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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 2025.

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 2025, 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 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2025
- a Statement of Administered Financial Position as at 30 June 2025
- a Statement of Administered Cash Flows for the year ended 30 June 2025
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2025
- 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 2025.

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

19 September 2025

Department of Treasury and Finance

Financial Statements

For the year ended 30 June 2025

Department of Treasury and Finance
Statement of Certification
For the year ended 30 June 2025

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
16 September 2025


Paul Williams
Director, Accounting and Financial Services
16 September 2025

Department of Treasury and Finance
Statement of Comprehensive Income
For the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Income</u>			
Appropriation	3.1	261 804	178 795
Fees and charges	3.2	102 249	88 678
Intra-government transfers	3.3	13 824	14 988
Resources received free of charge	3.4	1 985	2 422
Other income	3.5	2 596	3 081
Total income		382 458	287 964
<u>Expenses</u>			
Employee related expenses	4.1	196 677	166 735
Supplies and services	4.2	151 790	94 458
Depreciation and amortisation		16 677	11 344
Cash alignment transfers to Consolidated Account		10 661	-
Borrowing costs		44	36
Grants subsidies and transfers		340	104
Other expenses	4.4	528	149
Total expenses		376 717	272 826
Net result		5 741	15 138
<u>Other comprehensive income</u>			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment assets revaluation surplus		-	3 073
Total other comprehensive income		-	3 073
Total comprehensive result		5 741	18 211

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 2025

	Note	2025 \$'000	2024 \$'000
<u>Current assets</u>			
Cash and cash equivalents	5.1	65 411	46 723
Receivables	5.2	28 506	17 737
Total current assets		93 917	64 460
<u>Non-current assets</u>			
Receivables	5.2	306	68
Property, plant and equipment	5.5	38 166	26 529
Intangible assets	5.8	23 485	23 705
Total non-current assets		61 957	50 302
Total assets		155 874	114 762
<u>Current liabilities</u>			
Payables	6.1	19 269	8 941
Other financial liabilities	6.2	95	653
Employee related liabilities	6.3	22 515	20 001
Provisions	6.4	1 073	1 009
Other liabilities	6.5	1 178	653
Total current liabilities		44 130	31 257
<u>Non-current liabilities</u>			
Other financial liabilities	6.2	-	438
Employee related liabilities	6.3	34 528	30 518
Provisions	6.4	5 129	3 911
Other liabilities	6.5	3 202	3 943
Total non-current liabilities		42 859	38 810
Total liabilities		86 989	70 067
Net assets		68 885	44 695
<u>Equity</u>			
Contributed capital		5 344	5 344
Asset revaluation surplus		3 900	3 900
Retained earnings		59 641	35 451
Total equity		68 885	44 695

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 2025

	Note	Contributed Capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2023		5 344	827	20 313	26 484
Net result for 2023-24		-	-	15 138	15 138
Gain on revaluation of property, plant and equipment		-	3 073	-	3 073
Total comprehensive result for 2023-24		-	3 073	15 138	18 211
Balance at 30 June 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	1.3	-	-	18 449	18 449
Balance at 30 June 2025		5 344	3 900	59 641	68 885

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 2025

		2025	2024
	Note	\$'000	\$'000
<u>Cash flows from operating activities</u>			
<i>Cash inflows</i>			
Appropriation		261 804	178 795
Fees and charges		104 649	98 387
Intra-government transfers		13 824	14 988
GST recovered from the ATO		6 090	3 223
Other receipts		2 583	3 079
Cash generated from operations		388 950	298 472
<i>Cash outflows</i>			
Employee related payments		(189 717)	(166 406)
Payments for supplies and services		(162 835)	(108 040)
Grants subsidies and transfers		(340)	(104)
Return of cash to Consolidated Account - cash alignment policy		(10 661)	-
Cash used in operations		(363 553)	(274 550)
Net cash from/(used in) operating activities	7.2	25 397	23 922
<u>Cash flows from investing activities</u>			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(4 369)	(4 706)
Purchase of intangible assets		(1 507)	(1 081)
Cash used in investing activities		(5 876)	(5 787)
Net cash from/(used in) investing activities		(5 876)	(5 787)
<u>Cash flows from financing activities</u>			
<i>Cash outflows</i>			
Repayment of principal portion of lease liabilities		(833)	(845)
Cash used in financing activities		(833)	(845)
Net cash from/(used in) financing activities		(833)	(845)
Net increase/(decrease) in cash and cash equivalents		18 688	17 290
Cash and cash equivalents at the beginning of the period		46 723	29 433
Cash and cash equivalents at the end of the period	5.1	65 411	46 723
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 2025

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.

Effective from 1 July 2024, the Office of the Chief Information Officer, Office for Data Analytics and Digital Program transferred from the Department of the Premier and Cabinet to the Department of Treasury and Finance. Note 1.3 provides details of the assets and liabilities that transferred between departments.

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 2025

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. to:

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 2024-25, the department undertook the following programs:

Electorate Services

Provision of support services to members of parliament to assist 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 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 2025

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 and information communications technology and specialist procurement advice and assistance
- Providing support services to members of parliament to assist them in meeting their responsibilities to the parliament and the broader community
- 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 2025

1.2. Objectives and programs (continued)

Income and expenses by program	Accountability for Public Sector					
	Electorate Services		Resources		Treasury Services	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Income						
Appropriation	-	-	-	-	-	-
Fees and charges	86	-	842	2 557	75 144	72 224
Intra-government transfers	92	-	367	1 499	1 378	5 096
Resources received free of charge	40	-	159	242	596	823
Other income	23	-	863	775	855	929
Total income	241	-	2 231	5 073	77 973	79 072
Expenses						
Employee related expenses	5 412	-	18 472	20 922	64 558	64 256
Supplies and services	1 671	-	4 946	4 706	43 988	45 184
Depreciation and amortisation	71	-	451	449	8 688	9 108
Cash alignment transfer to Consolidated Account	-	-	-	-	-	-
Borrowing costs	1	-	3	4	14	13
Grants subsidies and transfers	2	-	86	7	36	25
Other expenses	1	-	3	3	12	130
Total expenses	7 158	-	23 961	26 091	117 296	118 716
Net result	(6 917)	-	(21 730)	(21 018)	(39 323)	(39 644)

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2025

1.2. Objectives and programs (continued)

Income and expenses by program	Information, Data Analytics and Communication		Government Services		General / Not attributable		Total	
	Technology Services							
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Income								
Appropriation	-	-	-	-	261 804	178 795	261 804	178 795
Fees and charges	11 890	-	14 287	13 897	-	-	102 249	88 678
Intra-government transfers	9 645	-	2 342	8 393	-	-	13 824	14 988
Resources received free of charge	179	-	1 011	1 357	-	-	1 985	2 422
Other income	102	-	753	1 377	-	-	2 596	3 081
Total income	21 816	-	18 393	25 024	261 804	178 795	382 458	287 964
Expenses								
Employee related expenses	21 413	-	86 822	81 557	-	-	196 677	166 735
Supplies and services	43 007	-	58 178	44 568	-	-	151 790	94 458
Depreciation and amortisation	5 600	-	1 867	1 787	-	-	16 677	11 344
Cash alignment transfer to Consolidated Account	-	-	-	-	10 661	-	10 661	-
Borrowing costs	4	-	22	19	-	-	44	36
Grants subsidies and transfers	155	-	61	72	-	-	340	104
Other expenses	492	-	20	16	-	-	528	149
Total expenses	70 671	-	146 970	128 019	10 661	-	376 717	272 826
Net result	(48 855)	-	(128 577)	(102 995)	251 143	178 795	5 741	15 138

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2025

1.2. Objectives and programs (continued)

Assets and liabilities by program	Accountability for Public Sector					
	Electorate Services		Resources		Treasury Services	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Assets						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Property, plant and equipment	-	-	368	526	4 482	5 952
Intangible assets	-	-	88	170	17 272	23 535
Total assets	-	-	456	696	21 754	29 487
Liabilities						
Payables	-	-	-	-	-	-
Financial liabilities	-	-	-	-	-	-
Employee related liabilities	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Net assets	-	-	456	696	21 754	29 487

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2025

1.2. Objectives and programs (continued)

Assets and liabilities by program	Information, Data Analytics and Communication		Government Services		General / Not attributable		Total	
	Technology Services							
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Assets								
Cash and cash equivalents	-	-	-	-	65 411	46 723	65 411	46 723
Receivables	-	-	13	13	28 799	17 792	28 812	17 805
Property, plant and equipment	11 285	-	4 136	4 206	17 895	15 845	38 166	26 529
Intangible assets	5 890	-	92	-	143	-	23 485	23 705
Total assets	17 175	-	4 241	4 219	112 248	80 360	155 874	114 762
Liabilities								
Payables	-	-	-	-	19 269	8 941	19 269	8 941
Financial liabilities	-	-	-	-	95	1 091	95	1 091
Employee related liabilities	-	-	-	-	57 043	50 519	57 043	50 519
Provisions	-	-	-	-	6 202	4 920	6 202	4 920
Other liabilities	-	-	-	-	4 380	4 596	4 380	4 596
Total liabilities	-	-	-	-	86 989	70 067	86 989	70 067
Net assets	17 175	-	4 241	4 219	25 259	10 293	68 885	44 695

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2025

1.3. Changes to the Department of Treasury and Finance

Transferred in

As a result of an administrative arrangements described in the Chief Executive letter of agreement dated 26 September 2024, the Office of the Chief Information Officer, Office for Data Analytics, Digital Programs and agreed corporate overheads became a business unit of the department. Assets and liabilities relating to this business unit were transferred to the department from the Department of the Premier and Cabinet.

The effective date of the transfer was 1 July 2024.

The following assets and liabilities were transferred in:

	1 July 2024
	\$'000
Receivables	6 129
Inventories	136
Property, plant and equipment	13 965
Intangible assets	8 452
Total assets	28 682
Payables	3 982
Employee related liabilities	5 165
Contract liabilities	425
Financial liabilities	61
Provisions	600
Total liabilities	10 233
Total net assets transferred	18 449

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2025

1.4. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2024-25 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.

Statement of Comprehensive Income	Note	Original	Actual	Variance
		budget	Actual	Variance
		2025	2025	
		\$'000	\$'000	\$'000
Income				
Appropriation	1	211 347	261 804	50 457
Fees and charges	2	83 227	102 249	19 022
Intra-government transfers		2 748	13 824	11 076
Resources received free of charge		-	1 985	1 985
Other income		2 702	2 596	(106)
Total income		300 024	382 458	82 434
Expenses				
Employee related expenses	3	172 971	196 677	23 706
Supplies and services	4	118 333	151 790	33 457
Depreciation and amortisation		10 726	16 677	5 951
Cash alignment transfers to Consolidated Account		-	10 661	10 661
Borrowing costs		418	44	(374)
Grants Subsidies and transfers		271	340	69
Other expenses		4 129	528	(3 601)
Total expenses		306 848	376 717	69 869
Net result		(6 824)	5 741	12 565
Total comprehensive result		(6 824)	5 741	12 565
Investing expenditure summary				
Total existing projects		-	475	475
Total leases		789	880	91
Total annual program		3 824	5 885	2 061
Total investing expenditure		4 613	7 240	2 627

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.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2025

1.4. Budget performance (continued)

1 Appropriation

The \$50.5 million variation against the original budget primarily reflects the Machinery of Government transfer of the Office of the Chief Information Officer and Office of Data Analytics from the Department of Premier and Cabinet to the Department of Treasury and Finance.

2 Fees and charges

The \$19 million variation against the original budget primarily reflects the Machinery of Government transfer of the Office for the Chief Information Officer and Office of Data Analytics from the Department of the Premier and Cabinet to the Department of Treasury and Finance (\$7.7 million) as well as an adjustment to the original budget relating to Super SA operations (\$6.0 million).

3 Employee related expenses

The \$23.7 million variation against the original budget primarily reflects the Machinery of Government transfer of business units Office for the Commission of Information Office and Office of Data Analytics from the Department of the Premier and Cabinet to the Department of Treasury and Finance in October 2024.

4 Supplies and services

The \$33.5 million variation against the original budget primarily reflects the Machinery of Government transfer of the Office of the Chief Information Officer and Office of Data Analytics from the Department of Premier and Cabinet to the Department of Treasury and Finance.

1.5. Significant transactions with government related entities

Significant transactions with SA Government related entities are identifiable throughout this financial report. All lease payments relate to motor vehicles supplied by Fleet SA.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2025

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.

	2025	2024
	\$'000	\$'000
Salaries and other short term employee benefits	4 484	3 936
Post-employment benefits	605	660
Total compensation	5 089	4 596

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 2025

2.2. Board and committee members

SAFA Advisory Board

Rick Persse* (Former Presiding Member, resigned December 2024)

Tammie Pribanic* (Presiding Member, appointed December 2024)

Dr Guy Debelle (appointed June 2025)

Mark Day

David Russell

Jacqueline Guerin*

Susan Crago

SAFA Risk and Performance Committee

Susan Crago (Chair)

Gianna Giannopoulos*

David Russell (appointed February 2025)

John Frazer

Super SA Board Members Outcome and Insurance Committee

Alison Kimber (Chair)

Dr Bill Griggs

Rosina Hislop

June Roache (appointed July 2024)

Richard Dennis (appointed July 2024)

Super SA Audit, Risk and Finance Committee

Rosina Hislop (Chair)

Richard Dennis

June Roache

Alison Kimber (appointed July 2024)

Dr Bill Griggs (appointed July 2024)

Super SA Board

June Roache (Presiding Member)

Rosina Hislop

Richard Dennis

Dr Bill Griggs

DTF Risk and Performance Committee

Debra Contala (Chair)

Patty Therrios (appointed May 2025)

Jasmine Sinodinos*

Chris Oerman - Independent Member, concluded April 2025

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
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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:

	2025	2024
	Number	Number
\$0	1	-
\$1 - \$19 999	4	8
\$20 000 - \$39 999	2	3
\$40 000 - \$59 999	5	4
\$60 000 - \$79 999	1	-
Total number of members	13	15

The total remuneration received or receivable by members was \$381 000 (2024: \$340 000). 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.

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3. Income

3.1. Appropriation

	2025	2024
	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	261 804	175 788
Appropriation from Governor's Appropriation Fund	-	3 007
Total appropriation	261 804	178 795

Appropriations are recognised on receipt.

Appropriation pursuant to the *Appropriation Act* consist of \$258 million (2024: \$174 million) for operational funding and \$3.8 million (2024: \$2.0 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

	2025	2024
	\$'000	\$'000
South Australian Superannuation Board	50 418	49 002
South Australian Government Financing Authority	16 204	14 961
Service provision	26 316	13 836
Other recoveries	1 295	3 111
Administration fee - Community Emergency Services Fund	7 421	7 280
Land Tax certificates	443	412
Regulatory fees	152	76
Total fees and charges	102 249	88 678

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.

Department of Treasury and Finance
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For the year ended 30 June 2025

3.3. Intra-government transfers

	2025	2024
	\$'000	\$'000
Grants subsidies and transfers provided by SA Government entities	13 200	571
Contingency Funding provided by Department of Treasury and Finance		
Administered Items	624	14 417
Total Intra-government transfers	13 824	14 988

Intra-government transfers are recognised as income on receipt.

3.4. Resources received free of charge

	2025	2024
	\$'000	\$'000
Services received free of charge	1 985	2 422
Total resources received free of charge	1 985	2 422

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 \$0.936 million from the Audit Office of South Australia. Information and technology services of \$1.049 million received free of charge from the Department of the Premier and Cabinet.

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

3.5. Other income

	2025	2024
	\$'000	\$'000
Commissions	5	5
Other income	2 591	3 076
Total other income	2 596	3 081

Department of Treasury and Finance
Notes to and forming part of the financial statements
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4. Expenses

4.1. Employee related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages	145 726	124 050
Superannuation	19 803	16 938
Annual leave	14 074	12 147
Employment on-costs - other	8 964	7 812
Long service leave	4 178	4 694
Skills and experience retention leave	884	722
Board and committee fees	373	508
Other employee related expenses	2 675	(136)
Total employee related expenses	<u>196 677</u>	<u>166 735</u>

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
Notes to and forming part of the financial statements
For the year ended 30 June 2025

4.1. Employee related expenses (continued)

Employees remuneration

The number of employees whose remuneration received or receivable falls within the following bands:	2025 Number	2024 Number
\$166 001 - \$171 000*	N/A	2
\$171 001 - \$191 000	9	11
\$191 001 - \$211 000	5	8
\$211 001 - \$231 000	12	12
\$231 001 - \$251 000	16	6
\$251 001 - \$271 000	7	7
\$271 001 - \$291 000	7	1
\$291 001 - \$311 000	5	5
\$311 001 - \$331 000	3	-
\$331 001 - \$351 000	-	1
\$351 001 - \$371 000	2	2
\$371 001 - \$391 000	1	-
\$391 001 - \$411 000	1	-
\$411 001 - \$431 000	1	-
\$431 001 - \$451 000	-	1
\$531 001 - \$551 000	1	-
\$571 001 - \$591 000	1	-
\$631 001 - \$651 000	-	1
Total number of employees	71	57

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2023-24.

The total remuneration received by those employees for the year was \$18.4 million (2024: \$13.8 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.

Department of Treasury and Finance
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4.2. Supplies and services

	2025	2024
	\$'000	\$'000
Information technology and communication	70 431	31 021
Contractors and temporary staff	41 667	24 161
Accommodation	15 055	13 624
General administration and consumables	8 970	9 926
Valuation fees	6 476	6 307
Other	4 779	4 820
Consultants	1 566	1 714
Corporate recharge expense	1 173	1 683
Minor works, maintenance and equipment	969	607
Legal costs	704	595
Total supplies and services	151 790	94 458

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 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 is \$1.985 million (\$2.422 million). The resources received free of charge includes an amount of \$0.936 million (2024: \$0.946 million) for audit services received from the Audit Office of South Australia for work performed under the *Public Finance and Audit Act 1987* and 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.

Department of Treasury and Finance
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For the year ended 30 June 2025

4.3. Expenditure – SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2025	2025
	\$'000	Proportion SA and non-SA businesses
Total expenditure on South Australian businesses	81 552	73%
Total expenditure on non-South Australian businesses	29 464	27%
	<u>111 016</u>	<u>100%</u>

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Department, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

4.4. Other expenses

	2025	2024
	\$'000	\$'000
Plant and equipment write-off	367	43
Inventory write-off	130	-
Buildings fitouts write-off	31	106
Total other expenses	<u>528</u>	<u>149</u>

Other expenses in 2024-25 relate to plant and equipment and buildings fitouts 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

	2025	2024
	\$'000	\$'000
<u>Deposits with the Treasurer (Special deposit accounts)</u>		
Treasury and Finance Operating Account	39 252	28 114
Accrual Appropriation Excess Funds	26 159	18 609
Total deposits with the Treasurer (Special deposit accounts)	65 411	46 723
Total cash and cash equivalents in the Statement of Financial Position	65 411	46 723
Total cash and cash equivalents in the Statement of Cash Flows	65 411	46 723

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

	2025	2024
	\$'000	\$'000
<u>Current receivables</u>		
Contractual receivables		
Receivables	4 821	1 277
Accrued revenues	12 064	10 501
Total contractual receivables	16 885	11 778
Statutory receivables		
Net GST receivable from the ATO	1 477	1 100
Total statutory receivables	1 477	1 100
Prepayments	10 144	4 859
Total current receivables	28 506	17 737
<u>Non-current receivables</u>		
Contractual receivables		
Receivables	108	68
Total contractual receivables	108	68
Prepayments	198	-
Total non-current receivables	306	68
Total receivables	28 812	17 805

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.

Department of Treasury and Finance
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5.3. Depreciation and amortisation

All non-current assets, with a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

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 comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

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	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

Department of Treasury and Finance
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5.4. Property, plant and equipment by asset class (continued)

Reconciliation 2023-24	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	19 002	1 431	2 586	98	1 110	24 227
Additions	13	130	4 110	-	782	5 035
Capital transfers from work in progress	4 014	1 772	(5 786)	-	-	-
Transfer between asset classes	(60)	60	-	-	-	-
Depreciation and amortisation	(2 596)	(2 141)	-	(98)	(817)	(5 652)
Write-offs	(106)	(43)	-	-	-	(149)
Revaluation increment/(decrement)	3 073	-	-	-	-	3 073
Remeasurement	-	-	(5)	-	-	(5)
Carrying amount at the end of the period	23 340	1 209	905	-	1 075	26 529
Gross carrying amount	23 340	5 244	905	-	2 021	31 510
Accumulated depreciation	-	(4 035)	-	-	(946)	(4 981)
Carrying amount	23 340	1 209	905	-	1 075	26 529

Department of Treasury and Finance
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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.

Effective 1 April 2025, motor vehicle lease contractual arrangements with SAFA Fleet are no longer accounted for under AASB 16 Leases. From 1 April 2025, SAFA Fleet motor vehicle lease payments were recorded directly in the Income Statement. All related right-of-use assets (ROU) and liabilities up to 31 March 2025 were derecognised in accordance with the changes.

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 2025. No impairment loss or reversal of impairment loss was recognised in 2024-25.

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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 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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5.7. Intangible assets (continued)

Reconciliation 2023-24	Internally	Externally acquired	Work in progress	Total
	developed computer software	computer software		
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	24 220	23	4 086	28 329
Additions	-	-	1 068	1 068
Capital transfers from work in progress	5 074	-	(5 074)	-
Amortisation	(5 686)	(6)	-	(5 692)
Carrying amount at the end of the period	23 608	17	80	23 705
Gross carrying amount	72 876	29	80	72 985
Accumulated amortisation	(49 268)	(12)	-	(49 280)
Carrying amount	23 608	17	80	23 705

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6. Liabilities

6.1. Payables

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Contractual payables	2 421	570
Accrued expenses	16 848	8 371
Total current payables	19 269	8 941
Total payables	19 269	8 941

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

Contractual payables

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

Statutory payables

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

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:

	2025	2024
	\$'000	\$'000
Other financial liabilities		
1 to 3 years	97	1 126
Total other financial liabilities (undiscounted)	97	1 126

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 \$44 000 (2024: \$36 000).

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6.3. Employee related liabilities

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Accrued salaries and wages	617	18
Annual leave	14 216	13 121
Long service leave	3 429	3 148
Skills and experience retention leave	1 102	980
Employment on-costs	3 151	2 734
Total current employee related liabilities	22 515	20 001
<u>Non-current</u>		
Long service leave	31 245	27 685
Employment on-costs	3 283	2 833
Total non-current employee related liabilities	34 528	30 518
Total employee related liabilities	57 043	50 519

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 remained at 4.25% for both 2024 and 2025.

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 demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the department, the salary inflation rate has remained at 3.5% both 2024 and 2025 for long service leave.

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% both 2024 and 2025. The average factor for the calculation of employer superannuation on-costs has also changed from the 2024 rate 11.5% to 12%. These rates are used in the employment on-cost calculation. The net financial effect of the changes on employment on-cost and employee benefit expense are immaterial.

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6.4. Provisions

All provisions relate to workers compensation.

	2025	2024
	\$'000	\$'000
Movement in provisions		
Carrying amount at the beginning of the period	4 920	7 597
Transfers through administrative restructure	600	-
Payments/other sacrifices of future economic benefits	(474)	(3 817)
Additional provisions recognised	1 156	1 140
Carrying amount at the end of the period	6 202	4 920

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 2025 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.

Department of Treasury and Finance
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6.5. Other liabilities

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Accommodation incentive	1 178	653
Total current other liabilities	1 178	653
<u>Non-current</u>		
Accommodation incentive	3 192	3 920
Unearned revenue	10	23
Total non-current other liabilities	3 202	3 943
Total other liabilities	4 380	4 596

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.

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2025

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

	2025 \$'000	2024 \$'000
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by operating activities	25 397	23 922
<u>Add/(less) non-cash items</u>		
Depreciation and amortisation	(16 677)	(11 344)
Other expenses - write off	(528)	(149)
Borrowing costs	(44)	(36)
<u>Movement in assets and liabilities</u>		
Increase/(Decrease) in receivables	11 007	(138)
(Increase)/Decrease in payables	(5 824)	2 532
Increase in employee liabilities	(6 524)	(2 982)
(Increase)/Decrease in provisions	(1 282)	2 677
Decrease in other liabilities	216	656
Net result	5 741	15 138

Total cash outflows for leases were \$0.833 million (2024: \$0.845 million).

Department of Treasury and Finance
Notes to and forming part of the financial statements
For the year ended 30 June 2025

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

	2025	2024
	\$'000	\$'000
Within one year	9 692	11 727
Later than one year but not later than five years	37 300	41 482
Later than five years	15 642	22 973
Total other contractual commitments	62 634	76 182

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

Other commitments

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

	2025	2024
	\$'000	\$'000
Within one year	52 595	26 383
Later than one year and not later than five years	81 099	68 315
Later than five years	8 635	8 425
Total other commitments	142 329	103 123

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
Notes to and forming part of the financial statements
For the year ended 30 June 2025

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 2025 and 2024, 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 2025

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 2025

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 notes.

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 2025

Department of Treasury and Finance
Statement of Administered Comprehensive Income
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Administered income</u>			
Appropriation	A2.1	3 841 543	3 327 318
Taxation	A2.2	6 318 246	5 823 676
Commonwealth revenues	A2.3	13 903 775	12 476 894
Dividends	A2.4	204 537	338 107
Interest revenues	A2.5	409 512	402 792
Grants and contributions	A2.6	209 073	220 319
Fees and charges	A2.7	269 975	247 605
Other income	A2.8	672 170	443 366
Total administered income		25 828 831	23 280 077
<u>Administered expenses</u>			
Employee related expenses	A3.1	592 845	538 753
Supplies and services	A3.2	54 139	54 503
Borrowing costs	A3.4	1 129 657	978 133
Grants subsidies and transfers	A3.5	6 422 116	5 177 762
Depreciation and amortisation		1 864	1 445
Payments to SA Government	A3.6	16 994 998	16 046 369
Other expenses	A3.7	406 817	89 222
Total administered expenses		25 602 436	22 886 187
Net result		226 395	393 890
<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		223 645	393 890

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 2025

	Note	2025 \$'000	2024 \$'000
<u>Administered current assets</u>			
Cash and cash equivalents	A4.1	1 396 136	1 520 895
Receivables	A4.2	381 503	282 064
Other financial assets	A4.3	39 717	44 478
Total current assets		1 817 356	1 847 437
<u>Administered non-current assets</u>			
Receivables	A4.2	13	9
Other financial assets	A4.3	707 431	338 256
Property, plant and equipment	A4.4	8 620	13 663
Intangible assets	A4.5	325	325
Total non-current assets		716 389	352 253
Total assets		2 533 745	2 199 690
<u>Administered current liabilities</u>			
Payables	A5.1	791 951	760 488
Employee related liabilities	A5.2	1 950	2 286
Provisions	A5.3	147	174
Other current liabilities	A5.4	5 906	5 906
Total current liabilities		799 954	768 854
<u>Administered non-current liabilities</u>			
Payables	A5.1	31 398	31 373
Employee related liabilities	A5.2	1 522	1 363
Provisions	A5.3	407	473
Other non-current liabilities	A5.4	222 857	143 665
Total non-current liabilities		256 184	176 874
Total liabilities		1 056 138	945 728
Net assets		1 477 607	1 253 962
<u>Administered equity</u>			
Accumulated surplus	A6.1	1 477 565	1 251 170
Asset revaluation surplus		42	2 792
Total equity		1 477 607	1 253 962

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 2025

	Note	2025 \$'000	2024 \$'000
<u>Cash flows from operating activities</u>			
<i>Cash inflows</i>			
Taxation received		6 318 246	5 823 676
Receipts from Commonwealth		13 906 452	12 494 629
Dividends		204 537	338 107
Interest received		409 454	402 792
Appropriation		3 841 543	3 327 318
Grants and contributions		209 073	220 319
Fees and charges		268 834	210 532
GST recovered from ATO		2 805	3 190
Other receipts		653 870	443 250
Cash generated from operations		25 814 814	23 263 813
<i>Cash outflows</i>			
Payments to SA Government		(16 975 596)	(15 702 348)
Employee related payments		(593 107)	(537 802)
Payments for supplies and services		(68 103)	(52 975)
Interest payments		(1 129 657)	(978 133)
Grants, subsidies and transfers		(6 419 672)	(5 180 162)
Other payments		(404 557)	(90 059)
Cash used in operations		(25 590 692)	(22 541 479)
Net cash from/(used in) operating activities	A6.2	224 122	722 334
<u>Cash flows from investing activities</u>			
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(2 556)	(1 529)
Cash used in investing activities		(2 556)	(1 529)
Cash (used in) investing activities		(2 556)	(1 529)
Net cash from/(used in) investing activities		(2 556)	(1 529)
<u>Cash flows from financing activities</u>			
<i>Cash inflows</i>			
Proceeds from other financial assets		58 648	32 420
Cash generated from financing activities		58 648	32 420
<i>Cash outflows</i>			
Other financial assets granted		(404 973)	(89 647)
Cash used in financing activities		(404 973)	(89 647)
Net cash from/(used in) financing activities		(346 325)	(57 227)
Net increase/(decrease) in cash and cash equivalents		(124 759)	663 578
Cash and cash equivalents at the beginning of the period		1 520 895	857 317
Cash and cash equivalents at the end of the period	A4.1	1 396 136	1 520 895
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 2025

	Administered Items on behalf of the Consolidated Account				Commonwealth Mirror Taxes on Commonwealth Places Revenue Account	
			Affordable Housing Fund			
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>Administered income</u>						
Appropriation	47 419	29 147	-	-	-	-
Taxation	5 907 990	5 429 428	-	-	-	-
Commonwealth revenues	9 296 879	8 932 802	-	-	40 823	38 476
Dividends	204 537	338 107	-	-	-	-
Interest revenues	407 314	399 153	-	-	-	-
Grants and contributions	1 000	5 917	3 100	3 100	-	-
Fees and charges	224 987	199 191	-	-	-	-
Other income	651 487	419 065	650	434	-	-
Total administered income	16 741 613	15 752 810	3 750	3 534	40 823	38 476
<u>Administered expenses</u>						
Employee related expenses	438	418	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	46 981	28 728	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	16 694 193	15 723 553	-	-	-	-
Other expenses	-	-	250	1 139	40 823	38 476
Total administered expenses	16 741 612	15 752 699	250	1 139	40 823	38 476
Net result	1	111	3 500	2 395	-	-

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2025

	Community Development Fund		Community Emergency Services Fund		Country Equalisation Scheme Account	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>Administered income</u>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	204 158	190 699	-	-
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	-	-	145	223	-	835
Grants and contributions	20 000	20 000	134 254	137 972	-	-
Fees and charges	-	-	258	231	-	-
Other income	-	-	-	-	-	-
Total administered income	20 000	20 000	338 815	329 125	-	835
<u>Administered expenses</u>						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	20 000	20 000	338 708	329 170	-	-
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	35	20 149
Other expenses	-	-	-	-	-	-
Total administered expenses	20 000	20 000	338 708	329 170	35	20 149
Net result	-	-	107	(45)	(35)	(19 314)

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2025

	Fines Enforcement Recovery		Hospitals Fund		Intergovernmental Agreement on Federal Financial Relations	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>Administered income</u>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	203 120	202 912	-	-
Commonwealth revenues	-	-	-	-	4 557 761	3 482 686
Dividends	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-
Grants and contributions	-	-	-	-	-	-
Fees and charges	44 730	48 183	-	-	-	-
Other income	-	-	-	-	-	-
Total administered income	44 730	48 183	203 120	202 912	4 557 761	3 482 686
<u>Administered expenses</u>						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	28 173	25 519	-	-	4 513 176	3 401 215
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	203 120	202 912	36 765	44 124
Other expenses	16 557	22 664	-	-	-	-
Total administered expenses	44 730	48 183	203 120	202 912	4 549 941	3 445 339
Net result	-	-	-	-	7 820	37 347

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2025

	Industry Financial Assistance		Local Government Disaster Fund		Local Government Taxation	
	Account (IFAA)				Equivalents Fund	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Administered income</u>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	-	-	2 978	637
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	43	74	-	(41)	15	(20)
Grants and contributions	19 298	21 601	-	529	-	-
Fees and charges	-	-	-	-	-	-
Other income	16	116	-	-	-	-
Total administered income	19 357	21 791	-	488	2 993	617
<u>Administered expenses</u>						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	18 945	23 399	-	5 507	2 989	640
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	2 700	3 000	-	-	-	-
Other expenses	(679)	(793)	-	-	-	-
Total administered expenses	20 966	25 606	-	5 507	2 989	640
Net result	(1 609)	(3 815)	-	(5 019)	4	(23)

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2025

	Support Services to Parliamentarians		Treasury and Finance Administered Items Account		Treasurer's Interest in the National Wine Centre Account	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>Administered income</u>						
Appropriation	23	-	3 794 101	3 298 171	-	-
Taxation	-	-	-	-	-	-
Commonwealth revenues	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Interest revenues	-	-	-	-	-	-
Grants and contributions	31 417	30 631	-	-	4	569
Fees and charges	-	-	-	-	-	-
Other income	37	13	18 367	21 328	25	25
Total administered income	31 477	30 644	3 812 468	3 319 499	29	594
<u>Administered expenses</u>						
Employee related expenses	23 107	22 512	569 300	515 823	-	-
Supplies and services	9 032	8 274	45 107	46 229	-	-
Borrowing costs	-	-	1 129 657	978 133	-	-
Grants, subsidies and transfers	-	-	1 453 144	1 327 769	-	-
Depreciation and amortisation	613	327	-	-	1 251	1 118
Payments to SA Government	-	-	58 185	52 631	-	-
Other expenses	-	-	345 038	25 327	3 215	-
Total administered expenses	32 752	31 113	3 600 431	2 945 912	4 466	1 118
Net result	(1 275)	(469)	212 037	373 587	(4 437)	(524)

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2025

	Treasury and Finance Working		Treasury Asset Management		Commonwealth Funding for National	
	Account		Account		Partnerships	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Administered income</u>						
Appropriation	-	-	-	-	-	-
Taxation	-	-	-	-	-	-
Commonwealth revenues	-	-	-	-	8 312	22 930
Dividends	-	-	-	-	-	-
Interest revenues	-	-	123	129	1 847	2 415
Grants and contributions	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-
Other income	1 588	2 385	-	-	-	-
Total administered income	1 588	2 385	123	129	10 159	25 345
<u>Administered expenses</u>						
Employee related expenses	-	-	-	-	-	-
Supplies and services	-	-	-	-	-	-
Borrowing costs	-	-	-	-	-	-
Grants, subsidies and transfers	-	-	-	-	-	15 815
Depreciation and amortisation	-	-	-	-	-	-
Payments to SA Government	-	-	-	-	-	-
Other expenses	1 588	2 385	-	-	-	-
Total administered expenses	1 588	2 385	-	-	-	15 815
Net result	-	-	123	129	10 159	9 530

Department of Treasury and Finance
Schedule of Expenses and income Attributable to Administered Activities
For the year ended 30 June 2025

	Treasurer - Super SA Select		Total	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
<u>Administered income</u>				
Appropriation	-	-	3 841 543	3 327 318
Taxation	-	-	6 318 246	5 823 676
Commonwealth revenues	-	-	13 903 775	12 476 894
Dividends	-	-	204 537	338 107
Interest revenues	25	24	409 512	402 792
Grants and contributions	-	-	209 073	220 319
Fees and charges	-	-	269 975	247 605
Other income	-	-	672 170	443 366
Total administered income	25	24	25 828 831	23 280 077
<u>Administered expenses</u>				
Employee related expenses	-	-	592 845	538 753
Supplies and services	-	-	54 139	54 503
Borrowing costs	-	-	1 129 657	978 133
Grants, subsidies and transfers	-	-	6 422 116	5 177 762
Depreciation and amortisation	-	-	1 864	1 445
Payments to SA Government	-	-	16 994 998	16 046 369
Other expenses	25	24	406 817	89 222
Total administered expenses	25	24	25 602 436	22 886 187
Net result	-	-	226 395	393 890

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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 2025

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 received 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 2025

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 2025

A1.2. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2024-25 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 2025 \$'000	Actual 2025 \$'000	Variance \$'000
Statement of Administered Comprehensive Income	Note			
<u>Administered Income</u>				
Appropriation		4 346 585	3 841 543	(505 042)
Taxation		5 681 610	6 318 246	636 636
Commonwealth revenues	1	9 181 246	13 903 775	4 722 529
Dividends		153 930	204 537	50 607
Interest revenues		419 891	409 512	(10 379)
Grants and contributions		36 000	209 073	173 073
Fees and charges		264 677	269 975	5 298
Other income		75 868	672 170	596 302
Total administered income		20 159 807	25 828 831	5 669 024
<u>Administered Expenses</u>				
Employee related expenses		570 704	592 845	22 141
Supplies and services		81 436	54 139	(27 297)
Borrowing costs		1 228 645	1 129 657	(98 988)
Grants, subsidies and transfers		5 943 699	6 422 116	478 417
Depreciation and amortisation		200	1 864	1 664
Payments to SA Government	2	15 780 727	16 994 998	1 214 271
Other expenses		32 518	406 817	374 299
Total administered expenses		23 637 929	25 602 436	1 964 507
Net result		(3 478 122)	226 395	3 704 517
<u>Other comprehensive income</u>				
Changes in property, plant and equipment asset revaluation surplus		-	(2 750)	(2 750)
Total other comprehensive income		-	(2 750)	(2 750)
Total comprehensive result		(3 478 122)	223 645	3 701 767

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

A1.3. Budget performance (continued)

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

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 \$4.723 billion variation against the original budget is primarily due to the actual funding from the Commonwealth for Intergovernmental Agreement on Federal Financial Relations (\$4.566 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 (\$0.117 billion).

2 Payments to SA Government

The \$1.214 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, Commonwealth contribution to Whyalla Steel Industry and return of capital by agencies.

A1.4. 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
for the year ended 30 June 2025

A2. Income

A2.1. Appropriation

	2025	2024
	\$'000	\$'000
Appropriation from the Consolidated Account pursuant to the <i>Appropriation Act</i>	3 767 101	3 182 110
Appropriation under other Acts	47 419	29 147
Appropriation from Governor's Appropriation Fund	27 000	116 061
Transfers from Contingencies	23	-
Total appropriation	3 841 543	3 327 318

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

	2025	2024
	\$'000	\$'000
Stamp Duties - conveyances on sale of property	1 647 531	1 461 290
Stamp Duties - general insurance	709 686	663 487
Stamp Duties - motor vehicles registrations	276 653	277 605
Stamp Duties - other	21 889	20 622
Commonwealth Places Mirror - Stamp Duties	263	263
Payroll Tax	2 230 546	2 109 027
Commonwealth Places Mirror - Payroll Tax	39 015	36 897
Land Tax	881 102	757 839
Commonwealth Places Mirror - Land Tax	1 544	1 316
Emergency Services Levy	204 158	190 699
Local Government rate equivalents	5 931	3 653
Income tax equivalents	55 237	91 969
Contributions from Lotteries Commission of South Australia	117 534	123 637
Betting Operations Tax	63 921	61 189
Casino Duty	63 236	24 183
Total taxation	6 318 246	5 823 676

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

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 will be 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 and Local Government Rates*.

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 2025

A2.3. Commonwealth revenues

	2025	2024
	\$'000	\$'000
Commonwealth general purpose grants		
GST revenue grants	9 058 838	8 697 556
Commonwealth Places Mirror taxes	40 823	38 476
Total Commonwealth general purpose grants	<u>9 099 661</u>	<u>8 736 032</u>
Commonwealth specific purpose grants		
Council of Australian Governments Funding arrangements	238 041	235 246
Intergovernmental Agreement on Federal Financial Relations - Recurrent	3 377 971	2 672 723
Intergovernmental Agreement on Federal Financial Relations - Capital	1 188 102	832 893
Total Commonwealth specific purpose grants	<u>4 804 114</u>	<u>3 740 862</u>
Total Commonwealth revenues	<u><u>13 903 775</u></u>	<u><u>12 476 894</u></u>

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.

Department of Treasury and Finance
Notes to and forming part of the Financial Statements
for the year ended 30 June 2025

A2.4. Dividends

	2025	2024
	\$'000	\$'000
Adelaide Venue Management	1 600	1 600
Home Start Finance	48 202	32 892
Renewal SA	5 630	85 402
Public Trustee	1 225	5 845
SA Water Corporation	142 988	106 952
Motor Accident Commission	3 432	7 560
South Australian Government Financing Authority	1 460	95 690
State Owned Generators Leasing Co. Pty Ltd	-	2 166
Total dividends	204 537	338 107

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

	2025	2024
	\$'000	\$'000
Interest	409 512	402 792
Total interest revenues	409 512	402 792

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. The increase in Interest revenues is mainly due to higher interest rates on cash deposits.

A2.6. Grants and contributions

	2025	2024
	\$'000	\$'000
Intra-government transfers	74 071	85 726
Emergency services levy remission	128 271	127 906
Emergency services levy- pensioner	6 731	6 687
Total grants and contributions	209 073	220 319

Grants and contributions mainly represent Emergency Services Levy general remissions as well as intra-government transfers received for administered funds.

Department of Treasury and Finance
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A2.7. Fees and charges

	2025	2024
	\$'000	\$'000
Guarantee fees	140 617	122 923
Court fines	64 135	61 955
Court Regulatory fees	20 117	14 240
Victims of Crime levy collections	28 172	25 520
Fines Enforcement and Recovery - suitor collections	16 558	22 663
Other recoveries	376	304
Total fees and charges	269 975	247 605

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*.

A2.8. Other income

	2025	2024
	\$'000	\$'000
Cash alignment transfers to the Consolidated Account	312 475	347 023
Return of capital	62 000	-
Commonwealth contribution to Whyalla Steel Industry	162 328	-
Return of Whyalla Steelworks Operational Efficiency Improvements Fund	55 681	-
Return of deposit account balances	35	20 149
Recoveries DIT- Indentured Ports	10 658	11 735
Essential Services Commission of SA	17 698	14 645
Recovery from SAFA Insurance Fund	-	6 701
Return of Live Music and Event Cancellation Fund	-	5 258
Revision to carrying value of State Owned Generator Leasing Co. Pty. Ltd.	2 044	21 328
Unrealised Gain on Investment funds for South Australian universities	16 323	-
Across Government energy retail agreement rebate	12 760	-
Other income	20 168	16 527
Total other income	672 170	443 366

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

	2025	2024
	\$'000	\$'000
Superannuation contributions to various schemes*	569 300	515 823
Salaries and wages	17 822	17 387
Long service leave	146	349
Annual leave	1 195	1 238
Skills and experience retention leave	20	18
Superannuation	2 185	2 067
Employment on-costs - other	1 065	1 033
Minister's salary, electorate and expense allowance	438	418
Other employee related expenses	674	420
Total employee related expenses	592 845	538 753

*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

	2025	2024
	Number	Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$171 001 - \$191 000	-	1
Total	-	1

The total remuneration received by those employees for the year was nil (2024: \$185 000).

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
Notes to and forming part of the Financial Statements
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A3.2. Supplies and services

	2025	2024
	\$'000	\$'000
State's share of GST administration	42 391	43 321
Accommodation	4 493	4 179
General administration and consumables	3 351	3 210
Minor works, maintenance and equipment	628	458
Unclaimed monies	1 604	1 218
Information technology and communication expenses	268	234
Consultants	86	31
Legal costs	1 109	1 699
Contractors and temporary staff	29	-
Other	180	153
Total supplies and services	54 139	54 503

A3.3. Expenditure – SA Business and Non-SA Business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement. Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2025	2025
	\$'000	Proportion SA and non-SA businesses
Total expenditure on South Australian businesses	2 530	90%
Total expenditure on non-South Australian businesses	284	10%
	2 814	100%

Classification as SA business or non-SA business is generally based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Department, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

Department of Treasury and Finance
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A3.4. Borrowing costs

	2025	2024
	\$'000	\$'000
Interest on borrowings	1 049 208	895 198
Interest paid on deposit accounts and other monies	80 449	82 935
Total borrowing costs	1 129 657	978 133

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 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 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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A3.5. Grants, subsidies and transfers

	2025	2024
	\$'000	\$'000
Recurrent grants, subsidies and transfers	4 645 734	3 987 105
Capital grants, subsidies and transfers	1 341 222	750 656
Equity capital contribution	406 987	414 482
Victims of Crime Levy collections	28 173	25 519
Total grants, subsidies and transfers	6 422 116	5 177 762

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:

	2025	2024
	\$'000	\$'000
Department for Education	2 614 219	2 405 777
Department for Infrastructure and Transport	1 226 034	763 148
Department of Human Services	273 681	151 291
South Australian Housing Authority	148 804	119 588
Department for Health and Wellbeing	128 816	-
Department of Treasury and Finance	169 470	-
Total	4 561 024	3 439 804

Department of Treasury and Finance
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A3.6. Payments to SA Government

	2025	2024
	\$'000	\$'000
Transfer of revenue received on behalf of the Consolidated Account	16 730 958	15 767 677
Other payments to the Consolidated Account	203 155	223 061
Repayment of Advances payable to Consolidated Account	58 185	52 631
Cash alignment transfer to Consolidated Account	2 700	3 000
Total payments to SA Government	16 994 998	16 046 369

A3.7. Other expenses

	2025	2024
	\$'000	\$'000
Administration costs for Whyalla Steelworks	317 100	-
Payments to Commonwealth Government	40 823	38 476
Refunds and remissions*	27 699	24 685
Doubtful debts	(1 106)	(830)
Fines Enforcement and Recovery - suitor payments	16 557	22 664
Decrements on revaluation of non-current assets	3 215	-
Other	2 529	4 227
Total other expenses	406 817	89 222

*Refunds and Remissions includes taxation relief approved as part of the government's COVID-19 support fund of \$134 000 (2024: \$8.9 million).

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.

Department of Treasury and Finance
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for the year ended 30 June 2025

A4. Assets

A4.1. Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)	1 396 136	1 520 895
Total cash and cash equivalents in the Statement of Financial Position	1 396 136	1 520 895
Total cash and cash equivalents in the Statement of Cash Flows	1 396 136	1 520 895

A4.2. Receivables

	2025	2024
	\$'000	\$'000
<u>Current receivables</u>		
Contractual receivables		
Receivables	348 116	271 731
Accrued revenues	11 512	10 096
Total contractual receivables	359 628	281 827
Statutory receivables		
GST input tax recoverable	417	237
Total statutory receivables	417	237
Prepayments	21 458	-
Total current receivables	381 503	282 064
<u>Non-current receivables</u>		
Contractual receivables		
Receivables	13	9
Total contractual receivables	13	9
Total non-current receivables	13	9
Total receivables	381 516	282 073

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.

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 2025.

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

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Loans for financial assistance	6 718	6 497
Less allowance for impairment loss	(6 823)	(5 745)
Loans with the Treasurer	39 822	43 726
Total current other financial assets	39 717	44 478
<u>Non-current</u>		
Loans for financial assistance	29 350	31 418
Less allowance for impairment loss	(18 033)	(20 216)
Loans with the Treasurer	143 619	152 926
Contributed capital in subsidiary company SOGLC	176 172	174 128
Investment funds for South Australian universities	376 323	-
Total non-current other financial assets	707 431	338 256
Total other financial assets	747 148	382 734

Loans for financial assistance

The 2023-24 comparatives have been updated to reflect the Treasurer - Super SA Select Loan and its interest revenues resulting in an error correction of \$0.500 million. Refer to note A6.1 for further information.

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.

The recognition of the transactions for the advances and repayment of Loans with the Treasurer has previously been treated as revenue and expenses in the Statement of Administered Comprehensive Income, this has now been corrected from 1 July 2024 to properly reflect these transactions in the Statement of Administered Financial Position under Other financial assets.

Investments for South Australian universities

The South Australian Government has established three Government-owned Investment funds, totalling \$360 million, for research and student support to assist students from educationally disadvantaged backgrounds and the regions to access higher education. The funds have been 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 2025, SOGLC's generator assets are operating at their permanent locations, where they are expected to remain for the life of the leases.

The 2023-24 comparatives have been updated to reflect the SOGLC revaluation resulting in an error correction of \$21.328 million. Refer to note A6.1 for further information.

Department of Treasury and Finance
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for the year ended 30 June 2025

A4.4. Property, plant and equipment owned by the department

Reconciliation

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	-	1 700	-	1 073	13	2 786
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	1 094	5 155	1 738	622	11	8 620
Gross carrying amount						
Gross carrying amount	1 094	5 155	5 322	622	13	12 206
Accumulated depreciation/amortisation	-	-	(3 584)	-	(2)	(3 586)
Carrying amount	1 094	5 155	1 738	622	11	8 620

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A4.4. Property, plant and equipment owned by the department (continued)

2023-24	Land	Buildings	Building fitouts	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	581	11 260	294	786	12 921
Additions	-	1 042	-	1 145	2 187
Capital transfers from WIP	-	-	1 005	(1 005)	-
Depreciation and amortisation	-	(1 118)	(327)	-	(1 445)
Carrying amount at the end of the period	581	11 184	972	926	13 663
Gross carrying amount					
Gross carrying amount	581	13 462	4 038	926	19 007
Accumulated depreciation/amortisation	-	(2 278)	(3 066)	-	(5 344)
Carrying amount	581	11 184	972	926	13 663

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A4.4. 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 3.7 other expenses.

A4.5. Intangible assets

Reconciliation of intangible assets

Reconciliation 2024-25	Water licences \$'000	Total \$'000
Carrying amount at the beginning of the period	<u>325</u>	<u>325</u>
Carrying amount at the end of the period	<u>325</u>	<u>325</u>
Gross carrying amount		
Gross carrying amount	<u>325</u>	<u>325</u>
Carrying amount	<u><u>325</u></u>	<u><u>325</u></u>

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

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Creditors - revenue received on behalf of the Consolidated Account	684 183	614 166
Repayment of Advances payable to Consolidated Account	2 016	52 631
Creditors - other	4 566	1 536
Accrued expenses	101 186	92 155
Total current payables	791 951	760 488
<u>Non-current</u>		
Creditors - electricity entities lease proceeds	28 273	28 273
Creditors - other	2 501	2 501
Super SA Select Loan	624	599
Total non-current payables	31 398	31 373
Total payables	823 349	791 861

A5.2. Employee related liabilities

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Accrued salaries and wages	149	93
Annual leave	1 251	1 238
Long service leave	39	153
Skills and experience retention leave	40	30
Employment on-costs	471	772
Total current employee related liabilities	1 950	2 286
<u>Non-current</u>		
Long service leave	1 377	1 235
Employment on-costs	145	128
Total non-current employee related liabilities	1 522	1 363
Total employee related liabilities	3 472	3 649

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. Provisions

Movement in provisions	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	647	447
Additional provisions recognised	221	386
Reductions arising from payments/other sacrifices of future economic benefits	(314)	(186)
Carrying amount at the end of the period	554	647

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A5.4. Other liabilities

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Unearned revenue	5 906	5 906
Total current other liabilities	5 906	5 906
<u>Non-current</u>		
Unearned revenue	26 992	32 898
Unearned revenue - capital projects	193 852	108 906
Unclaimed monies Fines Unit	2 013	1 861
Total non-current other liabilities	222 857	143 665
Total other liabilities	228 763	149 571

Reconciliation of unearned revenue - capital projects

	2025	2024
	\$'000	\$'000
Balance at the beginning of the year	108 906	103 618
Grant revenue for capital projects received during the year	938 528	155 050
Grant revenue for capital projects recognised consistent with the works undertaken during the year	(853 582)	(149 762)
Balance at the end of the year	193 852	108 906

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 \$32.443 million (2024: \$38.324 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 2025 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:

	Note	2024 Original balance \$'000	2024 Error correction \$'000	2024 Restated balance \$'000
Statement of Comprehensive Income				
Interest revenues	A2.5	402 768	24	402 792
Other income	A2.8	422 038	21 328	443 366
Other expenses	A3.7	89 198	24	89 222
Prior period adjustments relating to net result		735 608	21 328	756 936
Statement of Financial Position				
Contributed capital in subsidiary company SOGLC	A4.3	152 800	21 328	174 128
Loans for financial assistance - non-current	A4.3	30 819	599	31 418
Super SA Select Loan	A5.1	500	99	599
Total prior period adjustments		183 119	21 828	204 947

Equity Adjustments

Restatement of Opening balances

	Original Accumulated Surplus \$'000	Error correction \$'000	Restated Accumulated Surplus \$'000
Balance at 30 June 2023	856 780	-	856 780
Net result for 2023-24	372 562	21 328	393 890
Total comprehensive result for 2023-24	372 562	21 328	393 890
Error correction	-	500	500
Balance at 30 June 2024	1 229 342	21 828	1 251 170

Refer to note A4.3 for further information on the error correction and other financial assets.

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A6.2. Cash flow reconciliation

	2025	2024
	\$'000	\$'000
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by/(used in) operating activities	224 122	701 006
<u>Add/(less) non-cash items</u>		
Depreciation and amortisation	(1 864)	(1 445)
Expected credit loss	-	830
Discounted cash flow valuations for financial assistance loans - other income	16	116
Revision of carrying of SOGLC	2 044	21 328
Unrealised Gain on Investment funds for Universities of South Australia	16 323	-
Decrements on revaluation of non-current assets	(3 215)	-
<u>Movement in assets and liabilities</u>		
Increase in receivables	99 140	18 638
Increase in payables	(31 249)	(346 388)
(Increase)/Decrease in employee related liabilities	177	(710)
(Increase)/Decrease in provisions	93	(200)
(Increase)/Decrease in other liabilities	(79 192)	715
Net result	226 395	393 890

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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

	2025	2024
	\$'000	\$'000
Within one year	3 079	2 782
Later than one year but not longer than five years	4 614	5 790
Later than five years	652	1 080
Total expenditure commitments	8 345	9 652

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 department's administered other commitments primarily 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:

	2025	2024
	\$'000	\$'000
Within one year	109 648	31 755
Later than one year but not longer than five years	15 613	65 992
Later than five years	-	897
Total other commitments	125 261	98 644

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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 \$6.718 million loan 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 2025 was \$930.7 million (2024: \$1019.7 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. This policy resulted in a net receivable from the Treasurer of \$51.25 million for the year 2024-25 (2024: \$50.13 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 2025 was \$0.833 million (2024: \$2.77 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 2025, the amount of undrawn grants from the Fund as at 30 June 2025 was \$0.25 million (2024: \$3 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 2025 was \$20.225 million (2024: \$43.78 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 2025 was \$27.731 million (2024: \$31.9 million).

The Government of South Australia established an Aluminium Composite Panel Cladding Loan Scheme. The amount of undrawn loans that are expected to be provided to recipients as at 30 June 2025 was \$5.332 million (2024: \$10 million).

The Government of South Australia established an Economic Recovery Fund. The amount of undrawn loans that are expected to be provided to recipients as at 30 June 2025 was \$28.54 million (2024: \$31.3 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.

In April 2020, to support construction of the Australian Bragg Centre during the COVID 19 pandemic, the previous government committed the State to support a cost sharing arrangement for Lendlease to deliver the building through a managing contractor arrangement. The State's support is in the form of sharing risk with the building's financiers if the cost of delivering the building exceeded its budget of \$372 million. The actual cost of constructing the building and any associated budget overrun to be shared with the State will not be known fully until end of the warranty period, in September 2025. The State's contribution to the estimated cost overruns is anticipated to be approximately \$3.5 million.

The previous government also agreed to step-in commitments to the building owner (Dexus) and debt financier (CBA) that the State would complete the proton therapy facility project under limited circumstances, such as if SAHMRI were unable to make payments to complete the project. In certain events, the Treasurer must enter into a short-term license arrangement with Dexus, to complete the installation and appoint an operator. The State's financial obligation in relation to licence rental payments is 70% of the bunker rent that SAHMRI would otherwise have paid, for a maximum period of 21 months.

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 2025 was \$152.61 million (2024: \$134.9 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 2025 was \$1 million.

The amount of undrawn loans and grants related to SAHMRI that are expected to be provided to recipients as at 30 June 2025 was \$12 million.

The Treasurer has indemnified the debts of the Voluntary Administrators of OneSteel Manufacturing Pty Ltd for up to \$400 million. Government funding is released when the liabilities fall due. The Treasurers remaining exposure at 30 June 2025 was \$82.9 million. On 23 July 2025 the Australian and South Australian Governments announced a further joint \$275 million to continue the operations of the Whyalla Steelworks.

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.

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A7.3. Events after the end of the reporting period

On 4 August 2025 the Government of South Australia entered into contractual arrangements with Nyrstar and the Commonwealth Government to support the transformation of the Port Pirie smelters owned by Nyrstar into modern facilities capable of producing critical minerals. The Government of South Australia's investments is capped at \$55 million.

On the 27 July 2025 the Government of South Australia announced a \$15 million loan facility to assist the Bedford Group Ltd (Bedford) meet its financial obligations. The loan funds will be released as necessary to meet Bedford's obligations and are repayable within 12 months.