

Department for Infrastructure and Transport

Financial report
for the year ended 30 June 2021



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To the Chief Executive Department for Infrastructure and Transport

Opinion

I have audited the financial report of the Department for Infrastructure and Transport for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Infrastructure and Transport as at 30 June 2021, 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Statement of Administered Comprehensive Income for the year ended 30 June 2021
- a Statement of Administered Financial Position as at 30 June 2021
- a Statement of Administered Changes in Equity for the year ended 30 June 2021
- a Statement of Administered Cash Flows for the year ended 30 June 2021
- a Schedule of Expenses and Income attributable to administered activities for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information for administered items
- a Certificate from the Chief Executive and the Executive Director, People and Corporate Services.

Basis for opinion

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

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

Responsibilities of the Chief Executive for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Infrastructure and Transport for the financial year ended 30 June 2021.

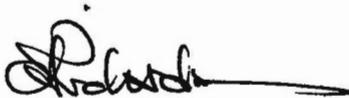
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an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

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

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

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

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



Andrew Richardson

Auditor-General

23 September 2021

Department for Infrastructure and Transport CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

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



Tony Braxton-Smith
Chief Executive

Department for Infrastructure
and Transport
South Australia

17 September 2021



Judith Formston
Executive Director, People
and Corporate Services

Department for Infrastructure
and Transport
South Australia

17 September 2021

**Department for Infrastructure and Transport -
Controlled**

Financial Statements

For the year ended 30 June 2021

Department for Infrastructure and Transport - Controlled
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Appropriation	2.1	671 225	636 193
Fees and charges	2.2	724 660	720 817
Commonwealth-sourced grants and funding	2.3	795 798	291 812
SA Government grants, subsidies and transfers	2.4	62 564	79 982
Sales of goods and services	2.5	193 967	180 968
Rental Income	2.6	196 526	201 584
Grants and subsidies income	2.7	65 802	64 925
Interest	2.8	4 736	6 091
Resources received free of charge	2.9	7 766	4 774
Net gain from the disposal of property, plant and equipment	2.10	7 435	2 549
Other income	2.11	32 593	33 944
Total income		2 763 072	2 223 639
Expenses			
Employee benefits expenses	3.3	187 981	225 375
Supplies and services	4.1	936 907	916 237
Depreciation and amortisation	4.2	652 898	621 937
Grants and subsidies	4.3	76 512	84 971
Borrowing costs	4.4	21 580	24 026
Cash alignment payments to Department of Treasury and Finance		114 469	100 859
Other expenses	4.5	37 916	43 873
Total expenses		2 028 263	2 017 278
Net result		734 809	206 361
Other comprehensive income			
Items that will not be reclassified to net result:			
Changes in property, plant and equipment asset revaluation surplus		720 968	6 113 680
Total other comprehensive income		720 968	6 113 680
Total comprehensive result		1 455 777	6 320 041

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

Department for Infrastructure and Transport - Controlled
Statement of Financial Position
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	6.1	4 532 863	4 220 136
Receivables	6.2	301 867	194 471
Inventories	5.6	6 190	11 225
Other Assets	6.3	30 354	33 200
Non-current assets held for sale	5.7	9 963	9 405
Total current assets		4 881 237	4 468 437
Non-current assets			
Receivables	6.2	156 822	156 549
Other Assets	6.3	47 974	49 126
Land, Buildings and Facilities	5.1	3 388 588	3 411 539
Property, Plant and Equipment	5.2	674 574	654 742
Network assets	5.3	29 558 889	28 485 488
Capital works in progress	5.4	1 792 413	1 515 748
Intangible assets	5.5	11 369	308 902
Total non-current assets		35 630 629	34 582 094
Total assets		40 511 866	39 050 531
Current liabilities			
Payables	7.1	442 009	231 558
Financial liabilities	7.2	108 217	139 179
Employee benefits	3.4	33 821	37 444
Provisions	7.3	13 042	16 097
Other current liabilities	7.4	21 449	17 107
Total current liabilities		618 538	441 385
Non-current liabilities			
Payables	7.1	17 924	27 808
Financial liabilities	7.2	875 096	972 214
Employee benefits	3.4	54 728	69 712
Provisions	7.3	15 533	13 764
Total non-current liabilities		963 281	1 083 498
Total liabilities		1 581 819	1 524 883
Net assets		38 930 047	37 525 648
Equity			
Contributed Capital		4 396 860	4 120 012
Retained earnings		12 234 783	11 515 925
Asset revaluation surplus		22 298 404	21 889 711
Total equity		38 930 047	37 525 648

Total equity is attributable to the SA Government as owner.

Unrecognised contractual commitments 10.1

Contingent assets and liabilities 10.2

Department for Infrastructure and Transport - Controlled
Statement of Changes in Equity
for the year ended 30 June 2021

	Note	Contributed capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2019		3 843 164	15 497 147	11 272 799	30 613 110
Prior Period - error corrections	8.1	-	-	33 210	33 210
Changes in accounting policy on adoption of AASB 1059	8.1/9	-	283 596	-	283 596
Restated Balance at 1 July 2019		3 843 164	15 780 743	11 306 009	30 929 916
Net result for 2019-20		-	-	206 361	206 361
Gain / (loss) on Revaluation of Land, Buildings and Facilities during 2019-20		-	61 518	-	61 518
Gain / (loss) on Revaluation of Network Assets during 2019-20		-	6 053 683	-	6 053 683
Gain / (loss) on Revaluation of Plant and Equipment during 2019-20		-	(1 521)	-	(1 521)
Total comprehensive result for 2019-20		-	6 113 680	206 361	6 320 041
Transfer between equity components					
Equity transfer on asset disposals		-	(4 709)	4 709	-
Other		-	(3)	(3)	(6)
Transactions with SA Government as Owner					
Equity Contribution Received		276 848	-	-	276 848
Dividends Paid		-	-	(1 151)	(1 151)
Balance at 30 June 2020		4 120 012	21 889 711	11 515 925	37 525 648
Net result for 2020-21		-	-	734 809	734 809
Gain / (loss) on Revaluation of Land, Buildings and Facilities during 2020-21	5.1	-	114 749	-	114 749
Gain / (loss) on Revaluation of Network Assets during 2020-21	5.3	-	524 685	-	524 685
Gain / (loss) on Revaluation of Plant and Equipment during 2020-21	5.2	-	71 221	-	71 221
Gain / (loss) on Revaluation of Intangibles during 2020-21	5.5	-	11 282	-	11 282
Gain / (loss) on Revaluation of Non-Current Assets Classified as Held for Sale	5.7	-	(969)	-	(969)
Total comprehensive result for 2020-21		-	720 968	734 809	1 455 777
Transfer between equity components					
Equity transfer on asset disposals		-	(17 399)	17 399	-
Other		-	2	4	6
Net assets transferred as a result of an administrative restructure	1.4	-	(294 878)	(28 817)	(323 695)
Transactions with SA Government as Owner					
Equity Contribution Received		276 848	-	-	276 848
Dividends Paid		-	-	(4 537)	(4 537)
Balance at 30 June 2021		4 396 860	22 298 404	12 234 783	38 930 047

All changes in equity are attributable to the SA Government as owner

Department for Infrastructure and Transport - Controlled
Statement of Cash Flows
for the year ended 30 June 2021

		2021 (Outflows) Inflows \$'000	2020 (Outflows) Inflows \$'000
Cash flows from operating activities	Note		
Cash inflows			
Appropriation		671 225	636 193
Fees and charges		725 978	720 817
Receipts from Commonwealth-sourced grants		795 798	291 812
SA Government grants, subsidies and transfers		62 564	79 982
Rental income		218 566	237 429
Sale of goods and services		396 571	371 055
Grants and subsidies		65 802	64 925
Interest received		8 980	6 203
Construction work reimbursements		661 089	271 674
GST received from the ATO		153 673	139 916
Other receipts		16 842	60 378
Cash generated from operations		3 777 088	2 880 384
Cash outflows			
Employee benefit payments		(204 975)	(225 113)
Payments for supplies and services		(1 304 006)	(1 272 969)
Payments of grants and subsidies		(76 177)	(84 768)
Interest paid		(21 580)	(24 026)
Cash alignment payments to Department of Treasury and Finance		(114 469)	(100 859)
Construction work payments		(719 132)	(286 186)
Other payments		(41 630)	(38 135)
Cash used in operations		(2 481 969)	(2 032 056)
Net cash provided by/(used in) operating activities	8.2	1 295 119	848 328
Cash flows from investing activities			
Cash inflows			
Proceeds from sale of property, plant and equipment		53 118	20 336
Cash generated from investing activities		53 118	20 336
Cash outflows			
Purchase of property, plant and equipment		(35 496)	(120 840)
Purchase of network assets		(1 167 818)	(864 875)
Cash used in investing activities		(1 203 314)	(985 715)
Net cash provided by/(used in) investing activities		(1 150 196)	(965 379)
Cash flows from financing activities			
Cash inflows			
Equity contributions received		276 848	276 848
Repayment of finance lease receivables		22 285	20 043
Cash generated from financing activities		299 133	296 891
Cash outflows			
Payment of dividend to SA Government		(4 537)	(1 151)
Repayment of lease liabilities		(126 792)	(124 584)
Cash used in financing activities		(131 329)	(125 735)
Net cash provided by/(used in) financing activities		167 804	171 156
Net increase/(decrease) in cash and cash equivalents		312 727	54 105
Cash and cash equivalents at 1 July		4 220 136	4 166 031
Cash and cash equivalents at 30 June	6.1	4 532 863	4 220 136

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1. About the Department for Infrastructure and Transport

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

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

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

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

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

1.1. Basis of preparation

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

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

For the 2020-21 financial statements the department adopted *AASB 1059- Service Concession Arrangements –Grantor*. Further information is provided in note 9.

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

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

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

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

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

Significant accounting policies are outlined in Note 8.3 and within the Notes.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.2. Objectives and programs

The department is responsible for the design, delivery and maintenance of state infrastructure used to deliver essential and important services to the community; and for managing and developing transport networks and the service delivery that supports them within South Australia.

The department supports a growing economy and a thriving community by working on enabling the movement of people, goods and services across the state's transport networks in a safe, sustainable, efficient, cost effective manner; and by leading and coordinating the development, management and sustainment of public sector building assets and infrastructure that support the delivery of government services

Departmental Organisation

The structure of the department has been established in a manner that provides clear accountabilities and responsibilities for all divisions and enables an open and steady flow of information between these areas.

The divisions of the department as at 30 June 2021 are:

- Across Government Services;
- People and Corporate Services;
- Transport Planning and Program Development;
- South Australian Public Transport Authority;
- Road and Marine Services;
- Transport Project Delivery;
- Public Affairs; and
- North-South Corridor Program Delivery Office.

Significant changes to the operations of the department:

The significant changes to the operations of the department that occurred during the financial year are as follows:

- The transition to an outsourced light rail service delivery model on 5 July 2020 with the contracted provider being responsible for the rail network assets, including all network operations, maintenance and service delivery;
- The transition to outsourced heavy rail operations on 31 January 2021 with the contracted provider being responsible for the rail network assets, including all network operations, maintenance and service delivery;
- The introduction of the modern road maintenance program from 2 November 2020, where the department outsourced the delivery of road maintenance services.

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

Program 1 SA Public Transport Authority

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

Program 2 Roads and Marine

Provision of safe, effective and efficient maintenance, operations and service delivery on roads and marine infrastructure that is in the care and control of the department, regulation of

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

driver and vehicle access to the transport network and the delivery of services that support customer and community mobility.

Program 3 Delivery of Transport Projects

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

Program 4 Provision and Management of Across Government Services

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

Program 5 Infrastructure Planning and Policy

Establishes strategic plans, standards and program management frameworks for network development to deliver positive community and economic benefits for South Australians. This program includes three months of Registrar-General and Valuer-General expenses and income.

Program 6 Road Safety

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

Program 7 Land Use Planning

(transferred to the Attorney-General's department as at 1 October 2020)

Administering the South Australian Planning and Development System, leading and presenting South Australia's strategic land use and development planning, and assessing applications for land use and development.

The disaggregated disclosures schedules present expenses, income, assets and liabilities information attributable to each of the activities for the years ended 30 June 2021 and 30 June 2020 below.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

	SA Public Transport					
	Road Safety		Authority		Roads and Marine	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	118 283	110 842	395 194	384 302	150 514	134 294
Fees and charges	3 095	2 519	72 751	92 259	630 974	600 947
Commonwealth-sourced grants and funding	29 794	7 218	134 680	50 827	39 294	36 043
SA Government grants, subsidies and transfers	2 246	4 931	12 799	2 487	13 167	20 945
Sales of goods and services	-	-	4 421	59	4 294	2 808
Rental Income	-	-	222	228	57	144
Grants and subsidies income	-	-	64 423	64 925	403	-
Interest	6	41	-	-	33	526
Net gain from the disposal of property, plant and equipment	-	-	428	25	2 536	455
Resources received free of charge	-	-	496	-	7 270	4 774
Other income	8	171	9 785	13 527	13 651	7 726
Total income	153 432	125 722	695 199	608 639	862 193	808 662
Expenses						
Employee benefits expenses	8 340	9 535	32 105	43 603	77 443	76 339
Supplies and services	6 652	4 756	447 495	404 124	168 275	128 331
Depreciation and amortisation	757	809	125 789	116 471	381 085	352 975
Net loss from the disposal of non-current assets	-	-	-	-	-	-
Grants and subsidies	52 363	48 132	14 058	17 973	7 546	9 387
Borrowing costs	-	23	9	31	2	6
Cash alignment payments to Department of Treasury and Finance	-	-	-	-	-	-
Other expenses	32	390	8 368	837	19 908	22 074
Total expenses	68 144	63 645	627 824	583 039	654 259	589 112
Net result	85 288	62 077	67 375	25 600	207 934	219 550

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.2 Objectives and programs (continued)

	Delivery of Transport		Provision and Management of		Infrastructure Planning and Policy	
	Projects		Across Government Services			
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Appropriation	-	-	-	-	7 234	6 755
Fees and charges	-	-	-	-	15 582	16 617
Commonwealth-sourced grants and funding	587 283	194 284	-	-	4 747	3 440
SA Government grants, subsidies and transfers	20 453	18 926	4 030	-	2 527	6 463
Sales of goods and services	9	-	180 310	162 828	4 707	14 286
Rental Income	-	-	196 247	201 212	-	-
Grants and subsidies income	-	-	976	-	-	-
Interest	-	-	4 694	5 491	3	33
Net gain from the disposal of property, plant and equipment	110	-	4 332	2 069	29	-
Resources received free of charge	-	-	-	-	-	-
Other income	3 454	7 088	39	308	5 648	3 696
Total income	611 309	220 298	390 628	371 908	40 477	51 290
Expenses						
Employee benefits expenses	10 852	4 036	42 673	45 213	11 860	28 953
Supplies and services	62 214	81 472	213 699	196 907	36 327	92 287
Depreciation and amortisation	-	-	119 530	124 385	25 712	27 196
Net loss from the disposal of non-current assets	-	-	-	-	-	-
Grants and subsidies	412	653	-	280	2 133	8 506
Borrowing costs	-	-	21 569	23 956	-	7
Cash alignment payments to Department of Treasury and Finance	-	-	-	-	-	-
Other expenses	56	3	9 537	20 324	13	233
Total expenses	73 534	86 164	407 008	411 065	76 045	157 182
Net result	537 775	134 134	(16 380)	(39 157)	(35 568)	(105 892)

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.2 Objectives and programs (continued)

	Land Use Planning		General / Not Attributable		TOTAL	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Income						
Appropriation	-	-	-	-	671 225	636 193
Fees and charges	2 258	8 475	-	-	724 660	720 817
Commonwealth-sourced grants and funding	-	-	-	-	795 798	291 812
SA Government grants, subsidies and transfers	7 342	26 230	-	-	62 564	79 982
Sales of goods and services	226	987	-	-	193 967	180 968
Rental Income	-	-	-	-	196 526	201 584
Grants and subsidies income	-	-	-	-	65 802	64 925
Interest	-	-	-	-	4 736	6 091
Net gain from the disposal of property, plant and equipment	-	-	-	-	7 435	2 549
Resources received free of charge	-	-	-	-	7 766	4 774
Other income	8	1 428	-	-	32 593	33 944
Total income	9 834	37 120	-	-	2 763 072	2 223 639
Expenses						
Employee benefits expenses	4 708	17 696	-	-	187 981	225 375
Supplies and services	2 245	8 360	-	-	936 907	916 237
Depreciation and amortisation	25	101	-	-	652 898	621 937
Net loss from the disposal of non-current assets	-	-	-	-	-	-
Grants and subsidies	-	40	-	-	76 512	84 971
Borrowing costs	-	3	-	-	21 580	24 026
Cash alignment payments to Department of Treasury and Finance	-	-	114 469	100 859	114 469	100 859
Other expenses	2	12	-	-	37 916	43 873
Total expenses	6 980	26 212	114 469	100 859	2 028 263	2 017 278
Net result	2 854	10 908	(114 469)	(100 859)	734 809	206 361

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.2 Objectives and programs (continued)

	SA Public Transport					
	Road Safety		Authority		Roads and Marine	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	-	2 738	3 900	2 634	1 203	1 010
Inventories	-	-	4 349	7 342	1 816	2 806
Other assets	20	19	52	70	28	-
Non-current assets classified as held for sale	-	-	246	246	-	63
Land, buildings and facilities	501	546	407 868	384 654	576 069	563 542
Plant and equipment	2 563	2 133	620 620	575 903	43 674	67 236
Network assets	-	-	2 421 358	2 331 760	27 106 148	26 103 441
Capital works in progress	-	5 429	100 012	61 616	66 761	10 604
Intangible assets	10	16	3 702	1 826	7 580	6 927
Total assets	3 094	10 881	3 562 107	3 366 051	27 803 279	26 755 629
Liabilities						
Payables	608	1 718	41 664	65 202	34 217	26 802
Lease liabilities	-	-	-	-	-	5 561
Employee benefits	4 699	5 789	3 372	24 024	43 637	19 112
Provisions	500	399	6 403	1 769	17 752	23 684
Other liabilities	-	-	16 746	14 143	160	-
Total liabilities	5 807	7 906	68 185	105 138	95 766	75 159

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
as at 30 June 2020

1.2 Objectives and programs (continued)

	Delivery of Transport Projects		Provision and Management of Across Government Services		Infrastructure Planning and Policy	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	-	-	-	-	-	-
Receivables	1 129	555	412 975	316 960	2 818	3 101
Inventories	-	20	-	-	25	1 057
Other assets	6 549	8 760	71 679	71 379	-	2 098
Non-current assets classified as held for sale	-	-	9 717	9 096	-	-
Land, buildings and facilities	151	151	1 937 846	1 971 834	466 153	490 812
Plant and equipment	628	736	1 208	1 116	5 881	7 618
Network assets	31 383	50 287	-	-	-	-
Capital works in progress	1 577 381	1 406 506	16 866	7 482	31 393	24 111
Intangible assets	-	-	77	504	-	299 200
Total assets	1 617 221	1 467 015	2 450 368	2 378 371	506 270	827 997
Liabilities						
Payables	245 317	86 901	125 175	56 409	12 952	19 803
Lease liabilities	-	-	979 171	1 103 158	4 142	2 674
Employee benefits	6 115	2 450	24 043	27 456	6 683	17 580
Provisions	650	169	2 556	1 890	714	1 210
Other liabilities	597	1 313	2 479	278	1 467	1 373
Total liabilities	252 679	90 833	1 133 424	1 189 191	25 958	42 640

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
as at 30 June 2021

1.2 Objectives and programs (continued)

	Land Use Planning		General / Not Attributable		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Assets						
Cash and cash equivalents	-	-	4 532 863	4 220 136	4 532 863	4 220 136
Receivables	-	-	36 664	24 022	458 689	351 020
Inventories	-	-	-	-	6 190	11 225
Other assets	-	-	-	-	78 328	82 326
Non-current assets classified as held for sale	-	-	-	-	9 963	9 405
Land, buildings and facilities	-	-	-	-	3 388 588	3 411 539
Plant and equipment	-	-	-	-	674 574	654 742
Network assets	-	-	-	-	29 558 889	28 485 488
Capital works in progress	-	-	-	-	1 792 413	1 515 748
Intangible assets	-	429	-	-	11 369	308 902
Total assets	-	429	4 569 527	4 244 158 40 511 866	39 050 531	
Liabilities						
Payables	-	2 531	-	-	459 933	259 366
Lease liabilities	-	-	-	-	983 313	1 111 393
Employee benefits	-	10 745	-	-	88 549	107 156
Provisions	-	740	-	-	28 575	29 861
Other liabilities	-	-	-	-	21 449	17 107
Total liabilities	-	14 016	-	-	1 581 819	1 524 883

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.3. Impact of COVID-19 pandemic on the department

The COVID-19 pandemic has continued to impact on the operations of the department in 2020-21 financial year. The estimate of the key impacts on the department in 2020-21 were:

- Additional \$9.9 million in cleaning and sanitising measures across the public transport network to enhance public safety;
- A financial assistance package of \$2 million to ensure that regional passenger bus services remain viable and the service is maintained for community needs;
- A financial assistance package of \$1 million for operator and vehicle fee relief for bus, tour and charter vehicle operators;
- A reduction in Public transport ticket and associated revenue due to less demand for services (refer note 2.2);
- The mobilisation of staff to assist with State COVID-19 initiatives;
- Assisting SAPOL with state border closure by providing traffic management and variable message signs;
- Provision of free public transport for SA Health staff; and
- Provision of rent relief for commercial tenants.

In addition to the above impacts, the department continued to deliver infrastructure projects for funding provided under stimulus packages:

- \$105 million on the regional Road Safety stimulus package, co-funded by the Commonwealth government;
- \$49 million on the Road Infrastructure stimulus works package targeting regional and National highway road projects, co-funded by the Commonwealth government;
- \$31 million on the Targeted Road Safety stimulus package, co funded by the Commonwealth government; and
- \$20 million on road maintenance stimulus package funded by the State aimed at small and medium sized businesses to ensure continuity of works in regional and metropolitan areas;

As a result of the pandemic's impact on the economic environment, this may result in an impairment on the value of the department's assets and liabilities. The department will continue to monitor the impact of the COVID-19 on the department. Note 10.4 provides information on the COVID-19 pandemic outlook for the department.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.4. Changes to the department

As a result of restructuring of administrative arrangements outlined in the Government Gazette on 29 July 2020 the department became known as the Department for Infrastructure and Transport.

The restructure resulted in the following areas of the Planning and Local Government Directorate (PLG) of the department transferring to the Attorney-General's department:

- Planning and Land Use Services Directorate
- Office of Local Government
- Office for Design and Architecture South Australia
- Office of the Surveyor-General
- Office of the Valuer-General
- Office of Registrar-General

The effective date of the transfer was 1 October 2020.

As part of the restructuring of administrative arrangements, the Office for Recreation, Sport and Racing became an attached office of the department, and is a separate reporting entity for financial statement purposes.

As a result of administrative arrangements outlined in a Chief Executive Agreement, employees of the Parliamentary Network Support Group (PNSG) were transferred from the department to the Department of Treasury and Finance.

The effective date of the transfer was 1 October 2020.

Transferred out

	PLG \$'000	PNSG \$'000	Total \$'000
Total assets			
Receivables	3 870	4	3 874
Property, plant and equipment	26 503	938	27 441
Intangibles	308 256	13	308 269
Other Assets	-	319	319
Total assets	338 629	1 274	339 903
Total liabilities			
Payables	7 420	83	7 503
Other liabilities	8 151	554	8 705
Total liabilities	15 571	637	16 208
Net assets transferred as a result of an administrative restructure	323 058	637	323 695

Net assets transferred by the department as a result of the administration restructure were recognised at the carrying amount. The net assets transferred were treated as a distribution to the government as owner.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.5. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4, Volume 3). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures.

The original budget and budget process is not subject to audit.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.5 Budget Performance (continued)

Statement of Comprehensive Income	Note	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Income				
Appropriation		671 225	671 225	-
Fees and charges		678 468	724 660	46 192
Commonwealth-sourced grants and funding		887 908	795 798	(92 110)
SA Government grants, subsidies and transfers		37 044	62 564	25 520
Sales of goods and services		140 643	193 967	53 324
Rental Income		203 282	196 526	(6 756)
Grants and subsidies income		71 761	65 802	(5 959)
Interest		7 452	4 736	(2 716)
Net gain from the disposal of property, plant and equipment		300	7 435	7 135
Resources received free of charge		11 232	7 766	(3 466)
Other income		62 206	32 593	(29 613)
Total income		2 771 521	2 763 072	(8 449)
Expenses				
Employee benefits expenses		172 618	187 981	15 363
Supplies and services	a	840 697	936 907	96 210
Depreciation and amortisation		658 058	652 898	(5 160)
Grants and subsidies		77 622	76 512	(1 110)
Borrowing costs		24 297	21 580	(2 717)
Cash alignment payments to Department of Treasury and Finance	b	155 358	114 469	(40 889)
Other expenses		33 945	37 916	3 971
Total expenses		1 962 595	2 028 263	65 668
Net result		808 926	734 809	(74 117)
Other comprehensive income				
Items that will not be reclassified to net result				
Changes in property, plant and equipment asset revaluation surplus	c	40 761	720 968	680 207
Total other comprehensive income		40 761	720 968	680 207
Total comprehensive result		849 687	1 455 777	606 090

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

- a) Additional facilities maintenance works (offset by sales of goods and services), impacts of machinery of government transfer to the Attorney-General's Department and reclassifications associated with the transition to outsourced service contracts.
- b) Cash returned to the Department of Treasury and Finance as required under the Cash Alignment Policy.
- c) Changes in the revaluation surplus are predominantly due to the revaluation of the road network asset in 2020-21.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

1.5 Budget Performance (continued)

INVESTING EXPENDITURE SUMMARY

	Note	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Investing expenditure summary				
Total new projects	d	434 810	340 761	94 049
Total new and existing projects		842 187	911 835	(69 648)
Total annual programs		138 207	142 015	(3 808)
Total investing expenditure		1 415 204	1 394 611	20 593

- d) Total new projects investing expenditure was lower than original budget predominantly due to the re-profiling of expenditure in accordance with delivery schedules on projects including South Eastern Freeway and Heysen Tunnels Renewal, Sealing Strzelecki Track, Princes Highway Corridor and Golden Grove Road Stage 2 and the State government decision to not proceed with the Brighton Road Hove Level Crossing.

1.6. Significant transactions with government related entities

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2. Income

2.1. Appropriation

	2021 \$'000	2020 \$'000
Appropriation		
Appropriations from Consolidated Account pursuant to the Appropriation Act	671 225	636 193
Total appropriation	671 225	636 193

Appropriations are recognised on receipt.

This table does not show appropriations from equity contributions. Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the department and the appropriation is recorded as contributed equity. Refer to the Statement of Changes in Equity.

2.2. Fees and Charges

	2021 \$'000	2020 \$'000
Fees and Charges		
Drivers licence fees	72 537	67 567
Metrotickets	60 116	79 948
Motor registrations	519 300	493 389
Marine related fees and charges	27 509	29 493
Land services fees	15 582	16 621
Other fees and charges	29 616	33 799
Total fees and charges	724 660	720 817

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

Revenue from fees and charges for Metrotickets continued to reduce in 2020-21 largely due to the impact of the COVID-19 pandemic, refer to note 1.3 for more information.

Road Safety

In accordance with the *Highways Act 1926*, \$12.089 million (\$11.261 million) being one-sixth of driver's licence collections and \$1.057 million (\$1.024 million) being 1/100th of Heavy Vehicle Registrations, was applied towards funding transport safety related initiatives under the Road Safety activity.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.3. Commonwealth-sourced grants and funding

	2021	2020
	\$'000	\$'000
Commonwealth-sourced grants and funding		
Commonwealth grants received via DTF*	785 858	285 087
National Land Transport Act 2014**	6 598	6 598
Local Roads and Community Infrastructure Program***	3 342	-
Other Commonwealth revenues****	-	127
Total Commonwealth-sourced grants and funding	795 798	291 812

* Commonwealth grants received from the Department of Treasury and Finance (DTF) represent mainly *Nation Building Program (National Land Transport) Act 2014* funding.

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

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

**** Other Commonwealth revenue includes Remote Airstrip Upgrade funding.

Commonwealth sourced grants and funding are recognised in accordance with AASB 1058 as income on receipt.

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

Where the department receives the grant monies directly from the Commonwealth (i.e. Roads to Recovery funding and Local Roads and Community Infrastructure program) the department is the representative of the State and the obligations under the funding arrangements rest with the department. This funding is recognised progressively as the department satisfies its obligations under the agreement through expenditure on these programs. At 30 June 2021 the department did not have any unsatisfied obligations on the revenue recognised as all funds were spent.

2.4. SA Government grants, subsidies and transfers

	2021	2020
	\$'000	\$'000
SA Government grants, subsidies and transfers		
Intra-government transfers	51 395	44 318
Transfers from contingency provisions	11 169	35 664
Total SA Government grants, subsidies and transfers	62 564	79 982

SA Government grants, subsidies and transfers relate to amounts received from other SA government entities for the delivery of departmental objectives. These are recognised as income on receipt.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.5. Sales of Goods and Services

	2021	2020
	\$'000	\$'000
Sale of Goods and Services		
Maintenance services	148 195	134 938
Other sale of goods and services	45 772	46 030
Total sales of goods and services	193 967	180 968

Revenues are derived from the provision of goods and services to other SA Government agencies and to the public. These revenues are driven by consumer demand and are recognised upon the delivery of those goods and services to the customers or by reference to the stage of completion.

Maintenance services:

In its role as across government facilities manager the department provides property maintenance and enhancement services to its portfolio of buildings, facilities and assets. It recovers the cost of providing these services from client agencies. This revenue is recognised over time once the department has satisfied its performance obligations. Clients are invoiced in arrears of the performance obligations being satisfied.

Other sale of goods and services:

Project and contract management fees

The department acts as project manager for major capital works in relation to government buildings and government accommodation and for a range of minor capital works and maintenance type activities associated with the role of facilities manager. The department charges a fee to recover the cost of its project management activities which is recorded as revenue over time as it delivers the service.

Contract Balances:

As at 30 June 2021 the department held contract assets of \$46.594m (\$43.604m) included in the balance of receivables (note 6.2) in relation to Sales of Goods and Services revenue.

Contract assets relate to maintenance services and represents the department's rights to consideration for work completed but not yet billed at the reporting date.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.6. Rental Income

	2021	2020
	\$'000	\$'000
Rental Income		
Government accommodation	188 412	192 505
Property rents and recoveries	2 967	3 581
Other	5 147	5 498
Total Rental Income	196 526	201 584

Rental income consists of income from the provision of office accommodation to general government sector agencies, government employee housing rent and other property rentals. Office accommodation rental is payable monthly in advance, other rentals are payable in arrears.

Under AASB15, contract assets and liabilities are recognised where consideration has been received for rental periods in advance or rental periods in arrears. Contract assets and liabilities in relation to rental income are immaterial and therefore not recognised.

2.7. Grants and Subsidies

	2021	2020
	\$'000	\$'000
Concessional passenger income	59 616	58 080
Business and job support fund*	6 106	6 736
Other	80	109
Total Grants and subsidies income	65 802	64 925

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

* The department received subsidies from the Business and Job Support Fund for the disbursement of financial assistance packages to various industries for relief from the impact of the COVID-19 pandemic. Refer to note 1.3 for more information.

2.8. Interest

	2021	2020
	\$'000	\$'000
Interest		
Interest on deposit accounts	71	988
Interest on finance leases	4 665	5 103
Total interest	4 736	6 091

The interest on deposit accounts relates predominantly to the Rail Transport Facilitation Fund, Boating Administration Working Account and Commonwealth Funding Received for Specific Projects.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.9. Resources Received Free of Charge

	2021	2020
	\$'000	\$'000
Resources received/receivable free of charge:		
Land, buildings and facilities	-	7
Plant and equipment	566	46
Services provided by Shared Services SA	4 297	4 721
Services provided by the Department of the Premier and Cabinet	2 903	-
Total resources received free of charge	7 766	4 774

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

Services were provided free of charge by Shared Services SA and the Department of the Premier and Cabinet as the department is a non-billable client.

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

	2021	2020
	\$'000	\$'000
Net gain (loss) from the disposal of non-current assets received / receivable:		
Land, Buildings and Facilities:		
Net Proceeds from disposal	1 853	6 197
Less carrying amount of assets disposed	(1 736)	(6 274)
Net gain (loss) from disposal of land, buildings and facilities	117	(77)
Plant and equipment:		
Net Proceeds from disposal	22 618	1 699
Less carrying amount of assets disposed	(19 688)	(1 366)
Net gain (loss) from disposal of plant and equipment	2 930	333
Non-Current Assets Held for Sale:		
Net Proceeds from disposal	28 647	12 440
Less carrying amount of assets disposed	(24 039)	(9 793)
Costs incurred to facilitate disposal	(220)	(354)
Net gain (loss) from disposal of non-current assets held for sale	4 388	2 293
Total assets:		
Net Proceeds from disposal	53 118	20 336
Less carrying amount of assets disposed	(45 463)	(17 433)
Costs incurred to facilitate disposal	(220)	(354)
Net gain (loss) from disposal of assets	7 435	2 549

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

*Movements in 2020-21 includes plant and equipment sold under outsourcing arrangements.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

2.11. Other Income

	2021	2020
	\$'000	\$'000
Other Income		
Recoveries and contributions	16 005	17 670
Reimbursement works and external project contributions	15 972	14 010
Service recoveries received from other government agencies	616	2 264
Total other income	32 593	33 944

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3. Board, committees and employees

3.1. Key Management Personnel

Key management personnel of the department include the Minister for Infrastructure and Transport, the Chief Executive and the members of the Executive Team who have responsibility for the strategic direction and management of the department.

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

	2021	2020
Compensation	\$'000	\$'000
Salaries and other short term employee benefits	1 988	2 156
Post-employment benefits	1 181	739
Total	3 169	2 895

Transactions with key management personnel and other related parties

There were no transactions with key management personnel and other related parties during the year.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.2. Board and Committee Members

Members during the 2020-21 financial year were:

Passenger Transport Standards Committee

BIRCH C P
DUNSTONE J
EDMONDS D
KING B
MADAN V
MORTIMER K P*
OPIE A L
SIMIONATO P
SPAGNOLETTI M*
WIGGLESWORTH R*
TURNER M
WILSON J*
BIRD M (appointed 01/03/2021)

Performance and Risk Committee

ALFORD A*
FORMSTON J*
POWELL D (resigned 31/12/2020)
SNEDDON Y (resigned 1/10/2020)
DAVIES T (reappointed 28/06/2021)
WESSEL N*
SUMMERS K* (appointed 09/12/2020)
HASLAM R (appointed 23/03/2021)

South Australian Boating Facility Advisory Committee

ANDREW B (reappointed 02/11/2020)
BOLTON G (reappointed 02/11/2020)
SCHAHINGER B M (reappointed 02/11/2020)
SEAMAN V (reappointed 02/11/2020)
MILAZZO A J
MCGRATH S (appointed 02/11/2020)
ROMEO F (appointed 02/11/2020)
TOUMAZOS K (appointed 02/11/2020)

Road User Safety Advisory Committee

BRAXTON-SMITH A D*
LANE D J*
PETROCCITTO S
PLACE D W
PLOUFFE J
STEVENS G J*
WARNER S A
WUNDERSITZ L

South Australian Public Transport Authority Advisory Board

GAMMIE F
RYU M
VOUNASIS C
WALDOCK R

Mount Barker Infrastructure Advisory Committee

BROPHY N
CLANCEY B J
MAYER L
PASCALE S* (resigned 30/04/2021)
EXCELL A* (appointed 27/06/2020)
KERNICH G* (appointed 22/06/2021)

State Planning Commission **

DYER H L
HOLMES A N
HOLDEN C A
LENNON M A
SMITH S J*

State Commission Assessment Panel **

ADCOCK M
MUTTON D R
THOMAS R
ECKERT J
HERRIMAN E
LEADBETER P
PEMBER G

State Planning Commission – Heritage Sub-Committee **

HOLMES A N
HOLDEN C A
LINDSAY D
NEWMAN J
LITTLE E
HARRY D B

Building Technical Panel **

FRISBY D
SHILLABEER J
PAYNE J
CENTOFANTI M
BERTHOLINI L*
CIBICH J
FENNELL B
INGERSON N
MURTON P
STEER B

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.2 Board and Committee Members (continued)

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

** The following Boards and Committees have moved to the Attorney General's Department as at 1 October 2020

Board and Committee Remuneration

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

	2021	2020
\$0 - \$19 999	26	33
\$20 000 - \$39 999	4	-
\$40 000 - \$59 999	1	5
\$60 000 - \$79 999	-	4
\$160 000 - \$199 999	-	1
Total number of members	31	43

Remuneration of members reflects all costs of performing committee member duties including sitting fees, superannuation contributions, fringe benefits tax and other salary sacrifice arrangements. The total remuneration received by members was \$0.332 million (\$0.843 million).

3.3. Employee Benefits Expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	136 355	171 263
Board and committee fees	381	611
Employment on-costs - superannuation	10 696	14 339
Employment on-costs - payroll	5 586	8 423
Annual leave	11 097	13 988
Long service leave	10 780	9 023
Workers compensation expenses	5 425	2 488
TVSPs payments (refer below)	5 633	3 147
Skills and Experience Retention Leave	778	699
Other employee related expenses	1 250	1 394
Total employee benefits expenses	187 981	225 375

The superannuation employment on-cost represents the department's contributions to superannuation plans in respect of current services of current employees.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.3 Employee Benefits Expenses (continued)

Remuneration of Employees

Remuneration of employees

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

	2021	2020
	No.	No.
\$154 001 - \$174 000	26	38
\$174 001 - \$194 000	13	18
\$194 001 - \$214 000	15	3
\$214 001 - \$234 000	5	4
\$234 001 - \$254 000 (a), (d)	1	3
\$254 001 - \$274 000 (b)	8	3
\$274 001 - \$294 000 (a), (e)	4	8
\$294 001 - \$314 000 (c)	7	2
\$314 001 - \$334 000	-	1
\$334 001 - \$354 000	1	1
\$354 001 - \$374 000 (d)	2	2
\$374 001 - \$394 000	1	-
\$474 001 - \$494 000	1	1
Total	84	84

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the department.

The total remuneration received by these employees for the year was \$18.3 million (\$17.2 million).

- (a) 2021 - includes TVSP, executive termination payment for one employee
- (b) 2021 - includes TVSP, executive termination payment for four employees
- (c) 2021 - includes TVSP, executive termination payment for five employees
- (d) 2020 - includes TVSP, executive termination payment for one employee
- (e) 2020 - includes TVSP, executive termination payment for three employees

The department had 46 (45) Executives as at 30 June 2021.

There were no executive termination payments in 2020-21 and in 2019-20.

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 65 (37).

	2021	2020
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	5 633	3 147
Leave paid to separated employees	3 792	1 671
Recovery from the Department of Treasury and Finance	(4 968)	(2 338)
Net cost to the department	4 457	2 480

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

3.4. Employee Benefits Liability

	2021	2020
	\$'000	\$'000
Current		
Annual leave	20 601	23 226
Long service leave	6 296	6 776
Skills and Experience Retention Leave	1 651	1 861
Accrued salaries and wages	5 273	5 581
Total current employee benefits	33 821	37 444
Non-current		
Long service leave	54 728	69 712
Total non-current employee benefits	54 728	69 712
Total employee benefits	88 549	107 156

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

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

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

The liability for annual leave and the skills and experience retention leave is expected to be payable within 12 months and is measured at the undiscounted amounts expected to be paid.

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

Long Service Leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. Details about the measurement of long service leave is provided as Note 11.1.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

4. Expenses

4.1. Supplies and Services

	2021	2020
	\$'000	\$'000
Public transport service contracts*	338 702	217 842
Rail Commissioner salary reimbursements	42 923	71 398
Major infrastructure maintenance contracts	127 029	114 652
Other service contracts	111 262	127 779
Property expenses**	175 832	175 545
Plant, equipment and vehicle expenses	8 301	8 316
Land administration fees paid to Land Services SA	20 099	73 613
Information technology and communications	10 128	12 184
Materials and other purchases	15 307	18 820
Utilities	29 656	35 642
Insurance	4 982	5 494
Legal services	4 181	4 234
Short term and low value leases**	10 600	17 125
Commissions - transaction processing	1 547	1 946
Auditor's remuneration***	1 728	1 482
Administrative costs	6 831	7 502
State Planning Commission costs	37	45
Other	27 762	22 618
Total supplies and services	936 907	916 237

* 2020-21 includes outsourcing arrangements entered into for light rail (5 July 2020) and heavy rail operations (31 January 2021).

** From 1 July 2019, all leases, other than short term leases (under 12 months) and leases of low value assets are recognised as lease liabilities and lease assets (right-of-use assets and finance lease receivables) in the Statement of Financial Position in accordance with AASB16. The non-lease components of leases and accommodation arrangements have been recognised in property expenses above, refer to note 8.3 for more information

*** For work performed by the Auditor-General's Department under the *Public Finance and Audit Act 1987*.

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

	2021	2020
	\$'000	\$'000
Depreciation:		
Network assets	425 618	391 887
Plant and equipment	59 497	57 657
Buildings and facilities	62 280	62 485
Right-of-use plant and equipment	2 641	3 248
Right-of-use building	98 670	101 459
Total Depreciation	648 706	616 736
Amortisation:		
Intangible assets	4 192	5 201
Total Amortisation	4 192	5 201
Total depreciation and amortisation	652 898	621 937

The useful life of an asset is generally determined on the basis of "economic useful life to the department". The useful lives of all major assets held by the department are reassessed on an annual basis.

All non-current assets having a limited useful life are systematically depreciated/amortised over their estimated useful lives in a manner that reflects the consumption of their service potential. Land, unsealed roads (graded and formed), rail and road earthworks, road pavement sub-base, non-current assets held-for-sale and works in progress are not depreciated.

The value of building assets under finance lease is amortised over the asset's useful life. Capitalised software is amortised over the useful life of the intangible asset.

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

Useful Life

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

<u>Asset Class</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and Facilities:		
Buildings and facilities	Straight Line	2 to 150 years
Dwellings	Straight Line	10 to 67 years
Right-of-use buildings	Straight Line	1 to 22 years
Plant and Equipment:		
Plant and equipment	Straight Line	3 to 96 years
Buses	Diminishing Value	15 to 25 years
Tram and train rolling stock	Straight Line	30 to 40 years
Information technology	Straight Line	3 to 15 years
Right-of-use plant and equipment	Straight Line	3 to 4 years
Network Assets:		
Roads (sealed surface)	Straight Line	25 to 30 years
Roads (sealed pavement)	Straight Line	48 to 77 years
Roads (sheeted)	Straight Line	18 years
Structures	Straight Line	17 to 195 years
Metro rail Infrastructure	Straight Line	10 to 149 years
Busway Infrastructure	Straight Line	10 to 100 years
Other	Straight Line	4 to 100 years
Intangible Assets:		
Intangible	Straight Line	3 to 20 years

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

Review of accounting estimates

In 2020-21 the department reassessed the useful life of some of its assets. This review resulted in an increase of \$0.8 million in depreciation expense for the 2020-21 year relative to the amount that would have been expenses based on the previous estimate of the useful life.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

4.3. Grants and Subsidies

Grants and subsidies by program	2021	2020
	\$'000	\$'000
Grants and Subsidies		
Contribution for policing services	44 666	43 577
Transport Subsidy Scheme	8 442	9 007
Grants to local councils	11 641	15 172
Transport concessions	3 016	3 230
Business and job support fund*	2 243	5 711
Other	6 504	8 274
Total grants and subsidies	76 512	84 971

*The department is responsible for the disbursement of financial assistance packages in the form of a subsidy payment to the taxi and regional passenger bus services industries from the Business and Job Support Fund for relief from the impact of the COVID-19 pandemic. Refer to note 1.3 for more information.

4.4. Borrowing Costs

	2021	2020
	\$'000	\$'000
Interest paid/payable on Borrowing Costs:		
Interest on leases	21 580	24 026
Total borrowing costs	21 580	24 026

Department for Infrastructure and Transport - Controlled
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for the year ended 30 June 2021

4.5. Other Expenses

	2021	2020
	\$'000	\$'000
Other Expenses		
Rates, taxes and levies	6 864	9 245
Donated assets	691	7 071
Bad debts	1 219	805
Write-off of assets	4 777	2 625
Indentured Ports*	16 696	18 534
Local government and income tax equivalent payments	2 681	1 272
Increase in provision for contractual arrangements	4 480	-
Other payments to consolidated account	107	3 851
Site remediation	-	6
Other	401	464
Total other expenses	37 916	43 873

* This relates to amounts paid to the Consolidated Account in accordance with section 90 of the *Harbors and Navigation Act 1993*.

Charges collected for cargo services and harbour services are allocated to the department and applied to the maintenance of indentured ports. Any remaining funds are paid to the Consolidated Account in accordance with section 90 of the *Harbors and Navigation Act 1993*. Assets associated with these ports include land and facilities at Port Bonython, Ardrossan and Whyalla.

**Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021**

5. Non-Financial Assets

5.1 Land, Buildings and Facilities

	2021 \$'000	2020 \$'000
Land:		
Land at fair value	924 342	895 475
Total Land	924 342	895 475
Land Under Roads:		
Land under roads at cost	191 947	187 222
Total Land Under Roads	191 947	187 222
Land for Current Projects:		
Land for current projects at cost *	194 815	166 203
Total Land for Current Projects	194 815	166 203
Buildings and Facilities:		
Buildings and facilities at fair value	2 102 543	2 032 751
Accumulated depreciation at 30 June	685 886	656 050
Total Buildings and Facilities	1 416 657	1 376 701
Right-of-use land and buildings		
Right-of-use land and buildings at cost **	1 109 772	1 216 812
Accumulated depreciation at 30 June	448 945	430 874
Total Right-of-use land and buildings	660 827	785 938
Total Land, Buildings and Facilities	3 388 588	3 411 539

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

** Finance leases under AASB 117 are now reclassified as *Right-of-Use land and buildings*. The carrying value of this category of asset is now deemed at cost at 1 July 2019.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.1 Land, Buildings and Facilities (continued)

RECONCILIATION OF LAND, BUILDINGS AND FACILITIES

Reconciliation 2020-21

	Land	Land Under Roads	Land for Current Projects	Buildings & ROU Facilities	Land and Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	895 475	187 222	166 203	1 376 701	785 938	3 411 539
Reclassification from/(to) assets held for sale	(18 805)	-	-	(6 761)	-	(25 566)
Additions	549	-	35 160	30 773	14 134	80 616
Disposals	(1 589)	-	-	(147)	-	(1 736)
Donated assets	-	-	-	(215)	-	(215)
Resources received free of charge	-	-	-	-	-	-
Write offs	-	-	-	(310)	-	(310)
Revaluation increment/(decrement)	46 888	-	-	67 861	-	114 749
Transfers due to Administrative Restructures	-	-	-	(217)	-	(217)
Depreciation and amortisation	-	-	-	(62 280)	(98 670)	(160 950)
Transfers due to reclassification of assets	1 823	4 725	(6 548)	11 252	-	11 252
Reduction in lease incentives payable	-	-	-	-	-	-
Consideration for lease incentive asset	-	-	-	-	(6 249)	(6 249)
Reclassification to finance lease receivables	-	-	-	-	(35 877)	(35 877)
Re-Measurement	-	-	-	-	1 550	1 550
Other movements	1	-	-	-	1	2
Carrying amount at 30 June 2021	924 342	191 947	194 815	1 416 657	660 827	3 388 588

Reconciliation 2019-20

	Land	Land Under Roads	Land for Current Projects	Buildings & ROU Facilities	Land and Buildings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	890 527	172 229	117 422	1 395 383	758 390	3 333 951
Reclassification from/(to) assets held for sale	(6 580)	-	-	(1 148)	-	(7 728)
Additions	90	-	49 035	21 817	137 750	208 692
Disposals	(5 793)	-	-	(481)	-	(6 274)
Donated assets	(1 732)	-	-	(4 909)	-	(6 641)
Resources received free of charge	7	-	-	-	-	7
Write offs	(1)	-	-	-	-	(1)
Revaluation increment/(decrement)	34 079	-	-	28 144	-	62 223
Depreciation and amortisation	-	-	-	(62 485)	(101 459)	(163 944)
Transfers due to reclassification of assets	(15 122)	14 993	(254)	383	-	-
Reclassification to finance lease receivables	-	-	-	-	(22 206)	(22 206)
Re-Measurement	-	-	-	-	13 465	13 465
Other movements	-	-	-	(3)	(2)	(5)
Carrying amount at 30 June 2020	895 475	187 222	166 203	1 376 701	785 938	3 411 539

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.1 Land, Buildings and Facilities (continued)

Valuation of Land, Buildings and Facilities

For non-specialised land, buildings and facilities the valuer arrived at fair value using the market approach. The valuation was based on recent market transactions for similar land, buildings and facilities in the area and includes adjustments for factors specific to the land, buildings and facilities being valued, such as size and location. Refer to note 11.2.

Specialised land i.e. land dedicated to marine purposes and land in the rail corridor, have their values discounted to account for the restriction in their use to arrive at fair value. These land categories usually comprises of individual parcels.

For specialised buildings and facilities the valuer used depreciated replacement cost due to there not being an active market for such buildings and facilities. The valuation was based on a combination of internal records, specialised knowledge and acquisition/transfer costs. Rail infrastructure assets revalued in 2018-19 were indexed using the appropriate construction index and the revaluation was done by the Office of the Valuer-General.

Land under Road and Land for Current Projects are not revalued, the department currently has an exemption to Treasurer's Instruction (Accounting Policy Statement) 116.C. The Department of Treasury and Finance coordinates with Valuer-General to ensure asset value attributed to Land under Road on consolidated financial report is recorded at fair value. Land for Current Projects are land acquired for ongoing construction projects, they are usually transferred to Land under Road on project completion. Land under Roads are only recognised after 1 July 2008.

In 2020-21, government employee housing, government agency accommodation, bus depot and interchanges were revalued. The revaluation was undertaken by independent valuers at valuation date using various market valuation approaches.

Right-of-Use (ROU) Buildings

Right of Use (ROU) buildings leased by the department are recorded at cost. Movements in the ROU buildings are shown in the above movement schedule. Short term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in Note 4.1.

The department leases properties from external landlords to provide office and other accommodation for the whole of the government sector. These leases are recognised on the statement of financial position as right-of-use building assets and lease liabilities in accordance with AASB16 Leases. The lease liabilities related to the ROU buildings are disclosed in Note 7.2. The department's maturity analysis of its lease liabilities is disclosed in Note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in Note 4. Cash outflows related to leases are disclosed in Note 8.2.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.1 Land, Buildings and Facilities (continued)

Timing of Land, Buildings and Facilities Revaluations

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

Asset Class	Assets Valued	Last Valued / Revalued	By Whom	Timing of Revaluations (years)	Input level	Fair Value Approach	
Land							
Land	Government Employee Housing	1 July 2020	Valuer-General	1	2	Market	
	Government Agency Accommodation	1 July 2020	Savillis/Opteon/m3	3	2	Market	
	Ex Australian National Railways Land*	1 July 2019	Valuer-General	6	2	Market	
	Metro Rail Stations, Yards and Corridors	1 July 2018	Valuer-General	6	2	Market	
	Marine Land*	1 July 2018	Public Private Property	6	2&3	Market	
	Bus Depot Land	1 July 2020	Knight Frank	6	2	Market	
	Future Road Construction*	1 July 2019	Valuer-General	6	2	Market	
	Leigh Creek Land	1 July 2019	Valuer-General	6	2	Market	
	Other Departmental Land (Bus Interchanges)	1 July 2020	M3 property Strategist	6	2	Market	
Buildings and Facilities							
Buildings and Facilities	Marine Related*	1 July 2018	Public Private Property	6	3	Cost	
	Metro Rail Stations and Yards	1 July 2018	Valuer-General	6	3	Cost	
	Ex Australian National Railways*	1 July 2019	Maloney Field Services	6	3	Cost	
	Bus Depots	1 July 2020	Knight Frank	6	3	Cost	
	Tram Depot	1 July 2018	Valuer-General	6	3	Cost	
	Leigh Creek Building	1 July 2019	Valuer-General	6	3	Cost	
	Other	1 July 2019	Valuer-General	6	3	Cost	
	Residential Buildings						
	Government Employee Housing	1 July 2020	Valuer-General	1	2	Market	
	Future Road Construction*	1 July 2019	Valuer-General	6	2	Market	
Commercial Buildings							
Government Agency Accommodation	1 July 2020	Savillis/Opteon/m3	3	2	Market		
Future Road Construction*	1 July 2019	Valuer-General	6	2	Market		
Depots	1 July 2018	Valuer-General	6	2	Market		
Land, Buildings and Improvements Under Lease	Land, Buildings and Improvements Under Lease- RMH	NA	NA	NA	NA	NA	

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

	2021	2020
	\$'000	\$'000
Plant and equipment (at fair value)	1 766 307	1 767 204
Information technology	8 834	14 279
Right-of-use vehicle at cost	5 828	8 537
	1 780 969	1 790 020
Accumulated Depreciation:		
Accumulated depreciation - Plant and equipment	1 096 315	1 121 850
Accumulated depreciation - Information technology	6 866	10 403
Accumulated depreciation - ROU Vehicle	3 214	3 025
	1 106 395	1 135 278
Total Plant and Equipment	674 574	654 742

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

Reconciliation 2020-21

	Plant and Equipment	Information Technology	ROU Vehicle	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	645 354	3 876	5 512	654 742
Additions	30 747	304	904	31 955
Disposals	(18 528)	-	(1 160)	(19 688)
Donated assets	(466)	(10)	-	(476)
Resources received free of charge	566	-	-	566
Transfers due to Administrative Restructures	(109)	(919)	-	(1 028)
Write offs	(573)	(4)	-	(577)
Revaluation increment/(decrement)	71 221	-	-	71 221
Depreciation and amortisation	(58 219)	(1 278)	(2 641)	(62 138)
Other movements	(1)	(1)	(1)	(3)
Carrying amount at 30 June	669 992	1 968	2 614	674 574

Reconciliation 2019-20

	Plant and Equipment	Information Technology	ROU Vehicle	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	668 237	2 346	5 584	676 167
Additions	36 974	2 922	3 251	43 147
Disposals	(1 290)	-	(76)	(1 366)
Donated assets	(332)	(98)	-	(430)
Resources received free of charge	46	-	-	46
Write offs	(381)	-	-	(381)
Revaluation increment/(decrement)	(1 521)	-	-	(1 521)
Depreciation and amortisation	(56 361)	(1 296)	(3 248)	(60 905)
Transfers due to reclassification of assets	(16)	-	-	(16)
Other movements	(2)	2	1	1
Carrying amount at 30 June	645 354	3 876	5 512	654 742

Department for Infrastructure and Transport - Controlled
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5.2 Property, Plant and Equipment (continued)

Valuation of Plant and Equipment

For non-specialised plant and equipment the valuer arrived at fair value using the market approach. The valuation was based on recent market transactions for similar plant and equipment and includes adjustments for factors specific to the plant and equipment being valued, such as size and location.

For specialised plant and equipment, the valuer used depreciated replacement cost due to there not being an active market for such plant and equipment. The valuation was based on a combination of internal records, specialised knowledge and acquisition/transfer costs.

In 2020-21, heavy and light rail rolling stock assets were revalued. The revaluation was undertaken by an independent valuers at valuation date using current replacement cost. The Independent valuers collaborated with qualified engineers within the department to review some of the assets useful lives based on asset periodic condition assessment and asset design life.

Right- of-Use (ROU) vehicles

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

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

Department for Infrastructure and Transport - Controlled
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5.2 Property, Plant and Equipment (continued)

Timing of Property, Plant and Equipment Revaluations:

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

Asset Class	Assets Valued	Last Valued / Revalued	By Whom	Timing of Revaluations (years)	Input level	Fair Value Approach
<i>Plant and Equipment</i>	Buses	1 July 2019	Jones Lang LaSalle	6	3	Cost
	Tram and Train Rolling Stock	1 July 2020	Public Private Property	6	3	Cost
	Bus Depots	1 July 2020	Knight Frank	6	3	Cost
	Rail	1 July 2017	Jones Lang LaSalle	6	2 & 3	Cost
	Tall Ships/Patrol Boats	1 July 2020	Public Private Property/ Pickles	6	3	Cost
	Ferries (including Modules)	1 July 2019	Pickles Auctions	6	2	Market
	Aids to Navigation	1 July 2019	Valuer-General	6	3	Cost
	Heavy Plant	1 July 2019	Pickles Auctions	6	2	Market
	Metro-ticket System	1 July 2018	Aon Risk Solution	6	3	Cost
	Other Plant & Equipment	Not required under Policy	Not applicable	NA	NA	NA
<i>Information Technology (IT)</i>	Information Technology	NA	Not applicable	NA	NA	NA

Department for Infrastructure and Transport - Controlled
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5.3 Network Assets

	2021 \$'000	2020 \$'000
Network Assets:		
Roads and structures (at fair value)	37 280 410	35 438 850
Rail and bus track (at fair value)	3 953 844	3 824 679
	41 234 254	39 263 529
Accumulated Depreciation:		
Accumulated depreciation - Roads and structures	10 383 205	9 547 258
Accumulated depreciation - Rail and bus track	1 292 160	1 230 783
	11 675 365	10 778 041
Total Network Assets	29 558 889	28 485 488

RECONCILIATION OF NETWORK ASSETS

Reconciliation 2020-21

	Roads \$'000	Structures \$'000	Rail and Bus Track \$'000	Total \$'000
Carrying amount at 1 July 2020	22 936 353	2 955 239	2 593 896	28 485 488
Additions	680 803	148 617	159 461	988 881
Write offs	-	(1 662)	(1 631)	(3 293)
Revaluation increment/(decrement)	522 073	5 550	(2 938)	524 685
Depreciation and amortisation	(291 100)	(58 666)	(75 852)	(425 618)
Transfers due to reclassification of assets	-	-	(11 252)	(11 252)
Other	(3)	1	-	(2)
Carrying amount at 30 June 2021	23 848 126	3 049 079	2 661 684	29 558 889

Reconciliation 2019-20

	Roads \$'000	Structures \$'000	Rail and Bus Track \$'000	Total \$'000
Carrying amount at 1 July 2019	16 927 666	2 386 459	2 459 887	21 774 012
Additions	680 432	314 570	56 575	1 051 577
Write offs	1	-	(1 911)	(1 910)
Revaluation increment/(decrement)	5 498 946	393 303	161 435	6 053 684
Depreciation and amortisation	(264 312)	(55 308)	(72 267)	(391 887)
Transfers due to reclassification of assets*	93 622	(83 785)	(9 820)	17
Other	(2)	-	(3)	(5)
Carrying amount at 30 June 2020	22 936 353	2 955 239	2 593 896	28 485 488

*Mainly due to the reclassification of earthworks components of the Bakewell and Gallipoli underpasses to Road assets

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

Valuation of Roads and Structures

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

The Department recently reviewed its policy on revaluation, changing the frequency of road revaluation from 3 years to 5 years. Prior to 2020-21, the Department applied annual indexation to road asset values every intervening year between revaluations using indices from the Australian Bureau of Statistics (South Australian Road and Structure asset index). The use of index has been replaced by annual review of road component and structures unit rates by an independent external estimator. This measure is to ensure the Department Network asset portfolio is not significantly different from fair value at reporting.

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

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

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

- Sealed road surfacings
- Sealed road pavements – Base
- Sealed road pavements – sub base
- Sealed road earthworks

Each road component is then characterised by a representative stereotype. The main representative stereotypes are Motorways, Heavy Urban, Light Urban, Heavy Rural, Light Rural and Unsealed Roads (Sheeted, Graded, and Formed). Replacement unit rates are calculated based on the estimated resources necessary to complete a ten-kilometre length for each stereotype. The Department estimates the current replacement cost of the sealed pavements, surfacing and earthworks by multiplying the relevant replacement cost unit rate by the surfacing areas and unsealed pavements by the carriageway area.

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

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5.3 Network Assets (continued)

All roads and structures assets, except for earthworks and the pavement sub-base, are subject to depreciation. While the methodology remains unchanged, at the last full revaluation (2019-20), the Department modified some of the assumptions on the nature of costs included in the unit rate to reflect current practices and improved information. Key changes are:

- Using a 'design and construct' contract model rather than a "construct" only contract approach for some stereotypes. This change results in the inclusion of contractor's design, overheads and margin costs in the estimated unit rates.
- Inclusion of the department's overhead charges.
- Allocating road construction overheads cost to road components (i.e. earthworks, Sub-base, Base and Surface) based on time spent for each component rather than on the component's construction cost. The time based approach has allocated more construction overhead costs to non-depreciation components (earthworks and sub-base) compared to cost-based approach.
- Increase in costs for improved standards of safety management and worker protection. This is now allocated to all road components.
- Inclusion of retaining walls as a new asset class for the structures revaluation

The impact of the Department's annual review of the road network has been included in the final accounts as at 30 June 2021 resulting in a net fair value increase of \$525m. The increase in road and structures network value is mainly due to an increase in labour rates and increase in the cost of spray seal used in construction of rural road surface components.

Valuation of Rail and Bus Network Assets

For specialised rail and bus network assets, the depreciated replacement cost was used in the valuation methodology due to there not being an active market for rail and bus network assets. Valuation is usually based on a combination of internal records, specialised knowledge and acquisition/transfer costs.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

5.3 Network Assets (continued)

Timing of Network Asset Revaluations

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

Asset Class	Assets Valued	Last Valued / Revalued	By Whom	Timing of Revaluations (years)	Input Level	Fair Value Approach
Network Assets						
Roads*	Road Pavements base, Sub-base, and Surface	1 July 2019	Janey Mitson, B.Eng (Civil)*	5	3	Cost
	Earthworks	1 July 2019	Janey Mitson , B.Eng (Civil)*	5	3	Cost
Structures*	Bridges / Culverts	1 July 2019	Grant Wilksch, B.Eng (Civil)*	5	3	Cost
	Ferry Landings	1 July 2019	Grant Wilksch, B.Eng (Civil)*	5	3	Cost
	Drainage	1 July 2020	Public Private Property	5	3	Cost
	Weighbridges and Weigh Slabs	1 July 2020	Public Private Property	5	3	Cost
Rail and Bus Track	Busway Interchanges	1 July 2020	Knight Frank	6	3	Cost
	Busway Track and Structures	1 July 2019	Grant Wilksch, B.Eng (Civil)	6	3	Cost
	Metro Rail Structure (includes bridges)	1 July 2018	Valuer-General	6	3	Cost
	Metro Rail, Tram Lines Track and Other	1 July 2019	Valuer-General/ Peter Lawson B.Eng	6	3	Cost

*Road network asset fair value is reviewed at intervening years and full valuation is performed by suitably qualified independent external estimator.

Department for Infrastructure and Transport - Controlled
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5.4 Capital Works in Progress

	2021	2020
	\$'000	\$'000
Land, buildings and facilities	149 670	77 728
Road network	1 131 383	1 061 137
Plant, equipment and intangibles	28 128	31 280
Rail and bus track	483 232	345 603
Total capital works in progress	1 792 413	1 515 748

RECONCILIATION OF CAPITAL WORKS IN PROGRESS

Reconciliation 2020-21

	Road Network	Plant and Equipment/Intan gibles	Land, Buildings and Facilities	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	1 061 137	31 280	77 728	345 603	1 515 748
Additions	901 523	57 873	138 423	297 091	1 394 910
Transfer to capital	(829 420)	(34 820)	(66 481)	(159 461)	(1 090)
Transfer to operating	(1 859)	(10)	-	-	(1 869)
Transfers due to Administrative Restructures	-	(26 196)	-	-	(26 196)
Other	2	1	-	(1)	2
Carrying amount at 30 June 2021	1 131 383	28 128	149 670	483 232	1 792 413

Reconciliation 2019-20

	Road Network	Plant and Equipment/Intan gibles	Land, Buildings and Facilities	Rail and Bus Track	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2019	1 392 170	27 278	66 870	174 484	1 660 802
Additions	666 393	45 232	82 614	230 682	1 024 921
Transfer to capital	(994 698)	(41 197)	(70 941)	(56 575)	(1 163)
Transfer to operating	(2 726)	(32)	(142)	(2 988)	(5 888)
Other	(2)	(1)	(673)	-	(676)
Carrying amount at 30 June 2020	1 061 137	31 280	77 728	345 603	1 515 748

Valuation of Works in Progress

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

Department for Infrastructure and Transport - Controlled
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5.5 Intangible Assets

	2021 \$'000	2020 \$'000
Intangibles		
Intangibles	78 135	78 907
Service Concession Software	-	17 062
Service Concession Data	-	283 596
	78 135	379 565
Accumulated amortisation		
Accumulated amortisation - Intangibles	66 766	67 008
Accumulated amortisation - Service Concession Software	-	3 655
	66 766	70 663
Total Intangible Assets	11 369	308 902

RECONCILIATION OF INTANGIBLE ASSETS

Reconciliation 2020-21

	Intangibles \$'000	Service Concession Software \$'000	Service Concession Data \$'000	Total \$'000
Carrying amount at 1 July 2020	11 900	13 406	283 596	308 902
Additions	3 769	-	-	3 769
Write-off of non-current assets	(123)	-	-	(123)
Revaluation increment (decrement)	-	-	11 282	11 282
Amortisation	(3 820)	(372)	-	(4 192)
Transfers due to Administrative Restructures	(357)	(13 034)	(294 878)	(308 269)
Other	-	-	-	-
Carrying amount at 30 June 2021	11 369	-	-	11 369

Reconciliation 2019-20

	Intangibles \$'000	Service Concession Software \$'000	Service Concession Data \$'000	Total \$'000
Carrying amount at 1 July 2019	14 407	14 896	-	29 303
Changes in accounting policy (refer note 9)	-	-	283 596	283 596
Restated carrying amount at 1 July 2019	14 407	14 896	283 596	312 899
Additions	1 355	-	-	1 355
Write-off of non-current assets	(151)	-	-	(151)
Amortisation	(3 711)	(1 490)	-	(5 201)
Carrying amount at 30 June 2020	11 900	13 406	283 596	308 902

* Service concession data assets were recognised for the first time on adoption of AASB 1059 from 1 July 2019. Refer note 9 *Changes in accounting policy* for further details.

Department for Infrastructure and Transport - Controlled
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5.5 Intangible Assets (continued)

Intangible Assets

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

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

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

Service Concession Intangible Assets

Service concession intangible assets consist of

- service concession data comprising the State's Land Titles Register and Valuation Roll
- service concession software comprising the South Australian Integrated Land Information System (SAILIS Software).

The State government entered into an agreement with a private sector operator to provide titling and registry services to the State on 10 August 2017. The agreement has a term of 47 years. Under the Terms of the Agreement:

- the private sector operator delivers land titling services and valuation services comprising registration services, plan and division services, information services, customer services, data collection and retention services
- the State is responsible for setting fees that are charged to customers
- the operator receives customer payments based on the number of transactions undertaken by the operator for land services
- the operator is responsible for the operation and maintenance of the titling, registry and valuations database
- the contract grants the operator the access to titling, registry and valuations assets
- the titling, registry and valuations assets are owned by the State, prior to, during and after the term of agreement
- the State has the right to receive physical hardware (and any necessary software) or other assets used to deliver land titling, registry and valuation functions at the end of the agreement term
- the State has defined and protective termination rights and data protection to protect data, preserve the register and ensure the private operator complies with data privacy and protection laws

Service concession data assets are measured at current replacement cost and accounted for in accordance with the depreciation and impairment requirements of AASB 138 Intangible Assets and AASB 136 Impairment of Assets. Service concession data are indefinite lived intangible assets, meaning that the carrying amount of these assets are not amortised. The Department's policy is to revalue the service concession data assets annually.

The service concession software is measured at cost and amortised over 11 years, with the amortisation period reviewed on an annual basis. The service concession software is not revalued.

Valuation of the service concession data assets

The service concession data assets were valued as at 1 July 2019 by an external independent valuer at current replacement cost in accordance with the cost approach to fair value in AASB 13.

The current replacement cost of an asset is determined by reference to the replacement cost new of modern equivalent of the asset, and adjusted to reflect losses in value attributable to physical depreciation/amortisation

Department for Infrastructure and Transport - Controlled
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5.5 Intangible Assets (continued)

and obsolescence. This approach is also deemed to be the minimum cost to replace the existing asset with the same economic benefit.

The current replacement cost of service concession data was derived as a hypothetical exercise with the following assumptions:

- The information required to populate and recreate the register is available at no cost.
- The existence of physical or electronic copy of a record that can be used to recreate the data.
- SAILIS software, architecture and trained workforce required for data recreation are available.
- Only data that sits within the system is replicated.

Considering these assumptions, the minimum cost to replicate the existing service potential of service concession data calculated based on:

1. The cost of manually inputting and manipulating records, using the cost incurred by the current operator to process dealings/plan/titles at valuation date. These costs is then applied to the relevant total volume of records.
2. The scanning and digitising costs i.e. the estimates of current cost to input non digital records into the SAILIS system.
3. Due to the nature and complexity that might surround data recreation project of this size, a contingency amount is included to cater for variations in the cost of recreating complicated records, technological requirements, quality assurance, timing and staffing.

The significant unobservable (Level 3) inputs for the valuation of the cost to replicate the service concession data include:

- data entry cost per unit
- scanning cost per document
- number of land registry transactions and valuation fields processed
- number of documents scanned and percentage based contingency applied.

Due to Machinery of Government changes, the recognised service concession assets (data asset and software) and liabilities (administered) have been transferred to Attorney-General's Department as at 1 October 2020. Refer to Note 1.4.

Department for Infrastructure and Transport - Controlled
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5.6 Inventories

	2021	2020
	\$'000	\$'000
Current - held for distribution at no or nominal consideration		
Road making material and stores at cost	2 033	3 429
Rail material and stores at cost	3 701	7 326
Total inventories held for distribution at no or nominal consideration	5 734	10 755
Current - other than those held for distribution at no or nominal consideration:		
Other inventory at cost	456	470
Total inventories other than those held for distribution at no or nominal consideration	456	470
Total Current Inventories	6 190	11 225

Inventories include goods and other property held for distribution in the ordinary course of business and excludes depreciable assets.

Inventories held for distribution at no or nominal consideration are adjusted when applicable for any loss of service potential. The basis for assessing loss of service potential includes current replacement cost and technological or functional obsolescence.

Inventories of roadside materials are measured at historic cost and stores are measured on a weighted average historic cost basis. Inventories held for works performed for clients external to the department are measured at cost.

5.7 Non-Current Assets Classified as Held for Sale

	2021	2020
	\$'000	\$'000
Non-Current Assets Classified as Held for Sale:		
Land, buildings and facilities	9 963	9 405
Total non-current assets classified as held for sale	9 963	9 405

The department has identified \$9.963 million (\$9.405 million) of land, buildings and facilities that are surplus to the department's requirements. The land, buildings and facilities are expected to be sold within 12 months by public tender or auction.

Valuation of Non-Current Assets Classified as Held for Sale

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

6. Financial assets

6.1 Cash and Cash Equivalents

	2021	2020
	\$'000	\$'000
Deposits at call with the Treasurer	4 532 012	4 218 414
Imprest Account	15	15
Deposits with SAFA	717	1 563
Other	119	144
Total cash and cash equivalents	4 532 863	4 220 136

6.2 Receivables

	2021	2020
	\$'000	\$'000
Current		
Trade receivables		
From government entities	172 313	71 687
From non-government entities	32 434	26 187
Less impairment loss on receivables	(2 628)	(1 700)
Total trade receivables	202 119	96 174
Statutory receivables		
GST input tax recoverable	14 984	9 367
Total statutory receivables	14 984	9 367
Finance lease receivables	20 844	27 210
Accrued revenues	63 920	61 720
Total current receivables	301 867	194 471
Non-current		
Trade receivables		
From government entities	174	174
From non-government entities	170	179
Finance lease receivables	156 478	156 196
Total non-current receivables	156 822	156 549
Total receivables	458 689	351 020
Movements in the expected credit loss (impairment loss):	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	1 700	960
Amounts written off	(291)	(65)
Increase / (Decrease) in allowance recognised in profit or loss	1 219	805
Carrying amount at 30 June	2 628	1 700

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

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

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

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

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

Finance lease receivables:

The department is responsible for managing whole of government office accommodation arrangements under Premier and Cabinet Circular PC018. This includes leasing of accommodation from private landlords and subsequent sub-leasing these properties to government agencies. Where the sub-lease meets the definition of a lease under AASB16, and substantially transfers all the risks and rewards of the head lease to another government agency, the department recognises a finance lease receivable for the net investment of the lease. Finance lease receivables represent approximately 50 sub-leases.

During 2020-21, the department recognised finance income on finance lease receivables of \$4.665m

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

<i>Finance Lease receivables</i>	2021	2020
	\$'000	\$'000
Finance lease receivables contracted for at the reporting date are as follows:		
Within one year	27 375	32 326
Later than one year but no longer than five years	67 898	81 228
Later than five years	114 783	116 727
Minimum lease payments	210 056	230 281
Less unearned finance income	(32 734)	(46 875)
Total Finance Lease Receivables	177 322	183 406

The present value of finance lease receivable is as follows:

Within one year	20 844	27 210
Later than one year but no longer than five years	46 819	62 531
Later than five years	109 659	93 665
Present Value of Finance Lease	177 322	183 406

Representing:

Current	20 844	27 210
Non-current	156 478	156 196
Total Finance Lease Receivables	177 322	183 406

Refer to Note 11.3 for further information on risk management.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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6.3 Other Assets

	2021	2020
	\$'000	\$'000
Current:		
Prepayments	22 251	24 401
Accommodation Incentives	7 705	8 418
Other	398	381
Total Current Other Assets	30 354	33 200
Non-Current Assets:		
Accommodation Incentives	47 974	49 126
Total Non-Current Other Assets	47 974	49 126
Total other assets	78 328	82 326

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

Department for Infrastructure and Transport - Controlled
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7. Liabilities

7.1 Payables

	2021	2020
	\$'000	\$'000
Current		
Trade payables	19 616	11 243
Accrued expenses	407 724	200 055
Rail Commissioner (Federally Awarded Employees)	9 696	14 810
Total trade payables	437 036	226 108
Statutory payables		
Employment on-costs	4 973	5 450
Total statutory payables	4 973	5 450
Total current payables	442 009	231 558
Non-Current:		
Rail Commissioner (Federally Awarded Employees)	12 779	21 345
Total trade payables	12 779	21 345
Statutory payables		
Employment on-costs	5 145	6 463
Total statutory payables	5 145	6 463
Total non-current payables	17 924	27 808
Total payables	459 933	259 366

Creditors and accruals are raised for all amounts owing but unpaid. Creditors are normally settled within 30 days from the date the invoice is first received. Employment on-costs are settled when the respective employee benefits that they relate to are discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

Statutory payables do not arise from contracts.

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions with respect to outstanding liabilities for salaries and wages and associated leave. The department makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only payable outstanding at reporting date relates to any contributions due but not yet paid.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained unchanged from the 2020 rate of 42% and the average factor for the calculation of employer superannuation cost on-cost has changed from the 2020 rate of 9.8% to the rate of 10.1% in 2021. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$0.150 million (\$0.079 million). The estimated impact on 2021 and 2022 is not expected to be materially different to the impact in 2021.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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7.2 Lease Liabilities

	2021	2020
	\$'000	\$'000
Lease Liabilities	108 217	139 179
Total current lease liability	108 217	139 179
Non-Current		
Lease Liabilities	875 096	972 214
Total non-current lease liability	875 096	972 214
Total lease liability	983 313	1 111 393

Movements in the Lease Liabilities:	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	1 111 393	1 048 427
Increase/(Decrease) due to lease additions, modifications and re-measurements	(1 288)	187 550
Reductions resulting from payments	(126 792)	(124 584)
Carrying amount at 30 June	983 313	1 111 393

All material cash outflows are reflected in the lease liabilities disclosed above.

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

At 30 June 2021 the department had committed to material leases for building assets which had not yet commenced. The future cash flows for these leases is \$280.911m over 15 years.

The departments leasing activities as lessee include government accommodation, motor vehicles, office equipment and other plant and equipment. Refer Note 8.3.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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7.3 Provisions

	2021	2020
	\$'000	\$'000
Current		
Provision for workers compensation	1 586	1 618
Site remediation	10 606	14 479
Provision for contractual arrangements	850	-
Total current provisions	13 042	16 097
Non-current		
Provision for workers compensation	9 395	7 750
Site remediation	2 508	6 014
Provision for contractual arrangements	3 630	-
Total non-current provisions	15 533	13 764
Total provisions	28 575	29 861

Reconciliation of Workers Compensation

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

Carrying amount as at 1 July	9 368	9 173
Increase (decrease) in provision due to revision of estimates	4 169	1 915
Reductions resulting from payments	(2 556)	(1 720)
Carrying Amount at 30 June	10 981	9 368

Reconciliation of Site Remediation

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

Carrying amount as at 1 July	20 493	21 779
Increase in provision due to revision of estimates	-	6
Reductions resulting from payments	(7 379)	(1 292)
Carrying Amount at 30 June	13 114	20 493

Reconciliation of Provision for contractual arrangements

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

Carrying amount as at 1 July	-	-
Increase in provision due to initial estimate	4 480	-
Reductions resulting from payments	-	-
Carrying Amount at 30 June	4 480	-

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

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

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment

The provision reflects the actuarial valuation of outstanding liabilities under the *Return to Work Act 2014* and Additional Compensation provisions. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

The Additional Compensation provision entitlements are contained within relevant Public Sector Enterprise Agreements and Awards. These provide continuing benefits to eligible workers with respect to certain work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme *Return to Work Act 2014*.

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

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

	2021	2020
	\$'000	\$'000
Current		
Deferred income	19 893	15 848
Other	1 556	1 259
Total current other liabilities	21 449	17 107
Total other liabilities	21 449	17 107

Deferred Income

The department sells Metrotickets for travel on public transport. The value of unused Metrotickets as at 30 June 2021 was \$13.932 million (\$12.614 million) and is recognised as a liability.

8. Other disclosures

8.1 Equity

	2021
	\$'000
Restatement of Opening Balances	
Adjustments against Retained Earnings:	
Work in progress adjustment - error correction	(12 875)
Asset recognition - error correction	18 483
Change in Accounting Policy (AASB 1059) refer Note 9	283 596
Statement of Comprehensive Income - error correction	3 815
Other adjustments - error correction	23 787
Total equity	316 806

The table above represents total adjustments to equity identified. Adjustments totalling \$328.602 million were identified in the year ended 30 June 2021 which affect the year ended 30 June 2020 and prior years.

RESTATEMENT OF OPENING BALANCES

Adjustments against Retained Earnings

Work in progress adjustment – error correction

A review of projects expenditure by the department in the year ended 30 June 2021 identified \$12.875 million of costs included in capital works in progress at 30 June 2020 that should have been expended in a prior year. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements for 2019-20 is summarised below:

	2020	2019
	\$'000	\$'000
Road network - work in progress	(2 253)	(6 319)
Land, Buildings and Facilities - work in progress	(143)	(1 172)
Track - work in progress	(2 988)	-
Total work in progress adjustment	(5 384)	(7 491)

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

8.1 Equity (continued)

Asset Recognition – error correction

The total effect of assets recognised for the first time that relate to prior financial periods is \$18.483m. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements for 2019-20 is summarised below:

	2020	2019
	\$'000	\$'000
Network Assets	304	2 256
Land, buildings and facilities	-	15 873
Plant and equipment	50	-
Total asset recognition - error correction	354	18 129

Other Adjustments – error correction

A review of operating income and expenditure by the department in the year ended 30 June 2021 identified \$23.787 million of costs incorrectly accounted for at 30 June 2020, this mainly relates to adjustment of finance lease receivable. The prior period errors are corrected in the current year by an adjustment to retained earnings. The impact on the financial statements for 2019-20 is summarised below:

	2020	2019
	\$'000	\$'000
Finance Lease Receivable	21 825	-
Payables	1 215	747
Total other adjustments error correction	23 040	747

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

8.2 Cash Flow Reconciliation

	2021	2020
	\$'000	\$'000
Leases		
Buildings	113 179	115 089
Plant and equipment	4 850	4 961
Total cash outflow for leases	118 029	120 050

	2021	2020
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	4 532 863	4 220 136
Balance as per the Statement of Cash Flows	4 532 863	4 220 136

Reconciliation of net cash provided by operating activities to net result		
Net cash provided by/(used in) operating activities	1 295 119	848 328
Add / (less) non-cash items		
Net gain (loss) on sale or disposal of non-current assets	7 435	2 549
Depreciation/amortisation expense of non-current assets	(652 898)	(621 937)
Assets written off	(4 777)	(2 625)
Assets donated	(691)	(7 071)
Resources received free of charge	7 766	4 774
Expensing of works in progress	-	(4 360)
Fair value of assets received		
Net revenue from administrative restructure		
Increase (Decrease) in receivables	154 213	187 209
Increase (Decrease) in inventories	(5 035)	237
Increase (Decrease) in other assets	(1 847)	19 921
(Increase) Decrease in payables and provisions	(78 741)	(259 939)
(Increase) Decrease in employee benefits	18 607	(67)
(Increase) Decrease in other liabilities	(4 342)	39 342
Net result	734 809	206 361

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

8.3 Significant accounting policies

Significant accounting policies not disclosed elsewhere in this report are detailed below.

Taxation

The department is not subject to income tax. The department is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, income tax equivalents and local government rate equivalents.

The department prepares a Business Activity Statement on behalf of its controlled entities, administered items and other clients to which it provides business services under the grouping provisions of the GST legislation. Under the grouping provisions, the department is liable for the GST payments and entitled to the GST receipts associated with these entities and items. The GST applicable forms part of the receivables and payables recorded in the department's Statement of Financial Position and the GST cash flows recorded in the department's Statement of Cash Flows.

With respect to tax equivalents, the department is liable to pay income tax equivalents to the Consolidated Account in relation to the commercial operations of the Property Directorate. In determining its tax equivalent commitments, the department utilises the 'Accounting Profits' model as prescribed by Treasurer's Instruction 22 -Tax Equivalent Payments. Under this model, income tax expense is calculated separately for each taxable entity by applying the companies' income tax rate (currently 30%) to the accounting profit for the year. Income tax equivalent payments are included in Payments to SA Government in the Statement of Comprehensive Income.

Business Overheads

The department adopts a full cost approach to recognising its infrastructure capital and recurrent works. This methodology requires the allocation of a proportionate share of overheads to these activities. These overhead costs include corporate overheads such as the cost of the traditional corporate areas, general whole of department costs as well as business specific overhead costs.

These costs are allocated using a costing model developed to reflect the proportionate consumption of overheads by output sections.

Contracts in progress

The department acts as project manager for major capital works in relation to government buildings or government accommodation and for a range of minor capital works and maintenance type activities associated with the role of facilities manager. The department charges a fee to recover the cost of its project management activities which is recorded as revenue in accordance with AASB15.

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

8.3 Significant accounting policies (continued)

Non- Current Assets

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

Acquisition and Recognition of Non-Current assets

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

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

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

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

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental costs incurred with the acquisition. Where the department acquires assets at no cost, or minimal cost, these items are recorded at their fair value in the Statement of Financial Position. If the assets are acquired at no or nominal value as part of a restructuring of administrative arrangements then the assets are recognised at book value i.e. the amount recorded by the transferor entity immediately prior to the restructure.

Revaluation of Non-Current Assets

In accordance with Treasurer's Instruction (Accounting Policy Statements) the department revalues all its non-current physical assets to their estimated fair value. Revaluations are performed only in instances where the fair value of the asset or asset group at the time of acquisition is greater than \$1.5 million and the estimated useful life is greater than three years.

During 2020-21 financial year, the Department reviewed its policy on revaluation frequency. The frequency of revaluation was increased from 3 years to 5 years for Road Networks assets and 6 years for other major infrastructure assets. The Department also reviewed its measures to test fair value movements, this is to ensure carrying value is not materially different from asset fair value.

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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8.3 Significant accounting policies (continued)

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

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

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

Impairment

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

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

Remediation of Non-Current Assets

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

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

Leases

The department enters into lease arrangements as both lessee and lessor.

Accounting standard *AASB16 Leases* came into effect in 2019-20 resulting in significant changes to the departments accounting for leases.

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

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

8.3 Significant accounting policies (continued)

Lease activities in the department:

As Lessee:

Commercial Property:

The department is responsible for the management of accommodation arrangements on behalf of other government agencies under Premier and Cabinet Circular PC018 *Government Office Accommodation Framework* (PC018). The department has approximately 300 leases of commercial properties from external parties as well as departmentally owned properties to enable this. Approximately 230 of these external leases include extension options.

Commercial accommodation leases with external parties are non-cancellable with terms ranging from 1 to 20 years. Lease extensions or options are typically renegotiated before the end of the current term. Rent is generally payable monthly in advance. Leases include a fixed rate increase, CPI and/or periodic market review. Major value leases typically have a predetermined fixed rate annual increase (2.5% -3.75%) factored into the lease.

Office accommodation provided to general government sector agencies under PC018 do not meet the definition of a lease under AASB 16. Revenue for these agencies is recognised under AASB 15 and classified as Government accommodation rental income (refer note 2.6). Where the department leases this accommodation from an external party the department records the Right-of-Use asset and Lease Liability on its statement of financial position.

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

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

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

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

Significant judgments/policy:

Reasonably certain

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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8.3 Significant accounting policies (continued)

Lease components

Where a contract contains both lease and non-lease components such as asset maintenance services, the department excludes the non-lease component amounts when determining the lease liability and right-of-use asset amount in accordance with AASB16 and the Treasurer's Instructions (Accounting Policy Statements).

In determining the non-lease component rate for property leases, the department has applied the independently measured Property Council of Australia benchmark rates published for South Australia. This rate is then applied to the minimum lease payments of multi-story office buildings to determine value of the lease liability and lease asset.

Plant and Equipment:

The department leases plant and equipment for its operational use. This includes motor vehicles, office equipment and other plant. Motor vehicles leases are with the South Australian Financing Authority (SAFA).

Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Lease terms can range from 3 years up to 5 years, no contingent rental provisions exist and no options exist to renew the leases at the end of the lease.

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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8.3 Significant accounting policies (continued)

As Lessor:

Government Employee Housing

As lessor, the department recognises finance lease receivables from Government agencies in relation housing in the remote area of the APY lands at an amount equal to the net investment of constructing the housing.

Finance lease interest income is recognised based on the periodic rate of return on that net investment. Lease payments from the lessee are applied against the gross investment in the lease to reduce both the principal and the unearned interest income.

Departmental Owned property

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

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

Recreational Jetties

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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9. Changes in accounting policy

AASB 1059 Service Concession Arrangements – Grantor

The Department has adopted AASB 1059, which applies to reporting periods beginning on or after 1 January 2020. AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public sector grantor involving a service concession arrangement.

Service concession arrangements (SCAs) are contracts between a grantor and an operator where an operator provides public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and manages at least some of those services.

The Department has reviewed all of its arrangements with other entities to assess whether AASB 1059 applies. The following arrangement was identified. The Department of Treasury and Finance has approved the Department's recognition of the Service Concession Arrangement under AASB 1059, in accordance with the requirement of Treasurers Instructions (Accounting Policy Statements).

Delivery of Land Titling, Registration and Valuation Services

On 10 August 2017 the State government entered into an agreement with a private sector operator to provide titling and registry services for a term of 47 years. Responsibility for managing these arrangements was transferred to the Department on 1 July 2018.

A description of the arrangements and associated the service concession assets is detailed in note 5.5 *Intangible assets*. These assets comprise service concession data assets and service concession software assets. Prior to adoption of AASB 1059:

- the upfront consideration received from the private operator was recognised as a liability in the Department's Statement of Administered Financial Position, with the amortisation of this liability recognised as revenue in the Statement of Administered Comprehensive Income over term of the arrangements. This liability is administered on behalf of the Treasurer
- the software was recognised as an intangible asset
- the service concession data assets did not meet the recognition criteria under AASB 138 and therefore no value for them was recognised. However, AASB 1059 requires the Department to recognise identifiable intangible assets as a service concession asset where the Department controls the asset, even if the asset does not qualify for recognition under AASB 138.

The Department has adopted the full retrospective transition approach under AASB 1059 by recognising and measuring service concession assets and related liabilities at the date of initial application of 1 July 2019. The only impact at that date was to recognise the service concession data asset, with the corresponding adjustment recognised in the revaluation reserve.

The effect of adopting AASB 1059 is as follows:

	Note	2020 \$'000	2019 \$'000
Assets:			
Intangible- Service Concession Asset	5.5	11,282	283,596
Total Adjustment to Asset		11,282	283,596
Equity:			
Revaluation Reserve		-11,282	-283,596
Total Adjustment to Equity		-11,282	-283,596

Due to Machinery of Government changes, the recognised service concession asset and liabilities (administered) have been transferred to Attorney-General Department as at 1 October 2020. Refer to Note 1.4.

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

10.1 Unrecognised Commitments

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

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

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

Capital commitments

	2021	2020
	\$'000	\$'000
Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:		
Within one year	1 219 962	1 072 046
Later than one year but not longer than five years	181 680	516 376
Later than five years	73 144	96 298
Total capital commitments	1 474 786	1 684 720

Expenditure commitments

	2021	2020
	\$'000	\$'000
Within one year	579 440	426 122
Later than one year but not longer than five years	2 333 044	1 169 827
Later than five years	1 534 127	1 549 904
Total expenditure commitments	4 446 611	3 145 853

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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10.1 Unrecognised Contractual Commitments (continued)

<i>Operating Lease Commitments as Lessor</i>	2021 \$'000	2020 \$'000
Commitments under operating leases at the reporting date but not recognised as receivable in the financial report, are as follows:		
Within one year	1 600	2 269
Later than one year but no later than five years	3 384	3 331
Later than five years	76	-
Total Operating Lease Commitments as Lessor	5 060	5 600

The department's operating lease commitments as lessor are for commercial accommodation and access rights to State Owned land sites for departmentally owned properties. These leases relate to office accommodation leased to Public Financial Corporations and Public Non-Financial Corporations and operational sites leased to government agencies. Commercial accommodation leases are non-cancellable with remaining lease terms ranging from 1 to 27 years. Rent is receivable in advance.

10.2 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of note.

Contingent Assets

At 30 June 2021, the department:

- holds contract securities which are designed to cover the risk to the department in the event of contractor non-performance or insolvency. In the event of contractor non-performance or insolvency, the department can call upon the contract security to cover any resulting costs incurred.

Contingent Liabilities

At 30 June 2021, the department had:

- possible material exposures resulting from litigation (or pending litigation) in respect of claims for property damage or personal injury;
- received notification of other cases not yet subject to court action or formal claim, which may result in subsequent litigation or arbitration in the future;
- possible material exposure resulting from the ongoing monitoring and treatment of contaminated land assets to bring the land into a position for future use or sale;
- property acquisition compensation matters that are yet to be settled;
- property agreements that provide for additional compensation payments where a property owner purchases a replacement investment property within 12 months; and

In addition, the department is awaiting the outcome of formal and informal proceedings which may result in possible liabilities.

The department is insured by SAicorp, the captive insurer for the Government of South Australia. Final exposure of claims is limited to the deductible excess. The extent of these contingent liabilities cannot be reliably measured at balance date.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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10.3 Impact of standards and statements not yet effective

The department has assessed the impact of new and changed Australian Accounting Standards and Interpretations not yet effective.

There is not expected to be any material impact.

10.4 COVID-19 pandemic outlook for the department

The COVID-19 pandemic will continue to impact the operations of the department in 2021-22. The key expected impacts include continued delivery of the infrastructure stimulus packages for road infrastructure and safety, the continued decline in passenger transport patronage and the additional public transport network safety measures.

The potential impacts on the departments' assets and liabilities will continue to be assessed as part of usual valuation exercises reflecting current market conditions.

10.5 Events after the reporting period

Events between 30 June and the date the financial statements are authorised that may have a material impact on the results of subsequent years are set out below.

Across Government Facilities Management Arrangements

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

Under the Future AGFMA model, which will commence on 1 December 2021, a new service provider will manage facilities services provision for all Participating Government Agencies in each of the three contract packages, for all of their facilities state-wide.

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

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

11.1 Long Service Leave liability - measurement

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

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 0.75% in 2020 to 1.25% in 2021.

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The net financial effect of the changes to the actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$5.17 million and employee benefit expense of \$0.486 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

As a result of the actuarial assessment performed by the Department of Treasury and Finance, the salary inflation rate has remained unchanged from the 2020 rate of 2.5% for long service leave liability.

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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11.2 Fair Value Measurement

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

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

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date. The department does not have any Level 1 assets.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly. For example, the department has domestic housing and commercial building assets that are valued by comparing the subject properties to similar properties in similar areas.
- Level 3 – not traded in an active market and are derived from unobservable inputs. Examples in the department include the rail and road networks.

In determining fair value, the department has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible and financially feasible).

The department's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the department did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to Note 5 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

In accordance with AASB 13 *Fair Value Measurement* the fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The department categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

The department had no recurring or non-recurring fair value measurements categorised into Level 1.

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Notes to and forming part of the financial statements
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11.2 Fair Value Measurement (continued)

Fair value measurements at 30 June 2021

	2021	Level 2	Level 3
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (note 5.1)	924 342	906 845	17 497
Buildings and facilities (note 5.1)	1 416 657	336 361	1 080 296
Property, Plant and Equipment (note 5.2)	669 992	2 388	667 604
Road and structures (note 5.3)	26 897 205	-	26 897 205
Rail and bus track (note 5.3)	2 661 684	-	2 661 684
Total recurring fair value measurements	32 569 880	1 245 594	31 324 286
Non-recurring fair value measurements			
Land, buildings and facilities held for sale (note 5.7)	9 963	9 963	-
Total non-recurring fair value measurements	9 963	9 963	-
Total fair value measurements	32 579 843	1 255 557	31 324 286

Fair value measurements at 30 June 2020

	2020	Level 2	Level 3
	\$'000	\$'000	\$'000
Recurring fair value measurements			
Land (note 5.1)	895 475	876 138	19 337
Buildings and facilities (note 5.1)	1 376 701	281 679	1 095 022
Property, Plant and Equipment (note 5.2)	645 354	22 133	623 221
Road and structures (note 5.3)	25 891 592	-	25 891 592
Rail and bus track (note 5.3)	2 593 896	-	2 593 896
Intangible assets (note 5.4)	297 002	-	297 002
Total recurring fair value measurements	31 700 020	1 179 950	30 520 070
Non-recurring fair value measurements			
Land, buildings and facilities held for sale (note 5.7)	9 405	9 405	-
Total non-recurring fair value measurements	9 405	9 405	-
Total fair value measurements	31 709 425	1 189 355	30 520 070

Valuation Techniques and Inputs

Valuation techniques used to derive Level 2 and 3 fair values are detailed in Notes 5.1 – 5.5. There were no changes in valuation techniques during 2020-21.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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11.2 Fair Value Measurement (continued)

Reconciliation of Level 3 Fair value Measurements as at 30 June 2021

2021	Land	Buildings	Property,	Road and	Rail and Bus	Intangibles -	Total
		and Facilities ⁽¹⁾	Plant and Equipment	Structures	Track	Service Concession Data	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	19 337	1 095 022	623 221	25 891 592	2 593 896	283 596	30 506 664
Additions	-	26 138	30 050	829 420	159 461	-	1 045 069
Disposals	-	-	(453)	-	-	-	(453)
Donated assets	-	(215)	-	-	-	-	(215)
Resources received free of charge	-	-	566	-	-	-	566
Write offs	-	(310)	(403)	(1 662)	(1 631)	-	(4 006)
Revaluation increment (decrement) (3)	(1 840)	(6 416)	71 221	527 623	(2 938)	11 282	598 932
Depreciation and amortisation	-	(44 958)	(56 521)	(349 766)	(75 852)	-	(527 097)
Transfers due to reclassification of assets at same Fair Value level	-	11 252	-	-	(11 252)	(294 878)	(294 878)
Transfers due to Administrative Restructures at same Fair Value level	-	(216)	(109)	-	-	-	(325)
Transfer into Level 3	-	-	31	-	-	-	31
Other Movements	-	(1)	1	(2)	-	-	(2)
Carrying amount at the end of the period	17 497	1 080 296	667 604	26 897 205	2 661 684	-	31 324 286

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

(2) Net book value of assets disposed. Total gain/loss for period included in profit or loss disclosed separately.

(3) Revaluation increment (decrement) relates only to unrealised gains or losses recognised through Other Comprehensive Income under changes to the revaluation surplus. No unrealised gains or losses were included in profit or loss.

Total gains/losses for the period included in profit or loss under Net Gain (Loss) from Disposal of Non-Current Assets	-	-	137	-	-	-	137
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Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
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11.2 Fair Value Measurement (continued)

Reconciliation of Level 3 Fair value Measurements as at 30 June 2020

2020	Land	Buildings and Facilities (1)	Property, Plant and Equipment	Road and Structures	Rail and Bus Track	Intangi ble assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	19 504	1 087 890	625 680	19 314 125	2 459 887	492	23 805 578
Additions	-	11 180	31 604	995 002	56 575	-	1 094 361
Disposals (2)	-	-	(164)	-	-	-	(164)
Donated assets	-	(4 910)	(327)	-	-	-	(5 237)
Resources received free of charge	-	-	46	-	-	-	46
Write offs	-	-	(378)	1	(1 911)	-	(2 288)
Revaluation increment (decrement) (3)	-	33 192	(2 054)	5 892 248	161 435	-	6 084 821
Depreciation and amortisation	-	(43 613)	(50 918)	(319 620)	(72 267)	(1 490)	(487 908)
Transfers due to reclassification of assets at same Fair Value level	-	-	(16)	9 836	(9 820)	-	-
Transfer into Level 3	-	11 747	19 748	-	-	-	31 495
Transfer out of Level 3	(167)	(464)	-	-	-	-	(631)
Other Movements	-	-	-	-	(3)	-	(3)
Carrying amount at the end of the period	19 337	1 095 022	623 221	25 891 592	2 593 896	297	30 520 070

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

(2) Net book value of assets disposed. Total gain/loss for period included in profit or loss disclosed separately.

(3) Revaluation increment (decrement) relates only to unrealised gains or losses recognised through Other Comprehensive Income under changes to the revaluation surplus. No unrealised gains or losses were included in profit or loss.

Total gains/losses for the period included in profit or loss
under Net Gain (Loss) from Disposal of Non-Current Assets

-	-	69	-	-	-	69
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Transfers In and Out of Level 3

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

11.3 Financial Instruments

Financial risk management

The department has developed a Risk Management policy and associated Framework in accordance with the *SA Government Risk Management Guide* and the principles established in the *Australian Standard Risk Management Principles and Guidelines*. This policy and framework set out the tailored approach to identify and manage risk within the department.

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

Liquidity Risk

Liquidity risk arises from the possibility that the department is unable to meet its financial obligations as they fall due. The department works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to Notes 7.1 and 7.2 for further information.

Credit Risk

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

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

Impairment of financial assets

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

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

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

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

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

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
for the year ended 30 June 2021

11.3 Financial Instruments (continued)

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Current (not past due)	15 020	5	761
1 – 30 days past due	1 460	13	186
31 – 60 days past due	364	11	40
More than 60 days past due	5 383	31	1 642
Loss allowance			2 629

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

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

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

Receivables with a contractual amount of \$0.291 million written off during the year are still subject to enforcement activity.

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

Market Risk

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

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

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

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

Categorisation of financial instruments

Details of the significant accounting 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 / liability note.

Classification of financial instruments

The department measures all financial instruments at amortised cost.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
For the year ended 30 June 2021

11.3 Financial Instruments (continued)

Category of financial asset and financial liability		Note	Carrying amount / fair value \$'000	2021 Contractual maturities*		
				Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents:						
	Cash and cash equivalent	6.1	4 532 863	4 532 863	-	-
Financial assets at amortised cost:						
	Receivables**	6.2	266 383	266 039	344	-
	Finance lease receivable	6.2	210 056	27 376	67 898	114 782
Total financial assets			5 009 302	4 826 278	68 242	114 782
Financial liabilities						
Financial liabilities at amortised cost:						
	Payables**	7.1	448 117	425 642	22 475	-
	Lease liability	7.2	1 125 739	129 545	367 477	628 717
Total financial liabilities			1 573 856	555 187	389 952	628 717

Category of financial asset and financial liability		Note	2020 Carrying amount / fair value \$'000	2020 Contractual maturities*		
				Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
Financial assets						
Cash and cash equivalents:						
	Cash and cash equivalent	6.1	4 220 136	4 220 136	-	-
Financial assets at amortised cost:						
	Receivables**	6.2	158 247	157 894	353	-
	Finance lease receivable		230 281	32 326	81 228	116 727
Total financial assets			4 608 664	4 410 356	81 581	116 727
Financial liabilities						
Financial liabilities at amortised cost:						
	Payables**	7.1	246 301	224 956	21 345	-
Other financial liabilities			1 259 534	163 297	444 418	651 819
Total financial liabilities			1 505 835	388 253	465 763	651 819

* Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

** Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.3.

Department for Infrastructure and Transport - Controlled
Notes to and forming part of the financial statements
For the year ended 30 June 2021

11.3 Financial Instruments (continued)

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents; fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies.

In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

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

Administered Financial Statements

For the year ended 30 June 2021

**Department for Infrastructure and Transport - Administered
Statement of Administered Comprehensive Income
for the year ended 30 June 2021**

	Note	2021 \$'000	2020 \$'000
Administered income			
Appropriation	A12	3 105	19 234
Fees and charges	A13	72 703	255 015
Collection on Behalf of Third Parties	A14	966 546	916 043
Interest revenue	A15	2	146
Other income	A16	9 105	34 616
Total income		1 051 461	1 225 054
Administered expenses			
Employee benefits expenses	A6	450	708
Supplies and services	A7	1 376	3 765
Grants and subsidies expense	A8	17 066	47 315
Disbursements on Behalf of Third Parties	A9	969 313	919 634
Other expenses	A10	721	81 274
Payments to Consolidated Account	A11	59 460	223 600
Total administered expenses		1 048 386	1 276 296
Net result		3 075	(51 242)
Total comprehensive result		3 075	(51 242)

The net result and total comprehensive result are attributable to the SA Government as owner. The above statement should be read in conjunction with the accompanying notes.

Department for Infrastructure and Transport - Administered
Statement of Administered Financial Position
as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	A17	51 674	57 351
Receivables	A18	25	178
Total current assets		51 699	57 529
Non-current assets			
Property, plant and equipment	A19	-	17 964
Total non-current assets		-	17 964
Total assets		51 699	75 493
Current liabilities			
Payables	A20	49 706	41 262
Other liabilities	A21	-	36 756
Total current liabilities		49 706	78 018
Non-current liabilities			
Other liabilities	A21	-	1 471 018
Total non-current liabilities		-	1 471 018
Total liabilities		49 706	1 549 036
Net assets		1 993	(1 473 543)
Administered equity			
Retained earnings		1 993	(1 478 895)
Asset revaluation surplus		-	5 352
Total equity		1 993	(1 473 543)

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

Contingent assets and liabilities A24

Unrecognised contractual commitments A23

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

**Department for Infrastructure and Transport - Administered
Statement of Administered Changes in Equity
as at 30 June 2021**

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2019		5 352	(1 427 653)	(1 422 301)
Net result for 2019-20		-	(51 242)	(51 242)
Total comprehensive result for 2019-20		-	(51 242)	(51 242)
Balance at 30 June 2020		5 352	(1 478 895)	(1 473 543)
Net result for 2020-21		-	3 075	3 075
Total comprehensive result for 2020-21		-	3 075	3 075
Net assets transferred as a result of an administrative restructure	A3	(5 352)	1 477 813	1 472 461
Balance at 30 June 2021		-	1 993	1 993

All changes in equity are attributable to the SA Government as owner.

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

Department for Planning, Transport and Infrastructure
Statement of Administered Cash Flows
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		3 053	19 027
Receipts from fees and charges		70 315	254 715
Collection on behalf of third parties		966 590	916 248
Interest		5	185
Other income		553	406
Cash generated from operations		1 040 516	1 190 581
Cash outflows			
Employee benefit payments		(468)	(639)
Payments for supplies and services		(5 278)	(5 105)
Grants and subsidies		(9 263)	(54 716)
Disbursements on behalf of third parties		(971 725)	(923 348)
Payments to Consolidated Account		(59 459)	(223 047)
Cash used in operations		(1 046 193)	(1 206 855)
Net cash provided by / (used in) operations	A22	(5 677)	(16 274)
Net increase (decrease) in cash held		(5 677)	(16 274)
Cash at 1 July		57 351	73 625
Cash at 30 June	A17	51 674	57 351

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

Department for Infrastructure and Transport - Administered Expenses and Income by Administered Programs
For the year ended 30 June 2021

Administered programs - refer note A2

	Land Use Planning		Roads and Marine	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered income				
Appropriation	-	13 942	2 774	3 593
Fees and charges	8 095	28 797	1 729	2 561
Collections on behalf of third parties	-	-	966 400	915 866
Interest revenue	1	107	-	-
Other income	442	-	-	-
Total administered income	8 538	42 846	970 903	922 020
Administered expenses				
Employee benefit expenses	21	-	-	-
Supplies and services	55	2 243	-	-
Grants and subsidies	15 471	44 051	1 473	2 817
Disbursements on behalf of third parties	-	-	969 173	919 459
Other expenses	721	81 274	-	-
Payments to Consolidated Account	-	-	-	-
Total administered expenses	16 268	127 568	970 646	922 276
Net result	(7 730)	(84 722)	257	(256)

	Infrastructure Planning and Policy		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered income				
Appropriation	331	1 699	3 105	19 234
Fees and charges	62 879	223 657	72 703	255 015
Collections on behalf of third parties	146	177	966 546	916 043
Interest revenue	1	39	2	146
Other income	8 663	34 616	9 105	34 616
Total administered income	72 020	260 188	1 051 461	1 225 054
Administered expenses				
Employee benefit expenses	429	708	450	708
Supplies and services	1 321	1 522	1 376	3 765
Grants and subsidies	122	447	17 066	47 315
Disbursements on behalf of third parties	140	175	969 313	919 634
Borrowing costs	-	-	-	-
Other expenses	-	-	721	81 274
Payments to Consolidated Account	59 460	223 600	59 460	223 600
Total administered expenses	61 472	226 452	1 048 386	1 276 296
Net result	10 548	33 736	3 075	(51 242)

**Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2021**

The Administered Financial Statements include income, expenses, assets and liabilities that the Department for Infrastructure and Transport (the department) administers on behalf of the SA Government, but does not control.

A1: Basis of preparation and accounting policies

The Basis of Preparation for the Administered Financial Statements is the same as the basis outlined in Note 1.1 for controlled items. The department applies the same accounting policies to the Administered Financial Statements as set out in the notes to the department's financial statements.

As a result of the restructuring of administrative arrangements outlined in Note A3, some Administered Items have transferred out of the department effective 1 October 2020. The transactions in relation to these items have been recognised in this Statement from 1 July to 30 September only. This includes the transactions and balances of the Planning and Development Fund and all items listed in Note A2.

A2: Objectives/programs of the Department

The objectives and programs of the department, outlined in Note 1.2 for controlled items, apply equally to the Administered Financial Statements.

The programs of the department are outlined in Note 1.2 for controlled items. Program 3: Roads and Marine, Program 6: Infrastructure Planning and Policy and Program 7: Land Use Planning apply to the Administered Financial Statements. Refer to note A3 for further information on changes to the department.

Department Organisation

The organisational structure of the department outlined in Note 1.2 for controlled items, applies to both the departmental and the Administered Financial Statements.

The Administered Items of the department as at 30 June 2021 comprised the following:

- Compulsory Third Party Insurance
- Emergency services levy
- Expiation receipts
- Firearm receipts
- Flinders Ports — land tax equivalent
- Hospital Fund — contributions
- Lifetime Support Scheme receipts
- Registration and Licensing collections and disbursements
- Service SA disbursements
- Special Act salaries
- Stamp duty receipts

Administered Items that transferred to the Attorney-General's department as at 1 October 2020 comprised the following:

- Planning and Development Fund
- Planning fees
- Real Property Act Assurance Fund
- Real Property Act Trust Accounts
- Registrar-General and Surveyor-General Statutory Act revenues
- West Beach Trust (trading as West Beach Parks) — taxation equivalent regime
- Workers Liens Trust Account.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2021

A3: Changes to the department

As a result of the restructuring of administrative arrangements outlined in the Government Gazette on 29 July 2020, the department became known as the Department for Infrastructure and Transport. The restructure resulted in the Administered Items from the Planning and Local Government Directorate of the department (PLG), including the Surveyor-General, Valuer-General, Registrar-General and the Planning and Development Fund, transferring to the Attorney-General's department, effective 1 October 2020.

As part of the restructuring of administrative arrangements, The Office for Recreation, Sport and Racing became an attached office of the department, but is a separate reporting entity.

	Transfer	Total
	\$'000	\$'000
Total assets		
Cash and cash equivalents	29 348	29 348
Property, plant and equipment	17 928	17 928
Total assets	47 276	47 276
Total liabilities		
Payables	20 515	20 515
Other liabilities	1 499 222	1 499 222
Total liabilities	1 519 737	1 519 737
Net assets transferred as a result of an administrative restructure	(1 472 461)	(1 472 461)

Net assets transferred by the department as a result of the administration restructure were recognised at the carrying amount. The net assets transferred were treated as a distribution to the government as owner.

A4: Transfer Payments

The department makes various transfer payments to eligible beneficiaries in the capacity of an agent responsible for the administration of the transfer process. Amounts relating to these transfer payments are not controlled by the department, since they are made at the discretion of the government in accordance with government policy. The following table lists recipients by class and amounts transferred.

	2021	2020
	\$'000	\$'000
Transfer payments to SA Government Entities		
Department of Treasury and Finance	346 293	471 135
Lifetime Support Authority	168 514	160 651
CTP Regulator	106 644	106 530
South Australian Fire and Emergency Services Commission	49 296	48 979
South Australian Police	11 561	12 179
Other	8 774	24 666
Transfer payment to local government:		
Councils	9 492	26 562
Transfer payment to non-SA Government Entities		
Compulsory Third Party Insurance	316 323	310 817
Refunds	16 533	18 844
National Heavy Vehicle Regulator	14 053	14 780
Other	453	445
Total Transfer Payments	1 047 936	1 195 588

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2021

A5: Budgetary Reporting and Explanations of major variances between budget and actual amounts

		Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
Statement of Administered Comprehensive Income	Note			
Administered Income				
Appropriation		5 097	3 105	(1 992)
Fees and charges	a	14 090	72 703	58 613
Collections on behalf of third parties		941 780	966 546	24 766
Interest revenue		-	2	2
Other income		-	9 105	9 105
Total administered income		960 967	1 051 461	90 494
Administered Expenses				
Employee benefit expenses		369	450	81
Supplies and services		1 097	1 376	279
Grants and subsidies		3 889	17 066	13 177
Disbursements on behalf of third parties		955 956	969 313	13 357
Payments to Consolidated Account	b	515	59 460	58 945
Other expenses		-	721	721
Total administered expenses		961 826	1 048 386	86 560
Net result		(859)	3 075	3 934

The budget performance table compares the department's outcomes against budget information presented to Parliament (2020-21 Budget Paper 4, Volume 3). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

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

- a) Due to Machinery of Government changes for the Office of the Registrar-General transferring to the Attorney-General's Department effective 1 October 2020, fees and charges were only recognised for the period 1 July 2020 to 30 September 2020.
- b) Due to Machinery of Government changes for the Office of the Registrar-General transferring to the Attorney-General's Department effective 1 October 2020, the *Real Property Act* collections transferred to the Consolidated Account were only recognised for the period 1 July 2020 to 30 September 2020.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2021

A6: Employee Benefit Expenses

	2021	2020
	\$'000	\$'000
Minister and Valuer-General salaries	450	708
Total employee benefits expenses	450	708

*The Valuer-General salary transferred to the Attorney-General's Department, effective 1 October 2020.

A7: Supplies and Services

	2021	2020
	\$'000	\$'000
Project Expenditure	106	945
Professional and Technical Services	1 198	1 269
Auditor's Remuneration - Planning and Development Fund *	-	27
Other	72	1 524
Total supplies and services	1 376	3 765

*For work performed by the Auditor-General's Department under the *Public Finance and Audit Act 1987*.

A8: Grants and Subsidies

	2021	2020
	\$'000	\$'000
Planning and Development Fund grant payments	8 771	27 341
Planning Reform contribution	6 700	13 413
Land Tax Equivalent - Flinders Ports (Transfer to DTF)	1 473	2 817
Transfer to Outback Communities Authority and Local Govt Grants Commission	-	1 858
West Beach Trust Tax equivalent reimbursements	-	1 438
Lincoln Cove Marina (Transfer to DTF)	122	448
Total grants and subsidies expense	17 066	47 315

A9: Disbursements on Behalf of Third Parties

	2021	2020
	\$'000	\$'000
Compulsory Third Party Insurance	422 967	417 347
Stamp Duties - Department of Treasury and Finance	209 537	170 714
Lifetime Support Scheme - Lifetime Support Authority	168 514	160 651
Hospital Fund - Department of Treasury and Finance	75 701	73 556
Emergency Services Levy - SA Fire & Emergency Services Commission	49 296	48 979
Refunds	16 533	18 844
National Heavy Vehicle Regulator	14 053	14 780
Expiation Notices - South Australian Police	7 908	9 244
Other	4 804	5 519
Total disbursements on behalf of third parties	969 313	919 634

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2021

A10: Other Expenses

	2021	2020
	\$'000	\$'000
Planning fees	721	1 270
Land Services Commercialisation - unearned revenue assumed*	-	80 000
Other expenses	-	4
Total other expenses	721	81 274

*Refer to Note A21

A11: Payments to Consolidated Account

	2021	2020
	\$'000	\$'000
Payments to Consolidated Account *	59 460	223 600
Total Payments to Consolidated Account	59 460	223 600

*Payments made into the Consolidated Account pursuant to the *Real Property Act 1886*. The *Real Property Act* collections transferred to the Attorney-General's Department, effective 1 October 2020.

A12: Appropriation

	2021	2020
	\$'000	\$'000
<i>Appropriations from the Consolidated Account pursuant to the Appropriations Act*</i>	2 694	18 655
Special Act Salaries	411	579
Total revenues from appropriation	3 105	19 234

*Includes \$2.773 million (\$3.593 million) to fund remissions provided on Emergency Services Levy charges.

Appropriation was reduced due to the Machinery of Government changes resulting in the transfer to the Attorney-General's Department, effective 1 October 2020.

A13: Fees and Charges

	2021	2020
	\$'000	\$'000
Regulatory Fees - Land Services*	62 754	223 657
Regulatory Fees - Planning	8 220	28 797
Land Tax Equivalent - Flinders Ports	1 729	2 561
Total fees and charges	72 703	255 015

*Receipts for Regulatory Fees – Land Services pursuant to the *Real Property Act 1886* and only represents collections by the Office of the Registrar-General from the period 1 July 2020 to 30 September 2020 due to the Machinery of Government changes resulting in the transfer to the Attorney-General's Department, effective 1 October 2020.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2021

A14: Collections on Behalf of Third Parties

	2021	2020
	\$'000	\$'000
Compulsory Third Party Insurance	422 967	417 347
Stamp Duties - Department of Treasury and Finance	209 537	170 714
Lifetime Support Scheme - Lifetime Support Authority	168 514	160 651
Hospital Fund - Department of Treasury and Finance	75 701	73 556
Emergency Services Levy - SA Fire & Emergency Services Commission	46 523	45 386
Refunds	16 533	18 844
National Heavy Vehicle Regulator	14 053	14 780
Expiation Notices - South Australian Police	7 908	9 244
Other	4 810	5 521
Total Collection on Behalf of Third Parties	966 546	916 043

A15: Interest Revenue

	2021	2020
	\$'000	\$'000
Interest Revenue	2	146
Total interest revenue	2	146

A16: Other Income

	2021	2020
	\$'000	\$'000
Land Services commercialisation*	8 552	34 210
Other income	553	406
Total other income	9 105	34 616

*The \$8.552 million reflects the straight-line apportionment of the total commercialisation price from the period 1 July 2020 to 30 September 2020. The remaining commercialisation price was transferred to the Attorney-General's Department, effective 1 October 2020 due to the Machinery of Government changes.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2021

A17: Cash and Cash Equivalents

	2021	2020
	\$'000	\$'000
Deposits at call	51 674	57 351
Total cash and cash equivalents	51 674	57 351

A18: Receivables

	2021	2020
	\$'000	\$'000
Current		
Current Receivables	1	1
Accrued Revenues	24	177
Total current receivables	25	178
Total receivables	25	178

Refer to Note A27 for information on risk management.

A19: Land

	2021	2020
	\$'000	\$'000
Land		
Land at fair value	-	17 964
Total land	-	17 964

Reconciliation of Land

The following table shows the movement of Land during 2020-21.

	2021	2020
	\$'000	\$'000
Carrying amount at 1 July	17 964	17 964
Disposals	(36)	-
Transfer due to Administrative Restructures	(17 928)	-
Carrying amount at 30 June	-	17 964

Land associated with the Planning and Development Fund was transferred to the Attorney-General's Department, effective 1 October 2020 due to the Machinery of Government changes.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the Administered Financial Statements
for the year ended 30 June 2021

A20: Payables

	2021	2020
	\$'000	\$'000
Current		
Creditors	14 591	17 710
Accrued Expenses	35 115	23 552
Total current payables	49 706	41 262
Total payables	49 706	41 262

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

For further information on risk management refer to Note A27.

A21: Other Liabilities

	2021	2020
	\$'000	\$'000
Current		
Deferred income	-	2 546
Unearned revenue	-	34 210
Total current other liabilities	-	36 756
Non-current		
Unearned revenue	-	1 471 018
Total non-current other liabilities	-	1 471 018
Total other liabilities	-	1 507 774

Deferred Income – Land Division Fees

Deferred income reflects revenue received in advance for land division fees under the *Development Act 1993*. Deferred income associated with Planning and Local Government was transferred to the Attorney-General's Department, effective 1 October 2020 due to the Machinery of Government changes.

Unearned Revenue – Land Services SA

Unearned revenue reflects the consideration received by the State for the commercialisation of the land services operations. Unearned revenue associated with Office of the Registrar-General was transferred to the Attorney-General's Department, effective 1 October 2020 due to the Machinery of Government changes.

Department for Infrastructure and Transport - Administered
Notes to and forming part of the financial statements
For the year ended 30 June 2021

A22: Cash Flow Reconciliation

	2021	2020
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Statement of Cash flows	51 674	57 351
Statement of Financial Position	51 674	57 351
Reconciliation of net cash provided by / (used in) operating activities to net result		
Net cash provided by/(used in) operating activities	(5 677)	(16 274)
Add / (less) non-cash items		
Unearned revenue	-	34 210
Land Services Commercialisation - unearned revenue assumed	-	(80 000)
Movement in assets and liabilities		
Increase / (decrease) in receivables	(153)	91
(Increase) / decrease in payables	6 359	10 559
(Increase) / decrease in other liabilities	2 546	172
Net result	3 075	(51 242)

A23: Unrecognised Contractual Commitments

	2021	2020
	\$'000	\$'000
Other Commitments		
Within one year	-	500
Later than one year but not later than five years	-	500
Total Unrecognised Contractual Commitments	-	1 000

Commitments associated with Planning and Development Fund were transferred to the Attorney-General's Department, effective 1 October 2020 due to the Machinery of Government changes.

A24: Contingent Assets and Liabilities

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

A25: Events After the Reporting Period

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

Department for Infrastructure and Transport - Administered
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A26: Fair Value Measurement

Fair Value Hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The department categorises non-financial assets measured at fair value into hierarchy based on the level of inputs used in measurement.

The department had no Administered recurring or non-recurring fair value measurements categorised into Level 1 or Level 3.

Valuation Techniques and Inputs

There were no changes in valuation techniques during 2020-21 prior to transferring the Planning and Development Fund land to the to the Attorney-General's Department, effective 1 October 2020 due to the Machinery of Government changes.

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A27: Financial Instruments

A27.1 Financial Risk Management

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

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

Liquidity risk arises where the department is unable to meet its financial obligations as they fall due. The department normally settles accounts within 30 days from the date the invoice is first received.

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

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

A27.2 Categorisation of Financial Instruments

	Carrying Amount \$'000	Contract Maturities		
		< 1 year \$'000	1-5 years \$'000	> 5 years \$'000
2021				
Financial Assets				
Cash and cash equivalents	51 674	51 674	-	-
Receivables (a)	25	25	-	-
Total Financial Assets	51 699	51 699	-	-
Financial liabilities				
Payables (a)	35 115	35 115	-	-
Total Financial Liabilities	35 115	35 115	-	-
2020				
Financial Assets				
Cash and cash equivalents	57 351	57 351	-	-
Receivables (a)	178	178	-	-
Total Financial Assets	57 529	57 529	-	-
Financial liabilities				
Payables (a)	24 088	24 088	-	-
Total Financial Liabilities	24 088	24 088	-	-

(a) Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables. This included Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay as You Go Withholding and Return TO Work SA levies. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.