

26 Nov 2025



**Government
of South Australia**

DEPARTMENT OF STATE DEVELOPMENT

2024-25 Annual Report

DEPARTMENT OF STATE DEVELOPMENT

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To:

Hon Joe Szakacs MP
Minister for Trade and Investment
Minister for Industry, Innovation and Science

Hon Blair Boyer MP
Minister for Education, Training and Skills

Hon Andrea Michaels MP
Minister for Small and Family Business

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Department of State Development by:

A handwritten signature in black ink, appearing to read 'Adam Reid', with a stylized flourish at the end.

Adam Reid

Chief Executive

Date: 24 / 09 / 2025

From the Chief Executive

The Department of State Development (DSD) was established on 1 July 2024.

Over the past financial year, we've focused on unlocking opportunities across key sectors including defence, energy transition, minerals processing, agriculture, food and wine, and building and construction.

We've made strong progress in growing innovative, productive industries and supporting businesses to succeed locally, nationally and globally.

I am particularly proud of the way staff from across the department have come together over the past 12 months to support workers, businesses and communities that have encountered challenging circumstances.

Following the joint support package announced by the Australian and South Australian governments for the Whyalla Steelworks, the department delivered immediate, on-the-ground assistance to those impacted by the administration of the steelworks.

This included the implementation of the Business Creditor Assistance Scheme and the Small Local Business Support Program, providing vital support to local workers and businesses during a period of uncertainty.

More recently, the department has responded to the naturally occurring algal bloom impacting parts of South Australia's coastline by delivering a suite of business and industry support measures. These have included small business and industry grants, and mental health and wellbeing support, ensuring communities receive the assistance they need.

Strategic workforce development has remained a priority, particularly in the defence industry. Already a major employer in South Australia, demand for skilled workers is set to increase significantly with the local construction of the SSN-AUKUS conventionally armed, nuclear-powered submarines.

Through the state's investment in the *South Australian Defence Industry Workforce and Skills Report and Action Plan*, the department was proud to partner with the Australian Government to support people of all ages and backgrounds in preparing for these roles.

Vocational education and training (VET) continues to play a critical role in equipping South Australians with the skills we need to drive a dynamic and evolving economy.

Over the past year, the department has focused on making VET qualifications more accessible, directing investment toward priority training areas, and supporting students to successfully complete their studies and transition into meaningful employment. In 2024-25, the South Australian Government invested over \$225 million in VET courses at TAFE SA and non-government registered training organisations, supporting around 32,300 commencements in training, targeting priority industries and occupations for our economy.

Skilled and business migration remains a critical lever in addressing workforce gaps. In 2024-25, the department delivered South Australia's largest Designated Area Migration Agreement program to date, alongside the General Skilled Migration Program.

It was a landmark year in higher education in South Australia as we prepare for the opening of Adelaide University in January 2026. Following its market launch in July 2024, the new university debuted in the QS World University Rankings' top 100 globally, and Professor Nicola Phillips was appointed as its inaugural Vice-Chancellor.

The new university is set to have the largest cohort of domestic students of any university in Australia when it opens in 2026.

We have continued to invest in our innovation ecosystem and in 2024, the South Australian Government committed \$6 million to the Australian Institute for Machine Learning (AIML) to support a range of industrial AI initiatives and accelerate AI-driven innovation and capability across key sectors. Supporting local entrepreneurs and startups to commercialise their products and scale their businesses has been a key investment focus of the Research and Innovation Fund, and has also enabled greater access to South Australia's world-class National Collaborative Research Infrastructure Strategy (NCRIS) facilities, helping turn ideas into impact.

We have continued to build the capability of small and family businesses, with more than 14,200 small business owners engaging with programs under South Australia's *Small Business Strategy 2023–2030* over the past two years.

The Office for Small and Family Business also administered more than \$20 million in Energy Efficiency Grants to help small businesses invest in energy-efficient practices and equipment.

Over the past year, the department has continued to deliver strong outcomes across its trade and investment portfolio, securing several hundred million dollars in investment for South Australia.

South Australia achieved near record export values and attracted growing investor interest, supported by a robust pipeline of projects and capital investment.

A key highlight has been South Australia's participation in World Expo 2025 Osaka, where our presence at the Australia Pavilion is showcasing the state to an estimated 15,000 visitors per day.

Our investment activities, delivered alongside major events such as AFL Gather Round and LIV Golf, have played a pivotal role in presenting a compelling value proposition for South Australia to both domestic and international audiences.

This work has been further strengthened by the ongoing leadership of Brand SA, which continues to position our state confidently in local, national and global markets, showcasing South Australia's unique goods, services, experiences and produce to the world.

As we look ahead, I am proud of the dedication and impact of our staff across the department.

Together, we will continue to build a stronger, more resilient and future-ready South Australia.



Adam Reid

Chief Executive

Department of State Development

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Overview: about the agency

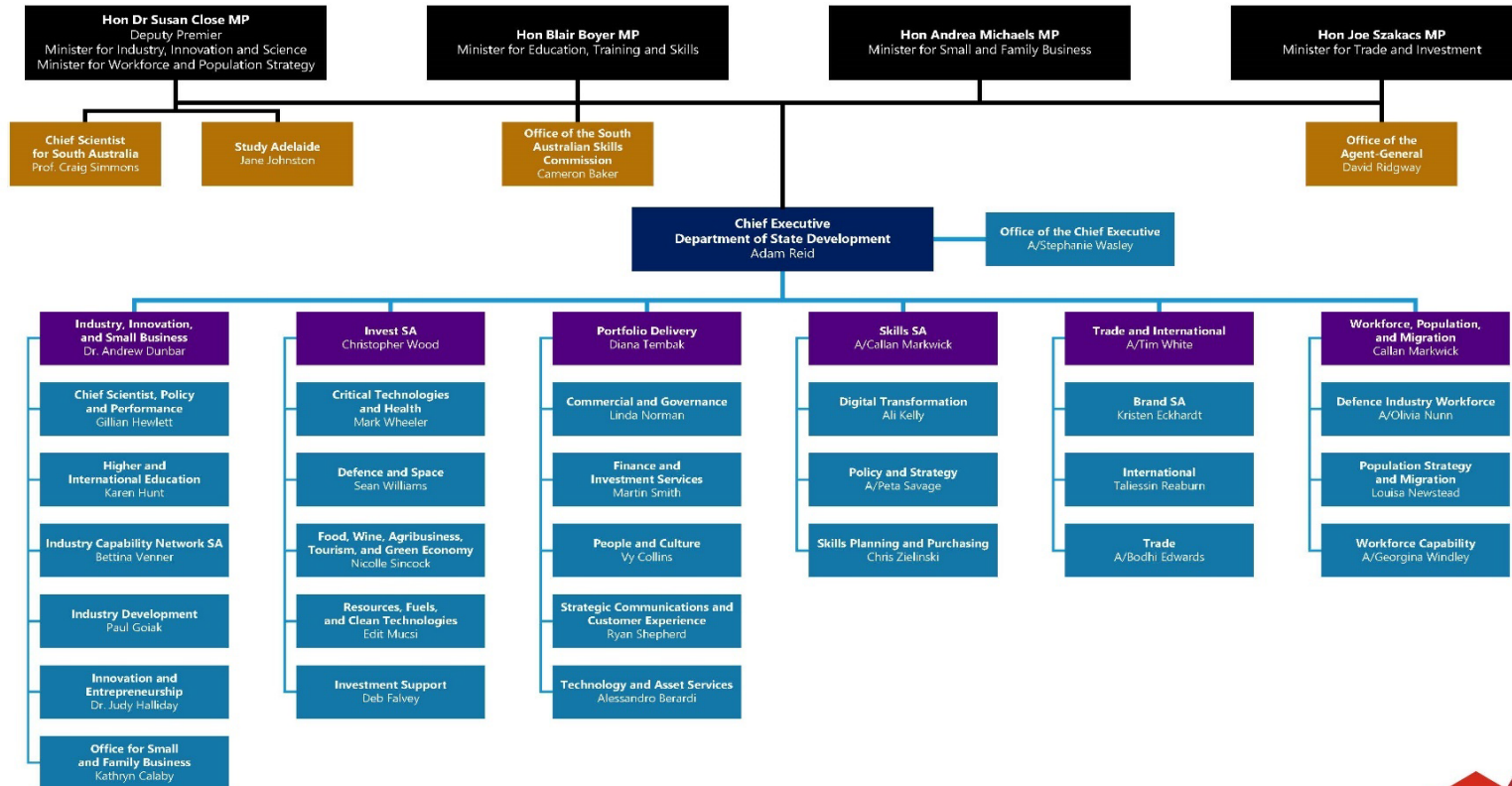
Our strategic focus

Our Purpose	Drive sustainable economic growth in South Australia by increasing industrial capability and capacity, developing a skilled workforce, and attracting investment.
Our Vision	Drive sustainable economic growth in South Australia and ensure that South Australia capitalises on the opportunities in priority sectors and major projects.
Our Values	<ul style="list-style-type: none"> • Collaboration and Engagement • Courage and Tenacity • Honesty and Integrity • Professionalism • Respect • Service • Sustainability • Trust
Our functions, objectives and deliverables	<ul style="list-style-type: none"> • Grow innovative and productive industries and businesses • Improve the state's industrial capability and capacity • Develop a high performing research and innovation system, accelerating productivity and technology adoption • Build the skilled workforce with industry • Support individuals to gain skills, access tailored supports and transition to work • Drive local, national and international investment • Build and sustain a high performing, organisational culture • Increase and diversify the export of our goods and services • Promote South Australia's brand and our competitive advantages domestically and internationally <p>Success across these strategic objectives will contribute to the achievement of the following long-term outcomes:</p> <ul style="list-style-type: none"> • Business growth and sustainability • Increased productivity across business and industry

	<ul style="list-style-type: none">• Growth in the state’s commercial engagement in trade and investment in key priority markets• Growth in the capability, adaptability and capacity of the workforce• Globally recognised research and innovation system connected to industry• South Australians have the skills they need to engage in valued work and the community
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Our organisational structure

30 June 2025



OFFICIAL

Changes to the agency

During 2024-2025 there were the following changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

- The Department of State Development was established on 1 July 2024 by bringing together functions from the following agencies:
 - Department for Education
 - Skills SA
 - Department for Industry, Innovation and Science
 - Industry and Workforce Capability
 - Research and Innovation
 - Department of the Premier and Cabinet
 - Population Strategy
 - Department for Trade and Investment
 - Brand SA
 - International
 - Invest SA
 - Trade
- Internal reviews led to the following organisational changes:
 - The establishment of a new Trade and International group
 - The establishment of a new Office of the Chief Executive.
 - The establishment of a new Industry, Innovation and Small Business group, including establishment of a new Industry Development team
 - The establishment of a new Workforce, Population and Migration group, including establishment of a Population, Strategy and Migration Team.

Our Minister (s)

Hon Susan Close MP



Susan Close is the Deputy Premier of South Australia and the Minister for Climate, Environment and Water, Minister for Industry, Innovation and Science, and Minister for Workforce and Population Strategy. Susan has been the Member for Port Adelaide since 2012.

Before entering Parliament, Susan was an executive in the Department of Environment and Natural Resources and played a key role in establishing the Adelaide Dolphin Sanctuary as a community advocate.

She previously worked at the University of Adelaide managing student services and holds a PhD from Flinders University. Susan is a fierce advocate for women in the workplace, passionate about ensuring accessible and quality education for all, deeply concerned about protecting nature, and driven to deliver the best economic outcomes for South Australia so everyone can benefit from a prosperous future for our state.

Hon Blair Boyer MP



Blair Boyer is the Minister for Education, Training and Skills and has been the Member for Wright since 2018.

Blair lives in the north eastern suburbs of Adelaide with his wife and three daughters. He grew up on the family farm in rural South West Victoria, not far from Mount Gambier.

Blair is passionate about education and believes that a strong, affordable and accessible public education system is the key to equality.

Hon Andrea Michaels MP



Andrea Michaels is the Minister for Small and Family Business, Minister for Consumer and Business Affairs, and Minister for the Arts. She is also the Member for Enfield, representing the community in Adelaide's inner north and north-eastern suburbs.

Prior to becoming a Minister, Andrea was running her own small business – a legal practice specialising in commercial law and supporting small and family businesses. She has also been Treasurer of the Law Society of SA, a company director, and a partner at industry leading law firms, as well as a chartered tax advisor and accredited family business advisor.

Andrea is passionate about promoting diversity, supporting more women to launch and grow businesses, and building safe, fair and friendly communities. She is focused on ensuring the government is easy to do business with, that small businesses are supported to succeed, and that the whole community has access to a thriving cultural and creative sector.

Hon Joe Szakacs MP



Joe Szakacs is the Minister for Trade and Investment, Minister for Local Government, and Minister for Veterans Affairs. He has also been the Member for Cheltenham since 2019.

Before formally entering politics, he held senior roles in the trade union movement, legal practice and as a company director in the superannuation and insurance industries, including as Secretary of SA Unions national positions with the Australian Council of Trade Unions, the Board of Directors of Statewide Super, global forums for workers capital and pension funds, and director roles on the boards of the South Australian Fire and Emergency Services Commission and Return to Work SA.

Joe was also a representative swimmer, competing nationally and internationally. He held multiple South Australian records, was a member of the South Australian Sports Institute, and a scholarship holder on the University of Missouri (USA) Swimming Team.

Our Executive team

Adam Reid, Chief Executive

Andrew Dunbar, Executive Director, Industry, Innovation and Small Business

Callan Markwick, Executive Director, Workforce, Population and Migration and
A/Executive Director, Skills SA (as at 30 June 2025)

Diana Tembak, Executive Director, Portfolio Delivery

Chris Wood, Executive Director, Invest SA

Tim White, Executive Director, Trade and International

Kim Eldridge, Executive Director, Skills SA (as of 4 August 2025)

Legislation administered by the agency

Adelaide University Act 2023

Flinders University Act 1966

Torrens University Australia Act 2013

University of Adelaide Act 1971

University of South Australia Act 1990

Construction Industry Training Fund Act 1993

South Australian Skills Act 2008

TAFE SA Act 2012

Technical and Further Education Act 1975

Vocational Education and Training (Commonwealth Powers) Act 2012

Other related agencies (within the Minister's area/s of responsibility)

StudyAdelaide

South Australian Skills Commission

Office of the Agent General

TAFE SA

The agency's performance

Performance at a glance

During 2024-25, the department drove increased productivity and economic growth in South Australia by developing industrial capability and capacity; investing in and supporting research and development; developing a skilled workforce, including through higher education, VET and skilled migration; increasing the capability of small businesses; and facilitating investment and trade.

Highlights from 2024-25:

- Implementation of the Whyalla Steelworks support package
- Through the Industry Capability Network SA (ICNSA), connected South Australian suppliers to key projects in defence, energy (including hydrogen), mining, water, infrastructure and construction sectors.
- Developed South Australia's Advanced Manufacturing Action Plan to deliver on key manufacturing initiatives aligned with the growth enablers in the Advanced Manufacturing Strategy.
- Continued to support, advise and partner across government to support South Australia's green industry transition.
- Facilitated high impact investments into South Australia's science, research and innovation system to support emerging industries and critical technologies and delivered programs and services to entrepreneurs and startups to grow innovative businesses, attract investment capital, generate revenue and create new jobs.
- Supported the transition planning and implementation to create Adelaide University.
- Delivered the largest Designated Area Migration Agreement (DAMA) program to date, extended the DAMAs through to 30 June 2026, and delivered the General Skilled Migration program to help address labour market challenges.
- Released the Jobs and Skills Outlook and Skills Investment Blueprint to support Our Policy Direction for Skills in South Australia and deliver the state's Jurisdictional Action Plan, a key requirement under the under the National Skills Agreement (NSA).
- Collaborated with states and territories to deliver shared stewardship of Australia's vocational education and training (VET) system under the NSA.
- Targeted the state's investment in skills to areas of government priority and strategic economic need. In 2024-25, more than \$16 million was invested in 130 projects aimed at addressing trade skill shortages, supporting apprenticeships and traineeships, and building the capability and capacity of VET and Adult Community Education (ACE) providers.
- Commenced delivery of initiatives outlined in Our Policy Direction for Skills in South Australia, focusing on completions, learner wellbeing and enhanced quality. In October 2024, Success and Wellbeing Services (SWS) were relaunched and expanded, in recognition of the growing importance of supporting student wellbeing, with an additional \$5 million investment.
- Commenced design and implementation of modern cloud-based technology platforms to replace ageing legacy systems through the Digital Transformation program, which is a key enabler for implementing the NSA Enhanced VET

Data and Evidence Policy Initiative. mySkills SA was launched on 5 August 2025.

- Supported 5,780 Fee Free course enrolments in 2024-25 through the Fee Free TAFE joint initiative between the South Australian and Commonwealth Government.
- Implemented South Australia's Small Business Strategy 2023-2030 through delivering programs, resources and support services that build strong foundations, accelerate growth, enhance digital and cyber capability, support the implementation of sustainability measures, and improve mental health and wellbeing
- Implemented a second round of the Women in Business program to improve the success and growth prospects of female owned and led businesses in South Australia.
- Launched Round 2 of the Economic Recovery Fund, offering energy efficiency grants to help small businesses and the not-for-profit sector to adopt more energy efficient practices, provide environmentally friendly products, and adopt new technology and equipment.
- Formulated the *South Australia Trade and Investment Strategy to 2030*, setting a vision for our state's global economic engagement over the next five years.
- Facilitated over \$920 million of investment into South Australia and secured around 1,000 new jobs through Invest SA investment facilitation activities.
- Delivered investment attraction events around all major events, including LIV Golf, 2025 AFL Gather Round and the Adelaide Motorsport Festival, and hosted regular business and investor delegations throughout the year to showcase South Australia's competitive economic edge.
- Supported more than \$180 million in new exports and supported over 500 South Australian businesses to connect with international partners, gain global market insights, and resolve barriers to trade.
- Delivered Ministerial business missions and CEO delegations to priority trade and investment markets, including Japan, Korea, India, Singapore, Hong Kong, China, and the United Arab Emirates.
- Coordinated business missions to priority markets to connect South Australian business with global opportunities, including at major events such as Osaka World Expo.
- Delivered the 'Buy SA. For SA' campaign to make it easier for consumers to identify and buy local products.
- Increased uptake of the State Brand to more than 10,000 registered businesses to facilitate a consistent and compelling positioning of South Australia in local, national and global markets.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Build the skilled workforce with industry – attract skills	Deliver South Australia's skilled, employer sponsored and business migration programs.	<p>In 2024-25, delivery of the skilled, employer sponsored and business migration programs achieved:</p> <ul style="list-style-type: none"> - All 3,800 state nominations approved for the General Skills Migration program. - 2,150 positions endorsed under the Designated Area Migration Agreement (DAMA) program. - 106 employer sponsored positions supported by DSD as the Regional Certifying Body for South Australia. - 326 approved nominations for the second stage of the Business, Innovation and Investment Program. - 516 Overseas Qualification Recognition certificates issued. - Partnership with six organisations to implement the Skilled Migration Talent and Industry Connection Program. ,
Build the skilled workforce with industry - delivering workforce development initiatives designed and implemented with industry and regions.	<p>Progress and achievements of implementing Workforce Development projects.</p> <p>Progress and achievements of leading the implementation of the SA Defence Industry Workforce and Skills Action Plan.</p>	<p>Forte pilot program has concluded the study phase. As at June 2025, a total of 138 participants have graduated (88% of total) and a total of 63 (46%) graduates have found employment in the technology sector.</p> <p>Recruitment for the Alternative Graduate commenced in early 2025. The program is expected to place up to 20 graduates by mid-2026 in emerging and growing sectors.</p> <p>The Spencer Gulf Jobs and Skills Hub was announced in February 2025. It is expected to deliver 1,100 employment, training and program participation outcomes over the funding period to mid-2028.</p>

Agency objectives	Indicators	Performance
		<p>21 of the 22 SA Defence Industry Workforce and Skills Action Plan initiatives have been implemented, engaging around 7,200 participants including:</p> <ul style="list-style-type: none"> - Establishment of the Mechanical Engineering (Honours) degree apprenticeship - Launch of the Defence Industry Pathways (Traineeship) Program and the Shipbuilding Employment Pathway (Apprenticeships) - Implementation of the Defence Industry Connection Program providing undergraduate university students studying AUKUS-aligned disciplines with a paid internship with a defence industry employer - A State Government Memorandum of Understanding with ASC Pty Ltd was signed, which supports joint commitment to skills and workforce development.
<p>Improve the state's industrial capability and capacity - delivering industry programs that build on our state's competitive strengths, increase value adding activity, and support the knowledge-based jobs of the future.</p>	<p>Support South Australian manufacturers to improve productivity and competitiveness through the adoption of transformative technologies</p>	<p>In 2024-25, 10 South Australian manufacturers were supported in Round 1 of the Manufacturing Technology Adoption Program.</p> <p>Eight Accelerator Projects with eight South Australian manufacturers commenced under the Manufacturing Growth Accelerator at Tonsley Innovation District.</p> <p>In 2024-25, the Defence Supplier Uplift Program partnered with Huntington Ingall Industries (HII) and together worked with five South Australian companies that have potential to meet HII's naval shipbuilding supply chain requirements. The five participating companies have successfully secured funding for uplift activities, supporting them to respond to local</p>

Agency objectives	Indicators	Performance
		and international naval shipbuilding supply chains.
Improve the state's industrial capability and capacity - supporting manufacturers to increase competitiveness and accelerate sustainable growth.	Number of manufacturers supported through the concierge service and other initiatives.	<p>More than 50 companies received guidance and advice through the Concierge Service.</p> <p>Around 100 businesses have attended five Manufacturing Technology Interest Group and other information sessions.</p>
Develop a high performing research and innovation system, accelerating productivity and technology adoption – investing in global excellence	Number of science and research projects supported, and amount invested.	<p>Since 2019, DSD has invested \$31.5 million through the Research and Innovation Fund into 57 strategic research initiatives, leveraging an estimated \$1 billion in cash co-investment from the Commonwealth Government and other sources. This includes support for ten Cooperative Research Centres in South Australia, including the newly approved Additive Manufacturing CRC and the Solutions for Manufacturing Advanced Regenerative Therapies (SMART) CRC.</p> <p>Through the National Collaborative Research Infrastructure Strategy (NCRIS) Co-Investment Fund, DSD is investing \$20.2 million (2023–28) to support six major research infrastructure facilities, leveraging \$63.1 million in cash co-investment from the Commonwealth and host institutions. A further \$4.89 million (2024–27) is supporting step-change initiatives, leveraging an additional \$17.4 million.</p>
Develop a high performing research and innovation system, accelerating productivity and	Number of industry events to boost cyber security capability, knowledge sharing and networking.	<p>The department supported the delivery of nine industry events including:</p> <ul style="list-style-type: none"> - AdelaideSEC (AISA)

Agency objectives	Indicators	Performance
technology adoption –cyber awareness and adoption		<ul style="list-style-type: none"> - National Missing Persons Hackathon - The Intersection of AI and Cyber Security (ISACA) - Mental Health and Cyber Month (AWSN) - UK Cyber Delegation - Executive Cyber Council Cyber - Workforce Summit - Australian Cyber Exchange (ACE25) - BSides Adelaide - 3rd Australian Space Cyber Forum (SpaceCyber Inc).

Agency objectives	Indicators	Performance
<p>Develop a high performing research and innovation system, accelerating productivity and technology adoption - delivering programs and services to entrepreneurs and startups that build capability and attract private sector capital and customers.</p>	<p>Number of startup and early-stage companies supported, and amount of private investment in innovative early-stage companies.</p> <p>Number of entrepreneurship and innovation ecosystem initiatives supported.</p>	<p>In 2024-25, 13 early-stage companies were approved funding through the Seed-Start Program, an initiative under the Research and Innovation Fund (RIF).</p> <p>Since commencement in 2019, the Seed Start Program has approved investments totalling \$20.38 million across 73 early-stage companies, which has leveraged \$24.88 million in private sector matched funding. These companies have reported raising an additional \$177.9 million in capital, creating a net increase of 342.5 jobs and generating \$89 million in additional revenue.</p> <p>Continued funding support for the Startup Hub at Lot Fourteen, managed by Stone and Chalk. Since its opening in 2019, residents of the Startup Hub at Lot Fourteen have collectively raised more than \$216.7 million in venture capital and other sources of funding and have created 914 jobs.</p> <p>The South Australian Venture Capital Fund (SAVCF) has invested in 12 early-stage business totalling \$35.5 million which has leveraged a further \$290.7 million from co-investors and created 605 direct and indirect jobs.</p>

Agency objectives	Indicators	Performance
Develop and implement policies and programs and undertake strategic engagement with education providers to build a progressive higher and international education sector.	<p>Support the establishment of the new Adelaide University.</p> <p>Attract international students to South Australia.</p>	<p>Independent Advisor, Professor Ian O'Connor AC, provided regular updates and advice on the progress towards the establishment of Adelaide University. <i>Adelaide University (Transitional) Regulations 2024</i> and <i>Adelaide University (Transfer of Staff) Proclamation 2024</i> were made under the <i>Adelaide University Act 2023</i> to support the transition to the new university.</p> <p>In the 2024 calendar year:</p> <ul style="list-style-type: none"> - The \$30 million Attracting International Students Grant was executed. - 59,251 international students were enrolled with South Australian education providers. - International education was valued at \$3.2 billion.
Grow innovative and productive industries and businesses – delivering programs and services for small and family businesses.	Number of businesses provided with solutions to support their growth and competitiveness.	125,031 businesses provided with information or solutions in 2024-25, including support for small businesses in the Economic Recovery Fund – energy efficiency grants and the Whyalla Business Support.
Grow innovative and productive industries and businesses – delivering programs and services for small and family businesses.	Number of businesses supported to build capability.	11,940 businesses supported to build skills and capability through the Office for Small and Family Business in 2024-25.

Agency objectives	Indicators	Performance
Grow innovative and productive industries and businesses – delivering targeted capability development programs to address capability and knowledge gaps, build stronger foundations, and accelerate growth.	Number of women supported to build capability through the Women in Business Program.	Supported 271 businesses through the Women in Business Foundations Program and 40 businesses through the Women in Business Advisory Program.
Grow innovative and productive industries and businesses – connecting businesses to contract opportunities within major projects.	Amount of contract wins facilitated through Industry Capability Network SA (ICNSA).	91 local businesses supported by ICNSA to win contracts for major projects to the value of \$208.5 million.
Support individuals to gain skills, access tailored supports and transition to work – training demand and commencements	<p>Number of people participating in government funded VET</p> <p>Number of apprentices and trainees in training</p> <p>Number of apprentices and trainees in training aligned to government priority areas</p>	<p>In 2024, there were 71,700 South Australian government-funded VET students.</p> <p>As at 31 December 2024 there were 22,500 apprentices and trainees in-training.</p> <p>Of the 22,500 South Australian apprentices and trainees in-training, as at 31 December 2024, 15,400 (approximately 69%) were in courses aligned to South Australian Government Priority Areas.</p>

Agency objectives	Indicators	Performance
Support individuals to gain skills, access tailored supports and transition to work - completions	% of qualification completions at Certificate III and above for government funded VET	In 2024 the proportion of South Australian government-funded VET qualifications completed at a certificate III and above level was 78.2%.
Support individuals to gain skills, access tailored supports and transition to work – tailored supports	Number of Upfront Assessment of Need (UAN) literacy and numeracy assessments undertaken Number of students accessing Support and Wellbeing Supports across Registered Training Organisations (RTOs)	In 2024-25 - 75, 000 UAN Literacy and Numeracy assessments were undertaken. - Success and Wellbeing Supports provided approximately 30,000 hours of support to just under 1,200 unique students across 75 RTOs.
Support individuals to gain skills, access tailored supports and transition to work – employment status	Improved employment status after training Percentage of employers satisfied with VET	For 2024, the proportion of government-funded VET qualification completers that had an improved employment status after completing their training was 68.5%. For 2023 (latest date available), the proportion of South Australian employers that were satisfied with VET was 63.1%.
Drive local, national and international investment – attract and connect with local investment opportunities	Investment facilitated into South Australia through Invest SA. Number of new jobs secured through investment opportunities	\$920.1 million of investment facilitated into South Australia (with Invest SA support). 1,081 new jobs secured through Invest SA investment facilitation.

Agency objectives	Indicators	Performance
Increase and diversify the export of our goods and services – connecting with international markets	Trade outcomes facilitated for South Australia through export assistance and programs.	Supported \$181.9 million in new exports through departmental export assistance and programs.
Increase and diversify the export of our goods and services – trade advisory and capability building services	Export services provided to South Australian businesses.	Supported 582 South Australian businesses with export services.
Promote South Australia's brand and competitive advantages domestically and internationally – targeted business missions and activations	High level Ministerial and business missions delivered and supported.	<p>Delivered 6 Ministerial missions for the Minister for Trade and Investment.</p> <p>Supported 5 Ministerial missions for the Premier and other South Australian Government Ministers.</p> <p>Supported 2 missions for the Governor of South Australia.</p> <p>Supported 33 business missions to key markets.</p>
Promote South Australia's brand and competitive advantages domestically and internationally – compelling positioning of SA and our capabilities	Uptake of Brand SA by registered businesses.	10,767 businesses registered to use the State Brand – there has been a 12% uplift in business registrations in 2024-25.

Corporate performance summary

The Department of State Development was established on 1 July 2024.

Over the past year corporate performance has focussed on establishment activity and work to transition incoming functions including; transition of information and systems, streamlining and improving internal operations and processes, review of the organisation's governance structure and review of the organisation's policies and procedures.

Employment opportunity programs

Program name	Performance
N/A	No employment opportunity programs were offered in the 2024-25 Financial Year.

Agency performance management and development systems

Performance management and development system	Performance
Performance Development Planning (PDP) is a two-way process between managers and employees to discuss and plan performance objectives and development needs. It is expected that all employees have documented conversations about their performance twice per year.	<p>At 31 December 2024, 89% of employees had a documented PDP conversation within the past six months.</p> <p>At 30 June 2025, 79% of employees had a documented PDP conversation within the past six months.</p> <p><i>These figures do not include DSD employees working within the Office of the Minister for Trade and Investment, Local Government, and Veteran's Affairs, or the Office of the South Australian Skills Commission</i></p>

Work health, safety and return to work programs

Program name	Performance
Flu Vaccination Program	A flu vaccination program was offered to all employees as a combination of onsite clinics and pharmacy vouchers.
Wellbeing initiatives	<p>Several training and information sessions to support mental health and wellbeing were provided in the 2024-25 financial year.</p> <p>52 employees completed the Crucial Conversations program to support a speak up culture and increased psychological safety.</p> <p>As part of the department's focus on White Ribbon reaccreditation, a workshop on Responding to Domestic Violence in the Workplace was offered to managers and employees in May 2025.</p> <p>Vicarious Trauma and De-escalation training was delivered in December 2024.</p> <p>The department also provided an Employee Assistance Program, with Corporate Health Group as the external provider.</p> <p>To support physical wellbeing, the department encouraged staff to participate in Corporate Cup.</p> <p>Workstation ergonomic assessments, undertaken by an occupational therapist, was also offered to employees.</p>

Workplace injury claims	Current year 2024-25	Past year 2023-2024	% Change (+ / -)
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

**number of claimants assessed during the reporting period as having a whole person impairment meeting the relevant threshold under the Return to Work Act 2014 (Part 2 Division 5)*

Work health and safety regulations	Current year 2024-25	Past year 2023-2024	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2024-25	Past year 2023-2024	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$6,185.30	\$2,054.55	+201%
Income support payments – gross (\$)	\$0	\$0	0%

**before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/diis-annual-report-statistics-2023-24>

Executive employment in the agency

Executive classification	Number of executives
SAES1	17
SAES2	4
Chief Executive	1

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/diis-annual-report-statistics-2023-24>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2024-2025 are attached to this report.

Statement of Comprehensive Income	2024-25 Original Budget \$000s	2024-25 Actual \$000s	Variation \$000s	2023-24 Actual \$000s
Total Income	68 651	580 065	511 414	61 745
Total Expenses	67 923	572 536	504 613	72 326
Net Result	728	7 529	6 801	(10 581)
Total Comprehensive Result	728	7 529	6 801	(10 578)

The department reported a \$7.529 million net surplus in the 2024-25 financial year. This result is \$6.801 million favourable compared to original budget. Explanation of major variances are provided at note 1.4 of the full audited financial statements.

Statement of Financial Position	2024-25 Original Budget \$000s	2024-25 Actual \$000s	Variation \$000s	2023-24 Actual \$000s
Current assets	12 971	87 662	74 691	17 593
Non-current assets	7 976	16 661	8 685	8 521
Total assets	20 947	104 323	83 376	26 114
Current liabilities	10 393	19 207	8 814	7 074
Non-current liabilities	8 536	16 518	7 982	11 249
Total liabilities	18 929	35 725	16 796	18 323
Net assets	2 018	68 598	66 580	7 791
Equity	2 018	68 598	66 580	7 791

The department's net assets at 30 June 2025 were \$66.580 million higher than original budget, primarily due to the transfer of net assets of \$53.278 million relating to the transfer of Skills SA, Trade and Investment and Population Strategy functions to DSD effective 1 July 2024 (refer note 1.3 of the full audited financial statements).

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$ 4 990

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
2XE Pty Ltd	Delivery of workshops, consultations, and sustainability assessments to assist South Australian small businesses develop strategies to improve their environmental sustainability and build skills and capability to implement sustainable business practices.	\$ 99 531
2XE Pty Ltd	Specialist review of energy efficiency grant applications.	\$ 25 900
BDO Services Pty Ltd	Financial and operational review services.	\$ 14 310
Craig Simmons	Independent Advisor to the South Australian government as Chief Scientist.	\$ 100 706
David O'Connor	Independent Advisor on matters relating to the establishment of the new Adelaide University.	\$ 202 680
Hannan and Partners Pty Ltd	Stakeholder engagement and recommendations report for the Kangaroo Island Business Hub.	\$ 22 186
Infinity Ventures Pty Ltd	Special envoy to Singapore and South-East Asia.	\$ 93 333

Consultancies	Purpose	\$ Actual payment
Intellectual Capital Services	Research and Innovation Fund review.	\$ 46 875
Intellectual Capital Services	Manufacturing Growth accelerator program review.	\$ 15 625
Robert Walters Pty Ltd	UK market migration research.	\$ 35 971
X Factor Developments	To work with Harvard University in the development of a potential partnership focusing on South Australia's world leading energy transition to renewables, and to develop innovation networks into Boston and New England, United States of America.	\$ 33 750
Zed Management Consulting	External Evaluation of SA Group Training Program and GTO Boost Programs.	\$ 92 150
	Total	\$ 788 007

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/diis-annual-report-statistics-2023-24>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$ 362 912

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
2XE Pty Ltd	Development of an energy savings calculator for the energy efficiency grant program.	\$ 10 000
4 TH Harmonic Pty Ltd	Support to meet defence skills, workforce and supply chain needs.	\$ 214 599
4 TH Harmonic Pty Ltd	Construction industry workforce profiling and analysis.	\$ 13 388
Akkodis Australia Talent Pty Ltd	Project officer and senior business analyst for Skills SA Digital Transformation projects.	\$ 278 060
Alemba Pty Ltd	Support services for the IT Service Management tool.	\$ 20 700
Anthony Love Journalist	Services provided to the South Australian Wine Ambassadors program.	\$ 35 550
Australian Sports Technologies Network Ltd	Delivery of the South Australian Sports Technology Export Capability program.	\$ 15 909
B Pragmatic Pty Ltd	Project management services for the South Australian Healthcare Consortium project.	\$ 88 266
B Pragmatic Pty Ltd	Project manage South Australian Healthcare	\$ 65 003

Contractors	Purpose	\$ Actual payment
	Consortium project feasibility.	
BDO Services Pty Ltd	Economic analysis support.	\$ 44 000
BDO Services Pty Ltd	Risk and audit management and strategy services.	\$ 41 985
BDO Services Pty Ltd	Business case development for an enterprise CRM.	\$ 13 489
Belinda Hay	Business reviews for the Global Expansion program.	\$ 33 000
Business SA	Event management services.	\$ 16 000
Chamonix IT Management Consulting (SA) Pty Ltd	ICT specialist services for Skills SA Digital Transformation projects.	\$ 312 856
Clear Decisions Trust	Project management and relocation support for Trade and Investment functions.	\$ 44 000
COGS Project Therapy Pty Ltd	Migration of data and configuration into new instances of Jira and Confluence.	\$ 19 440
Corporate Scorecard Pty Ltd	Financial viability assessment.	\$ 14 663
CyberCX Pty Ltd	Review of the Global Expansion program.	\$ 30 000
CYLAD Australia Pty Ltd	Review of the Global Expansion program.	\$ 55 500
Data 3 Ltd	Managed platform services.	\$ 118 110

Contractors	Purpose	\$ Actual payment
Databricks Inc	Data migration and architectural design review.	\$ 99 483
Deloitte Touche Tohmatsu	Internal audit services over the departments screening processes, systems and controls.	\$ 20 381
DesignInc Adelaide Pty Ltd	Provision of design services.	\$ 70 279
Dialog Pty Ltd	ICT specialist services for Skills SA Digital Transformation projects.	\$ 133 515
Digivate Health Pty Ltd	Digital Health support provided for the Health Consortium feasibility.	\$ 12 000
Duck and Partners Pty Ltd	Strategic advisory services to determine scope for enterprise CRM.	\$ 15 000
Elevate Management Consulting	Commercial support for the South Australian Healthcare Consortium project.	\$ 83 172
ERM Australia Consultants	ICT specialist services for Skills SA Digital Transformation projects.	\$ 928 450
Ernst and Young	Review of industry and strategic internal engagement functions.	\$ 34 900
Expose Data Pty Ltd	ICT specialist services for Skills SA Digital Transformation projects.	\$ 1 981 990
Foreign Enterprise Human Resources Services Co. (FESCO)	Senior Business Development Officer for the Jinan Overseas Office.	\$ 97 350

Contractors	Purpose	\$ Actual payment
Frame Creative Pty Ltd	Website development services for Migration SA.	\$ 35 000
Gippsland Group Training Ltd	Recruitment process outsourcing partner for The Alternative Industry Placement program.	\$ 282 516
Gray Andreotti Advisory	Commercial advisory services.	\$ 82 125
Hammond Street Developments Pty Ltd	Apprenticeship and Traineeship online Application System (ATLAS) software support, Maintenance, enhancement and development services.	\$ 201 550
Hannan & Partners Pty Ltd	Cyber security support services.	\$ 33 645
Hannan & Partners Pty Ltd	SA Cyber Security and SA Protective Security Framework attestation review.	\$ 27 434
Hannan & Partners Pty Ltd	Update the 2024-25 Protective Security and Cyber Security Program.	\$ 15 454
Hays Specialist Recruitment	Temporary staff hire.	\$ 442 633
Hays Specialist Recruitment	ICT specialist services for Skills SA Digital Transformation projects.	\$ 180 762
Hoban Recruitment Pty Ltd	Temporary staff hire.	\$ 58 427
Idea Science Pty Ltd	ICT specialist services for Skills SA Digital Transformation projects.	\$ 713 895
Information Proficiency and Sigma Data Solutions	Establishment of new content manager workgroup server for the	\$ 12 280

Contractors	Purpose	\$ Actual payment
	Department for Energy and Mining.	
Intellectual Capital Services	Productivity analysis services.	\$ 11 250
Kilo Partners Pty Ltd	Project management services for Small Business Week 2025.	\$ 18 760
Latitude IT Pty Ltd	ICT specialist services for Skills SA Digital Transformation projects.	\$ 587 931
Leaders Institute of SA	Innovation Leaders Network (ILN) Leadership program delivery.	\$ 53 334
LightBulb Digital	Interface design, implementation and content assistance for the DSD intranet.	\$ 25 715
LOUJAY Pty Ltd	Financial due diligence and grant assessment support.	\$ 28 301
Merkle ANZ Pty Ltd	Salesforce Program Architect for Skills SA Digital Transformation projects.	\$ 464 275
Michels Warren Pty Ltd	Provision of branding services.	\$ 10 960
Mike Smith Pictures	Videography services for the ZAHRA Case Study.	\$ 24 150
Mike Smith Pictures	Heavy Industry Multi-Skills project to support learners to improve their foundation skills and move into further training or work in the Upper Spencer Gulf region.	\$ 16 355
Monkeystack Pty Ltd	Development services for a virtual reality project.	\$ 31 640

Contractors	Purpose	\$ Actual payment
Motiv Brand Design	Media and communications design and artwork services.	\$ 39 200
MTX Australia Pty Ltd	ICT specialist services for Skills SA Digital Transformation projects.	\$ 163 755
Muller Junqueira Capital Pty Ltd	Development of skill improvement surveys and workshop delivery.	\$ 10 000
NEC Australia Pty Ltd	Change management services.	\$ 19 173
Nilson (SA) Pty Ltd	Electrical maintenance services for the TechHub.	\$ 12 189
Nucleus Media Australia Pty Ltd	Marketing and communications support for Small Business Week 2025.	\$ 14 673
Ocado Retail Ltd	E-Commerce campaign to promote SA wines in the UK.	\$ 39 720
On The Table Events Pty Ltd	Event management services for Learner Support services launch event .	\$ 18 682
Paxus Australia Pty Ltd	ICT specialist services for Skills SA Digital Transformation projects.	\$ 1 367 088
Peoplebank Australia Ltd	Temporary staff hire.	\$ 59 374
Pernix Pty Ltd	ICT specialist services for Skills SA Digital Transformation projects.	\$ 753 554
Pitstop Marketing Pty Ltd	Proofing and editing services for the Migration SA website.	\$ 30 000

Contractors	Purpose	\$ Actual payment
Rajendra Mugunthan (trading as East West Consultants)	Accounting Services for the Office of the Agent General in London.	\$ 52 778
Randstad Pty Ltd	Temporary staff hire.	\$ 341 972
Readygrad Pty Ltd	Delivery of professional development to graduates and employers for The Alternative Industry Placement program.	\$ 15 245
Reconciliation SA Pty Ltd	Development of a Reconciliation Action Plan.	\$ 25 320
Rural Business Support	Financial counselling for small business impacted by Drought.	\$ 68 000
Sara Jane Consulting Pty Ltd	Media and communications services.	\$ 69 813
Sarah Creeper Pty Ltd	Communication and event management services for the South Australian Science Excellence Awards.	\$ 31 900
Scyne Advisory Pty Ltd	Program assurance review.	\$ 63 336
Scyne Advisory Pty Ltd	Financial and data analysis and modelling services.	\$ 37 350
SFDC Australia Pty Ltd	Salesforce technical support.	\$ 39 559
Showpony Adelaide Pty Ltd	For services relating to the Buy Local campaign.	\$ 52 080
Society Marketing Communications Pty Ltd	Communications services to support the Office for Small and Family Business.	\$ 24 532

Contractors	Purpose	\$ Actual payment
Society Marketing Communications Pty Ltd	Development of a workforce toolkit.	\$ 12 615
Talent International (SA) Pty Ltd	Temporary staff hire.	\$ 672 321
The Big Middle Pty Ltd	ICT specialist services for Skills SA Digital Transformation projects.	\$ 145 738
The Digital Embassy Pty Ltd	Hosting and website maintenance services Skills SA.	\$ 15 750
The University of Adelaide	Review of the Wine Export Diversification program.	\$ 25 000
Think Human Pty Ltd	IT architecture services for the South Australian Healthcare Consortium project.	\$ 41 360
University of South Australia	Ethics and governance support for the South Australian Healthcare Consortium project.	\$ 20 833
VeriFire	Fire protection services for the TechHub.	\$ 17 888
Victoria University	Employment forecasts of economic conditions over the period 2024-25 to 2033-24.	\$ 25 000
Watertec Australia Pty Ltd	Monthly maintenance and water treatment services for the TechHub.	\$ 15 531
Watson Fitzgerald & Associates Pty Ltd	Maintenance services for the TechHub.	\$ 22 398
White Design	Design and development of brand materials for the Osaka World Expo.	\$ 14 450

Contractors	Purpose	\$ Actual payment
Yamagigu Consulting Pty Ltd	Develop an Aboriginal Adult Education and Training Strategy in consultation with key stakeholders.	\$ 185 291
	Total	\$ 13 245 811

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/diis-annual-report-statistics-2023-24>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#).

The website also provides details of [across government contracts](#).

Risk management

Risk and audit at a glance

The department is committed to establishing, integrating, and embedding risk management within its operations to contribute to the achievement of the department's strategic objectives.

The department's Risk and Assurance function provides objective assurance and consulting services to enhance the department's ability to achieve its strategic objectives. It supports the Chief Executive and Executives in effectively fulfilling their responsibilities related to risk management, governance, and internal control. Additionally, it provides ongoing support to the department's Risk and Audit Committee (RAC), a key governance body advising and assisting the Chief Executive.

The RAC, in its advisory capacity, continued to assist the Chief Executive to fulfil its responsibilities in matters relating to integrity of the financial statements, compliance with relevant legal and regulatory requirements, performance of the internal audit function and efficient and effective management of all aspects of risk as prescribed under the committee's Terms of Reference. The RAC is chaired by an external member and met four times in 2024-25.

The department's risk management activities are supported by dedicated risk management resources, and a Risk Management Framework, comprising of a Risk Management Policy and Procedure and associated templates, which outlines the department's position and approach to risk management.

The department's Executive Leadership Committee (ELC) undertook a Strategic Risk Assessment Review in October 2024 to develop an updated Strategic Risk Register and Risk Appetite Statement. The ELC identified eleven strategic risks which have been assigned for implementation of risk mitigation strategies, monitoring and reporting, with oversight provided by the ELC and the RAC.

The department developed and implemented a comprehensive Risk-Based Internal Audit and Compliance Program, which encompassed internal audit projects, compliance reviews, and other assurance activities. The Program was designed to assess the adequacy and effectiveness of existing policies and procedures, ensuring that robust internal controls are in place. It also aimed to identify opportunities for improvement to further strengthen the department's overall control environment.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Departmental operations	0
Grant related	3

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

The department has a zero tolerance to fraud, corruption, intentional and serious misconduct, or substantial maladministration of any type.

The department has adopted and promotes the Code of Ethics for the South Australian Public Sector, which outlines the expected standards of ethical conduct, integrity, and professionalism for all employees.

The department also supports the maintenance of an effective internal control environment by ensuring compliance with relevant legislation and regulations, namely the Public Finance and Audit Act 1987, applicable Treasurer's Instructions and Australian Accounting Standards.

The department's Fraud Control Policy, Procedure and Plan outline the department's approach to preventing, detecting, and responding to fraud. Processes are also in place for recording, analysing, reporting and escalating fraud and corruption loss events and control failures. These include the endorsement of key mechanisms in preventing, detecting and responding to the risks of fraud. These controls are supported by an Internal Audit and Compliance Program, with findings reported to the RAC and recommendations implemented by relevant business units, under the ongoing oversight of the Risk and Assurance team.

The department maintains a robust risk-based Financial Management Compliance Program (FMCP) as mandated by Treasurer's Instructions 28 – Financial Management, which includes control elements deemed critical to relevant and reliable financial reporting. In addition, the department maintains effective internal controls including segregation of duties, maintaining and regularly reviewing financial authorisations within the department's e-procurement and purchase card management systems against financial authorisations and employee termination reports, and ensuring key reconciliations are performed regularly.

In addition to the FMCP, fraud risk management is embedded in the department's risk management processes. It is integrated into employees' daily business operations and further assessed through targeted risk evaluations, including the identification of fraud and financial reporting risks.

To strengthen the management of fraud risks related to the issuing and monitoring of grants, and to address recommendations from the Independent Commission Against Corruption's 2023 Evaluation of Grants Administration, the department has reviewed and updated its Grants Management Framework, robust due diligence processes have been implemented to support the assessment of grant applications, and a Fraud Risk e-learning module has been developed to raise staff awareness and promote sound risk management practices.

Other policies and procedures maintained by the department to manage the risk of fraud include:

- Complaints Management Policy and Procedure
- Conflicts of Interest Procedure
- Employee Screening Procedure
- Financial authorisations

- Financial policies and procedures
- Gifts and Benefits Policy and Register
- Grants Management Framework
- Outside Employment Procedure
- Public Interest Disclosure Procedure
- Risk Management Policy and Procedure

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/diis-annual-report-statistics-2023-24>

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

Nil

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/diis-annual-report-statistics-2023-24>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Nil

Reporting required under the *Carers' Recognition Act 2005*

The Department of State Development is an applicable organisation for the purposes of the Carers' Recognition Act 2005.

Section 7: Compliance or non-compliance with section 6 of the Carers Recognition Act 2005 and (b) if a person or body provides relevant services under a contract with the organisation (other than a contract of employment), that person's or body's compliance or noncompliance with section 6.

The department provides online training to staff regarding disability and inclusion, which includes the Carer's Recognition Act 2005, as well as flexible working and special leave options to assist employees in meeting caring responsibilities.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	1
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	1
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	1
Policy	Policy content	Policy content difficult to understand; policy	0

Complaint categories	Sub-categories	Example	Number of Complaints
		unreasonable or disadvantages customer	
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	3

Additional Metrics	Total
Number of positive feedback comments	0
Number of negative feedback comments	4
Total number of feedback comments	105
% complaints resolved within policy timeframes	67% 2 Complaints

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/diis-annual-report-statistics-2023-24>

Service Improvements

The department is committed to ensuring information and services are easy to access and welcomes feedback from our customers and the general public.

Of the 105 recorded feedback comments/enquiries received during 2024-2025, two were complaints, and the remainder were operational enquiries or suggestions referred to the relevant business unit for action. These feedback and complaints assist the department to continually improve the overall customer experience and service.

Compliance Statement

The Department of State Development is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
The Department of State Development has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees.	Y

Appendix: Audited financial statements 2024-25



Our ref: A25/303

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
www.audit.sa.gov.au

Mr A Reid
Chief Executive
Department of State Development
email: adam.reid@sa.gov.au

Dear Mr Reid

Audit of the Department of State Development for the year to 30 June 2025

We have completed the audit of your accounts for the year ended 30 June 2025. Two key outcomes from the audit are the:

- 1 Independent Auditor's Report on your agency's financial report
- 2 audit management letters recommending you address identified weaknesses.

1 Independent Auditor's Report

We are returning the financial report for the Department of State Development, with the Independent Auditor's Report. This report is unmodified. The *Public Finance and Audit Act 1987* allows me to publish documents on the Audit Office of South Australia website. The enclosed Independent Auditor's Report and accompanying financial report will be published on that website on Tuesday 14 October 2025.

My annual report to Parliament indicates that we have issued an unmodified Independent Auditor's Report on your financial report.

2 Audit management letter

During the year, we sent you an audit management letter detailing the weaknesses we noted and improvements we considered you need to make. Significant matters related to controls over payroll processing.

We have received a response to our letter and will follow up matters raised in our 2025-26 audit.

I have also included summary comments about these matters in my annual report. These identify areas we assessed as not meeting a sufficient standard of financial management, accounting and control.

What the audit covered

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- machinery of government changes
- expenditure, grants and accounts payable
- employee benefits and payroll
- revenue
- cash management
- property, plant and equipment
- general ledger.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Blaskett
Auditor-General

22 September 2025

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To the Chief Executive Department of State Development

Opinion

I have audited the financial report of the Department of State Development for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department of State Development 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 Director, Finance and Investment Services.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Department of State Development. 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 of State Development for the financial year ended 30 June 2025.

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

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of State Development'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

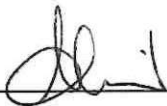
**Department of State Development
(DSD)**

**Financial Statements
for the year ended
30 June 2025**


Department of State Development
Certification of the Financial Statements
for the year ended 30 June 2025

We certify that the:

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



Adam Reid
Chief Executive
15 September 2025



Martin Smith
Director, Finance and Investment Services
15 September 2025

Department of State Development
Statement of Comprehensive Income
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Income</u>			
Appropriations	3.1	433 071	53 688
Fees and charges	3.2	2 848	2 226
Grants and subsidies	3.3	44 466	-
Intra-government transfers	3.4	91 626	2 929
Resources received free of charge	3.5	1 114	783
Interest	3.6	59	48
Other income	3.7	6 881	2 071
Total income		580 065	61 745
<u>Expenses</u>			
Employee related expenses	4.1	52 700	21 932
Supplies and services	4.2	40 551	9 954
Depreciation and amortisation	4.4	2 406	1 778
Grants and subsidies	4.5	476 260	29 624
Interest expense on lease liabilities		201	195
Payments to Consolidated Account	4.6	-	8 822
Other expenses	4.7	418	21
Total expenses		572 536	72 326
Net result		7 529	(10 581)
<u>Other comprehensive income</u>			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus	5.4	-	3
Total other comprehensive income		-	3
Total comprehensive result		7 529	(10 578)

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

Department of State Development
Statement of Financial Position
as at 30 June 2025

		2025	2024
	Note	\$'000	\$'000
<u>Current assets</u>			
Cash	5.2	79 421	14 527
Receivables	5.3	8 241	3 066
Total current assets		87 662	17 593
<u>Non-current assets</u>			
Receivables	5.3	580	113
Property, plant and equipment	5.4	8 722	1 011
Leased property, plant and equipment	5.5	6 751	6 884
Intangible assets	5.6	608	513
Total non-current assets		16 661	8 521
Total assets		104 323	26 114
<u>Current liabilities</u>			
Payables	6.2	11 717	3 203
Lease liabilities	6.3	1 488	1 162
Employee related liabilities	6.4	5 743	2 559
Provisions	6.5	94	48
Other non-financial liabilities	6.6	165	102
Total current liabilities		19 207	7 074
<u>Non-current liabilities</u>			
Lease liabilities	6.3	7 124	7 039
Employee related liabilities	6.4	8 828	3 826
Provisions	6.5	424	177
Other non-financial liabilities	6.6	142	207
Total non-current liabilities		16 518	11 249
Total liabilities		35 725	18 323
Net assets		68 598	7 791
<u>Equity</u>			
Contributed capital		50 978	50 978
Retained earnings		17 617	(43 190)
Asset revaluation surplus	7.1	3	3
Total equity		68 598	7 791

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

Department of State Development
Statement of Changes in Equity
for the year ended 30 June 2025

		Contributed	Asset	Retained	Total
	Note	capital	revaluation	earnings	equity
		\$'000	surplus	\$'000	\$'000
Balance at 1 July 2023		50 978	-	(32 557)	18 421
Net result for 2023-24		-	-	(10 581)	(10 581)
Total comprehensive result for 2023-24		-		(10 581)	(10 581)
Net assets transferred on administrative restructure	1.3	-	-	(52)	(52)
Gain on revaluation of works of art during 2023-24		-	3	-	3
Balance at 30 June 2024		50 978	3	(43 190)	7 791
Net result for 2024-25		-	-	7 529	7 529
Total comprehensive result for 2024-25		-	-	7 529	7 529
Net assets received from administrative restructure	1.3	-	-	53 278	53 278
Balance at 30 June 2025		50 978	3	17 617	68 598

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

Department of State Development
Statement of Cash Flows
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Cash flows from operating activities</u>			
<u>Cash inflows</u>			
Appropriations		433 071	53 688
Fees and charges		2 796	2 929
Receipts from Commonwealth-sourced grants		44 279	-
SA Government grants, subsidies and transfers		91 626	2 788
GST recovered from the ATO		6 003	2 805
Interest received		59	48
Other receipts		237	2 941
Cash generated from operations		578 071	65 199
<u>Cash outflows</u>			
Employee related payments		(44 212)	(21 816)
Payments for supplies and services		(56 468)	(11 796)
Payments of security deposits		-	(58)
Payments of grants and subsidies		(467 746)	(32 713)
Net GST allocated to South Australian Skills Commission		(157)	-
Interest paid		(201)	(195)
Payments to Consolidated Account		-	(8 822)
Other payments		(285)	(1)
Cash (used in) operations		(569 069)	(75 401)
Net cash from / (used in) operating activities	7.2	9 002	(10 202)
<u>Cash flows from investing activities</u>			
<u>Cash inflows</u>			
Repayment of principal portion of lease receivable		432	201
Cash generated from investing activities		432	201
<u>Cash outflows</u>			
Purchase of property, plant and equipment		(401)	(229)
Cash (used in) investing activities		(401)	(229)
Net cash from / (used in) investing activities		31	(28)
<u>Cash flows from financing activities</u>			
<u>Cash inflows</u>			
Cash received from restructuring activities	1.3	57 334	-
Cash generated from financing activities		57 334	-
<u>Cash outflows</u>			
Cash transferred as a result of restructuring activities		-	(540)
Repayment of principal portion of lease liabilities		(1 473)	(1 125)
Cash (used in) financing activities		(1 473)	(1 665)
Net cash from / (used in) financing activities		55 861	(1 665)
Net increase / (decrease) in cash		64 894	(11 895)
Cash at the beginning of the period		14 527	26 422
Cash at the end of the period	5.2, 7.2	79 421	14 527

Department of State Development

Notes to and forming part of the financial statements

for the year ended 30 June 2025

1. About the Department of State Development

The Department of State Development (the department) is a not-for-profit government department of the State of South Australia established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown. As proclaimed on 30 May 2024 and in accordance with section 26 of the *Public Sector Act 2009*, effective from 1 July 2024 the title of the Department for Industry, Innovation and Science was altered to the Department of State Development.

The Minister for Industry, Innovation and Science has a 25% interest in SABRENet. SABRENet was registered on 28 September 2005 as a not-for-profit company limited by guarantee and has been recognised by the Australian Taxation Office (ATO) as a tax exempt entity. The founding members are the three South Australian public Universities and the South Australian Government. The objectives for which the company was established are to be a not-for-profit institution to further the use of advanced data networking for conducting research and education in South Australia, for the benefit of South Australia and for the purposes of economic and social advancement in Australia generally. While the Minister has significant influence over SABRENet, the Minister's interest in SABRENet is limited to the Minister's use of SABRENet's asset (the network). That is, the Minister receives no return for the interest in SABRENet.

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

Administered items

Administered items are disclosed separately in this report (refer note 10).

1.1. Basis of preparation

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

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

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.

All amounts in the financial statements and accompanying notes are rounded to the nearest thousand dollars (\$'000).

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, 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.

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.

Significant accounting policies are set out throughout the notes.

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.2. Objectives and programs

The department drives sustainable economic growth by increasing industrial capability and capacity, developing the state's research and innovation system, developing a skilled workforce, attracting investment and facilitating trade. The department's role is to drive economic development and ensure that South Australia capitalises on the opportunities in priority sectors and major projects.

Working with key industry, business, university and research stakeholders, as well as across government and our international network, the department aims to increase productivity within the economy, and help businesses to grow and succeed locally, nationally and globally.

This is achieved by:

- working with industry stakeholders and across government to deliver relevant, outcomes focused and efficient policy and programs,
- supporting industry sectors to build their capability and capacity,
- leveraging South Australia's strengths and major projects to attract new investment and capabilities to South Australia,
- investing in research and innovation to help businesses adopt technology, accelerate productivity, commercialise ideas and deliver new products, services and processes,
- equipping small and family businesses with the tools to grow, innovate and take advantage of new market opportunities,
- fostering a progressive, globally recognised higher and international education sector, aligning vocational education and training (VET) with the critical skills needed in priority sectors, supporting students to complete their studies and transition into the workforce, and helping businesses and industry to grow and attract a skilled workforce driving local, national and international investment across a range of sectors, and
- supporting local businesses to grow and diversify export opportunities in global markets.

In the latter half of 2024-25, the department prioritised the Whyalla steelworks support package, particularly supporting businesses, workers at the steelworks and within the steelworks supply chain, and the broader Whyalla community through delivering the South Australian Business Creditor Assistance Scheme, the Whyalla Small Local Business Support Grant program, and the Spencer Gulf Jobs and Skills Hub.

Programs

The department has identified four programs that reflect the nature of the services delivered to the South Australian community.

The programs of the department and their objectives are:

Industry, Innovation and Science

The purpose of the Industry, Innovation and Science program is to support a productive, resilient and sustainable economy by:

- developing supply chain capability, including advanced manufacturing capability, in key industries such as defence,
- encouraging and supporting businesses to adopt critical technologies to solve problems and uncover new ways of doing things,
- supporting research excellence, collaboration, translation and commercialisation through industry, research and government collaboration and investment,
- investing in global excellence in South Australian science and research,
- connecting entrepreneurs and startup founders with resources, and supporting them to develop new goods and services for global markets and attract private sector capital,

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.2 Objectives and programs (continued)

- supporting industry sectors and regions to address current and emerging workforce and skills challenges and deliver South Australia's major projects,
- managing skilled and business migration programs to provide businesses and industry with access to skills they are not able to source locally, and
- working with education providers to build a progressive, globally recognised higher and international education sector.

Skills SA

As the steward of South Australia's VET system, Skills SA is focused on developing skilled people and a connected skills system through:

- aligning training investment with the critical skills needed to fulfill major projects in high-growth sectors and areas with increasing demand and strategic economic priority,
- providing tailored supports and services to help students and apprentices to make informed learning choices, complete their studies and transition into the workforce,
- working in partnership with employers, industry and the community to build the workforce and deepen insights through engagement and robust data, and
- focusing on quality, flexible, responsive and innovative training delivery that meets industry skills needs.

This program transferred from the Department for Education effective 1 July 2024 (refer note 1.3).

Small and Family Business

The purpose of the Small and Family Business program is to support small and family businesses in South Australia to grow, innovate and take advantage of new market opportunities by:

- providing information, tools and resources to business owners and managers,
- delivering targeted capability development programs to address capability and knowledge gaps, build stronger business foundations, and accelerate growth, and
- improving access to government services through diverse communication streams and easy access to tools, information and services.

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.2 Objectives and programs (continued)

Trade and Investment

Attracting investment, developing international partnerships and trade pathways, and connecting into global supply chains to export through:

- working with national and international companies across a range of sectors to target, attract and facilitate investment into South Australia,
- connecting industry and research partners and local exporters with potential investors
- identifying market opportunities in key sectors and connecting local exporters with international buyers through South Australia's global trade and investment offices,
- supporting local businesses to grow and diversify export opportunities in global markets,
- coordinating inbound and outbound business missions to explore new opportunities with key markets, and
- strengthening South Australia's reputation through the State Brand and maximising the profile of the state's goods and services.

This program transferred from the Department for Trade and Investment effective 1 July 2024 (refer note 1.3)

Department of State Development
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

	Industry, Innovation and Science		Small and Family Business		Creative Industries		Skills SA	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Appropriations	-	-	-	-	-	-	-	-
Fees and charges	1 969	2 032	76	194	-	-	361	-
Grants and subsidies	1 000	-	-	-	-	-	43 093	-
Intra-government transfers	2 382	2 707	64 847	222	-	-	15 844	-
Resources received free of charge	315	651	69	114	-	18	328	-
Interest	59	48	-	-	-	-	-	-
Other income	2 826	2 040	198	31	-	-	2 314	-
Total income	8 551	7 478	65 190	561	-	18	61 940	-
Expenses								
Employee related expenses	14 496	18 448	3 161	3 242	-	242	15 104	-
Supplies and services	6 696	7 616	1 724	2 201	-	137	13 886	-
Depreciation and amortisation	1 036	1 649	34	114	-	15	768	-
Grants and subsidies	33 861	20 383	32 420	4 857	-	4 384	407 938	-
Interest expense on lease liabilities	172	195	-	-	-	-	-	-
Payments to Consolidated Account	-	-	-	-	-	-	-	-
Other expenses	58	18	33	3	-	-	62	-
Total expenses	56 319	48 309	37 372	10 417	-	4 778	437 758	-
Net result	(47 768)	(40 831)	27 818	(9 856)	-	(4 760)	(375 818)	-

Department of State Development
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 (continued)

	Trade and Investment		General / Unattributed		Activity Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Income</u>						
Appropriations	-	-	433 071	53 688	433 071	53 688
Fees and charges	442	-	-	-	2 848	2 226
Grants and subsidies	373	-	-	-	44 466	-
Intra-government transfers	8 553	-	-	-	91 626	2 929
Resources received free of charge	402	-	-	-	1 114	783
Interest	-	-	-	-	59	48
Other income	1 543	-	-	-	6 881	2 071
Total income	11 313	-	433 071	53 688	580 065	61 745
<u>Expenses</u>						
Employee related expenses	19 939	-	-	-	52 700	21 932
Supplies and services	18 245	-	-	-	40 551	9 954
Depreciation and amortisation	568	-	-	-	2 406	1 778
Grants and subsidies	2 041	-	-	-	476 260	29 624
Interest expense on lease liabilities	29	-	-	-	201	195
Payments to Consolidated Account	-	-	-	8 822	-	8 822
Other expenses	265	-	-	-	418	21
Total expenses	41 087	-	-	8 822	572 536	72 326
Net result	(29 774)	-	433 071	44 866	7 529	(10 581)

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.2 Objectives and programs (continued)

Asset and liabilities by program

	Industry, Innovation and Science		Small and Family Business		Skills SA	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Assets</u>						
Cash	-	-	-	-	-	-
Receivables	1 370	3 079	3 147	100	3 421	-
Property, plant and equipment	1 495	946	49	65	6 358	-
Leased property, plant and equipment	6 194	6 884	-	-	-	-
Intangible assets	262	480	8	33	194	-
Total assets	9 321	11 389	3 204	198	9 973	-
<u>Liabilities</u>						
Payables	2 241	1 977	2 636	1 226	4 540	-
Lease liabilities	8 050	8 201	-	-	-	-
Employee related liabilities	4 008	5 431	874	954	4 176	-
Provisions	142	191	31	34	148	-
Other non-financial liabilities	30	255	20	54	236	-
Total liabilities	14 471	16 055	3 561	2 268	9 100	-
Net assets	(5 150)	(4 666)	(357)	(2 070)	873	-

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.2 Objectives and programs (continued)

Asset and liabilities by program (continued)

	Trade and Investment General / Unattributed				Activity Total	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Assets</u>						
Cash	-	-	79 421	14 527	79 421	14 527
Receivables	883	-	-	-	8 821	3 179
Property, plant and equipment	820	-	-	-	8 722	1 011
Leased property, plant and equipment	557	-	-	-	6 751	6 884
Intangible assets	144	-	-	-	608	513
Total assets	2 404	-	79 421	14 527	104 323	26 114
<u>Liabilities</u>						
Payables	2 300	-	-	-	11 717	3 203
Lease liabilities	562	-	-	-	8 612	8 201
Employee related liabilities	5 513	-	-	-	14 571	6 385
Provisions	197	-	-	-	518	225
Other non-financial liabilities	21	-	-	-	307	309
Total liabilities	8 593	-	-	-	35 725	18 323
Net assets	(6 189)	-	79 421	14 527	68 598	7 791

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.3 Changes to the department

Transferred in 2024-25

The *Public Sector (Reorganisation of Public Sector Operations) Notice 2024* (dated 27 June 2024) proclaimed that effective 1 July 2024:

- resources and functions of Skills SA will be transferred from the Department for Education
- resources and functions of Invest SA, International, Trade, Brand SA and Office of the Agent General will be transferred from the Department for Trade and Investment, and
- resources and functions of Population Strategy will be transferred from the Department of the Premier and Cabinet.

The following assets and liabilities for were transferred into the department:

	Skills SA \$'000	Trade and Investment \$'000	Population Strategy \$'000	Total \$'000
Cash	53 843	3 491	-	57 334
Receivables	914	801	-	1 715
Property, plant and equipment	8 300	215	-	8 515
Leased property, plant and equipment	1	999	-	1 000
Intangible assets	198	-	-	198
Total assets	63 256	5 506	-	68 762
Payables	2 675	3 371	4	6 050
Lease liabilities	14	1 000	-	1 034
Employee related liabilities	5 160	2 715	20	7 882
Provisions	417	101	7	518
Total liabilities	8 266	7 187	31	15 484
Total net assets transferred in	54 990	(1 681)	(31)	53 278

Net assets transferred into the department were recognised at the carrying amount. The net assets transferred were treated as a contribution by the government as owner

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.3 Changes to the department (continued)

Transferred in 2024-25

Responsibility for resources associated with the Minister for Trade and Investment transferred from the Department for Infrastructure and Transport effective 1 July 2024.

The following liabilities for Minister for Trade and Investment were transferred into the department:

	\$'000
Employee related liabilities	191
Total liabilities	191
Total net assets transferred in	(191)

Net assets assumed by the department were recognised at the carrying amount. The associated leave balances for transferred employees have been recognised as an increase in employee liabilities and other expenses (refer note 4.8).

Transferred out 2024-25

Functions previously delegated under Part 4 – Apprenticeships, traineeships and training contracts of the *South Australia Skills Act 2008* were transferred from the Department of State Development to the South Australian Skills Commission. In accordance with Part 3 Section 23 (1) (a) of the *South Australian Skills Act 2008*, this included the assignment of staff from Traineeship and Apprenticeship Services to the Commission effective 1 July 2024.

The following liabilities for Traineeship and Apprenticeship Services were transferred out of the department:

	\$'000
Employee related liabilities	788
Provisions	86
Total liabilities	874
Total net assets transferred out	874

Net assets transferred out of the department were recognised at the carrying amount. The associated leave balances for transferred employees have been recognised as a decrease in employee liabilities and an increase other income (refer note 3.7).

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.3 Changes to the department (continued)

Transferred out 2023-24

The *Public Sector (Reorganisation of Public Sector Operations) Notice 2023* (dated 14 September 2023) proclaimed that effective 1 October 2023, resources and functions of Creative Industries will be transferred to the Department of the Premier and Cabinet.

The following assets and liabilities for Creative Industries were transferred out of the department:

	\$'000
Cash	540
Receivables	29
Total assets	569
Payables	227
Employee related liabilities	277
Provisions	13
Total liabilities	517
Total net assets transferred out	52

Net assets transferred out by the department were recognised at the carrying amount. The net assets transferred were treated as a contribution to the government as owner.

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.4. Budget performance

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

		Original Budget 2025	Actual 2025	Variance 2025	Adjustment for Training and Skills 2025	Adjustment for Trade and Investment 2025	Adjusted Variance 2025
Statement of Comprehensive Income	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Appropriations		61 613	433 071	371 458	336 939	31 512	3 007
Fees and charges		2 443	2 848	405	-	74	331
Grants and subsidies		-	44 466	44 466	64 174	-	(19 708)
Intra-government transfers	(a)	2 948	91 626	88 678	-	126	88 552
Resources received free of charge		-	1 114	1 114	-	-	1 114
Interest		475	59	(416)	-	-	(416)
Other income		1 172	6 881	5 709	-	248	5 461
Total income		68 651	580 065	511 414	401 113	31 960	78 341
Expenses							
Employee related expenses		21 391	52 700	31 309	17 702	20 405	(6 798)
Supplies and services		5 852	40 551	34 699	23 328	20 925	(9 554)
Depreciation and amortisation		2 033	2 406	373	2 125	446	(2 198)
Grants and subsidies		38 478	476 260	437 782	396 591	5 456	35 735
Interest expense on lease liabilities		169	201	32	-	24	8
Other expenses		-	418	418	-	96	322
Total expenses		67 923	572 536	504 613	439 746	47 352	17 515
Net result		728	7 529	6 801	(38 633)	(15 392)	60 826
Total comprehensive result		728	7 529	6 801	(38 633)	(15 392)	60 826

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

DSD's original budget did not include income and expenses attributable to the functions that were transferred in as part of machinery of government changes effective from 1 July 2024 (refer note 1.3).

The adjusted variance above identifies variances from the original budget after considering the activity of these transferred functions.

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.4. Budget performance (continued)

Income and operating expenditure

(a) Intra-government transfers were \$88.6 million higher than the adjusted original budget primarily due to:

- contingency payments received from the Department of Treasury and Finance for the Whyalla steelworks support package (\$48.7 million) and additional funding to TAFE SA in line with National Skills Agreement priorities (\$15.8 million),
- funding received from the Business Growth Fund for energy efficiency grants (\$16.6 million), and
- additional funding received to support carryovers relating to programs transferred to the department effective 1 July 2024 (\$9.2 million).

		Original		Adjustment	Adjustment	
		Budget	Actual	Variance	for Training	Adjusted
		2025	2025	2025	and Skills	variance
		\$'000	\$'000	\$'000	2025	2025
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Investing expenditure summary						
Total new projects	(a)	631	258	(373)	-	(373)
Total annual programs	(b)	353	144	(209)	-	(209)
Total leases	(c)	-	1 818	1 818	-	1 728
Total investing expenditure		984	2 220	1 236	-	1 146

Investing expenditure

- (a) Expenditure on new projects is \$0.4 million lower than original budget primarily due to timing of the delivery of stage two of the Workforce Data Modelling tool.
- (b) Expenditure on annual programs is \$0.2 million lower than the original budget primarily due to project costs being expensed.
- (c) Expenditure on leases is \$1.7 million higher than budget primarily due to changes in lease-term assumptions for the Marnirni-apinthe Building at Lot Fourteen (\$1.0 million) and the recognition of the new lease for the Office of the Agent General (\$0.7 million).

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.5. Significant transactions with government related entities

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

- accommodation expenses are primarily related to accommodation provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement (refer note 4.2).
- grant and subsidy payments of \$266.8 million were made to TAFE SA.
- grant payments of \$7.9 million to the South Australian Government Financing Authority for grants provided through the Research and Innovation Fund.
- grant payments of \$4.5 million to StudyAdelaide including \$2.0 million to attract and retain high quality international students to drive sustained growth following the COVID-19 pandemic.

Department of State Development
Notes to and forming part of the financial statements
for the year ended 30 June 2025

2. Board and committees

2.1 Key management personnel

Key management personnel of the department include the Minister for Industry, Innovation and Science, the Chief Executive Officer and nine (2024: six) members of the Executive Team who have responsibility for the strategic direction and management of the department.

Post-employment benefits relate to superannuation.

	2025	2024
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	2 501	1 489
Post-employment benefits	336	238
Total compensation	2 837	1 727

Transactions with key management personnel and other related parties

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

2.2 Board and committee members

Members during the 2025 financial year were:

Risk and Audit Committee

D Contala (Chair)

D Price *

D Tembak *

K Hunt *

Brand SA Advisory Board

M J Jeffreys (Chair) (re-appointed February 2025)

K Balnaves (appointed February 2025)

C Hann (expired January 2025)

J Torres (expired January 2025)

F Dos Santos (re-appointed February 2025)

G Georgiadis (re-appointed February 2025)

R Morse (re-appointed February 2025)

P Vandenberg (appointed February 2025)

J Zeiher (appointed February 2025)

The Brand SA Advisory Board transferred from the Department for Trade and Investment effective 1 July 2024.

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

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2.2 Board and committee members (continued)

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

	2025	2024
\$0	3	3
\$1 - \$19 999	10	2
Total number of paid members	13	5

The total remuneration received or receivable by members was \$51 572 (2024: \$18 972). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

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3 Income

3.1 Appropriations

	2025	2024
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	429 660	50 373
Appropriation from the Governor's Appropriation Fund	3 411	3 315
Total appropriations	433 071	53 688

Appropriations are recognised on receipt.

Total appropriations received from the Consolidated Account pursuant to the *Appropriation Act* consists of \$429.7 million (2024: \$50.4 million) for capital and operational funding. This appropriation comprises money issued and applied to the department as per Schedule 1 of the Act, varied pursuant to section 5 of the Act for changed functions and duties of the department (refer note 1.3).

The original amount appropriated to the department under the annual *Appropriation Act* was adjusted for monies received from the Treasurer via the Governor's Appropriation Fund of \$3.4 million (2024: \$3.3 million) pursuant to the *Public Finance and Audit Act 1987*.

3.2 Fees and charges

	2025	2024
	\$'000	\$'000
Immigration application fees	1 623	927
Service level agreement fees	1 225	1 299
Total fees and charges	2 848	2 226

Fees and charges are intended to recover costs and revenue is recognised when services are performed.

The department collects fees to assess skilled and business migrant applications that were set out in the *South Australian Migration Fees 2024* Notice, published in the SA Government Gazette on 13 June 2024.

Service level agreement fees primarily relate to corporate services provided to the Department for Energy and Mining \$1.2 million (2024: \$1.2 million).

Department of State Development
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3.3 Grants and subsidies

	2025	2024
	\$'000	\$'000
Commonwealth-sourced grants		
National Partnership - National Skills Agreement	37 064	-
National Partnership - Fee Free TAFE	6 029	-
National Partnership - Degree Apprenticeship Pilot Program	1 000	-
TradeStart	373	-
Total Commonwealth-sourced grants	44 466	-
Total grants and subsidies	44 466	-

Commonwealth-sourced grants and funding are recognised as income on receipt.

Obligations under Commonwealth-sourced grants and funding are required to be met by the State of South Australia. For accounting purposes, obligations under the funding arrangements only rest with the department for TradeStart as this was received directly from the Commonwealth by the department, with the department representing the State of South Australia's obligations under the grant. The Commonwealth has provided funding to the State for the following purposes:

- National Partnership – National Skills Agreement aims to strengthen the VET sector and ensures high-quality, accessible, and responsive training.
- National Partnership – Fee Free TAFE provides support for priority groups including First Nations Australians, young people (17-24), people out of work or receiving income support, unpaid carers, women facing economic insecurity, women undertaking study in non-traditional fields, people with disability and certain categories of visa holders.
- National Partnership – Degree Apprenticeship Pilot Program supports the delivery of the program through the contribution of funding for administrative and program management costs associated with establishing the pilot.
- TradeStart supports the delivery of TradeStart services in South Australia from 1 July 2024 to 30 June 2028.

National Partnership funding for the National Skills Agreement, Fee Free TAFE and Degree Apprenticeships was originally received by the State and then paid from the Department of Treasury and Finance Administered Items to the department.

3.4 Intra-government transfers

	2025	2024
	\$'000	\$'000
Transfers from the Treasurer's Contingency Fund	64 557	63
Business Growth Fund	17 118	2 500
Transfers from the Department for Housing and Urban Development	8 191	-
Transfers from the Department of the Premier and Cabinet	1 257	135
Other	503	231
Total Intra-government transfers	91 626	2 929

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

Transfers from the Treasurer's Contingency Fund include funding from the Whyalla steelworks support package for delivery of the South Australian Business Creditor Assistance Scheme, the Whyalla Small Local Business Support Grant program, and the Spencer Gulf Jobs and Skills Hub (\$48.7 million) and additional funding to TAFE SA in line with National Skills Agreement priorities (\$15.8 million).

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3.4 Intra-government transfers (continued)

Funding from the Business Growth Fund in 2025 primarily relates to funding for energy efficiency grants (\$16.6 million).

Transfers from the Department for Housing and Urban Development (formerly the Department for Trade and Investment) and the Department of the Premier and Cabinet primarily relate to funding for carryovers for programs transferred into the department effective 1 July 2024.

3.5 Resources received free of charge

	2025	2024
	\$'000	\$'000
Services received free of charge - Department of Treasury and Finance	587	-
Services received free of charge - Shared Services SA	388	190
Services received free of charge - Audit Office of South Australia	104	-
Services received free of charge - Department of the Premier and Cabinet	35	593
Total resources received free of charge	1 114	783

The department receives Financial Accounting, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA, ICT services from the Department of Treasury and Finance and media monitoring services from the Department of the Premier and Cabinet free of charge. ICT services were previously provided through the Department of the Premier and Cabinet in 2024. Commencing from 1 July 2024, the department also receives audit services free of charge from the Audit Office of South Australia.

3.6 Interest

	2025	2024
	\$'000	\$'000
Interest	46	42
Interest on lease receivables	13	6
Total interest	59	48

3.7 Other income

	2025	2024
	\$'000	\$'000
Land sale recoveries - Edinburgh Parks	2 882	-
Operating rent from sub-leases	1 471	1 581
Recoveries	1 192	324
Gain on transfer of employee related liabilities	874	-
Accommodation incentive amortisation	165	102
Sponsorship revenues	120	50
Gain on remeasurement of finance leases	-	12
Gain on derecognition of finance leases	15	-
Other	162	2
Total other income	6 881	2 071

Gain on transfer of employee liabilities is due to the transfer of staff to the South Australian Skills Commission effective 1 July 2024 (refer note 1.3).

Department of State Development
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4 Expenses

4.1 Employee related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages	39 940	16 389
Superannuation	5 203	2 072
Annual leave	3 322	1 588
Long service leave	1 486	741
Skills and experience retention leave	214	80
Targeted voluntary separation packages	109	50
Board and committee fees - excluding on-costs	46	17
Workers compensation	(137)	(44)
Other employee related expenses	2 517	1 039
Total employee related expenses	52 700	21 932

Superannuation

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

Employee remuneration

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

	2025	2024
	Number	Number
\$166,001 to \$171,000*	N/A	-
\$171,001 to \$191,000	5	3
\$191,001 to \$211,000	5	1
\$211,001 to \$231,000	4	4
\$231,001 to \$251,000	4	3
\$251,001 to \$271,000	1	2
\$271,001 to \$291,000	4	3
\$291,001 to \$311,000	2	-
\$311,001 to \$331,000	1	1
\$331,001 to \$351,000	1	-
\$351,001 to \$371,000	1	-
\$411,001 to \$431,000	-	1
\$431,001 to \$451,000	1	-
Total number of employees	29	18

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2024-25.

The total remuneration received by those employees for the year was \$7.2 million (2024: \$4.5 million).

Department of State Development
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4.1 Employee related expenses (continued)

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

Targeted voluntary separation packages (TVSPs)

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

	2025	2024
	\$'000	\$'000
Amount paid to separated employees:		
Targeted voluntary separation packages	109	50
Leave paid to separated employees	20	5
Net cost to the department	129	55

The net cost to the department after accounting for employment on-costs and Shared Services SA processing fees was \$0.1 million (2024: \$0.1 million).

4.2 Supplies and services

	2025	2024
	\$'000	\$'000
Contractors	13 246	1 960
Overseas trade representation	6 651	-
Information technology and communication charges ⁽¹⁾	5 100	2 325
Accommodation and property costs	4 240	2 707
Marketing	3 566	186
Office administration expenses	2 742	1 287
Travel and related expenses	1 681	344
Staff related expenses	1 660	477
Consultancies	788	245
Shared services fees ⁽²⁾	574	193
Accounting and audit fees ⁽³⁾	131	104
Service recoveries	96	118
Short term leases	76	8
Total supplies and services	40 551	9 954

⁽¹⁾ Resources provided free of charge by the Department of Treasury and Finance (2024: Department of the Premier and Cabinet) were expensed at fair value (refer note 3.5).

⁽²⁾ Resources provided free of charge by Shared Services SA were expensed at fair value (refer note 3.5).

⁽³⁾ Audit fees paid / payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$0.10 million in 2024. In 2025 resources received free of charge from the Audit Office of South Australia were expensed at fair value (refer note 3.5). No other services were provided by the Audit Office of South Australia.

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4.2 Supplies and services (continued)

Accommodation and property costs

Most of the department's accommodation is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease set out in AASB 16 *Leases* and are expensed accordingly.

Information about accommodation incentives relating to this arrangement is shown at note 6.6.

4.3 Expenditure - South Australian and Non-South Australian business

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

Expenditure is inclusive of non-recoverable GST.

	2025 \$'000	Proportion SA and non-SA businesses
Total expenditure with South Australian businesses	15 520	74%
Total expenditure with non-South Australian businesses	5 374	26%
Total expenditure	20 894	100%

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

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

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

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

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4.4 Depreciation and amortisation

	2025	2024
	\$'000	\$'000
Right-of-use buildings	1 083	1 063
Buildings, accommodation and leasehold improvements	798	292
Intangible assets	340	247
Plant and equipment	149	176
Right-of-use vehicles	36	-
Total depreciation and amortisation	2 406	1 778

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

Accommodation incentives in the form of accommodation improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

Land, works of art and non-current assets classified as held for sale are not depreciated.

Useful life

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

Class of asset	Useful life (years)
Accommodation and leasehold improvements	Life of lease
Right-of-use buildings	Life of lease
Right-of-use vehicles	Life of lease
Plant and equipment	3-11
Intangible assets	1-5
Buildings	5-30

Review of accounting estimates

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

4.5 Grants and subsidies

	2025	2024
	\$'000	\$'000
TAFE SA	266 810	-
Skills SA - VET subsidies	111 909	-
Industry, Innovation and Science	32 998	20 134
Small and Family Business	32 413	4 845
Skills SA - Other	29 187	-
Trade and Investment	2 001	-
Migration	832	182
Creative Industries	-	4 384
Other	110	79
Total grants and subsidies	476 260	29 624

Department of State Development
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4.6 Payments to Consolidated Account

Payments to the Consolidated Account were nil (2024: \$8.8 million). Payments to the Consolidated Account in 2024 relate to the return of surplus cash in accordance with the cash alignment policy.

4.7 Other expenses

	2025	2024
	\$'000	\$'000
Loss on assumption of employee related liabilities	191	-
Loss on accommodation incentive	162	-
Expected credit loss	41	20
Derecognition of an intangible asset	20	-
Loss on remeasurement of lease liabilities	4	-
Other expenses	-	1
Total other expenses	418	21

Loss on assumption of employee liabilities is due to the transfer of staff from the Department for Infrastructure and Transport effective 1 July 2024 (refer note 1.3).

4.8 Overseas representative offices

The following table presents a summary of financial transactions that funded departmental operations for overseas offices during the reporting period. These offices were transferred to the department from the Department for Trade and Investment effective 1 July 2024. The transactions relating to operating expenses and operating revenues have been included in the financial statements.

The costs relating to overseas representation provided through Austrade are not included in the table below. These costs are shown in note 4.2 (refer Overseas trade representation).

	Jinan	London	2025
	\$'000	\$'000	\$'000
Operating expenses	177	2 031	2 208
Operating revenues	-	484	484
Funds advanced to overseas offices towards operating expenses	228	1 593	1 821

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5 Assets

5.1 Financial assets

	2025	2024
	\$'000	\$'000
Financial assets measured at amortised cost		
Cash and cash equivalents	79 421	14 527
Contractual receivables	6 966	2 770
Total financial assets	86 387	17 297

5.2 Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Deposits with the Treasurer - Operating Account	72 944	11 205
Accrual Appropriation Excess Funds	4 973	2 275
Section 21 Deposit Account - TechInSA	1 067	1 047
Deposits at call - Overseas Offices	437	-
Total cash in the Statement of Financial Position	79 421	14 527
Total cash in the Statement of Cash Flows	79 421	14 527

Cash is measured at nominal amounts. 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.

The department has overseas deposit accounts in China and the United Kingdom which transferred from the Department for Trade and Investment effective 1 July 2024. The carrying amount of cash and cash equivalents represents nominal value in Australian dollars.

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5.3 Receivables

	2025	2024
	\$'000	\$'000
Current receivables		
Contractual receivables		
From government entities	1 787	1 655
From non-government entities	471	199
Less impairment loss on receivables	(89)	(48)
Finance lease receivables	431	432
Accrued revenues	3 786	419
Total contractual receivables	6 386	2 657
Statutory receivables		
GST receivable	1 026	371
Total statutory receivables	1 026	371
Prepayments	781	-
Other receivables	48	38
Total current receivables	8 241	3 066
Non-current receivables		
Contractual receivables		
Finance lease receivables	580	113
Total contractual receivables	580	113
Total non-current receivables	580	113
Total receivables	8 821	3 179

Contractual receivables

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

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

Refer to note 9.3 for further information on risk management.

Statutory receivables

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

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

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

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5.3 Receivables (continued)

Allowance for impairment loss on receivables

	2025	2024
	\$'000	\$'000
Carrying amount at 1 July	(48)	(28)
(Increase) in the allowance	(41)	(20)
Carrying amount at 30 June	(89)	(48)

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

Refer to note 9.3 for details regarding credit risk and the methodology for determining impairment.

5.4 Property, plant and equipment

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 with the exception of works of art. Works of art are capitalised irrespective of their value.

Property, plant and equipment is recorded at fair value. Detail about the department's approach to fair value is set out in note 9.2.

Plant and equipment includes \$0.7 million (2024: \$0.4 million) of fully depreciated plant and equipment still in use.

Impairment

Property, plant and equipment owned by the department has not been assessed for impairment as they are non-cash generating assets that are specialised in nature and held for continual use of their service capacity. Land and buildings are subject to regular revaluation.

Reconciliation of property, plant and equipment

Property, plant and equipment comprises tangible assets owned by the department. The assets presented below do not meet the definition of investment property.

The following table shows the movement of property, plant and equipment during 2024-25:

	Plant and equipment	Buildings, accommodation and leasehold improvements	Land	Works of art	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2024	244	717	-	50	1 011
Additions	143	-	-	-	143
Additions through administrative restructure	60	3 203	5 250	2	8 515
Depreciation	(149)	(798)	-	-	(947)
Carrying amount at 30 June 2025	298	3 122	5 250	52	8 722
Gross carrying amount					
Gross carrying amount	1 153	5 356	5 250	52	11 811
Accumulated depreciation	(855)	(2 234)	-	-	(3 089)
Carrying amount at 30 June 2025	298	3 122	5 250	52	8 722

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5.4 Property, plant and equipment (continued)

The following table shows the movement of property, plant and equipment during 2023-24:

	Plant and equipment	Buildings, accommodation and leasehold improvements	Works of art	Total
	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2023	349	1 009	47	1 405
Additions	71	-	-	71
Revaluation increment	-	-	3	3
Depreciation	(176)	(292)	-	(468)
Carrying amount at 30 June 2024	244	717	50	1 011
Gross carrying amount				
Gross carrying amount	956	2 097	50	3 103
Accumulated depreciation	(712)	(1 380)	-	(2 092)
Carrying amount at 30 June 2024	244	717	50	1 011

5.5 Leased property, plant and equipment

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.

Reconciliation of leased property, plant and equipment

The following table shows the movement of leased property, plant and equipment during 2024-25:

	Right-of-use buildings	Right-of-use vehicles	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2024	6 884	-	6 884
Additions	1 115	-	1 115
Derecognitions	(1 066)	(63)	(1 129)
Depreciation	(1 083)	(36)	(1 119)
Transfers through administrative restructuring	901	99	1 000
Carrying amount at 30 June 2025	6 751	-	6 751
Gross carrying amount			
Gross carrying amount	10 215	-	10 215
Accumulated depreciation	(3 464)	-	(3 464)
Carrying amount at 30 June 2025	6 751	-	6 751

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5.5 Leased property, plant and equipment (continued)

The following table shows the movement of leased property, plant and equipment during 2023-24:

	Right-of-use buildings	Right-of-use vehicles	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2023	7 564	12	7 576
Additions	1 019	-	1 019
Derecognitions	(636)	-	(636)
Depreciation	(1 063)	-	(1 063)
Disposal through administrative restructuring	-	(12)	(12)
Carrying amount at 30 June 2024	6 884	-	6 884
Gross carrying amount			
Gross carrying amount	9 306	-	9 306
Accumulated depreciation	(2 422)	-	(2 422)
Carrying amount at 30 June 2024	6 884	-	6 884

The department received 8 motor vehicle leases from the Department for Education and Department for Trade and Investment effective 1 July 2024.

Motor vehicle lease contractual arrangements with SAFA Fleet are no longer accounted for under AASB 16 *Leases* effective 1 April 2025. From 1 April 2025, SAFA Fleet motor vehicle lease payments were recorded directly in the Statement of Comprehensive Income (refer note 4.2). All related right-of-use assets and liabilities up to 31 March 2025 were derecognised in accordance with the changes. Associated commitments are included in note 8.1.

Transfers of right-of-use buildings through administrative restructuring of \$1.0 million primarily relate to the lease of accommodation for overseas representative offices in Jinan and London from the Department for Trade and Investment effective 1 July 2024.

Additions of \$1.1 million primarily relate to the change in lease-term assumptions for the Marnirni-apinthe Building at Lot Fourteen (\$1.0 million). In 2024 additions of \$1.0 million primarily relate to the commencement of a new lease agreement with Renewal SA at Lot Fourteen for the Marnirni-apinthe Building (\$0.9 million).

Derecognitions of \$1.1 million primarily relate to the change in lease-term assumptions and reduction in right-of-use buildings for the finance sub-lease arrangement for the Marnirni-apinthe Building (\$0.9 million) and derecognition of the lease for the London overseas representative office, following the commencement of a new lease agreement (\$0.2 million). In 2024 derecognitions of \$0.6 million were processed to recognise the reduction in right-of-use buildings due to the commencement of a new finance sub-lease agreement for the Marnirni-apinthe Building.

The department has a limited number of leases that will continue into 2024-25:

- in October 2023 the department entered a two-year building lease for the Marnirni-apinthe Building at Lot Fourteen with Renewal SA. No contingent rental provisions exist within the lease agreement, and there is an option to renew the lease for an additional two years at the end of the lease term. The lease term is currently assumed to be four years. The department has also entered a four year sub-lease from April 2024. The sub-lease is disclosed as a finance lease and the right-of-use asset has been reduced to account for the sub-lease.

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5.5 Leased property, plant and equipment (continued)

- on 30 June 2021 a building lease for the TechHub was transferred to the department from TechInSA. The lease term ends in June 2033, and there is an option to renew the lease for an additional five years at the end of the lease term. The lease term is currently assumed to end in June 2033. Sub-leases associated with the TechHub have been disclosed as operating leases (refer note 9.2). Income from operating sub-leases in 2024 is disclosed in note 2.6.
- in July 2024 the department entered a three-year building lease for the Office of the Agent General in London. The lease term ends in June 2027, and there are no options to renew the lease at the end of the lease term.
- in June 2025 the department renewed the building lease for the overseas representative office in Jinan for three-years. The lease term ends on 31 May 2028, and there are no options to renew the lease at the end of the lease term.
- in June 2025 the department entered into a lease with TAFE SA at the Whyalla Campus for the Spencer Gulf Jobs and Skills Hub. The lease term ends May 2026, and there is an option to renew the lease for an additional two years at the end of the lease term. The lease term is currently assumed to end in May 2028.

Lease liabilities related to right-of-use assets and the department's maturity analysis of its lease liabilities are disclosed in note 6.3. Expenses related to right-of-use assets, including depreciation and interest expenses, are disclosed in note 4. Cash outflows related to right-of-use assets are disclosed in note 7.2.

Finance lease receivables related to finance sub-leases are disclosed in note 6.3. The department's maturity analysis of its finance lease receivables is disclosed in note 8.2.

Impairment

Leased property, plant and equipment has been assessed for impairment. There was no indication of impairment at 30 June 2025. No impairment loss or reversal of impairment loss was recognised.

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5.6 Intangible assets

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

The acquisition of internally developed software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Internally developed computer software primarily relates to the department's intangible integration platform, records management, Migration systems. Intangible software also includes VET systems transferred from the Department for Education (refer note 1.3). These systems have an average useful life of three years and carrying amount of \$0.3 million.

Reconciliation of intangible assets

The following table shows the movement of intangible assets during 2024-25:

	Intangible software	Intangible work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2024	418	95	513
Additions	-	258	258
Amortisation	(340)	-	(340)
Asset derecognition	(20)	-	(20)
Additions through administrative restructure	197	-	197
Carrying amount at 30 June 2025	255	353	608
Gross carrying amount			
Gross carrying amount	10 163	353	10 516
Accumulated amortisation	(9 908)	-	(9 908)
Carrying amount at 30 June 2025	255	353	608

The following table shows the movement of intangible assets during 2023-24:

	Intangible software	Intangible work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2023	602	-	602
Additions	-	158	158
Capitalisation	63	(63)	-
Amortisation	(247)	-	(247)
Carrying amount at 30 June 2024	418	95	513
Gross carrying amount			
Gross carrying amount	2 071	95	2 166
Accumulated amortisation	(1 653)	-	(1 653)
Carrying amount at 30 June 2024	418	95	513

Department of State Development
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6 Liabilities

6.1 Financial liabilities

	2025	2024
	\$'000	\$'000
Contractual payables	11 717	3 203
Lease liabilities	8 611	8 201
Total financial liabilities	20 328	11 404

6.2 Payables

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Contractual payables and accrued expenses	11 717	3 203
Total current payables	11 717	3 203
Total payables	11 717	3 203

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

Contractual payables

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

Statutory payables

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

6.3 Lease liabilities

A maturity analysis of financial liabilities based on undiscounted gross cash flow is reported in the table below:

	2025	2024
	\$'000	\$'000
Within one year	1 664	1 331
Later than one year but no longer than five years	4 687	3 728
Later than five years	2 946	3 926
Total financial liabilities (undiscounted)	9 297	8 985

The department measures financial liabilities including borrowings / debt at amortised cost. Lease liabilities have been measured via discounting lease payments using the Department of Treasury and Finance incremental borrowing rate.

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6.4 Employee related liabilities

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Annual leave	3 876	1 593
Employment on-costs	1 080	529
Long service leave	334	309
Skills and experience retention leave	267	118
Accrued salaries and wages	186	10
Total current employee related liabilities	5 743	2 559
<u>Non-current</u>		
Long service leave	7 990	3 470
Employment on-costs	838	356
Total non-current employee related liabilities	8 828	3 826
Total employee related liabilities	14 571	6 385

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 and sick leave

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

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased to 3.2% (2024: 2.4%).

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

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

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 at note 9.1.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. 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 contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and external schemes.

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6.4. Employee related liabilities (continued)

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained at 44% and the average factor for the calculation of employer superannuation cost on-costs has increased to 12% (2024: 11.5%). These rates are used in the employment on-cost calculation. The impact on 2025 is immaterial and cannot be reliably estimated for future years.

6.5 Provisions

All provisions relate to workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	2025	2024
	\$'000	\$'000
Carrying amount at 1 July	225	284
Increase / (reduction) in provisions recognised as a result of restructure activities	439	(13)
(Reduction) resulting from re-measurement or settlement without cost	(146)	(46)
Carrying amount at 30 June	518	225

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. 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.

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.

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6.6 Other non-financial liabilities

	2025	2024
	\$'000	\$'000
<u>Current</u>		
Accommodation incentive	165	102
Total current other liabilities	165	102
<u>Non-current</u>		
Accommodation incentive	95	160
Rental bonds from tenants	47	47
Total non-current other liabilities	142	207
Total other liabilities	307	309

A maturity analysis of other liabilities based on undiscounted gross cash flow is reported in the table below:

	2025	2024
	\$'000	\$'000
Within one year	165	102
Later than one year but no longer than five years	142	207
Total other liabilities (undiscounted)	307	309

Accommodation incentive liabilities relate to arrangements with the Department for Infrastructure and Transport for office accommodation. These arrangements do not comprise leases and the accommodation incentives do not comprise financial liabilities under AASB 16 *Leases*. The Department for Infrastructure and Transport has provided a range of incentives relating to the fit-out of accommodation. The benefit of these incentives is spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the office accommodation arrangements and related benefits provided.

Rental bonds are recognised as a liability on receipt.

Department of State Development
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7 Other disclosures

7.1 Equity

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

7.2 Cash flow

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 are \$1.5 million (2024: \$1.1 million).

	2025	2024
	\$'000	\$'000
<u>Reconciliation of net cash provided by operating activities to net result</u>		
Net cash from / (used in) operating activities	9 002	(10 202)
<u>Add / (less) non-cash items</u>		
Depreciation and amortisation expense of non-current assets	(2 406)	(1 778)
Amortisation of accommodation incentive	165	102
Loss on accommodation incentive	(162)	-
Net gain on remeasurement of finance lease	-	12
Gain on derecognition of finance leases	15	-
Loss on remeasurement of lease liabilities	(4)	-
Asset derecognition	(20)	-
Expected credit loss	(41)	(20)
Resources received free of charge	1 114	783
Resources provided free of charge	(1 419)	(783)
Loss on transfer of employee related liabilities	(191)	
Gain on transfer of employee related liabilities	874	
Transfer in for administrative restructure	12 758	-
Transfer out for administrative restructure	-	(488)
<u>Movement in assets and liabilities</u>		
Increase / (decrease) in receivables	4 436	(1 041)
(Increase) / decrease in payables	(8 114)	2 280
Decrease in other non-financial liabilities	-	371
(Increase) / decrease in provisions	(293)	59
(Increase) / decrease in employee related liabilities	(8 185)	124
Net result	7 529	(10 581)

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8 Outlook

8.1 Unrecognised contractual commitments

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

Contractual commitments to acquire property, plant and equipment and intangible assets

The department has nil capital commitments to acquire property plant and equipment or intangible assets at 30 June 2025 (2024: \$Nil).

Other contractual commitments

	2025	2024
	\$'000	\$'000
Within one year	69 483	28 752
Later than one year but not longer than five years	45 533	47 068
Later than five years	192	-
Total expenditure commitments	115 208	75 820

The department's expenditure commitments are for agreements for Memoranda of Administrative Arrangement with the Department for Infrastructure and Transport for accommodation and agreements with contractors, consultants, information and technology contracts and grant recipients.

Leases entered into which have not yet commenced

The department has not entered into any leases on or prior to 30 June 2025, that have not yet commenced.

8.2 Expected rental income

	2025	2024
	\$'000	\$'000
<u>Operating lease maturity analysis</u>		
Within one year	858	738
Later than one year but not longer than two years	861	-
Later than two years but not longer than three years	125	-
Total undiscounted lease payments receivable	1 844	738
Total operating lease income	1 844	738

The above table sets out a maturity analysis of operating lease payments receivable, showing the undiscounted lease payments to be received after the reporting date. These amounts are not recognised as assets.

Refer to note 5 for information about buildings the department leases out under operating leases.

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8.2 Expected rental income (continued)

	2025	2024
	\$'000	\$'000
<u>Finance lease maturity analysis</u>		
Within one year	459	432
Later than one year but not longer than two years	473	113
Later than two years but not longer than three years	120	-
Total undiscounted lease payments receivable	1 052	545
Net investment in the lease	1 052	545

The above table sets out a maturity analysis of finance lease payments, showing the undiscounted lease payments to be received after reporting date, reconciled to the net investment in the lease presented as a lease receivable (refer note 5.3).

8.3 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.

Contingent assets

The department pays subsidies to contracted Registered Training Organisations (RTOs) for the delivery of VET units disclosed by RTOs in line with the Australian and Vocational Education and Training Management Information Statistical Standard (AVETMISS).

As at 30 June 2025, the department has contingent assets relating to potential recoveries from several RTOs. The amount is subject to further information being provided to validate the total value of subsidies to be recovered from RTOs.

Where specific conditions relating to a financial assistance grant are not met, the department may request the amount granted be repaid by the grantee. There are no known contingent assets arising from these present obligations as at 30 June 2025.

Contingent liabilities

The department is not aware of any contingent liabilities as at 30 June 2025.

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8.4 Impact of standards and statements not yet effective

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

8.5 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2025 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2025.

Note disclosure is made about events between 30 June 2025 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2025 and which may have a material impact on the results of subsequent years as set out below.

There are no known events after the reporting period that would materially impact on the department's financial statements.

9 Measurement and risk

9.1 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. 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. These assumptions are based on employee data over SA Government entities.

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

The actuarial assessment performed by the Department of Treasury and Finance left the long service leave liability salary inflation rate unchanged at 3.5%. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

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

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

9.2 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. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment, other than right-of-use assets, are subsequently measured at fair value after allowing for accumulated depreciation.

Non-current tangible assets are valued at fair value and 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.

Revaluation is undertaken every six years in accordance with APS 116.E. 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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9.2. Fair value (continued)

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

During 2025, all valuations were categorised into level 3, with the exception of land which was classified as level 2. There were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation techniques.

Land and buildings

The independent valuation of land was performed by the Valuer-General as at 30 June 2024.

An independent valuation of buildings was performed in June 2024. The fair value was determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings. Information about current construction costs were derived from a combination of internal records, specialised knowledge, the acquisition / transfer costs and the estimated useful life due to age and condition of the building.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items is deemed to approximate fair value.

Works of art

An independent valuation of works of art was performed in June 2024 by Theodore Bruce, an independent Certified Practising Valuer. Fair value was determined by estimating the current replacement cost based on the limited market information available for similar works of art assets and reproduction materials.

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9.3 Financial instruments

Financial risk management

Risk management is managed by the department's Commercial and Governance team. Departmental risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

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

Liquidity risk

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

Refer to notes 6.2 and 6.3 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 *Financial Instruments*. 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 risk characteristics and the number of 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.

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	Loss %	Lifetime expected losses
	\$'000		\$'000
Current (not past due)	172	2	4
1 - 30 days past due	115	4	4
31 - 60 days past due	-	10	-
61 - 90 days past due	4	20	1
91 - 180 days past due	180	44	80
Loss allowance	471		89

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9.3 Financial instruments (continued)

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the department's view of the forecast economic conditions over the expected life of the receivables.

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

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the department and a failure to make contractual payments for a period of greater than 180 days past due.

There were no receivables written off during the year that are still subject to enforcement activity.

Cash

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

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 Treasurer's Instruction 23 *Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through its interest-bearing liabilities, including borrowings. The department's interest-bearing liabilities are managed through the South Australian Government Financing Authority and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

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

Categorisation of financial instruments

Details of 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.

Receivables and payables

Receivables and payables at amortised cost are \$7 million (2024: \$2.8 million) and \$11.7 million (2024: \$3.1 million) respectively.

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Audit Office of South Australia audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 *Financial Instruments: Disclosures* will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

Receivable amounts disclosed here exclude prepayments as they are not financial assets. Prepayments are presented in note 5.3.

A maturity analysis of finance lease receivables is presented in note 8.2.

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10 Administered items

10.1 Disclosures of administered items as at 30 June 2025

The department's administered items are structured to contribute to three main activities:

Student Transport Concessions

Payments provided to the Department for Infrastructure and Transport to support student travel concessions for all VET and higher education students within metropolitan and regional South Australia.

Student Transport Concessions for VET students transferred from the Department for Education effective 1 July 2024.

Ministers' Salary

The department is responsible for the disbursement of parliamentary salaries and allowances pursuant to the *Parliamentary Remuneration Act 1990* on behalf of the State Government effective 1 July 2024.

Office of the Agent General

The department is responsible for the disbursement of salaries and allowances pursuant to the *Agent-General Act 1901* on behalf of the State Government. This responsibility transferred from the Department for Trade and Investment effective 1 July 2024.

Administered income and expenses

	Student Transport Concessions		Ministers' Salary		Office of the Agent General		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Income</u>								
Appropriations	17 561	10 891	357	-	-	-	17 918	10 891
Intra-government transfers	-	-	-	-	646	-	646	-
Total income	17 561	10 891	357	-	646	-	18 564	10 891
<u>Expenses</u>								
Employee related expenses	-	-	414	-	501	-	915	-
Supplies and services	-	-	-	-	117	-	117	-
Grants and subsidies	20 066	8 061	-	-	-	-	20 066	8 061
Total expenses	20 066	8 061	414	-	618	-	21 098	8 061
Net result	(2 505)	2 830	(57)	-	28	-	(2 534)	2 830

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10.1 Disclosures of administered items as at 30 June 2025 (continued)

Administered assets and liabilities

	2025	2024
	\$'000	\$'000
<u>Administered current assets</u>		
Cash and cash equivalents	2 771	5 114
Receivables	120	-
Total current assets	2 891	5 114
Total assets	2 891	5 114
 Net assets	 2 891	 5 114
 <u>Administered equity</u>		
Retained earnings	2 580	5 114
Net assets received from administrative restructure	311	-
Total equity	2 891	5 114

Transferred in 2024-25

The *Public Sector (Reorganisation of Public Sector Operations) Notice 2024* (dated 27 June 2024) proclaimed that effective 1 July 2024, resources and functions of the Office of the Agent General will be transferred from the Department for Trade and Investment.

The following administered assets for the Office of the Agent General were transferred into the department:

	\$'000
Receivables	311
Total assets	311
 Total net assets transferred in	 311

Net assets transferred into the department were recognised at the carrying amount. The net assets transferred were treated as a contribution by the government as owner.

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10.1 Disclosures of administered items as at 30 June 2025 (continued)

Budget performance

The budget performance table compares the department's administered outcomes against original budget information presented to Parliament (2024-25 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

				Adjustment for VET Student Transport Concession	Adjustment for Minister and Agent General's Salary	Adjusted Variance
	Original Budget 2025 \$'000	Actual 2025 \$'000	Variance 2025 \$'000	2025 \$'000	2025 \$'000	2025 \$'000
Note						
<u>Administered Income</u>						
Appropriations	14 842	17 918	3 076	2 791	403	(118)
Intra-government transfers	-	646	646	-	487	159
Total administered income	14 842	18 564	3 722	2 791	890	41
<u>Administered Expenses</u>						
Employee related expenses	-	915	(915)	-	890	(25)
Supplies and services	-	117	(117)	-	-	(117)
Grants and subsidies	(a)	14 842	20 066	2 791	-	(2 433)
Total administered expenses	14 842	21 098	(6 256)	2 791	890	(2 575)
Net result	-	(2 534)	(2 534)	-	-	(2 534)

Budget performance

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

DSD's original budget did not include income and expenses attributable to the functions that were transferred in as part of machinery of government changes effective from 1 July 2024 (refer above).

The adjusted variance above identifies variances from the original budget after considering the activity of these transferred functions.

Administered income and expenditure

- (a) Grants and subsidies are \$2.4 million higher than the adjusted original budget primarily due to the recognition of Student Transport Concession payments for metropolitan buses between April 2024 and June 2024 in 2024-25.