



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
ABN 53 327 061 410  
[enquiries@audit.sa.gov.au](mailto:enquiries@audit.sa.gov.au)  
[www.audit.sa.gov.au](http://www.audit.sa.gov.au)

## To the Chair Distribution Lessor Corporation

### Opinion

I have audited the financial report of the Distribution Lessor Corporation 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 Distribution Lessor Corporation as at 30 June 2025, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987*, the *Public Corporations Act 1993* and Australian Accounting Standards – Simplified Disclosures.

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 Chair and the Chief Financial Officer, South Australian Government Financing Authority (SAFA).

### 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 Distribution Lessor Corporation. 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 Directors for the financial report**

The Directors are 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*, the *Public Corporations Act 1993* and the Australian Accounting Standards – Simplified Disclosures, 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are 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 Directors are 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* and section 13(3) of the Schedule to the *Public Corporations Act 1993*, I have audited the financial report of the Distribution Lessor Corporation 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 Distribution Lessor Corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
- conclude on the appropriateness of the Director'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 Chair 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.



Daniel O'Donohue  
**Deputy Auditor-General**

18 September 2025

# Distribution Lessor Corporation

## Financial Report

For the year ended 30 June 2025

# **Distribution Lessor Corporation**

## **Contents**

---

Certification of the Financial Report	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes In Equity	5
Statement of Cashflows	6
Notes to and forming part of the Financial Statements	7-12
Independent Auditor's Report	13

---

# Distribution Lessor Corporation

## Certification of the Financial Statements

I certify that:

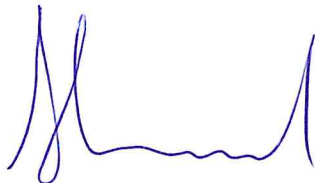
- the attached General Purpose Financial Report for Distribution Lessor Corporation:
  - is in accordance with the accounts and records of the Corporation;
  - complies with the relevant Treasurer's Instructions;
  - complies with relevant accounting standards; and
  - presents a true and fair view of the financial position of the Corporation at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the Corporation over its financial reporting and its preparation of the financial report has been effective throughout the financial year.

Signed in accordance with a resolution of the Directors.



Timothy Burfield  
CHAIR

Dated at Adelaide this 11 day of SEPTEMBER 2025.



Alexander Kromwyk  
CHIEF FINANCIAL OFFICER, SAFA

Dated at Adelaide this 11<sup>th</sup> day of September 2025.

# Distribution Lessor Corporation

## Statement of Comprehensive Income for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>Income</b>			
Revenues from SA Government	5	150	150
Interest revenue		78	76
<b>Total income</b>		<b>228</b>	<b>226</b>
<b>Expenses</b>			
Supplies and services	6	116	116
Other expenses	7	9	9
<b>Total expenses</b>		<b>125</b>	<b>125</b>
<b>Net result</b>		<b>103</b>	<b>101</b>
<b>Total comprehensive result</b>		<b>103</b>	<b>101</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.

# Distribution Lessor Corporation

## Statement of Financial Position as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>Current assets</b>			
Cash and cash equivalents	8	1,892	1,789
Receivables	9	12	11
<b>Total current assets</b>		<b>1,904</b>	<b>1,800</b>
<b>Non-current assets</b>			
Receivables	10	28,273	28,273
<b>Total non-current assets</b>		<b>28,273</b>	<b>28,273</b>
<b>Total assets</b>		<b>30,177</b>	<b>30,073</b>
<b>Current liabilities</b>			
Payables	11	10	9
<b>Total current liabilities</b>		<b>10</b>	<b>9</b>
<b>Total liabilities</b>		<b>10</b>	<b>9</b>
<b>Net Assets</b>		<b>30,167</b>	<b>30,064</b>
<b>Equity</b>			
Contributed capital		28,273	28,273
Retained earnings		1,894	1,791
<b>Total equity</b>		<b>30,167</b>	<b>30,064</b>

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



## Distribution Lessor Corporation

### Statement of Changes in Equity for the year ended 30 June 2025

	Contributed capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2023	28,273	1,690	29,963
Net result for 2023-24	-	101	101
Total comprehensive result for 2023-24	-	101	101
Balance at 30 June 2024	28,273	1,791	30,064
Net result for 2024-25	-	103	103
Total comprehensive result for 2024-25	-	103	103
Balance at 30 June 2025	28,273	1,894	30,167

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

# Distribution Lessor Corporation

## Statement of Cash Flows for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>Cash outflows from operating activities</b>			
Payments for supplies and services		(126)	(125)
Payments for other expenses		(12)	(12)
<b>Cash used in operations</b>		<b>(138)</b>	<b>(137)</b>
<b>Cash Inflows from operating activities</b>			
Revenues from SA Government		150	150
Interest received		79	75
GST recovered from the ATO		12	12
<b>Cash generated from operations</b>		<b>241</b>	<b>237</b>
<b>Net cash provided by operating activities</b>		<b>103</b>	<b>100</b>
<b>Net increase in cash</b>		<b>103</b>	<b>100</b>
Cash at the beginning of the period		1,789	1,689
<b>Cash at the end of the period</b>	8	<b>1,892</b>	<b>1,789</b>

The accompanying notes form part of these financial statements.

# Distribution Lessor Corporation

## Notes to and forming part of the Financial Statements for the year ended 30 June 2025

### 1 Basis of Financial Statements

#### Incorporation

Distribution Lessor Corporation (the Corporation) was established as a body corporate pursuant to regulations made under the *Public Corporations Act 1993*.

The Corporation is a subsidiary of the Treasurer of South Australia.

#### Reporting Entity

The Corporation was established on 29 July 1999, as a subsidiary of the Treasurer of South Australia (Treasurer) under Regulations made under the *Public Corporations Act 1993*.

Pursuant to Ministerial Transfer Orders dated 12 December 1999, prescribed electricity assets consisting of the distribution network and distribution network land were transferred to the Corporation at book value.

On 26 June 2025, the *Public Corporations (Distribution Lessor Corporation) Regulations 2025* came into operation to replace the *Public Corporations (Distribution Lessor Corporation) Regulations 2010*.

The principal activity of the Corporation is as lessor of the prescribed electricity assets consisting of the distribution network and the land on which it is located.

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

#### Statement of Compliance

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

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

#### Basis of Preparation

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

The Corporation is classified as a not-for-profit entity for the purpose of preparing the financial statements.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). Zero represents amounts less than five hundred dollars, whilst a dash represents a nil balance.

# Distribution Lessor Corporation

## Notes to and forming part of the Financial Statements for the year ended 30 June 2025

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 Corporation 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.

### Taxation

#### *Income tax equivalent*

The Treasurer of South Australia has issued a determination pursuant to the Schedule to the *Public Corporations Act 1993* whereby the Corporation is not subject to Commonwealth income tax equivalents for the period since incorporation.

#### *Goods and services tax*

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, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

Cash flows are included in the Statement of Cash Flows on a gross basis.

### Insurance

The Corporation has arranged through the South Australian Government Financing Authority (SAFA), to insure all major risks of the Corporation. The excess payable under this arrangement varies depending on each class of insurance held.

# Distribution Lessor Corporation

## Notes to and forming part of the Financial Statements for the year ended 30 June 2025

### 2 Leases

On 28 January 2000, the Corporation leased the State's electricity distribution network and land under a 200 year finance lease to a Partnership 51% owned by Cheung Kong Infrastructure Holdings Limited and Power Assets Holdings Ltd, which form part of the Cheung Kong Group of companies. The remaining 49% of the partnership is owned by Spark Infrastructure. The leases are linked whereby default under one lease will result in a default in the other.

The lease was fully pre-paid to the Treasurer. The Corporation holds a receivable from the Treasurer in relation to the lease proceeds (refer note 10).

The leases expire on 28 January 2200.

The lease agreement makes a provision for the potential sale of the distribution network assets in the future, to the lessee, if the Corporation obtains lawful right to sell its right, title and interest in the assets. If this right is not obtained or the lessee's option to purchase is not exercised, the distribution network and distribution network land will be returned to the Corporation or its nominee at the end of the lease term.

In the event that the lessee defaults under the respective leases, they are obliged to return the leased asset to the Corporation. Although at that time an asset will be recognised, no amount has been recognised in the Statement of Financial Position as the likelihood of default eventuating is remote.

Under the terms of the Distribution Network Land Lease and Distribution Network Lease certain costs of the Corporation that are associated with the operation, or the Corporation's ownership, of the Distribution Network Land and Distribution Network are able to be reimbursed from the lessees or on charged directly to the lessees.

In the unlikely event that the Corporation defaults under the lease with respect to its legal entitlement to grant the leases, the Corporation is obliged to refund the net present value (as at the termination date) of so much of the post termination date rent obligations as were discharged by the prepaid rents. No amount has been recognised as the likelihood of the Corporation defaulting is remote.

Under the terms of the distribution network leases, the lessee can elect to own new assets constructed during the term of the lease which qualify as "qualifying assets" or "geographical extensions" as well as the land on which those assets are located.

Qualifying assets are a discrete replacement, modification, alteration, addition or renewal to the network which is outside the ordinary course of maintenance, modification, alteration or renewal and, at the time effected, cost greater than a "Qualifying Threshold" of \$2 million. Geographical extensions are extensions beyond the outer extremities of the distribution network as at the date the lease becomes effective.

# Distribution Lessor Corporation

## Notes to and forming part of the Financial Statements for the year ended 30 June 2025

### 3 Directors' remuneration

The names of each person holding the position of Director of Distribution Lessor Corporation during the year were:

Timothy Paul Burfield	Chair
Mardi Garrett	Director (from 04 July 2024)
Kristy Dunstan	Director

In accordance with the Department of the Premier and Cabinet Circular no. 016, as the directors are government employees, they did not receive any remuneration for director duties during the financial year.

### 4 Related party transactions

Related parties of the Corporation include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

#### Key Management Personnel

Key management personnel of the Corporation include the Minister and Directors of the Corporation who have responsibility for the strategic direction and management of the Corporation. No compensation is paid by the Corporation to key management personnel.

#### *Transactions of directors and director-related entities*

There were no transactions between the Corporation and director-related entities.

#### *Other Related Entities*

SAFA provides management and insurance services to the Corporation. Additionally, the Corporation has dealings with other Government instrumentalities.

#### *Controlling entity*

The Corporation is a subsidiary of the Treasurer of South Australia; the Government of South Australia is the ultimate controlling party.

**Notes to and forming part of the Financial Statements  
for the year ended 30 June 2025**

	2025 \$'000	2024 \$'000
<b>5 Revenues from SA Government</b>		
- Administration	150	150
<b>Total revenues from SA Government</b>	<u>150</u>	<u>150</u>

Total revenues from SA Government consists of \$150,000 for operational funding. Income from the SA Government is recognised upon receipt. For further details on the expenditure associated with the operational funding refer to Notes 6 and 7.

	2025 \$'000	2024 \$'000
<b>6 Supplies and services</b>		
- Insurance	16	16
- Management fees (SAFA)	100	100
<b>Total supplies and services</b>	<u>116</u>	<u>116</u>

	2025 \$'000	2024 \$'000
<b>7 Other expenses</b>		
- Audit fees	9	9
<b>Total other expenses</b>	<u>9</u>	<u>9</u>

Audit fees paid / payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$9,000 (\$8,800). No other services were provided by the Audit Office of South Australia.

	2025 \$'000	2024 \$'000
<b>8 Cash and cash equivalents</b>		
- Cash	11	6
- Short-term deposit	1,881	1,783
<b>Total cash and cash equivalents</b>	<u>1,892</u>	<u>1,789</u>

Cash is measured at nominal amounts. Short-term deposits are lodged with SAFA and are at-call.

	2025 \$'000	2024 \$'000
<b>9 Receivables</b>		
<b>Current</b>		
- GST Receivable	6	5
- Interest receivable	6	6
<b>Total current receivables</b>	<u>12</u>	<u>11</u>

	2025 \$'000	2024 \$'000
<b>10 Receivables</b>		
<b>Non-current</b>		
- Receivable from the Treasurer	28,273	28,273
<b>Total Non-current receivables</b>	<u>28,273</u>	<u>28,273</u>

This amount relates to fully prepaid finance lease rentals received by the Treasurer in relation to the lease of the distribution network land assets.

	2025 \$'000	2024 \$'000
<b>11 Payables</b>		
<b>Current</b>		
- Accrued expenses	10	9
<b>Total current payables</b>	<u>10</u>	<u>9</u>

# Distribution Lessor Corporation

## Notes to and forming part of the Financial Statements for the year ended 30 June 2025

### 12 Contingent assets and liabilities

The Corporation does not have any contingent assets or liabilities.

### 13 Economic dependency

The Corporation is an instrumentality of the Crown under the *Crown Proceedings Act 1992*. Accordingly, where a final judgement is given against it, a Minister or agency of the Crown may be directed by the Governor to satisfy that judgement. Such a direction constitutes sufficient authority for the appropriation of the money necessary to satisfy the judgement from the General Revenue of the State of South Australia or from the funds of the Corporation. To this extent, the Corporation has the benefit of an implicit guarantee from the State.

A distribution from the Treasurer of South Australia will be available during the 2025-26 financial year, to ensure that the Corporation will be able to meet its liabilities as and when they fall due.

### 14 Events after balance date

No event has arisen since 30 June 2025 that would be likely to materially affect the operations or the state of affairs of the Corporation.