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To the Chairperson Essential Services Commission

Opinion

I have audited the financial report of the Essential Services Commission 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 Essential Services Commission 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* 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 Chairperson, the Chief Executive Officer and the Director Finance.

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 Essential Services Commission. 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 Officer and the Commissioners for the financial report

The Chief Executive Officer 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 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 Chief Executive Officer 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 Officer 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.

The Commissioners of the Essential Services Commission are responsible for overseeing the entity's financial reporting process.

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 24(2) of the *Essential Services Commission Act 2002*, I have audited the financial report of the Essential Services Commission 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 Essential Services Commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer'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 Officer and the Commissioners of the Essential Services Commission 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

25 September 2025

Essential Services Commission

Financial Statements

For the year ended 30 June 2025

Essential Services Commission
Certification of the Financial Statements
for the year ended 30 June 2025

We certify that the:

- financial statements of the Essential Services Commission:
 - are in accordance with the accounts and records of the Essential Services Commission
 - comply with relevant Treasurer's Instructions
 - comply with relevant accounting standards, and
 - present a true and fair view of the financial position of the Essential Services Commission 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 Essential Services Commission for the financial year over its financial reporting and its preparation of financial statements have been effective.

Signed in accordance with a resolution of the Essential Services Commission.



Mr David Swift AM (Chairperson)
Chairperson
23 September 2025



Mr Adam Wilson
Chief Executive Officer
23 September 2025



Mr Nick Mahon
Director Finance
23 September 2025

Essential Services Commission
Statement of Comprehensive Income
for the year ended 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Income			
Revenue from licence and administration fees	3.1	8 331	9 661
Intra-government transfers		678	947
Revenue from services	3.2	228	87
Resources received free of charge	3.3	73	50
Other income	3.4	26	1
Total income		9 336	10 746
Expenses			
Employee related expenses	4.1	6 612	6 237
Supplies and services	4.2	1 668	2 340
Depreciation and amortisation	5.3, 5.4	274	180
Other expenses	4.3	19	33
Total expenses		8 573	8 790
Net result		763	1 956
Total comprehensive result		763	1 956

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

Essential Services Commission
Statement of Financial Position
as at 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents		10 474	9 597
Receivables	5.2	677	808
Total current assets		11 151	10 405
Non-current assets			
Property, plant and equipment	5.3	104	141
Intangible assets	5.4	1 473	1 312
Receivables	5.2	1	1
Total non-current assets		1 578	1 454
Total assets		12 729	11 859
Current liabilities			
Payables	6.2	283	236
Employee related liabilities	6.3	682	684
Provisions	6.4	8	11
Other non-financial liabilities	6.5	583	556
Total current liabilities		1 556	1 487
Non-current liabilities			
Employee related liabilities	6.3	765	732
Provisions	6.4	41	36
Total non-current liabilities		806	768
Total liabilities		2 362	2 255
Net assets		10 367	9 604
Equity			
Retained earnings		10 367	9 604
Total equity		10 367	9 604

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

Essential Services Commission
Statement of Changes in Equity
for the year ended 30 June 2025

	Retained earnings	Total
	\$'000	equity
	\$'000	\$'000
Balance at 1 July 2023	7 648	7 648
Net result for 2023-24	1 956	1 956
Total comprehensive result for 2023-24	1 956	1 956
Balance at 30 June 2024	9 604	9 604
Net result for 2024-25	763	763
Total comprehensive result for 2024-25	763	763
Balance at 30 June 2025	10 367	10 367

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

Essential Services Commission
Statement of Cash Flows
for the year ended 30 June 2025

	2025	2024
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Receipts from licence and administration fees	8 508	9 976
Receipts from intra-government transfers	678	947
Receipts from other services	228	96
GST recovered from DTF	15	193
Other receipts	2	1
Cash outflows		
Employee related payments	(6 586)	(6 034)
Payments for supplies and services	(1 570)	(2 771)
Net cash from operating activities	1 275	2 408
Cash flows from investing activities		
Cash outflows		
Purchase of intangible assets	(395)	(229)
Purchase of property, plant and equipment	(3)	(32)
Net cash from investing activities	(398)	(261)
Net increase in cash and cash equivalents	877	2 147
Cash and cash equivalents at the beginning of the period	9 597	7 450
Cash and cash equivalents at the end of the period	10 474	9 597

The accompanying notes form part of these financial statements.

Essential Services Commission

Notes to and forming part of the financial statements

For the year ended 30 June 2025

1. About the Essential Services Commission

1.1. Reporting entity

The Essential Services Commission (Commission) is a not-for-profit statutory authority established as an independent economic regulator and advisory body under the *Essential Services Commission Act 2002* (ESC Act).

1.2. 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* (PFAA)
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the PFAA, and
- relevant Australian Accounting Standards applying simplified disclosures.

The financial statements are prepared based on a 12-month reporting period and are presented in Australian currency. All amounts in the financial statements and accompanying notes are 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 Commission 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.

Income, expenses and assets are recognised net of the amount of goods and services tax (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.

The Commission is grouped with the Department of Treasury and Finance (DTF) for GST purposes, and accordingly DTF prepares the Business Activity Statement on behalf of the Commission via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, cash alignment occurs to ensure the Commission either recovers the net amount of GST recoverable from, or disburses the amount payable to, the ATO from DTF.

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.

The Commission is not subject to income tax but is liable for fringe benefits tax (FBT), goods and services tax (GST) and payroll tax.

Banking arrangements

The Commission uses the banking arrangements of DTF under a Service Level Agreement. A non-interest bearing Special Deposit Account (SDA) entitled 'Essential Services Commission Operating Account', established by the Treasurer of South Australia (Treasurer) under the PFAA, is used for the purpose of recording all of the financial transactions of the Commission, including the collection of licence and administration fees.

Material accounting policies are set out throughout the notes.

Essential Services Commission

Notes to and forming part of the financial statements

For the year ended 30 June 2025

1.3. Administered items

Section 22 of the ESC Act requires that, except as otherwise directed by the Treasurer, fees or other amounts received by the Commission under that or any other Act will be paid into the Consolidated Account. The Treasurer has directed the use of the SDA for the purpose of recording all the financial transactions of the Commission.

The amounts transferred to the Consolidated Account are administered items held on behalf of the South Australian Government. The Commission is accountable for the collection and banking of those administered items, but does not have the discretion to deploy the resources for the achievement of the Commission's objectives. The receipt of these administered items is not recognised as revenue. Instead, the subsequent transfer of these items to the Consolidated Account is disclosed in notes 3.1 and 8.

1.4. Objectives and programs

The Commission undertakes economic regulation in the water and sewerage, electricity, gas, maritime and rail industries, provides advice to local councils, conducts formal public inquiries and provides advice to the South Australian Government on economic and regulatory matters. The ESC Act and various other Acts together provide the Commission with those regulatory and advisory powers and functions.

Under the ESC Act the Commission has the primary objective of the '...protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services'.

The ESC Act sets out seven further factors which the Commission must have regard to in performing its functions, being:

- promoting competitive and fair market conduct
- preventing misuse of monopoly or market power
- facilitating entry into relevant markets
- promoting economic efficiency
- ensuring consumers benefit from competition and efficiency
- facilitating maintenance of the financial viability of regulated industries and the incentive for long-term investment, and
- promoting consistency in regulation with other jurisdictions.

The Commission has two broad advisory functions.

The first is to provide advice to the Treasurer, on request, in relation to any matter (section 5(f) of the ESC Act). In that capacity the Commission acts as an adviser to the South Australian Government, providing independent advice on economic and regulatory matters.

The second is the provision of advice to local councils under section 122 of the *Local Government Act 1999* on the appropriateness of the following matters:

- material amendments made, or proposed to be made, to a council's long-term financial plan and infrastructure and asset management plan and the reasons for those amendments
- revenue sources as outlined in a council's funding plan, and
- any other matter prescribed by regulation.

The Commission also has the function of conducting formal public inquiries (Part 7 of the ESC Act). Such inquiries can be initiated by the Commission (into any matters within its regulatory scope), by the Treasurer (into any matter) or by an industry Minister (into any matter concerning a regulated industry).

The ESC Act specifies a general set of functions for the Commission. However, the specific roles of the Commission are assigned to it under industry legislation.

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

1.4 Objectives and programs (continued)

The following table summarises such roles for the year ended 30 June 2025.

Legislation	Regulatory functions
<i>Water Industry Act 2012</i>	Water and sewerage retail service providers: <ul style="list-style-type: none"> • Licensing • Retail price regulation • Consumer protection • Service / reliability standard setting • Performance monitoring and reporting Third Party Access Regime regulator
<i>Electricity Act 1996</i>	Electricity retail operations: <ul style="list-style-type: none"> • Monitoring and, if necessary, determination of the retailer Solar Photovoltaic Feed-in Tariff • Preparation and publication of Ministerial Energy Retail Price Offers Comparison report • Retailer Energy Productivity Scheme administration Electricity generation, transmission, distribution and off-grid retailers: <ul style="list-style-type: none"> • Licensing • Network service / reliability standard setting • Performance monitoring and reporting
<i>Gas Act 1997</i>	Gas retail operations: <ul style="list-style-type: none"> • Preparation and publication of Ministerial Energy Retail Price Offers Comparison report • Retailer Energy Productivity Scheme administration Retail and Distribution LPG gas operations: <ul style="list-style-type: none"> • Licensing Natural gas operations: <ul style="list-style-type: none"> • Licensing • Standard setting • Performance monitoring and reporting
<i>AustralAsia Railway (Third Party Access) Act 1999; Railway (Operations and Access) Act 1997</i>	Access Regulator of: <ul style="list-style-type: none"> • Tarcoola–Darwin railway • Intrastate railway
<i>Maritime Services (Access) Act 2000</i>	Proclaimed ports services pricing and access regulator
<i>Planning, Development and Infrastructure Act 2016</i>	Determine funding arrangements for any infrastructure delivery schemes established by the South Australian Government.
<i>Local Government Act 1999</i>	The Commission has functions relating to the provision of advice to local councils on the appropriateness of amendments to, and revenue sources for, their long-term financial and infrastructure and asset management plans.

Essential Services Commission

Notes to and forming part of the financial statements

For the year ended 30 June 2025

2. Commission and committees

2.1. Key management personnel

Key management personnel of the Commission include the Treasurer, Commissioners, Chief Executive Officer and five members of the Leadership Team who have responsibility for the strategic direction and management of the Commission.

Total compensation for the Commission's key management personnel was \$1 893 000 (2024: \$1 791 000) and excludes salaries and other benefits by the Treasurer. The Treasurer's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

Apart from the remuneration for key management personnel, and the Director roles noted above, the Commission does not have transactions with key management personnel, their close family members and/or their controlled or jointly controlled entities.

2.2. Commission and committee members

Members that were entitled to receive remuneration (directly and indirectly) for membership during the 2025 financial year were:

Essential Services Commission

Mr David Swift AM (Chairperson)

Ms Rebecca Billings

Mr Mark Darras

Mr Garry Goddard

Ms Amanda Heyworth

Consumer Advisory Committee

Mr David Swift AM (Chairperson) *

Ms Anne Bainbridge **

Ms Cathi Buttfeld

Mr Sandy Canale **

Ms Alice Clark **

Ms Victoria Cornell

Ms Kendall Crowe

Mr Richard Fowler **

Mr Mark Henley

Mr Glenn Hordacre

Mr Kevin Kaeding

Ms Helena Kyriazopoulos

Ms Kay Matthias

Mr Ron Shanks

Ms Heather Smith

Ms Jessica Stevens

Ms Estha van der Linden

Mr Ross Womersley

* No remuneration was received by Mr David Swift AM in the role of Chairperson of the Consumer Advisory Committee.

** Members have elected to not be remunerated.

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

2.2 Commission and committee members (continued)

Commission and committee remuneration

The number of members* whose remuneration received or receivable falls within the following bands:	2025	2024
\$0 - \$19 999	17	17
\$20 000 - \$39 999	-	2
\$40 000 - \$59 999	3	1
\$60 000 - \$79 999	2	2
Total number of members	22	22

* If members sit on multiple committees they are only counted once.

The total remuneration received or receivable by members was \$318 000 (2024: \$274 000). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

3. Income

3.1. Revenue from licence and administration fees

	Note	Electricity \$'000	Gas \$'000	Water \$'000	LG Advice \$'000	2025 \$'000	2024 \$'000
Licence fees		11 873	2 420	9 483	-	23 776	22 136
Administration fees		1 226	346	-	-	1 572	1 490
LG advice fees		-	-	-	680	680	680
Administered items	8	(9 649)	(2 725)	(5 165)	(158)	(17 697)	(14 645)
Total revenue from licence and administration fees		3 450	41	4 318	522	8 331	9 661

Revenue from the issuing of licence and administration fees is recognised at the point in time the licence is issued and upon annual renewal. Licence and administration fees are set by the relevant Minister in accordance with the relevant Act. Unearned revenue is recognised where cash is received by the Commission for licence or administration fees prior to the date of renewal or issue. Local Government (LG) advice fees have been recognised on completion of the performance obligation.

3.2. Revenue from services

	2025 \$'000	2024 \$'000
Contribution to rail regulatory costs by Northern Territory Government	228	87
Total revenue from services	228	87

Contributions are recognised as revenues upon receipt.

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

3.3. Resources received free of charge

	2025	2024
	\$'000	\$'000
Services received free of charge - Shared Services SA	36	36
Services received free of charge - Office of the Chief Information Officer	14	14
Services received free of charge - Audit Office of South Australia	23	-
Total resources received free of charge	73	50

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 Commission receives financial accounting, taxation, payroll, accounts payable and accounts receivable services from Shared Services SA and receives ICT services from the Office of the Chief Information Officer (OCIO), DTF. The Commission also receives audit services free of charge from the Audit Office of South Australia in relation to work performed under the Public Finance and Audit Act 1987.

3.4. Other income

	2025	2024
	\$'000	\$'000
Other Income		
Other income	26	1
Total other income	26	1

From 30 June 2024, audit fees are accounted for as auditing services received free of charge, under AASB 1004 Contributions. Audit fees payable of \$23 400 for 2023-24 have been derecognised in accordance with the changes.

4. Expenses

4.1. Employee related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages	4 723	4 405
Targeted voluntary separation packages	71	-
Long service leave	98	211
Annual leave	450	425
Skills and experience retention leave	11	16
Superannuation	675	631
Commission and committee fees*	285	247
Other employee related expenses	299	302
Total employee related expenses	6 612	6 237

* Commission and committee fees only include direct payment to members. Superannuation payments including salary sacrifice payments are included under Superannuation. See note 2.2 for details of remuneration for Commission and committee members.

Superannuation

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

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

4.1 Employee related expenses (continued)

Remuneration of employees

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

	2025	2024
	No.	No.
\$166 001 - \$171 000*	-	1
\$171 001 - \$191 000	2	1
\$191 001 - \$211 000	1	3
\$211 001 - \$231 000	1	1
\$231 001 - \$251 000	2	1
\$251 001 - \$271 000	1	-
\$411 001 - \$431 000	1	1
Total remuneration of employees	8	8

*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 \$1 961 000 (2024: \$1 847 000).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year, of which 5 (2024: 5) are executive and 3 (2024: 3) are non-executive staff. Remuneration of employees reflects all costs of employment including salaries and wages, payment in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits and any related fringe benefits tax paid.

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 1 (2024: 0).

	2025	2024
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	71	-
Leave paid to separated employees	9	-
Net cost to the Commission	80	-

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

4.2. Supplies and services

	2025	2024
	\$'000	\$'000
General administration	862	1 044
Consultants	187	691
Accommodation	338	320
Information technology charges	261	274
Other supplies and services	20	11
Total supplies and services	1 668	2 340

Total Supplies and services includes GST where the amount of GST incurred by the Commission as a purchaser is not recoverable from the ATO.

Accommodation

Most of the Commission's accommodation is provided by the Department for Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These accommodation costs are recognised as expenses when they become due, as the arrangements do not meet the definition of a lease set out in AASB 16 and are expensed (included in Accommodation).

4.3. Other expenses

	2025	2024
	\$'000	\$'000
Doubtful debts expense	(1)	(104)
Bad debts written off	20	137
Total other expenses	19	33

5. Assets

5.1. Financial Assets

	2025	2024
	\$'000	\$'000
Cash and cash equivalents	10 474	9 597
Contractual receivables	518	666
Total financial assets	10 992	10 263

All financial assets are measured at amortised cost.

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

5.2. Receivables

	2025	2024
	\$'000	\$'000
Current		
Trade receivables	-	159
Less impairment loss on receivables	-	(1)
Accrued revenue	518	508
Total contractual receivables	518	666
Statutory receivables		
GST receivable	11	26
Total statutory receivables	11	26
Prepayments	148	116
Total current receivables	677	808
Non-current		
Receivables	1	1
Total non-current receivables	1	1
Total receivables	678	809

Contractual Receivables

Contractual receivables arise in the normal course of the issue or renewal of energy and water licenses to licensees, administration fees to energy retailers and advice fees to councils. Contractual receivables are normally settled within 30 days after the issue of an invoice.

Collectability of contractual receivables is reviewed on an ongoing basis. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

The Commission 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.

Statutory Receivables

Statutory receivables do not arise from contracts with customers. They are related to taxes and tax equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables. Statutory receivables are not financial assets.

No impairment loss was recognised in relation to statutory receivables.

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

5.3. Property, plant and equipment owned by the Commission

Property, plant and equipment owned by the Commission with a value of \$15 000 or more is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Commission is recorded at fair value.

Reconciliation of property, plant and equipment

The following table shows the movement in value of property, plant and equipment for the year ended 30 June 2025.

Reconciliation 2024-25	Building fit-outs \$'000	Furniture and fittings \$'000	Work In Progress \$'000	Total \$'000
Carrying amount at the beginning of the period	-	63	78	141
Additions	-	-	3	3
Transfers from works in progress	-	81	(81)	-
Depreciation and amortisation	-	(40)	-	(40)
Carrying amount at the end of the period	-	104	-	104
Gross carrying amount				
Gross carrying amount	566	188	-	754
Accumulated depreciation	(566)	(84)	-	(650)
Carrying amount at the end of the period	-	104	-	104

5.4. Intangible Assets

The following table shows the movement in value of intangible assets for the year ended 30 June 2025.

Reconciliation of intangible assets

Reconciliation 2024-25	Internally developed software \$'000	Externally developed software \$'000	Work in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	1 312	-	-	1 312
Additions	-	-	395	395
Amortisation	(234)	-	-	(234)
Carrying amount at the end of the period	1 078	-	395	1 473
Gross carrying amount				
Gross carrying amount	1 620	184	395	2 199
Accumulated amortisation	(542)	(184)	-	(726)
Carrying amount at the end of the period	1 078	-	395	1 473

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost, less any accumulated amortisation and any accumulated impairment losses.

The acquisition or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$15 000.

Impairment

There were no indications of impairment of intangible assets at 30 June 2025.

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

5.5 Depreciation and amortisation

All non-current assets that have limited useful lives are systematically depreciated / amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as plant and equipment.

Useful life

Depreciation / amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Leasehold improvements	3-10
Furniture and fittings	3-10
Office equipment – Information Technology	3-5
Office equipment - Other	3-5
Intangibles	3-10

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. No adjustments were made during the reporting period. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

6. Liabilities

6.1. Financial Liabilities

	2025 \$'000	2024 \$'000
Financial liabilities measured at amortised cost		
Contractual payables	283	209
Total financial liabilities	283	209

6.2. Payables

Payables are measured at nominal amounts.

Contractual Payables

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

	2025 \$'000	2024 \$'000
Current		
Contractual payables	283	209
Accrued expenses	-	27
Total current payables	283	236
Total payables	283	236

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6.3. Employee related liabilities

	2025	2024
	\$'000	\$'000
Current		
Accrued salaries and wages	20	-
Annual leave	471	468
Long service leave	81	97
Skills and experience retention leave	14	24
Employment on-costs	96	95
Total current employee related liabilities	682	684
Non-current		
Long service leave	692	665
Employment on-costs	73	67
Total non-current employee related liabilities	765	732
Total employee related liabilities	1 447	1 416

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

Salaries and wages, annual leave, skills and experience retention leave and sick leave

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

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

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

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* describes the calculation methodology for long service leave liability.

The expected timing and amount of long service leave payment 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. These assumptions are based on employee data over SA Government entities.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds remained at 4.25% for both 2024 and 2025.

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

The actuarial assessment performed by DTF resulted in the salary inflation rate remaining unchanged at 3.5% in 2025 for long service leave liability.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience.

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6.3 Employee related liabilities (continued)

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefit 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 Commission makes contributions to the South Australian 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 superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid.

As a result of an actuarial assessment performed by DTF, the percentage of the proportion of long service leave taken has remained at 44.0% both 2024 and 2025 and the average factor for the calculation of the employer superannuation on-costs has increased from 11.5% in 2024 to 12% in 2025. These rates are used in the employment on-cost calculation. The net financial effect of the change on employment on-costs and employee benefit expense are immaterial.

6.4. Provisions

	2025	2024
	\$'000	\$'000
Current		
Workers' compensation	8	11
Total current provisions	8	11
Non-current		
Workers' compensation	41	36
Total non-current provisions	41	36
Total provisions	49	47
	2025	2024
	\$'000	\$'000
Reconciliation of workers compensation		
Carrying amount at the beginning of the period	47	35
Additional provisions recognised	2	12
Carrying amount at the end of the period	49	47

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2025 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

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6.5. Other non-financial liabilities

	2025	2024
	\$'000	\$'000
Current		
Unearned revenue	583	556
Total current other non-financial liabilities	583	556
 Total other non-financial liabilities	 583	 556

Unearned revenue is recognised where cash is received by the Commission for licence and administration fees prior to the date of renewal.

7. Outlook

7.1. Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value and inclusive of non-recoverable GST.

Contractual commitments

Commitments for accommodation and consultant contracts in existence at the reporting date but not recognised as liabilities are payable as follows:

	2025	2024
	\$'000	\$'000
Within one year	454	352
Later than one year but not later than five years	514	848
Total expenditure commitments	968	1 200

7.2. Contingent assets and contingent 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 Commission is not aware of any contingent assets or contingent liabilities as at 30 June 2025.

7.3. Events after the reporting period

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

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8. Administered items

Australian Energy Market Commission

An amount approved by the Treasurer is transferred to the Consolidated Account from the electricity and gas licence and administration fees received by the Commission for the Australian Energy Market Commission. In 2025 \$2 873 000 (2024: \$2 734 000) was transferred.

Consumer Advocacy and Research Fund

An amount approved by the Treasurer is transferred to the Consolidated Account from the water licence fees received by the Commission for the Consumer Advocacy and Research Fund. In 2025 \$353 000 (2024: \$342 000) was transferred.

Technical Regulator

An amount approved by the Treasurer is transferred to the Consolidated Account from the electricity, gas and water licence fees received by the Commission for the Technical Regulator. In 2025 \$12 975 000 (2024: \$10 100 000) was transferred.

Department for Environment and Water

An amount approved by the Treasurer is transferred to the Consolidated Account from the water licence fees received by the Commission for the Department for Environment and Water. In 2025 \$917 000 (2024: \$898 000) was transferred.

Department of Treasury and Finance

An amount approved by the Treasurer is transferred to the Consolidated Account for previous LG Advice funding and from the water licence fees received by the Commission for the Department of Treasury and Finance. In 2025 \$579 000 (2024: \$571 000) was transferred.