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## To the Chief Executive Department for Correctional Services

### Opinion

I have audited the financial report of the Department for Correctional Services for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Correctional Services as at 30 June 2025, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and the Executive Director, 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 Correctional Services. 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 Correctional Services for the financial year ended 30 June 2025.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department for Correctional Services's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Blaskett  
**Auditor-General**

22 September 2025

**Department for Correctional Services**

# **Financial Statements**

For the year ended 30 June 2025

**Department for Correctional Services**  
**Certification of the Financial Statements**  
*For the year ended 30 June 2025*

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We certify that the:

- financial statements of the Department for Correctional Services
  - are in accordance with the accounts and records of the department;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the department at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Department for Correctional Services for the financial year over its financial reporting and its preparation of financial statements have been effective.



David Brown  
Chief Executive  
8 September 2025



Sarah Taylor  
Executive Director, Corporate Services  
5 September 2025

**Department for Correctional Services**  
**Statement of Comprehensive Income**  
*For the year ended 30 June 2025*

		2025	2024
	Note	\$'000	\$'000
<b>Income</b>			
Appropriation	3.1	426 319	404 879
Resources received free of charge	3.2	17 254	2 466
Sale of goods	3.3	7 995	7 580
Grants, subsidies and transfers	3.4	5 659	1 505
Salaries and goods and services recoups		1 952	1 867
Prisoner telephone receipts		1 750	1 771
Other income	3.6	938	1 188
<b>Total income</b>		<b>461 867</b>	<b>421 256</b>
<b>Expenses</b>			
Employee related expenses	4.1	226 314	213 048
Supplies and services	4.2	168 685	161 772
Depreciation and amortisation	5.5	30 931	33 268
Payments to prisoners		4 968	4 732
Grants and subsidies		370	285
Borrowing costs		218	232
Net loss from disposal of non-current assets	3.5	9	37
Other expenses		241	715
<b>Total expenses</b>		<b>431 736</b>	<b>414 089</b>
<b>Net result</b>		<b>30 131</b>	<b>7 167</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes to asset revaluation reserve		172 916	-
<b>Total other comprehensive income</b>		<b>172 916</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>203 047</b>	<b>7 167</b>

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 Correctional Services**  
**Statement of Financial Position**  
*As at 30 June 2025*

	Note	2025 \$'000	2024 \$'000
<b>Current assets</b>			
Cash and cash equivalents	5.2	109 128	113 091
Receivables	5.3	6 423	6 460
Inventories	5.4	2 177	2 002
<b>Total current assets</b>		<b>117 728</b>	<b>121 553</b>
<b>Non-current assets</b>			
Property, plant and equipment	5.5	1 201 697	1 022 604
Capital works in progress	5.8	19 185	6 972
Intangible assets	5.9	2 593	2 593
Biological assets	5.10	535	536
<b>Total non-current assets</b>		<b>1 224 010</b>	<b>1 032 705</b>
<b>Total assets</b>		<b>1 341 738</b>	<b>1 154 258</b>
<b>Current liabilities</b>			
Employee related liabilities	6.1	27 138	26 667
Payables	6.2	21 740	35 721
Provisions	6.3	6 263	5 572
Financial liabilities	6.4	980	1 705
<b>Total current liabilities</b>		<b>56 121</b>	<b>69 665</b>
<b>Non-current liabilities</b>			
Employee related liabilities	6.1	30 668	30 754
Provisions	6.3	20 434	20 533
Financial liabilities	6.4	6 226	8 064
<b>Total non-current liabilities</b>		<b>57 328</b>	<b>59 351</b>
<b>Total liabilities</b>		<b>113 449</b>	<b>129 016</b>
<b>Net assets</b>		<b>1 228 289</b>	<b>1 025 242</b>
<b>Equity</b>			
Retained earnings	7.1	342 130	311 985
Prisoner amenities reserve	7.1	318	332
Asset revaluation surplus	7.1	720 373	547 457
Contributed capital	7.1	165 468	165 468
<b>Total equity</b>		<b>1 228 289</b>	<b>1 025 242</b>

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

**Department for Correctional Services**  
**Statement of Changes in Equity**  
*For the year ended 30 June 2025*

		Prisoner amenities reserve	Asset revaluation surplus	Contributed capital	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2023</b>		<b>366</b>	<b>547 457</b>	<b>165 468</b>	<b>304 784</b>	<b>1 018 075</b>
Net result for 2023-24		-	-	-	7 167	7 167
<b>Total comprehensive result for 2023-24</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>7 167</b>	<b>7 167</b>
Transfer between equity components		(34)	-	-	34	-
<b>Balance at 30 June 2024</b>		<b>332</b>	<b>547 457</b>	<b>165 468</b>	<b>311 985</b>	<b>1 025 242</b>
Net result for 2024-25		-	-	-	30 131	30 131
Gain on revaluation of land and buildings during 2024-25		-	172 916	-	-	172 916
<b>Total comprehensive result for 2024-25</b>		<b>-</b>	<b>172 916</b>	<b>-</b>	<b>30 131</b>	<b>203 047</b>
Transfer between equity components		(14)	-	-	14	-
<b>Balance at 30 June 2025</b>	<b>7.1</b>	<b>318</b>	<b>720 373</b>	<b>165 468</b>	<b>342 130</b>	<b>1 228 289</b>

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



**Department for Correctional Services**  
**Statement of Cash Flows**  
*For the year ended 30 June 2025*

		2025 (Outflows) Inflows \$'000	2024 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
<b>Cash inflows</b>			
Appropriation		426 319	404 879
Receipts from sale of goods		7 995	7 580
Receipts from grants, subsidies and transfers		5 659	1 505
Interest received		2	2
Prisoner telephone receipts		1 750	1 771
GST recovered from the ATO		19 101	16 153
Other receipts		3 626	2 888
<b>Cash outflows</b>			
Employee related payments		(225 169)	(217 628)
Supplies and services		(193 997)	(164 621)
Grants and subsidies		(370)	(285)
Prisoner payments		(4 969)	(4 732)
Interest paid		(218)	(232)
Other payments		(452)	(785)
<b>Net cash provided by operating activities</b>	<b>7.2</b>	<b>39 277</b>	<b>46 495</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		545	-
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(42 101)	(27 178)
<b>Net cash used in investing activities</b>		<b>(41 556)</b>	<b>(27 178)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of principal portion of lease liabilities		(1 684)	(1 702)
<b>Net cash used in financing activities</b>		<b>(1 684)</b>	<b>(1 702)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3 963)</b>	<b>17 615</b>
Cash and cash equivalents at the beginning of the reporting period		113 091	95 476
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5.2</b>	<b>109 128</b>	<b>113 091</b>

The accompanying notes form part of these financial statements.

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**NOTES TO THE FINANCIAL STATEMENTS**

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**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**1. About the Department for Correctional Services**

The Department for Correctional Services (the Department) is a not-for-profit 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 Department does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Department.

The Department administers, but does not control, the Victims of Crime Levy on behalf of the Attorney-General, the Mobilong Inmate Charity Fund, Appropriations from Special Acts for the Minister's salary and the Prisoner Compensation Quarantine Fund. Transactions and balances relating to the administered activities are not recognised as the Department's income, expenses, assets and liabilities, but are disclosed in the accompanying schedules in Note 11.

**1.1. Basis of preparation**

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

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

The financial statements are prepared based on a 12 month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

Material accounting policy information is set out throughout the notes.

The Department is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

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

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

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**1.2. Objectives and programs**

The Department's objectives are:

- to contribute to a safer community by working in partnership with other criminal justice organisations and the community to prevent crime and reduce repeat offending; and
- to safely, securely and humanely manage people ordered by the courts to serve a community based or prison sanction and provide them with opportunities to lead law-abiding productive lives.

The Department undertakes the following programs:

- Custodial Services - The Department provides secure containment and supervision for adults on remand and those sentenced by the courts to serve a custodial sanction. The Custodial Services program includes costs associated with operating the State's prison system, the humane treatment of prisoners while in custody and the secure movement of prisoners.
- Community Based Services - The Department case manages and supervises offenders in a community based setting as required by an order of the court or Parole Board.
- Rehabilitation and Reparation Services - The Department provides a range of offender related and offence specific programs which address offending behaviours and social disadvantage.
- General / Not Attributable - Certain assets and liabilities of the Department are unable to be allocated reliably to activities.

The program schedules present income, expenses, assets and liabilities information attributable to each of the activities for the years ended 30 June 2024 and 30 June 2025.

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

**1.2. Objectives and programs (continued)**

Income and expenses by program for the year ended 30 June 2025

	Custodial Services		Community Based Services		Rehabilitation and Reparation Services		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income</b>								
Appropriation	321 446	298 874	47 989	56 365	56 884	49 640	426 319	404 879
Resources received free of charge	1 837	1 793	15 057	342	360	331	17 254	2 466
Sale of goods	1 605	1 578	-	-	6 390	6 002	7 995	7 580
Grants, subsidies and transfers	4 187	529	188	206	1 284	770	5 659	1 505
Salaries and goods and services recoups	345	244	1 440	1 497	167	126	1 952	1 867
Prisoner telephone receipts	1 750	1 771	-	-	-	-	1 750	1 771
Other income	763	926	15	-	160	262	938	1 188
<b>Total income</b>	<b>331 933</b>	<b>305 715</b>	<b>64 689</b>	<b>58 410</b>	<b>65 245</b>	<b>57 131</b>	<b>461 867</b>	<b>421 256</b>
<b>Expenses</b>								
Employee related expenses	145 852	136 929	40 822	39 421	39 640	36 698	226 314	213 048
Supplies and services	130 812	128 728	19 536	16 233	18 337	16 811	168 685	161 772
Depreciation and amortisation	28 228	30 655	1 217	1 577	1 486	1 036	30 931	33 268
Payments to prisoners	4 118	3 951	-	-	850	781	4 968	4 732
Grants and subsidies	-	-	-	-	370	285	370	285
Borrowing costs	40	40	170	185	8	7	218	232
Net loss from disposal of non-current assets	9	10	-	-	-	27	9	37
Other expenses	235	693	-	-	6	22	241	715
<b>Total expenses</b>	<b>309 294</b>	<b>301 006</b>	<b>61 745</b>	<b>57 416</b>	<b>60 697</b>	<b>55 667</b>	<b>431 736</b>	<b>414 089</b>
<b>Net result</b>	<b>22 639</b>	<b>4 709</b>	<b>2 944</b>	<b>994</b>	<b>4 548</b>	<b>1 464</b>	<b>30 131</b>	<b>7 167</b>

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

**1.2. Objectives and programs (continued)**

Assets and liabilities by program as at 30 June 2025

	Custodial Services		Community Based Services		Rehabilitation and Reparation Services		General / Not Attributable		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>										
Cash and cash equivalents	25	22	-	-	-	-	109 103	113 069	109 128	113 091
Receivables	309	420	-	-	-	-	6 114	6 040	6 423	6 460
Inventories	172	208	-	-	1 726	1 490	279	304	2 177	2 002
<b>Total current assets</b>	<b>506</b>	<b>650</b>	<b>-</b>	<b>-</b>	<b>1 726</b>	<b>1 490</b>	<b>115 496</b>	<b>119 413</b>	<b>117 728</b>	<b>121 553</b>
<b>Non-current assets</b>										
Property, plant and equipment	1 113 799	968 199	51 857	21 107	35 642	32 508	399	790	1 201 697	1 022 604
Capital works in progress	18 130	6 694	25	213	-	-	1 030	65	19 185	6 972
Intangible assets	2 593	2 593	-	-	-	-	-	-	2 593	2 593
Biological assets	-	-	-	-	535	536	-	-	535	536
<b>Total non-current assets</b>	<b>1 134 522</b>	<b>977 486</b>	<b>51 882</b>	<b>21 320</b>	<b>36 177</b>	<b>33 044</b>	<b>1 429</b>	<b>855</b>	<b>1 224 010</b>	<b>1 032 705</b>
<b>Total assets</b>	<b>1 135 028</b>	<b>978 136</b>	<b>51 882</b>	<b>21 320</b>	<b>37 903</b>	<b>34 534</b>	<b>116 925</b>	<b>120 268</b>	<b>1 341 738</b>	<b>1 154 258</b>
<b>Current liabilities</b>										
Employee related liabilities	17 490	17 138	4 895	4 935	4 753	4 594	-	-	27 138	26 667
Payables	15 013	26 952	1 795	1 589	1 251	830	3 681	6 350	21 740	35 721
Provisions	4 036	3 581	1 130	1 031	1 097	960	-	-	6 263	5 572
Financial liabilities	-	576	953	1 023	27	106	-	-	980	1 705
<b>Total current liabilities</b>	<b>36 539</b>	<b>48 247</b>	<b>8 773</b>	<b>8 578</b>	<b>7 128</b>	<b>6 490</b>	<b>3 681</b>	<b>6 350</b>	<b>56 121</b>	<b>69 665</b>
<b>Non-current liabilities</b>										
Employee related liabilities	19 764	19 767	5 532	5 690	5 372	5 297	-	-	30 668	30 754
Provisions	13 169	13 197	3 686	3 799	3 579	3 537	-	-	20 434	20 533
Financial liabilities	-	799	6 169	7 117	57	148	-	-	6 226	8 064
<b>Total non-current liabilities</b>	<b>32 933</b>	<b>33 763</b>	<b>15 387</b>	<b>16 606</b>	<b>9 008</b>	<b>8 982</b>	<b>-</b>	<b>-</b>	<b>57 328</b>	<b>59 351</b>
<b>Total liabilities</b>	<b>69 472</b>	<b>82 010</b>	<b>24 160</b>	<b>25 184</b>	<b>16 136</b>	<b>15 472</b>	<b>3 681</b>	<b>6 350</b>	<b>113 449</b>	<b>129 016</b>
<b>Net assets</b>	<b>1 065 556</b>	<b>896 126</b>	<b>27 722</b>	<b>(3 864)</b>	<b>21 767</b>	<b>19 062</b>	<b>113 244</b>	<b>113 918</b>	<b>1 228 289</b>	<b>1 025 242</b>

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2025

**1.3. Budget performance**

The budget performance table compares the Department's outcomes against budget information presented to Parliament (2024-25 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by the Department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

For year ending 30 June 2025

		Original budget 2025 \$'000	Actual 2025 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>				
<b>Income</b>				
Appropriation		424 706	426 319	1 613
Resources received free of charge	a	-	17 254	17 254
Sale of goods		9 249	7 995	(1 254)
Grants, subsidies and transfers		476	5 659	5 183
Salaries and goods and services recoups		1 224	1 952	728
Prisoner telephone receipts		1 825	1 750	(75)
Other income		305	938	633
<b>Total income</b>		<b>437 785</b>	<b>461 867</b>	<b>24 082</b>
<b>Expenses</b>				
Employee related expenses		224 254	226 314	2 060
Supplies and services	b	147 567	168 685	21 118
Depreciation and amortisation		34 091	30 931	(3 160)
Payments to prisoners		5 512	4 968	(544)
Grants and subsidies		676	370	(306)
Borrowing costs		262	218	(44)
Net loss from disposal of non-current assets		-	9	9
Other expenses		919	241	(678)
<b>Total expenses</b>		<b>413 281</b>	<b>431 736</b>	<b>18 455</b>
<b>Net result</b>		<b>24 504</b>	<b>30 131</b>	<b>5 627</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified to net results</i>				
Changes in asset revaluation surplus	c	-	172 916	172 916
<b>Total other comprehensive income</b>		<b>-</b>	<b>172 916</b>	<b>172 916</b>
<b>Total comprehensive result</b>		<b>24 504</b>	<b>203 047</b>	<b>178 543</b>

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

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**1.3. Budget performance (continued)**

- a) The variance in resources received free of charge primarily relates to the transfer of the former youth justice facility at Jonal Drive, Cavan to DCS from the Department of Human Services (\$14.7m). Further contributing to the variance are services received free of charge from Shared Services SA (\$1.9m), the Department of the Premier and Cabinet (\$0.5m) and the Audit Office of South Australia (\$0.2m).
- b) The variance in supplies and services is primarily due to increased indexation on major contracts, payments for the maintenance of ageing infrastructure and costs associated with a significant increase in the daily average prisoner population.
- c) The asset revaluation was not budgeted for, refer to note 10.1 for details.

		Original budget	Actual	Variance
		2025	2025	
		\$'000	\$'000	\$'000
<b>Investing expenditure summary</b>				
Total new projects	d	19 500	8 583	10 917
Total existing projects	e	12 727	22 227	(9 500)
Total annual programs	f	6 895	5 223	1 672
<b>Total investing expenditure</b>		<b>39 122</b>	<b>36 033</b>	<b>3 089</b>

- d) Expenditure on new projects was \$10.9 million lower than the original budget primarily due to timing of budget cashflows for the Yatala Labour Prison 312 bed expansion and Adelaide Women's Prison 40 bed expansion projects.
- e) Expenditure on existing projects was \$9.5 million higher than the original budget primarily due to the timing of budget cashflows for the Port Augusta Prison high security upgrade project. The original budget does not reflect updated projects budgets processed as part of the 2025-26 Budget Process.
- f) Expenditure on annual programs was \$1.7 million lower than the original budget primarily due to the transfer of budget from annual programs to operating expenses to fund a major information technology project.

**1.4. Significant transactions with government related entities**

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

- lease payments relate to motor vehicles supplied by Fleet SA, and
- 100% of accommodation service payments to the Department for Infrastructure and Transport (DIT). The expenses for these items are listed in Note 4.2.



**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**2. Boards, committees and employees**

**2.1. Key management personnel**

Key management personnel of the Department include the Minister for Correctional Services, the Chief Executive and the seven members of the Executive Team who have responsibility for the strategic direction and management of the Department.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. 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 under section 6 the *Parliamentary Remuneration Act 1990*. See administered items for disclosures of the Minister's remuneration paid and recovered from the Consolidated Account.

	2025	2024
	\$'000	\$'000
Compensation		
Salaries and other short-term employee benefits	1 911	2 058
Post-employment benefits	218	312
<b>Total compensation</b>	<b>2 129</b>	<b>2 370</b>

**Transactions with key management personnel and other related parties**

The Department did not enter into any transactions with key management personnel or their close family members during the reporting period.

**2.2. Boards and committee members**

Members during the 2025 financial year were:

**Parole Board of South Australia**

Frances Nelson KC (Presiding Member)	Susan MacDonald *
William Boucaut KC (First Deputy Presiding Member)	Dr Katherine McLachlan
Nicholas Floreani KC (Second Deputy Presiding Member)	Dr Maria Naso *
Kevin Hill	Vanessa Swan
Garth Dodd	Trevor Lovegrove
Dr Janina Gipslis (Deputy Member)	Gregory May (Deputy Member)

**Parole Administrative Review Commissioner**

Hon. Michael David KC

**Serious Offender Committee**

Ryan Harber * (Co-Chair)	Luke Smith *
Annette McKee * (Co-Chair)	Paul Oldacre *
Tim Jarrad * (Co-Chair)	Martin Clifton *
Michael Dent *	Joanne Leonello *
Matthew Staples *	Renee Pietrosanti *
Darren Widdrington *	Crystal Sumner *
Luci Lovelock (Relationships Australia)	Frank McCann *
Sophie McEvoy (Relationships Australia)	Hayden Brooker *

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**2.2 Boards and committee members (continued)**

**Serious Offender Committee (continued)**

Phoenix James *	Shannon Seiler *
Deborah Dunn *	Sian Litchfield *
Rebecca Lofthouse *	Chelsea Dunn *
Tegan Cotton *	Kahlia Gibson *
Shakila Williams *	Lauren Hawkshaw *
Stephanie Boyd *	Melissa Copeland *
Darren Hosking *	Laura Capozzi *
Madeleine Thatcher *	Louise Jenkins *
Alexandra Daniels *	Ejay Elia *
Sharna Plummer *	Daniel Morrison *
Jake Field *	

**Risk and Performance Committee**

Bret Morris * (Independent Chairperson)	Annette McKee *
Ryan Harber *	Jan Shuard
Kate Muslera *	

\* In accordance with the Premier and Cabinet Circular No. 016, these government employees did not receive any remuneration for board/committee duties during the financial year; the exception is the Parole Board whereby government employees are also remunerated.

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

	2025	2024
\$0 - \$19 999	53	60
\$20 000 - \$39 999	1	-
\$40 000 - \$59 999	1	2
\$60 000 - \$79 999	7	7
\$140 000 - \$159 999	2	2
\$240 000 - \$259 999	1	1
<b>Total number of members</b>	<b>65</b>	<b>72</b>

The total remuneration received or receivable by members was \$1.215 million (2024: \$1.191 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid.

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**3. Income**

**3.1. Appropriation**

	2025	2024
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	424 706	400 308
Appropriation from the Governor's Appropriation Fund	1 613	4 571
<b>Total Appropriation</b>	<b>426 319</b>	<b>404 879</b>

Appropriation revenue is recognised on receipt.

Appropriation revenue consists of \$387.64 million (2024: \$380.15 million) for operational funding and \$38.68 million (2024: \$24.73 million) for capital projects. This appropriation comprises money issued and applied to the Department pursuant to Schedule 1 of the *Appropriation Act*.

**3.2. Resources received free of charge**

	2025	2024
	\$'000	\$'000
Assets transferred for nil consideration	14 690	-
Services received free of charge - Shared Services SA	1 865	1 921
Services received free of charge - Other Entities	699	545
<b>Total resources received free of charge</b>	<b>17 254</b>	<b>2 466</b>

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

The Department receives Financial Accounting, Taxation, Payroll, Accounts Payable, and Accounts Receivable services from Shared Services SA free of charge. ICT services and media monitoring services valued at \$521 000 (\$521 000) and \$25 000 (\$24 000) respectively, are provided free of charge from the Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charging. The Department also receives audit services valued at \$153 400 free of charge from the Audit Office of South Australia (AOSA).

Under the post release supported accommodation service initiative, land and buildings at Jonal Drive, Cavan were transferred from the Department of Human Services to the Department on 20 November 2024.

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**3.3. Sale of goods**

	2025	2024
	\$'000	\$'000
Sale of goods produced by prisoners - other	3 517	3 392
Sale of goods produced by prisoners - kitchen	30	21
<b>Sale of goods produced by prisoners</b>	<b>3 547</b>	<b>3 413</b>
Canteen sales	4 448	4 167
<b>Total sale of goods</b>	<b>7 995</b>	<b>7 580</b>

Revenue from the sale of goods produced by prisoners to the public is recognised at a point in time when the Department satisfies its performance obligations by transferring the goods to the customer. Allowances are paid to prisoners for participating in producing goods for sale.

Revenue from canteen sales of general goods to prisoners is recognised at a point in time when the prisoners purchase the goods.

**3.4. Grants, subsidies and transfers**

	2025	2024
	\$'000	\$'000
<b>Commonwealth-sourced grants</b>		
Commonwealth revenue	543	667
<b>Total Commonwealth-sourced grants</b>	<b>543</b>	<b>667</b>
<b>SA Government grants and subsidies</b>		
SA Government grants	1 302	734
<b>Total SA Government grants and subsidies</b>	<b>1 302</b>	<b>734</b>
<b>Transfers received from other SA Government entities</b>		
Contingency funding provided by the Department of Treasury and Finance (DTF)	3 814	104
<b>Total transfers received from other SA Government entities</b>	<b>3 814</b>	<b>104</b>
<b>Total grants, subsidies and transfers</b>	<b>5 659</b>	<b>1 505</b>

Commonwealth-sourced grants and funding revenues are recognised on receipt.

Commonwealth revenue was received for Cross Borders Family Violence Program.

SA Government grants, subsidies and transfers are recognised as income on receipt.

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**3.5. Net gain/loss from the disposal of non-current assets**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land</b>		
Net proceeds from disposal	545	-
Less carrying amount of assets disposed	(545)	-
<b>Net gain/(loss) from disposal of land</b>	<b>-</b>	<b>-</b>
<b>Buildings</b>		
Net proceeds from disposal	-	-
Less carrying amount of assets disposed	(9)	(26)
<b>Net (loss) from disposal of buildings</b>	<b>(9)</b>	<b>(26)</b>
<b>Plant and equipment</b>		
Net proceeds from disposal	-	-
Less carrying amount of assets disposed	-	(11)
<b>Net (loss) from disposal of plant and equipment</b>	<b>-</b>	<b>(11)</b>
<b>Total assets</b>		
Net proceeds from disposal	545	-
Less total carrying amount of assets disposed	(554)	(37)
<b>Net (loss) on disposal of owned assets</b>	<b>(9)</b>	<b>(37)</b>
<b>Total net (loss) from disposal of non-current assets</b>	<b>(9)</b>	<b>(37)</b>

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

**3.6. Other income**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from recoveries external	366	273
Revenue from recoveries SA Government	185	663
Internally generated assets	12	14
Interest	2	2
Other	373	236
<b>Total other income</b>	<b>938</b>	<b>1 188</b>

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**4. Expenses**

**4.1. Employee related expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	165 233	160 186
Superannuation <sup>(1)</sup>	20 172	18 987
Annual leave	17 312	17 071
Employment on-costs - payroll tax	10 325	10 026
Workers compensation <sup>(2)</sup>	7 035	3 370
Long service leave	4 384	5 075
Board and committee fees <sup>(3)</sup>	1 088	1 075
Skills and experience retention leave	745	718
Fringe benefits tax	170	179
Targeted voluntary separation packages	105	48
Additional compensation <sup>(2)</sup>	(255)	(3 687)
<b>Total employee related expenses</b>	<b>226 314</b>	<b>213 048</b>

Departmental employees are employed under Part 7 of the *Public Sector Act*.

<sup>(1)</sup> The superannuation charge represents the Department's contributions to superannuation plans in respect of current services of current employees. DTF centrally recognises the superannuation liability in the whole-of-government financial statements.

<sup>(2)</sup> Includes movements in the workers compensation and additional compensation provision, workers compensation increased and additional compensation decreased in 2025. Refer to Note 6.3.

<sup>(3)</sup> Excludes superannuation.

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
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**4.1. Employee related expenses (continued)**

**Remuneration of employees**

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 any related fringe benefits tax paid.

	<b>Executive</b>		<b>Employees</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
The number of employees whose remuneration received or receivable falls within the following bands:						
\$166 001 to \$171 000 *	n/a	-	n/a	5	n/a	5
\$171 001 to \$191 000	-	-	13	12	13	12
\$191 001 to \$211 000	2	1	2	1	4	2
\$211 001 to \$231 000	2	8	4	-	6	8
\$231 001 to \$251 000	5	2	-	-	5	2
\$251 001 to \$271 000	1	-	-	-	1	-
\$271 001 to \$291 000	1	-	-	-	1	-
\$311 001 to \$331 000	2	2	-	-	2	2
\$351 001 to \$371 000	1	-	-	-	1	-
\$431 001 to \$451 000	-	1	-	-	-	1
\$491 001 to \$511 000	1	-	-	-	1	-
<b>Total</b>	<b>15</b>	<b>14</b>	<b>19</b>	<b>18</b>	<b>34</b>	<b>32</b>

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

The total remuneration received by these employees for the year was \$8.29 million (2024: \$7.11 million).

**Targeted voluntary separation packages (TVSP)**

During the year 1 employee received a TVSP (2024: 1).

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Amount paid to separated employees:		
TVSP	105	48
Leave paid to separated employees	26	22
<b>Net cost to the Department</b>	<b>131</b>	<b>70</b>

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**4.2. Supplies and services**

	2025	2024
	\$'000	\$'000
Contracts	77 061	74 410
Accommodation	17 900	16 370
Offender related costs	15 628	14 158
Information technology and communication charges	10 833	11 535
Utilities	9 823	9 223
Minor works, maintenance and equipment	6 831	5 879
Fees	5 725	5 353
Cost of goods sold - canteen sales	4 119	3 847
Insurance charges	3 783	2 925
Cost of goods sold - sale of goods produced by prisoners	3 124	3 443
Staff related costs	2 898	2 823
Travel expenses	2 428	3 203
Shared Services SA processing	1 899	1 960
Contracted staff	1 287	1 698
Legal costs	1 046	966
Materials and consumables	538	598
WHS expenses	258	312
Low-value leases	51	67
Short-term leases	36	38
Sundry other expenses <sup>(1)</sup>	3 417	2 964
<b>Total supplies and services</b>	<b>168 685</b>	<b>161 772</b>

<sup>(1)</sup> Includes the fair value of audit services received free of charge \$0.153 million (2024: \$0.153 million) from AOSA for work performed under the *Public Finance and Audit Act 1987*. No other services were provided by AOSA.

**Contracts**

The main contracts for the Department include management of the operations of Mount Gambier Prison and the Adelaide Remand Centre, South Australian Prisoner Movement and In Court Management and Electronic Monitoring System South Australia.

**Accommodation**

A part of the Department's accommodation is provided by DIT under Memoranda of Administrative Arrangements (MoAA) issued in accordance with Government wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed (disclosed within 'Accommodation').

**Leases**

The Department recognises lease payments associated with short-term leases (12 months or less) and low-value (less than \$15 000) as an expense on a straight-line basis over the lease term.



**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
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**4.3. Expenditure – SA Business and Non-SA Business**

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

Expenditure is inclusive of non-recoverable GST.

<b>Expenditure summary</b>	<b>2025 \$'000</b>	<b>Proportion SA and non-SA businesses</b>
Total expenditure on South Australian goods and services	117 798	89%
Total expenditure on non-South Australian goods and services	14 056	11%
	<b>131 854</b>	<b>100%</b>

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

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

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

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

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**5. Assets**

**5.1. Financial Assets**

	2025	2024
	\$'000	\$'000
<b>Financial assets measured at amortised cost</b>		
Cash and Cash equivalents	109 128	113 091
<b>Total financial assets</b>	<b>109 128</b>	<b>113 091</b>

**5.2. Cash and cash equivalents**

	2025	2024
	\$'000	\$'000
Deposits with the Treasurer	13 807	37 547
Accrual Appropriation Excess Funds	95 285	75 508
Prison imprest accounts	27	27
Petty cash	9	9
<b>Total cash and cash equivalents in the Statement of Financial Position</b>	<b>109 128</b>	<b>113 091</b>
<b>Total cash and cash equivalents in the Statement of Cash Flows</b>	<b>109 128</b>	<b>113 091</b>

**Deposits with the Treasurer**

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

Some of the Department's appropriation is deposited into the Accrual Appropriation Excess Funds account. Although the Department controls the money in the Accrual Appropriation Excess Funds account, its use must be approved by the Treasurer. The Department does not earn interest on its deposits with the Treasurer.

**5.3. Receivables**

	2025	2024
	\$'000	\$'000
<b>Current:</b>		
Current receivables	1 502	1 482
Less impairment loss on receivables	(268)	(300)
	<b>1 234</b>	<b>1 182</b>
Accrued revenue	393	554
GST receivable	3 580	4 317
Prepayments	1 216	407
<b>Total current receivables</b>	<b>6 423</b>	<b>6 460</b>
<b>Total receivables</b>	<b>6 423</b>	<b>6 460</b>

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

Other than as recognised in the allowance for impairment loss on contractual receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to Note 10.3 for further information on risk management.

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**5.3. Receivables (continued)**

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The net amount of GST recoverable from the ATO is included as part of receivables.

**Allowance for impairment on contractual receivables**

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

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	300	211
Amounts written off	(73)	-
Increase in the provision	41	89
<b>Carrying amount at end of the period</b>	<b>268</b>	<b>300</b>

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to Note 10.3 for details regarding credit risk and the methodology for determining impairment.

**5.4. Inventories**

	2025	2024
	\$'000	\$'000
Current - held for distribution:		
Stores	609	629
<b>Total inventories held for distribution</b>	<b>609</b>	<b>629</b>
Current - other than those held for distribution:		
Raw materials and work in progress	1 340	1 038
Finished goods	228	305
Stores	-	30
<b>Total inventories other than those held for distribution</b>	<b>1 568</b>	<b>1 373</b>
<b>Total inventories</b>	<b>2 177</b>	<b>2 002</b>

Finished goods are measured using cost of materials plus prisoner labour. Inventories held for distribution are measured at average cost. All other inventories are measured at cost.

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

**5.5. Property, plant and equipment**

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

Reconciliation of property, plant and equipment owned and leased by the Department during 2024-25

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment held & used \$'000	Bearer plants \$'000	ROU buildings \$'000	ROU vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	207 882	796 414	1 649	6 633	650	7 509	1 867	1 022 604
Acquisitions	-	57	-	71	-	-	806	934
Transfers from capital works in progress	-	23 181	195	317	-	-	-	23 693
Disposals	(545)	(9)	-	-	-	-	(1 829)	(2 383)
Assets transferred for nil consideration	14 690	-	-	-	-	-	-	14 690
Re-measurement	-	-	-	-	-	174	-	174
Revaluation increment	85 433	87 483	-	-	-	-	-	172 916
Depreciation and amortisation	-	(27 949)	(332)	(925)	-	(965)	(760)	(30 931)
<b>Carrying amount at the end of the period</b>	<b>307 460</b>	<b>879 177</b>	<b>1 512</b>	<b>6 096</b>	<b>650</b>	<b>6 718</b>	<b>84</b>	<b>1 201 697</b>
<b>Gross carrying amount</b>								
Gross carrying amount	307 460	1 660 437	13 837	14 414	650	11 876	84	2 008 758
Accumulated depreciation	-	(781 260)	(12 325)	(8 318)	-	(5 158)	-	(807 061)
<b>Carrying amount at the end of the period</b>	<b>307 460</b>	<b>879 177</b>	<b>1 512</b>	<b>6 096</b>	<b>650</b>	<b>6 718</b>	<b>84</b>	<b>1 201 697</b>

**Department for Correctional Services**  
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**Reconciliation of property, plant and equipment owned and leased by the Department during 2023-24**

	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Plant and equipment \$'000	Bearer plants \$'000	ROU buildings \$'000	ROU vehicles \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	<b>207 882</b>	<b>800 261</b>	<b>1 816</b>	<b>3 166</b>	<b>650</b>	<b>8 090</b>	<b>1 098</b>	<b>1 022 963</b>
Prior period adjustments	-	-	-	-	-	-	78	78
<b>Restated carrying amount at the beginning of the period</b>	<b>207 882</b>	<b>800 261</b>	<b>1 816</b>	<b>3 166</b>	<b>650</b>	<b>8 090</b>	<b>1 176</b>	<b>1 023 041</b>
Acquisitions	-	72	-	29	-	-	1 526	1 627
Transfers from capital works in progress	-	26 267	192	4 431	-	-	-	30 890
Disposals	-	(26)	-	(11)	-	-	-	(37)
Re-measurement	-	-	-	-	-	351	-	351
Depreciation and amortisation	-	(30 160)	(359)	(982)	-	(932)	(835)	(33 268)
<b>Carrying amount at the end of the period</b>	<b>207 882</b>	<b>796 414</b>	<b>1 649</b>	<b>6 633</b>	<b>650</b>	<b>7 509</b>	<b>1 867</b>	<b>1 022 604</b>
<b>Gross carrying amount</b>								
Gross carrying amount	207 882	1 497 017	13 706	14 087	650	11 702	3 324	1 748 368
Accumulated depreciation	-	(700 603)	(12 057)	(7 454)	-	(4 193)	(1 457)	(725 764)
<b>Carrying amount at the end of the period</b>	<b>207 882</b>	<b>796 414</b>	<b>1 649</b>	<b>6 633</b>	<b>650</b>	<b>7 509</b>	<b>1 867</b>	<b>1 022 604</b>

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
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**5.5. Property, plant and equipment (continued)**

**Depreciation**

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

Land and bearer plants are not depreciated.

**Useful life**

Depreciation is calculated on a straight-line basis. Property, plant and equipment depreciation is calculated over the estimated useful life as follows:

<b>Class of asset</b>	<b>Useful life (years)</b>
Plant and equipment	4 - 15
Buildings (including prisons)	Up to 60
Leasehold improvements	Up to 20
Right-of-use buildings	11
Right-of-use vehicles	3 - 5

**Review of accounting estimates**

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

**5.6. Property, plant and equipment owned by the Department**

Property, plant and equipment owned by the Department with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Department is recorded at fair value. Detail about the Department's approach to fair value is set out in Note 10.1.

**Impairment**

Property, plant and equipment owned by the Department 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.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 10.1. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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**5.7. Property, plant and equipment leased by the Department**

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

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

The Department has a limited number of leases:

- In 2017 the Department partnered with Anglicare SA for the lease of a building located at Port Adelaide for the 'Arches' Bail Accommodation Support Program. The Department may not use the building other than for the purpose as outlined in the lease agreement. The initial term of the lease is 15 years with the option to renew for a further 15 years. The option to renew has not been included in the calculation of the lease liability.
- 5.5 tonne excavator lease with Kubpower South Australia. The initial lease term is for 3 years. The Department can request an extension at anytime however an extension has not been included in the calculation of the lease liability.

The lease liabilities related to right-of-use assets and a maturity analysis of the Department's lease liabilities are disclosed in note 6.4 and 10.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4.2 and 6.4. Cash outflows related to right-of-use assets are disclosed in note 7.2.

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

**Impairment**

There was no indication of impairment for property, plant and equipment leased by the Department as at 30 June 2025. No impairment loss or reversal of impairment loss was recognised in 2024-25.

**5.8. Capital works in progress**

	2025	2024
	\$'000	\$'000
Capital works in progress	19 185	6 972
<b>Total capital works in progress</b>	<b>19 185</b>	<b>6 972</b>

**Reconciliation of capital works in progress**

	2025	2024
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>6 972</b>	<b>7 985</b>
Additions	35 966	29 955
Transfers to property, plant and equipment	(23 693)	(30 890)
Expense of prior year capital costs	(60)	(78)
<b>Carrying amount at the end of the period</b>	<b>19 185</b>	<b>6 972</b>

Expenditure for the upgrade of the Bluebush and Greenbush units at Port Augusta Prison was \$20.96 million. In addition, \$3.63 million was spent on the additional accommodation project at the Adelaide Women's Prison and \$6.37 million on the additional accommodation projects at Yatala Labour Prison.

This expenditure was offset by the completion of the \$15.13 million upgrade of the Bluebush unit at Port Augusta Prison.

**Department for Correctional Services**  
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**5.9. Intangible assets**

The South Australian Government has issued water licences \$2.593 million (2024: \$2.593 million) to the Department under the *Landscape South Australia Act 2019*. The Department acquired the licences on 1 July 2009. The licences allow access to water from River Murray for stock, domestic and irrigation purposes at the Cadell Training Centre.

The water licences have an indefinite useful life and as such are not subject to amortisation.

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

**5.10. Biological assets**

**Reconciliation of biological assets (livestock)**

	2025	2024
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	536	508
Increases due to purchases	29	45
Gain arising from changes in fair value less estimated point-of-sale costs attributable to physical changes	97	97
Gain arising from changes in fair value less estimated point-of-sale costs attributable to price changes	(14)	(14)
Decreases due to sales	(113)	(100)
<b>Carrying amount at the end of the period</b>	<u>535</u>	<u>536</u>

All biological assets consist of livestock and are used for the purpose of milk and meat production for internal use within the prison system.

The number of livestock at Cadell Training Centre and Port Lincoln Prison is currently 355 (2024: 444). The livestock are at various stages of life. As at reporting date there are no commitments for the development or acquisition of livestock.

Financial risk is considered to be extremely low with any losses being absorbed in the year of exposure.



**Department for Correctional Services**  
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**6. Liabilities**

**6.1. Employee related liabilities**

	2025	2024
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	965	325
Annual leave	16 742	16 529
Long service leave	4 299	4 008
Skills and experience retention leave	658	621
Employment on-costs	4 470	5 180
Unclaimed salaries and wages	4	4
<b>Total current employee related liabilities</b>	<b>27 138</b>	<b>26 667</b>
<b>Non-current</b>		
Long service leave	24 310	24 458
Annual leave	2 974	2 987
Skills and experience retention leave	241	226
Employment on-costs	3 143	3 083
<b>Total non-current employee related liabilities</b>	<b>30 668</b>	<b>30 754</b>
<b>Total employee related liabilities</b>	<b>57 806</b>	<b>57 421</b>

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

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

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

The salary inflation rate applied to the annual leave and SERL liabilities increased to 3.2% in 2025 from 2.4% in 2024.

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 of sick leave.

**Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided in Note 10.2.

**Employment on costs**

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

The Department 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 liability outstanding at reporting date relates to any contributions due but not yet paid to the superannuation schemes.

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has remained the same as 2024 at 44%. The average factor for the calculation of employer superannuation on-costs has changed from the 2024 rate of 11.5% to 12%. These rates are used in the employment on-cost calculation.

**Department for Correctional Services**  
**Notes to and forming part of the financial statements**  
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**6.2. Payables**

	2025	2024
	\$'000	\$'000
<b>Current</b>		
Contractual payables <sup>(1)</sup>	12 548	20 807
Accrued expenses	9 166	14 874
Statutory payables	26	40
<b>Total current payables</b>	<u>21 740</u>	<u>35 721</u>
<b>Total payables</b>	<u>21 740</u>	<u>35 721</u>

<sup>(1)</sup> Creditors include \$4.1 million (2024: \$8.9 million) for prisoner accommodation and redevelopment projects.

Payables are measured at nominal amounts.

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

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**6.3. Provisions**

	2025 \$'000	2024 \$'000
<b>Current</b>		
Workers' compensation - medical and other costs	3 820	3 320
Workers' compensation - income maintenance	2 399	2 200
Additional compensation	44	52
<b>Total current provisions</b>	<b>6 263</b>	<b>5 572</b>
<b>Non-current</b>		
Workers' compensation - medical and other costs	13 920	13 778
Workers' compensation - income maintenance	5 684	5 678
Additional compensation	830	1 077
<b>Total non-current provisions</b>	<b>20 434</b>	<b>20 533</b>
<b>Total provisions</b>	<b>26 697</b>	<b>26 105</b>
	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>24 976</b>	<b>27 639</b>
Workers' compensation payments	(6 235)	(5 415)
Increase in provision	7 082	2 752
<b>Carrying amount at the end of the period</b>	<b>25 823</b>	<b>24 976</b>
<b>Additional compensation:</b>		
<b>Carrying amount at the beginning of the period</b>	<b>1 129</b>	<b>4 816</b>
Additional compensation payments	(14)	-
Decrease in provision	(241)	(3 687)
<b>Carrying amount at the end of the period</b>	<b>874</b>	<b>1 129</b>

**Workers compensation provision (statutory and additional compensation schemes)**

The Department is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Department is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

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

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2025 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

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

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

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

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**6.4. Financial liabilities**

	2025	2024
	\$'000	\$'000
<b>Current</b>		
Lease liabilities	980	1 705
<b>Total current financial liabilities</b>	<u>980</u>	<u>1 705</u>
<b>Non-current</b>		
Lease liabilities	6 226	8 064
<b>Total non-current financial liabilities</b>	<u>6 226</u>	<u>8 064</u>
<b>Total financial liabilities</b>	<u>7 206</u>	<u>9 769</u>

The Department measures lease liabilities at discounted future lease payments using DTF's incremental borrowing rate.

The Department has no leases it has entered into that have not yet commenced.

Interest expense paid on lease liabilities during 2024-25 was \$0.218 million (2024: \$0.232 million). The Department does not capitalise borrowing costs.

Refer to Note 5.5 for right-of-use assets and depreciation expense associated with these lease liabilities.

**7. Other disclosures**

**7.1. Equity**

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

The Prisoner Amenities Reserve reflects the funds available to purchase amenities, such as gym equipment, for the specific benefit and use of prisoners. Net proceeds from the sale of canteen goods to prisoners less any associated prisoner amenities expenditure incurred is transferred to or from the prisoner amenities reserve at year end.

Contributed capital received represents equity contributions from the SA Government under the *Appropriation Act* to fund the investing activities of the Department.

**Department for Correctional Services**  
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**7.2. Cash flow reconciliation**

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.

Total cash outflows for leases were \$1.989 million (2024: \$2.039 million).

	2025 \$'000	2024 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	109 128	113 091
Balance as per the Statement of Cash Flows	<u>109 128</u>	<u>113 091</u>
<b>Reconciliation of net cash provided by operating activities to net result</b>		
Net cash provided by operating activities	39 277	46 495
<b>Add / (less) non-cash items</b>		
Write off of non-current assets	-	(78)
Net loss from the disposal of non-current and other assets	(9)	(37)
Depreciation and amortisation	(30 931)	(33 268)
Net gain on derecognition of ROU vehicles	30	-
Impairment of receivables	(41)	(89)
Capital accruals	(6 067)	2 878
Resources received free of charge - income	17 254	2 466
Resources provided free of charge - expense	(2 564)	(2 466)
<b>Movement in assets and liabilities</b>		
(Decrease)/increase in receivables	(66)	1 249
Increase/(decrease) in inventories	175	(266)
(Decrease)/increase in biological assets	(1)	28
Decrease/(increase) in payables	13 978	(14 498)
Decrease in employee related liabilities	(385)	(1 597)
(Increase)/decrease in provisions	(519)	6 350
<b>Net result</b>	<u>30 131</u>	<u>7 167</u>

**Department for Correctional Services**  
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**7.3. Trust funds**

The Department holds prisoner monies in a trustee capacity. These monies are not recognised in the financial statements as the Department cannot use them for the achievement of its objectives. The following is a summary of the transactions in the trust account:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of the period	1 696	1 569
Prisoner monies receipts	9 870	9 289
Prisoner monies payments	(9 681)	(9 162)
<b>Balance at the end of the period</b>	<b>1 885</b>	<b>1 696</b>

**8. Changes in accounting policy**

The Department has assessed that the Australian Accounting Standards and Interpretations that first applied in 2024-25 did not have a material impact on the Department's financial statements.

**Department for Correctional Services**  
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**9. Outlook**

**9.1. Unrecognised commitments**

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

Unrecognised commitments are disclosed net of the amount of GST recoverable from, or payable to, the ATO. If GST is not payable to, or recoverable from, the ATO the commitments and contingencies are disclosed on a gross basis.

**Contract service commitments**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	81 325	72 327
Later than one year but not later than five years	107 148	135 138
Later than five years	10 070	5 541
<b>Total contract service commitments</b>	<b>198 543</b>	<b>213 006</b>

The Department's contract commitments consist of:

- Prisoner movement and in-court management
- Home detention electronic monitoring system
- Management of the Adelaide Remand Centre and Mount Gambier Prison
- Provision of vocational training and employment opportunities through Work Ready Release Ready
- Home Detention Integrated Support Services to further support offenders on Court Ordered and Release Ordered Home Detention
- "Arches" Bail Accommodation Support Program
- New information and communication technology (ICT) system, iSAFE
- MoAA's with DIT for accommodation
- Provision of community-based initiatives that contribute to DCS' commitment to Closing the Gap and reducing recidivism targets including post-release wrap-around supported accommodation and remand to bail programs

The above contracts have provisions for termination by the Crown without penalty to the Crown. However, a termination for convenience by the Crown would attract variable payments and reimbursements specified in the contract depending on the circumstance and amount of the termination notice. The ongoing cancellable commitments (which have not been recognised as liabilities) are noted above.

The above figures are subject to an escalation based on indices not yet published by the Australian Bureau of Statistics, and as a result are not adjusted for inflation and where applicable are based on 2024-25 prisoner populations.

**Department for Correctional Services**  
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**9.2. Contingent assets and liabilities**

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

The Department has a number of common law claims made against it by various claimants. The maximum exposure facing the Department in respect of these claims is \$0.220 million (2024: \$0.180 million).

These contingent liabilities are not actual liabilities and have therefore not been included in the financial statements. They represent a potential financial obligation in circumstances which have been deemed to be possible but not probable.

**9.3. Impact of standards not yet effective**

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

No Australian Accounting Standards have been early adopted.

**9.4. Events after the reporting period**

There are no known events after balance date that affect these financial statements.



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**10. Measurement and risk**

**10.1. Fair value**

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

**Initial recognition**

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

**Revaluation**

Property, plant and equipment, other than ROU assets, are subsequently measured at fair value after allowing for accumulated depreciation. ROU assets are held at cost.

Non-current tangible assets are valued at fair value. Revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. 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.

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

**Fair value hierarchy**

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

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

The valuation processes and fair value changes are reviewed by the Department at each reporting date.

The Department's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive Level 2 and 3 fair values are described below.

During 2025 and 2024, the Department had no valuations categorised into Level 1; there were no transfers of assets between Level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

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 (i.e. physically possible, legally permissible, financially feasible).

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

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1.5 million or had an estimated useful life that was less than three years are deemed to approximate fair value.

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**10.1. Fair value (continued)**

The Department does not recognise any financial assets or financial liabilities at fair value.

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 as follows:

**Fair value classification – non-financial assets at 30 June 2025**

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>			
Buildings - specialised	-	878 099	878 099
Buildings - non-specialised	1 078	-	1 078
Land	307 460	-	307 460
Leasehold improvements	-	1 512	1 512
Plant and equipment	-	6 096	6 096
Bearer plants	650	-	650
Biological assets	535	-	535
<b>Total recurring fair value measurements</b>	<b>309 723</b>	<b>885 707</b>	<b>1 195 430</b>
<b>Total fair value measurements</b>	<b>309 723</b>	<b>885 707</b>	<b>1 195 430</b>

**Fair value classification – non-financial assets at 30 June 2024**

	Level 2	Level 3	Total
	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>			
Buildings - specialised	-	795 569	795 569
Buildings - non-specialised	845	-	845
Land	207 882	-	207 882
Leasehold improvements	-	1 649	1 649
Plant and equipment	-	6 633	6 633
Bearer plants	650	-	650
Biological assets	536	-	536
<b>Total recurring fair value measurements</b>	<b>209 913</b>	<b>803 851</b>	<b>1 013 764</b>
<b>Total fair value measurements</b>	<b>209 913</b>	<b>803 851</b>	<b>1 013 764</b>

**Land and buildings**

Every six years, sites are inspected and a full revaluation of the Department's land and buildings is performed. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then a full revaluation may be undertaken and the asset will be revalued regardless of when the last full valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

The last full valuation was performed by independent valuer, Martin Burns of Liquid Pacific as at 30 June 2023. A desktop valuation of land and buildings was undertaken as at 30 June 2025 by independent valuer, Martin Burns of Liquid Pacific to determine whether asset carrying amounts were materially different from their fair value. It was determined that fair values had materially increased and have been revalued.

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**10.1. Fair value (continued)**

The valuation of land utilised the direct comparison of sales approach which considered sales of similar or substitute properties and related market data. Several of the Department's land assets are located in regional locations for which few if any transactions occur, properties listed or offered for sale have been utilised in these cases.

In order to determine the depreciated replacement cost, the valuation utilised information from a number of key sources including: the Australian Bureau of Statistics – Producer Price Index, the Department's actual project construction and acquisition costs and SA Government property sales and information records.

Assets were defined as being valued using either Level 2 or Level 3 inputs in accordance with AASB 13 *Fair Value Measurement*. No assets were valued using Level 1 inputs.

**Plant and equipment**

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

**Bearer plants**

The olive and citrus groves are measured at cost plus any gains arising from changes in fair value less estimated point-of-sale costs attributable to physical changes.

The olive grove is situated on approximately 16 hectares of land at the Cadell Training Centre. The grove has been developed to produce commercially viable olive oil.

The citrus grove is situated on approximately 25 hectares of land at the Cadell Training Centre. Younger trees are increasing yields each season.

**Biological assets**

Biological assets such as cattle are measured at fair value less estimated point-of-sales costs. The fair value is determined based on current market values of the biological assets.

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**10.1. Fair value (continued)**

**Reconciliation of level 3 recurring fair value measurements at 30 June 2025**

Unobservable inputs used in determining the fair value of plant and equipment and leasehold improvements are cost, useful lives and assessed condition as described in Note 5.5.

The following table is a reconciliation of fair value measurements using significant unobservable inputs (Level 3):

**Reconciliation of level 3 recurring fair value measurements at 30 June 2025**

	Specialised buildings	Leasehold improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	795 569	1 649	6 633	803 851
Additions	57	-	71	128
Disposals	(9)	-	-	(9)
Transfer from work in progress	22 917	195	317	23 429
Revaluation increment	87 411	-	-	87 411
Losses for the period recognised in net result:				
Depreciation and amortisation	(27 846)	(332)	(925)	(29 103)
Total losses recognised in net result	(27 846)	(332)	(925)	(29 103)
Carrying amount at the end of the period	878 099	1 512	6 096	885 707

**Reconciliation of level 3 recurring fair value measurements at 30 June 2024**

	Specialised buildings	Leasehold improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	799 313	1 816	3 166	804 295
Additions	72	-	29	101
Disposals	(26)	-	(11)	(37)
Transfer from work in progress	26 164	192	4 431	30 787
Losses for the period recognised in net result:				
Depreciation and amortisation	(29 954)	(359)	(982)	(31 295)
Total losses recognised in net result	(29 954)	(359)	(982)	(31 295)
Carrying amount at the end of the period	795 569	1 649	6 633	803 851

**Department for Correctional Services**  
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**10.2. Long service leave liability - measurement**

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

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

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

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has remained at 4.25%.

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

The salary inflation rate applied in the actuarial assessment performed by DTF for the long service leave liability has remained at 3.5%.

Current long service leave liability reflects the portion of leave expected to be settled within the next 12 months, based on the average proportion of long service leave taken or paid over the last 3 years.

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**10.3. Financial instruments**

**Financial risk management**

Risk is managed by the Department. Departmental risk management policies are in accordance with the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

**Liquidity risk**

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

Refer to Notes 6.2 and 6.4 for further information.

**Credit risk**

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

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

**Impairment of financial assets**

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

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

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

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

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

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
<b>2025</b>			
Current (not past due)	560	3%	18
1 - 30 days past due	219	2%	4
31 - 60 days past due	71	23%	16
61 - 90 days past due	69	49%	34
More than 90 days past due	567	35%	196
<b>Loss allowance</b>	<b>1 486</b>		<b>268</b>

**Department for Correctional Services**  
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**10.3. Financial instruments (continued)**

**Market risk**

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

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

**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 / financial liability note.

**Classification of financial instruments**

The Department measures all financial instruments at amortised cost. All financial asset and liability carrying amounts equal their fair value as at 30 June 2025 and are expected to be settled within one year excluding lease liabilities.

For information relating to the carrying amount of financial assets refer to notes 5.2 and 5.3. For the carrying amount of financial liabilities refer to notes 6.2 and 6.4.

Maturity analysis for lease liabilities is presented below using the undiscounted cash flows.

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Lease liabilities</b>		
Within 1 year	1 116	1 918
1 to 5 years	4 410	5 433
More than 5 years	2 193	3 217
<b>Total lease liabilities (undiscounted)</b>	<b>7 719</b>	<b>10 568</b>

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**11. Disclosure of administered items**

The Department administers, but does not control, the Victims of Crime Levy on behalf of the Attorney-General, the Mobilong Inmate Charity Fund, Appropriations from Special Acts for the Minister's salary and the Prisoner Compensation Quarantine Fund. Transactions and balances relating to these administered resources are not recognised as Departmental income, expenses, cash inflows or cash outflows, assets or liabilities, but are disclosed below.

**Statement of Administered Comprehensive Income**

	2025	2024
	\$'000	\$'000
<b>Administered income</b>		
Appropriation	481	471
Revenues from Victims of Crime Levy	247	228
Revenues from Prisoner Compensation Quarantine Fund	2	23
<b>Total administered income</b>	<u>730</u>	<u>722</u>
<b>Administered expenses</b>		
Employee related expenses	482	456
Victims of Crime Levy payments	247	228
Prisoner Compensation Quarantine Fund payments	21	53
<b>Total administered expenses</b>	<u>750</u>	<u>737</u>
<b>Net result</b>	<u>(20)</u>	<u>(15)</u>

**Statement of Administered Financial Position**

<b>Administered current assets</b>		
Cash	(9)	8
<b>Total administered assets</b>	<u>(9)</u>	<u>8</u>
<b>Administered current liabilities</b>		
Victims of Crime Levy payables	19	19
Mobilong Inmate Charity Fund payable	4	1
<b>Total administered liabilities</b>	<u>23</u>	<u>20</u>
<b>Net administered assets</b>	<u>(32)</u>	<u>(12)</u>
<b>Administered equity</b>		
Retained earnings	(32)	(12)
<b>Total administered equity</b>	<u>(32)</u>	<u>(12)</u>
<b>Changes in equity</b>		
Balance at 1 July	(12)	3
Net result	(20)	(15)
<b>Balance at 30 June</b>	<u>(32)</u>	<u>(12)</u>



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**11. Disclosure of administered items (continued)**

**Statement of Administered Cash Flows**

	2025 (Outflows) Inflows \$'000	2024 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Appropriation	480	471
Victims of Crime Levy	247	228
Mobilong Inmate Charity Fund	4	1
Prisoner Compensation Quarantine Fund	2	23
<b>Cash generated from operations</b>	<b>733</b>	<b>723</b>
<b>Cash outflows</b>		
Employee related expenses	(482)	(456)
Victims of Crime Levy payments	(247)	(229)
Prisoner Compensation Quarantine Fund	(21)	(53)
<b>Cash used in operations</b>	<b>(750)</b>	<b>(738)</b>
<b>Net cash used in operating activities</b>	<b>(17)</b>	<b>(15)</b>
 <b>Net decrease in cash</b>	 (17)	 (15)
 Cash at 1 July	 8	 23
 <b>Cash at 30 June</b>	 <b>(9)</b>	 <b>8</b>

The negative cash balance as at 30 June 2025 for administered items is due to the timing of Prisoner Compensation Quarantine Fund payments which were received prior to 30 June 2024 but paid out in 2024-25.