurer has unconditionally and irrevocably guaranteed the performance by Lotteries Commission of South Australia of the payment obligation. The Treasurer has also indemnified the Master Agent against any cost, expense, loss or damage that the Master Agent may incur as a direct result of non-compliance by Lotteries Commission of South Australia with the payment obligation. The Treasurer's maximum aggregate liability to the Master Agent under this agreement is limited to an amount equal to the total quantum of Lotteries Commission of South Australia's liability to the Master Agent for the payment obligation.

The Treasurer guarantees the annual lease obligations and a proportion of outgoings of the Ice Factor Foundation for the Thebarton Ice Arena up to \$2.69 million.

The Treasurer has guaranteed a \$6.75 million loan facility to be provided by Beyond Bank to the Royal Society for the Prevention of Cruelty to Animals (RSPCA), for a term of up to 20 years. The guarantee will be invoked in the event that the RSPCA does not meet its repayment obligations under the loan to the bank.

Liabilities incurred or assumed by the Local Government Finance Authority are guaranteed by the Treasurer. The Treasurer's exposure at 30 June 2026 was \$947.6 million (2025: \$930.7 million).

The Treasurer has indemnified the fund of the Local Government Association (LGA) Mutual Liability Scheme for any admitted claim in the nature of a general liability that the LGA in respect of the Mutual Liability Scheme becomes legally liable to pay. For liability risks not covered under the State Government's liability reinsurance program, the indemnity is capped at \$100 million for any one such admitted claim. Any losses that exceed the State Government's liability reinsurance program limits and the \$100 million limit for liability risks not covered by the reinsurance program will be subject to separate negotiations between the LGA and the State Government.

The Treasurer has indemnified South Australian Government Financing Authority (SAFA) against any profit or loss as a result of activities in the Insurance Fund 2 and Fund 3 portfolios. Given the nature of the activities in these funds, the Treasurer has approved that any operating profit before tax will be nil. This is achieved by negating the operating profit or loss with either a payable to or a receivable from the Treasurer. If certain circumstances are met this policy results in a net receivable from the Treasurer of \$47.9 million for the year 2025-26 (2025: \$51.25 million receivable from the Treasurer).

The Government of South Australia established the Future Jobs Fund. The Fund provided grants and loans to non-government entities intended to create ongoing jobs in a range of sectors. The Fund is now closed to new applicants. Provision of loans and grants from the Fund has been contingent upon applicants meeting their obligations and performance milestones. The amount of undrawn loans and grants from the Fund as at 30 June 2026 was \$0.833 million (2025: \$0.833 million).

The Government of South Australia established the Economic and Business Growth Fund that has been renamed to the Jobs and Economic Growth Fund. The Fund promotes economic growth in South Australia by encouraging growth of existing industries, developing new industries, building international connections, and attracting foreign and national direct investment that create long-term sustainable jobs. Provision of grants from the Fund is contingent upon applicants meeting their obligations and performance milestones. For commitments entered into up to 30 June 2026, the amount of undrawn grants from the Fund as at 30 June 2026 was \$0.25 million (2025: \$0.25 million).

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A7.2. Contingent assets and liabilities (continued)

Under Section 15 of the *Government Financing Authority Act 1982*, all financial obligations incurred or assumed by SAFA are guaranteed by the Treasurer on behalf of the State of South Australia.

The Government of South Australia established a Local Government Infrastructure Partnership program (LGIPP). The program provides various grants and loans. The amount of undrawn loans and grants from the Program as at 30 June 2026 was \$0.848 million (2025: \$20.225 million).

The Government of South Australia established a Treasurer's School Loans Scheme. The amount of undrawn loans and grants from the Scheme as at 30 June 2026 was \$31.95 million (2025: \$27.731 million).

The Government of South Australia established an Economic Recovery Fund which has been renamed to the Business Growth Fund. The amount of undrawn loans that are expected to be provided to recipients as at 30 June 2026 was \$21.2 million (2025: \$28.54 million).

The Treasurer has indemnified ASIC against any claims by Logistic Education Centre creditors as a consequence of ASIC transferring land back to the Minister for Education, Training and Skills. The estimated maximum exposure of this liability is undefined.

The Government of South Australia has, where specified conditions are met, potential exposures to additional spending associated with the Australian Bragg Centre. At 30 June the government continued to have a potential exposure to payments for rental space for the Proton Therapy Bunker in the event the Australian Bragg Centre for Proton Therapy and Research (ABCPTR) was unable to meet contractual obligations. The Commonwealth Government has agreed that grant funding previously provided can be applied to meet costs associated with the Proton Therapy Bunker in 2026-27. In addition, there remain other potential expenditure commitments associated with the building owner, Dexus, where other specified conditions are met. Given any potential exposure will depend on future events and circumstances, it is not possible to reliably quantify any amounts that may be required at 30 June.

The Government of South Australia established the Digital Investment Fund to drive strategic and targeted investment in digital initiatives across the South Australian public sector. Provision of funding is contingent upon applicants meeting their obligations and performance milestones. The amount of undrawn funding from the fund as at 30 June 2026 was \$115.71 million (2025: \$152.61 million).

The amount of undrawn loans and grants related to Western Adelaide Private Hospital that are expected to be provided to recipients as at 30 June 2026 was \$0.5 million (2025: \$1 million).

The amount of undrawn loans related to the Algal Bloom Concessional Loans Scheme that are expected to be provided to recipients as at 30 June 2026 was \$5 million.

The amount of undrawn loans related to the Firm Energy Reliability Mechanism that are expected to be provided to the recipient as at 30 June 2026 was \$70 million.

The Treasurer has indemnified the debts of the Voluntary Administrators of OneSteel Manufacturing Pty Ltd for up to \$768 million. Government funding is released when the liabilities fall due. The Treasurers remaining exposure at 30 June 2026 was \$103.5 million.

In addition to the indemnity, the Australian and South Australian Governments have also announced a commitment totalling \$1.9 billion to fund improvements to the Whyalla Steelworks following a successful sale process.

The Government of South Australia has committed to provide \$87.5 million of funding to Nyrstar to support its operations while it continues its investigations into modernising its smelter operations in Port Pirie. The amount of unpaid funding as at 30 June 2026 was \$75 million.

A7.3. Events after the reporting period

There were no events occurring after the end of the reporting period that had a material financial implication on these financial statements.