

**Department for Energy and Mining
(DEM)**

Financial Statements

For the year ended 30 June 2024

Department for Energy and Mining
Certification of the Financial Statements
for the year ended 30 June 2024

We certify that the:

- financial statements for the Department for Energy and Mining:
 - are in accordance with the accounts and records of the department;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the department at the end of the financial year and the result of its operation and cash flows for the financial year.

- internal controls employed by the Department for Energy and Mining for the financial year over its financial reporting and its preparation of financial statements have been effective.



Paul Heathersay
Chief Executive
12 September 2024



Natalie Johnston
Chief Financial Officer
12 September 2024

Department for Energy and Mining
Statement of Comprehensive Income
for the year ended 30 June 2024

| | Note | 2024 \$'000 | 2023 \$'000 |
|--|----------|----------------|-----------------|
| <u>Income</u> | | | |
| Appropriation | 2.1 | 173 334 | 24 712 |
| SA Government grants, subsidies and transfers | 2.2 | 30 370 | 26 098 |
| Fees and charges | 2.3 | 33 884 | 32 884 |
| Sales of goods and services | 2.4 | 6 240 | 5 400 |
| Interest | | 8 | 285 |
| Commonwealth-sourced grants and funding | 2.5 | 4 677 | 228 |
| Resources received free of charge | 2.6 | 541 | 507 |
| Other income | 2.7 | 3 973 | 4 954 |
| Recoveries | 2.8 | 2 485 | 3 031 |
| Total income | | 255 512 | 98 099 |
| <u>Expenses</u> | | | |
| Grants and subsidies | 4.1 | 166 480 | 51 699 |
| Supplies and services | 4.2 | 41 941 | 39 392 |
| Employee related expenses | 3.3 | 41 092 | 42 710 |
| Depreciation and amortisation | 5.1, 5.3 | 3 380 | 2 815 |
| Net loss from the disposal of non-current assets | 4.4 | 42 | 50 |
| Borrowing costs | | 18 | 8 |
| Other expenses | 4.5 | 2 132 | 2 936 |
| Cash alignment transfers to Consolidated Account | | 2 140 | 43 803 |
| Total expenses | | 257 225 | 183 413 |
| Net loss | | (1 713) | (85 314) |
| Total comprehensive result | | (1 713) | (85 314) |

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

Department for Energy and Mining
Statement of Financial Position
as at 30 June 2024

| | Note | 2024 \$'000 | 2023 \$'000 |
|---------------------------------------|------|----------------|----------------|
| <u>Current assets</u> | | | |
| Cash and cash equivalents | 6.1 | 53 107 | 55 709 |
| Receivables | 6.2 | 5 088 | 4 966 |
| Other current assets | | 433 | 914 |
| Total current assets | | 58 628 | 61 589 |
| <u>Non-current assets</u> | | | |
| Property, plant and equipment | 5.1 | 59 613 | 56 343 |
| Intangible assets | 5.3 | 13 211 | 7 446 |
| Total non-current assets | | 72 824 | 63 789 |
| Total assets | | 131 452 | 125 378 |
| <u>Current liabilities</u> | | | |
| Payables | 7.1 | 15 041 | 8 639 |
| Employee related liabilities | 3.4 | 4 841 | 4 621 |
| Financial liabilities | 7.2 | 286 | 150 |
| Provisions | 7.3 | 264 | 197 |
| Security deposits | 7.4 | 24 867 | 24 250 |
| Other current liabilities | 7.5 | 2 473 | 2 065 |
| Total current liabilities | | 47 772 | 39 922 |
| <u>Non-current liabilities</u> | | | |
| Employee related liabilities | 3.4 | 8 815 | 8 611 |
| Financial liabilities | 7.2 | 423 | 269 |
| Provisions | 7.3 | 2 403 | 2 797 |
| Other non-current liabilities | 7.5 | 44 | 71 |
| Total non-current liabilities | | 11 685 | 11 748 |
| Total liabilities | | 59 457 | 51 670 |
| Net assets | | 71 995 | 73 708 |
| <u>Equity</u> | | | |
| Retained earnings | | 37 791 | 39 504 |
| Asset revaluation surplus | | 3 226 | 3 226 |
| Contributed capital | | 30 978 | 30 978 |
| Total equity | | 71 995 | 73 708 |

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

Department for Energy and Mining
Statement of Changes in Equity
for the year ended 30 June 2024

| | Retained earnings \$'000 | Asset revaluation surplus \$'000 | Contributed capital \$'000 | Total equity \$'000 |
|---|--------------------------------|---|----------------------------------|------------------------|
| Balance as at 1 July 2022 | 124 593 | 3 226 | 30 978 | 158 797 |
| Net result for 2022-23 | (85 314) | - | - | (85 314) |
| Total comprehensive result 2022-23 | (85 314) | - | - | (85 314) |
| Net assets transferred by proclamation | 225 | - | - | 225 |
| Balance as at 30 June 2023 | 39 504 | 3 226 | 30 978 | 73 708 |
| Net result for 2023-24 | (1 713) | - | - | (1 713) |
| Total comprehensive result 2023-24 | (1 713) | - | - | (1 713) |
| Balance as at 30 June 2024 | 37 791 | 3 226 | 30 978 | 71 995 |

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

Department for Energy and Mining
Statement of Cash Flows
for the year ended 30 June 2024

| | Note | 2024 \$'000 | 2023 \$'000 |
|--|------|------------------|------------------|
| <u>Cash flows from operating activities</u> | | | |
| <i>Cash inflows</i> | | | |
| Appropriation | | 173 334 | 24 712 |
| SA Government grants, subsidies and transfers | | 30 389 | 26 098 |
| Fees and charges | | 34 265 | 31 264 |
| Commonwealth-sourced grants and funding | | 4 684 | 228 |
| Sales of goods and services | | 6 293 | 5 538 |
| Loan receivable repaid | | - | 17 779 |
| Interest | | 8 | 361 |
| Net GST recovered from ATO | | 14 805 | 6 967 |
| Receipts of security deposits | | 5 399 | 3 802 |
| Net receipts from paid parental leave scheme | | 54 | 16 |
| Other receipts | | 6 625 | 7 098 |
| Cash generated from operations | | 275 856 | 123 863 |
| <i>Cash outflows</i> | | | |
| Employee related expenses | | (41 057) | (43 424) |
| Supplies and services | | (43 455) | (43 641) |
| Refunds of security deposits | | (4 782) | (7 982) |
| Grants and subsidies | | (169 442) | (53 149) |
| Payments for paid parental leave scheme | | (53) | (16) |
| Net GST allocation to Office of Hydrogen Power South Australia (OHPSA) | | (6 813) | (392) |
| Cash alignment transfers to Consolidated Account | | (2 140) | (43 803) |
| Other payments | | (929) | (829) |
| Cash (used in) operations | | (268 671) | (193 236) |
| Net cash provided by / (used in) operating activities | 8.2 | 7 185 | (69 373) |
| <u>Cash flows from investing activities</u> | | | |
| <i>Cash inflows</i> | | | |
| Proceeds from sale of property, plant and equipment and other assets | | 67 | 285 |
| Cash generated from investing activities | | 67 | 285 |
| <i>Cash outflows</i> | | | |
| Purchase of property, plant and equipment | | (9 634) | (7 938) |
| Cash (used in) investing activities | | (9 634) | (7 938) |
| Net cash (used in) investing activities | | (9 567) | (7 653) |
| <u>Cash flows from financing activities</u> | | | |
| <i>Cash outflows</i> | | | |
| Repayment of principal portion of lease liabilities | | (220) | (221) |
| Cash (used in) financing activities | | (220) | (221) |
| Net cash (used in) financing activities | | (220) | (221) |
| Net (decrease) in cash and cash equivalents | | (2 602) | (77 247) |
| Cash at the beginning of the period | | 55 709 | 132 956 |
| Cash at the end of the period | 6.1 | 53 107 | 55 709 |

The accompanying notes form part of these financial statements

Department for Energy and Mining

Notes to and forming part of the financial statements

for the year ended 30 June 2024

1. About the Department for Energy and Mining

The Department for Energy and Mining (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.

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

The department has administered activities and resources. Administered financial statements relating to administered resources are presented separately as the final part of this report. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the department's transactions.

Attached office

The Office of Hydrogen Power South Australia (OHPSA) was established as an attached office of the Department for Energy and Mining by proclamation on 19 May 2022.

As OHPSA is not controlled by the Department for Energy and Mining, its operations do not form part of these financial statements. However, the flow through of government funding to OHPSA is reflected in the intra-government revenues and expenses of the department.

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

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

Significant accounting policies are set out throughout the notes.

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

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

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

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

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

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs

The department was established on 1 July 2018 to deliver affordable, reliable and secure energy supplies in a transitioning national energy market, and to responsibly unlock the value and opportunities offered by South Australia's mineral and energy resources.

The department also delivers effective, efficient and transparent regulation for the energy and resources sectors while fostering responsible access and development of the State's mineral and energy endowment to support jobs growth and increased exports.

The department provides leadership in national energy market reforms that integrate energy and climate change policy in national frameworks for mineral and energy resources. The department supports South Australia's role as lead legislator for national energy regulation pursuant to the Australian Energy Market Agreement.

Programs

The department has identified two broad programs that reflect the nature of the services provided to the South Australian community.

Energy and Mining

The purpose of this program is to responsibly regulate, manage and support the development of South Australia's mineral, extractive materials, petroleum and renewable energy assets, and to provide policy development, advocacy and advice to continually improve productivity, efficiency and environmental responsibility across the resources and energy sectors.

The program also supports the enforcement, compliance and promotion of technical and safety regulation of electrical and gas fitting equipment, and electrical and gas fitting industry entities, to ensure low levels of accidents and failures.

Water Industry Technical and Safety Regulation

The purpose of this program is to support the enforcement, compliance and promotion of technical and safety regulation of plumbing equipment and water industry entities to ensure low levels of accidents and failures.

The tables on the following pages present income, expenses, assets and liabilities attributable to each program.

General / not attributable

This includes the receipt of appropriation funding for the Office of Hydrogen Power South Australia which is transferred through the grants and subsidies expenditure line.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs (continued)

Income and expenses by program

| | Energy and Mining | | Water Industry Technical and Safety Regulation | | General / Not attributable | | Activity Total | |
|--|-------------------|-----------------|--|----------------|-------------------------------|-----------------|----------------|-----------------|
| | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 | 2024 \$'000 | 2023 \$'000 |
| Income | | | | | | | | |
| Appropriation | - | - | - | - | 173 334 | 24 712 | 173 334 | 24 712 |
| SA Government grants, subsidies and transfers | 17 157 | 22 596 | 3 438 | 3 502 | 9 775 | - | 30 370 | 26 098 |
| Fees and charges | 33 884 | 32 884 | - | - | - | - | 33 884 | 32 884 |
| Sales of goods and services | 6 240 | 5 400 | - | - | - | - | 6 240 | 5 400 |
| Interest | 8 | 285 | - | - | - | - | 8 | 285 |
| Commonwealth-sourced grants and funding | 4 677 | 228 | - | - | - | - | 4 677 | 228 |
| Resources received free of charge | 511 | 480 | 30 | 27 | - | - | 541 | 507 |
| Other income | 3 973 | 4 954 | - | - | - | - | 3 973 | 4 954 |
| Recoveries | 2 429 | 3 026 | 56 | 5 | - | - | 2 485 | 3 031 |
| Total income | 68 879 | 69 853 | 3 524 | 3 534 | 183 109 | 24 712 | 255 512 | 98 099 |
| Expenses | | | | | | | | |
| Grants and subsidies | 29 756 | 39 648 | 38 | 27 | 136 686 | 12 024 | 166 480 | 51 699 |
| Supplies and services | 40 879 | 38 490 | 1 062 | 902 | - | - | 41 941 | 39 392 |
| Employee related expenses | 38 750 | 40 395 | 2 342 | 2 315 | - | - | 41 092 | 42 710 |
| Depreciation and amortisation | 3 266 | 2 653 | 114 | 162 | - | - | 3 380 | 2 815 |
| Net loss from the disposal of non-current assets | 42 | 50 | - | - | - | - | 42 | 50 |
| Borrowing costs | 17 | 7 | 1 | 1 | - | - | 18 | 8 |
| Other expenses | 2 101 | 2 911 | 31 | 25 | - | - | 2 132 | 2 936 |
| Cash alignment transfers to Consolidated Account | - | - | - | - | 2 140 | 43 803 | 2 140 | 43 803 |
| Total expenses | 114 811 | 124 154 | 3 588 | 3 432 | 138 826 | 55 827 | 257 225 | 183 413 |
| Net result | (45 932) | (54 301) | (64) | 102 | 44 283 | (31 115) | (1 713) | (85 314) |

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs (continued)

Assets and liabilities by program

| | Energy and Mining | | Water Industry Technical and Safety Regulation | | Activity Total | |
|-------------------------------|--------------------------|----------------|---|---------------|-----------------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | | |
| Cash and cash equivalents | 52 360 | 54 087 | 747 | 1 622 | 53 107 | 55 709 |
| Receivables | 4 870 | 4 727 | 218 | 239 | 5 088 | 4 966 |
| Other current assets | 433 | 914 | - | - | 433 | 914 |
| Property, plant and equipment | 57 602 | 53 101 | 2 011 | 3 242 | 59 613 | 56 343 |
| Intangible assets | 12 765 | 7 017 | 446 | 429 | 13 211 | 7 446 |
| Total assets | 128 030 | 119 846 | 3 422 | 5 532 | 131 452 | 125 378 |
| Liabilities | | | | | | |
| Payables | 14 831 | 8 427 | 210 | 212 | 15 041 | 8 639 |
| Employee related liabilities | 12 878 | 12 515 | 778 | 717 | 13 656 | 13 232 |
| Financial liabilities | 691 | 409 | 18 | 10 | 709 | 419 |
| Provisions | 2 515 | 2 832 | 152 | 162 | 2 667 | 2 994 |
| Security deposits | 24 867 | 24 250 | - | - | 24 867 | 24 250 |
| Other liabilities | 2 482 | 2 074 | 35 | 62 | 2 517 | 2 136 |
| Total liabilities | 58 264 | 50 507 | 1 193 | 1 163 | 59 457 | 51 670 |

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.3. Budget performance

The budget performance table compares the department's outcomes against budget information presented to Parliament (2023-24 Budget Paper 4). Appropriation reflects appropriation issued to special deposit accounts controlled by the department. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

| | Original budget 2024 \$'000 | Adjustment for Office of Hydrogen Power SA 2024 \$'000 | Original DEM budget 2024 \$'000 | Actual 2024 \$'000 | Variance 2024 \$'000 |
|---|--------------------------------------|---|---|--------------------------|----------------------------|
| Statement of Comprehensive Income | | | | | |
| <u>Income</u> | | | | | |
| Appropriation | 174 870 | - | 174 870 | 173 334 | (1 536) |
| SA Government grants, subsidies and transfers | 21 103 | (570) | 20 533 | 30 370 | 9 837 |
| Fees and charges | 30 291 | - | 30 291 | 33 884 | 3 593 |
| Sales of goods and services | 5 095 | - | 5 095 | 6 240 | 1 145 |
| Interest | 1 021 | - | 1 021 | 8 | (1 013) |
| Commonwealth-sourced grants and funding | - | - | - | 4 677 | 4 677 |
| Resources received free of charge | - | - | - | 541 | 541 |
| Other income | 3 791 | - | 3 791 | 3 973 | 182 |
| Recoveries | 1 239 | - | 1 239 | 2 485 | 1 246 |
| Total income | 237 410 | (570) | 236 840 | 255 512 | 18 672 |
| <u>Expenses</u> | | | | | |
| Grants and subsidies | 33 372 | 124 884 | 158 256 | 166 480 | 8 224 |
| Supplies and services | 45 722 | (3 271) | 42 451 | 41 941 | (510) |
| Employee related expenses | 44 420 | (3 583) | 40 837 | 41 092 | 255 |
| Depreciation and amortisation | 4 554 | - | 4 554 | 3 380 | (1 174) |
| Net loss from the disposal of non-current assets | - | - | - | 42 | 42 |
| Borrowing costs | 11 | - | 11 | 18 | 7 |
| Other expenses | 1 036 | - | 1 036 | 2 132 | 1 096 |
| Cash alignment transfers to Consolidated Account | - | - | - | 2 140 | 2 140 |
| Total expenses | 129 115 | 118 030 | 247 145 | 257 225 | 10 080 |
| Net loss | 108 295 | (118 600) | (10 305) | (1 713) | 8 592 |
| Total comprehensive result | 108 295 | (118 600) | (10 305) | (1 713) | 8 592 |

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.3. Budget performance (continued)

| | Original budget 2024 \$'000 | Adjustment for Office of Hydrogen Power SA 2024 \$'000 | Original DEM budget 2024 \$'000 | Actual 2024 \$'000 | Variance 2024 \$'000 |
|--|--------------------------------------|---|---|--------------------------|----------------------------|
| Investing expenditure summary | | | | | |
| Total new projects | - | - | - | 546 | 546 |
| Total existing projects | 126 895 | (118 600) | 8 295 | 7 881 | (414) |
| Total annual programs | 2 399 | - | 2 399 | 3 588 | 1 189 |
| Total investing expenditure | 129 294 | (118 600) | 10 694 | 12 015 | 1 321 |

Explanations are provided for variances where the variance exceeds the greater of 10 per cent of the original budgeted amount and 5 per cent of original budgeted total expenses, or where the department consider that provision of a variation explanation assists with interpretation and understanding of the financial statements.

Investing expenditure

- (a) New projects are \$0.5 million above original budget due to the approval of the Jupiter Creek Safety Works.
- (b) Annual programs are \$1.2 million above original budget primarily due to significant remediation works required for the Remote Area Energy Supply (RAES) Power Generation and Distribution Equipment following severe weather events and compliance activity associated with mandatory inspections.

1.4. Significant transactions with government related entities

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

- approximately 99 per cent of accommodation services are supplied by the Department for Infrastructure and Transport (DIT);
- 100 per cent of lease payments relate to vehicles supplied by the South Australian Government Financing Authority (SAFA); and
- approximately 85 per cent of grants and subsidies are paid to other SA Government entities, mainly related to the transfer of funding to the Office of Hydrogen Power South Australia.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2. Income

2.1. Appropriation

Appropriations are recognised on receipt.

Appropriation pursuant to the Appropriation Act consists of \$173.3 million (2023: \$24.7 million) for operational funding. This appropriation comprises money issued and applied to the department as per Schedule 1 of the Act. The movement in appropriation between 2022-23 and 2023-24 primarily reflects the \$124.7 million increase for the Office of Hydrogen Power South Australia to undertake and complete key deliverables to implement the Hydrogen Jobs Plan and Port Bonython Hydrogen Hub.

2.2. SA Government grants, subsidies and transfers

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Industry licence fee allocation | 12 834 | 12 850 |
| Office of Hydrogen Power South Australia | 9 775 | - |
| Green Industry Fund | 7 030 | 9 594 |
| Other intra-government transfers | 731 | 2 170 |
| Recovery from the Department of Treasury and Finance for TVSPs | - | 1 484 |
| Total SA Government grants, subsidies and transfers | 30 370 | 26 098 |

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

The industry licence fee allocation is the department's funding from licence fees on electricity and gas industry bodies in South Australia. Fees are determined by the Minister for Energy and Mining and are levied by the Essential Services Commission of South Australia.

The department received a \$9.8 million transfer from the Department of Treasury and Finance contingency fund for the Office of Hydrogen Power South Australia to ensure the Hydrogen Jobs Plan and Port Bonython Hydrogen Hub key deliverables are met.

The Green Industry Fund contributes towards the department's climate change initiatives including the Grid Scale Storage Fund.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2.3. Fees and charges

| | 2024 | 2023 |
|---------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Mining and petroleum licence fees | 32 313 | 30 845 |
| Mining and petroleum non-licence fees | 1 571 | 2 039 |
| Total fees and charges | 33 884 | 32 884 |

All revenue from fees and charges is revenue recognised from contracts with customers.

The department is responsible for the administration of licenses and other fees under the *Energy Resources* (previously named the *Petroleum and Geothermal Energy) Act 2000, Mining Act 1971* and *Opal Mining Act 1995*.

Mining and petroleum licence fees

The department collects mining, petroleum and opal licence fees annually. Even though licences are generally issued for periods greater than one year, all licences are classified as short term in recognition of their non-cancellable and non-amendable period. Fee revenue is recognised at a single point in time when the licence is granted, or on its anniversary date in future annual periods where the licence has not been cancelled, suspended or amended.

Mining and petroleum non-licence fees

The department also collects regulatory fees for licence applications, advertising notices, search fees and other administration fees. Revenue is recognised at the time of receipt of payment.

Contract balances

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Revenues from contracts with customers, included in 'Receivables' | 2 558 | 2 221 |
| Contract liabilities | (1 893) | (1 793) |
| Total contract balances | 665 | 428 |

Revenue totalling \$0.2 million was recognised in 2023-24 that was included in contract liabilities at 1 July 2023. No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods.

Contract liabilities primarily relate to payments of annual rent and regulatory licence fees at the renewal of a mining tenement or subsequent exploration licence. Once a renewal decision has been made and a memorandum has been instrumented in the Mining Register, the payment is then recognised as revenue. Annual rent for mining leases, retention leases and miscellaneous purpose licences which are granted or renewed over freehold land, is refunded to the relevant freehold landowners upon receipt of payment.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2.4. Sales of goods and services

Revenue from the sale of electricity \$6.2 million (2023: \$5.4 million) is revenue recognised from contracts with customers.

The department receives revenue from the sale of electricity in remote areas. Fees are set annually by the Minister. All billing activities are conducted by an external service provider on behalf of the department, with all funds collected passed directly on to the department.

In the comparative period, revenue from sales of electricity was also recognised as billed (in arrears).

Contract balances

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Revenues from contracts with customers, included in 'Receivables' | 696 | 472 |
| Total contract balances | 696 | 472 |

There is an unconditional right to receive payment for sales of electricity when billed. No contract assets or liabilities are recognised.

2.5. Commonwealth-sourced grants and funding

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Grants | | |
| Co-contribution for the Mintabie Remediation Works | 3 875 | - |
| Community Batteries for Household Solar | 725 | 175 |
| Greenhouse and Energy Minimum Standards (GEMS) Inspections | 77 | 53 |
| Total Commonwealth-sourced grants and funding | 4 677 | 228 |

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

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

The Commonwealth has provided funding to the State in 2023-24 for the following purposes:

- Mintabie Remediation Works – co-contribution to allow an appropriately qualified contractor to be engaged to undertake Mintabie Rehabilitation activities including disposal of hard and hazardous waste, metals, tyres, whitegoods and asbestos including cleaning up of 170 properties, site demolition, landfill trenching and burning, concrete breakdown and environmental rehabilitation of the site.
- Community Batteries for Household Solar - Delivery of Election Commitments Stream 1 to deliver community batteries at 56 locations selected by the Government.
- GEMS Inspections - to carry out compliance monitoring activities in relation to *the Greenhouse and Energy Minimum Standards Act 2012* and *Building Energy Efficiency Disclosure Act 2010*.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2.6. Resources received free of charge

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Services received free of charge - Shared Services SA | 411 | 389 |
| ICT services and media monitoring received free of charge - DPC | 130 | 118 |
| Total resources received free of charge | 541 | 507 |

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

The department receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$0.4 million (2023: \$0.4 million) and ICT services from the ICT and Digital Government and Media Monitoring areas in the Department of the Premier and Cabinet valued at \$0.1 million (2023: \$0.1 million).

2.7. Other income

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Fuel tax credits | 2 225 | 1 783 |
| Support for the regulation of extractive mining operations | 1 686 | 1 644 |
| Other income | 62 | 1 527 |
| Total other income | 3 973 | 4 954 |

Fuel tax credits and support for the regulation of extractive mining operations are recognised as income on receipt.

2.8. Recoveries

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Other | 1 556 | 753 |
| Department for Environment and Water levy recovery | 929 | 856 |
| Emergency generation | - | 1 422 |
| Total recoveries | 2 485 | 3 031 |

Recoveries are revenue recognised from contracts with customers. Revenue is recognised at the time of receipt or upon recognition of a receivable. The Department for Environment and Water levy payment is recovered from industry (refer to note 4.5).

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3. Committees and employees

3.1. Key management personnel

Key management personnel of the department include the Minister for Energy and Mining (the Minister), Chief Executive and four members (2023: five) of the Executive Team.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Compensation | | |
| Salaries and other short term employee benefits | 1 376 | 1 634 |
| Post-employment benefits | 347 | 250 |
| Other long-term employment benefits | 58 | - |
| Total compensation | 1 781 | 1 884 |

Transactions with key management personnel and other related parties

The department did not enter into any transaction with key management personnel or their close family during the reporting period that were not consistent with normal procurement arrangements.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.2. Committee members

Members during the 2024 financial year were:

Audit and Risk Committee

K Presser (Chair)
T Brumfield*
J Chapman
J Cirson*
S Moules*

Power Line Environment Committee

S Murray (Chair)
C Donovan
C Dunn
T Xavier*
K Galpin*
D Smith* (appointed August 2023)
J Wells (appointed October 2023)
M Atkinson (appointed June 2024)

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

The Audit and Risk Committee is shared with the Office of Hydrogen Power South Australia. The committee is remunerated by the department and costs are recovered through a service level agreement with the Office of Hydrogen Power South Australia.

Committee remuneration

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

| | 2024 | 2023 |
|--------------------------------|-------------|-------------|
| \$0 - \$19 999 | 13 | 34 |
| Total number of members | 13 | 34 |

The total remuneration received or receivable by members was \$23 000 (2023: \$16 000). Of the 13 members, seven were remunerated (2023: seven). Remuneration of members reflects all costs of performing committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.3. Employee related expenses

| | Note | 2024 | 2023 |
|--|-------------|---------------|---------------|
| | | \$'000 | \$'000 |
| Salaries and wages | | 31 017 | 31 390 |
| Employment on-costs – superannuation | | 4 108 | 3 925 |
| Annual leave | | 2 787 | 2 861 |
| Employment on-costs – other | | 1 976 | 1 989 |
| Long service leave | | 909 | 761 |
| Skills and experience retention leave | | 231 | 212 |
| Workers' compensation | | 42 | 88 |
| Committee fees - excluding on-costs | 3.2 | 22 | 15 |
| Targeted voluntary separation packages | | - | 1 469 |
| Total employee related expenses | | 41 092 | 42 710 |

Departmental employees are employed under Part 7 of the *Public Sector Act 2009*.

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:

| | 2024 | 2023 |
|-------------------------|---------------|---------------|
| | Number | Number |
| \$160 001 to \$166 000* | N/A | 2 |
| \$166 001 to \$186 000 | 6 | 5 |
| \$186 001 to \$206 000 | 3 | 5 |
| \$206 001 to \$226 000 | 4 | 6 |
| \$226 001 to \$246 000 | 5 | 3 |
| \$246 001 to \$266 000 | 2 | 1 |
| \$266 001 to \$286 000^ | 1 | 4 |
| \$286 001 to \$306 000^ | 3 | 3 |
| \$306 001 to \$326 000 | 1 | - |
| \$346 001 to \$366 000 | - | 1 |
| \$406 001 to \$426 000 | - | 1 |
| \$426 001 to \$446 000 | 1 | - |
| Total | 26 | 31 |

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2022-23.

^ This band includes employees that have received termination payments in 2022-23.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any related fringe benefits tax.

The total remuneration received by those employees for the year was \$6.1 million (2023: \$7.2 million).

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.3 Employee related expenses (continued)

Targeted voluntary separation packages (TVSPs)

There were no TVSPs during the reporting period (2023: 15).

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Amount paid to separated employees: | | |
| Targeted voluntary separation packages | - | 1 484 |
| Leave paid to separated employees | - | 686 |
| Recovery from the Department of Treasury and Finance | - | (1 484) |
| Net cost to the department | - | 686 |

3.4. Employee related liability

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Current</u> | | |
| Annual leave | 3 299 | 3 194 |
| Employment on-costs | 846 | 819 |
| Long service leave | 388 | 339 |
| Skills and experience retention leave | 298 | 259 |
| Accrued salaries and wages | 10 | 10 |
| Total current employee related liabilities | 4 841 | 4 621 |
| <u>Non-current</u> | | |
| Long service leave | 7 994 | 7 831 |
| Employment on-costs | 821 | 780 |
| Total non-current employee related liabilities | 8 815 | 8 611 |
| Total employee related liabilities | 13 656 | 13 232 |

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 their nominal amounts.

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

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

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 2% (2023) to 2.4% (2024).

The annual leave liability and the SERL 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.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.4 Employee related liability (continued)

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.

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 increased to 4.25% (2023: 4%).

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

The net financial effect of the changes to 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.

The actuarial assessment performed by the Department of Treasury and Finance has increased the salary inflation rate to 3.5% (2023: 2.5%) for long service leave liability. The net financial effect of the changes to the salary inflation rate is an increase in the long service leave liability and employee related expense of \$0.4 million.

The current portion of employee related liabilities reflects the amount for which the department does not have right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

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.

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 increased from the 2023 rate of 43% to 44%. The average factor for the calculation of employer superannuation on-costs has increased from the 2023 rate of 11.1% to 11.5%. These rates are used in the employment on-cost calculation. The impact on 2024 is \$0.1 million and cannot be reliably estimated for future years.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

4 Expenses

4.1. Grants and subsidies

| | 2024 | 2023 |
|--|----------------|---------------|
| | \$'000 | \$'000 |
| Office of Hydrogen Power South Australia | 136 686 | 12 024 |
| Remote Area Energy Supply | 7 528 | 7 413 |
| Other grants and subsidies | 5 847 | 4 161 |
| Jobs and Economic Growth Fund | 5 542 | 10 916 |
| Grid Scale Storage Fund | 5 091 | 5 230 |
| Demand Management | 2 904 | 854 |
| Australian Energy Market Commission | 2 793 | 2 919 |
| Renewable Technology Fund | 89 | 517 |
| Energy Productivity Program | - | 42 |
| Home Battery Scheme | - | 4 623 |
| Port Pirie Transformation | - | 3 000 |
| Total grants and subsidies | 166 480 | 51 699 |

4.2. Supplies and services

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Energy supply fuel and lubricants | 8 279 | 7 931 |
| Contractors ^(a) | 8 075 | 8 233 |
| Information technology and communication charges ^(b) | 5 246 | 4 928 |
| Emergency generation and storage ^(c) | 4 176 | 4 433 |
| Office accommodation | 4 118 | 3 609 |
| Consultants | 2 723 | 2 346 |
| Office administration expenses | 2 658 | 3 669 |
| Service recoveries | 2 494 | 582 |
| Travel and related expenses | 1 302 | 1 322 |
| Staff related expenses | 1 092 | 1 103 |
| Remote Area Energy Supply | 934 | 662 |
| Marketing | 695 | 428 |
| Accounting and audit fees ^(d) | 149 | 146 |
| Total supplies and services | 41 941 | 39 392 |

(a) Contractors include major service contract payments to Cowell Electricity Supply Pty Ltd to manage electricity infrastructure in the Remote Area Energy Supply communities.

(b) Information technology and communication charges include payments made to the Department of State Development (DSD) (formerly known as the Department for Industry, Innovation and Science) and the Department of Primary Industries and Regions South Australia (PIRSA) for the provision of corporate support and information communication technology support under service level agreements. It also includes resources provided free of charge by the Department of the Premier and Cabinet ICT and Digital Government unit of \$0.1 million (2023: \$0.1 million) that were expensed at fair value (refer to note 2.6).

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

4.2. Supplies and services (continued)

- (c) Emergency generation and storage represents payments for operation of the State's emergency generators and the Hornsdale Power Reserve lithium-ion battery.
- (d) Audit fees paid / payable to the Audit Office of South Australia (previously known as the Auditor-General's Department) relating to work performed under the *Public Finance and Audit Act 1987* were \$0.1 million (2023: \$0.1 million). No other services were provided by the Audit Office of South Australia.

Office accommodation

Most of the department's accommodation is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangements issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of leases and are expensed accordingly. Information about accommodation incentives relating to this arrangement is shown at note 7.5.

4.3. Expenditure – SA business and non-SA business

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

Expenditure is inclusive of non-recoverable GST.

| | 2024 | Proportion SA and non-SA businesses |
|--|---------------|--|
| | \$'000 | |
| Total expenditure with South Australian businesses | 28 954 | 72% |
| Total expenditure with non-South Australian businesses | 11 126 | 28% |
| | <hr/> | 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.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

4.4. Net loss from the disposal of non-current assets

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Plant and equipment and other non-current assets</u> | | |
| Net proceeds from disposal | 67 | 285 |
| Less net book value of assets disposed | (109) | (335) |
| Total loss from the disposal of non-current assets | (42) | (50) |

4.5. Other expenses

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Department for Environment and Water levy | 929 | 856 |
| Donated plant and equipment | - | 16 |
| Shared Services fee | 411 | 389 |
| Other expenses | 178 | 50 |
| Bad and doubtful debts | 160 | 17 |
| Donated current assets | 481 | 1 635 |
| Accommodation incentive amortisation | (27) | (27) |
| Total other expenses | 2 132 | 2 936 |

The Department for Environment and Water levy payment is recovered from industry (refer to note 2.8). Donated current assets are transfers of batteries under the Energy Storage Acquisition and Deployment project deploying energy storage on agency properties and bushfire affected households. This relates to transfers predominantly to the Country Fire Service, South Australia Police Department and South Australian Housing Authority.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5. Non-financial assets

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

5.1. Property, plant and equipment owned by the department

Property, plant and equipment 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 owned by the department is recorded at fair value. Details about the department's approach to fair value is set out in note 10.1.

Plant and equipment includes \$3.7 million (2023: \$4.1 million) of fully depreciated plant and equipment still in use.

Impairment

Revaluation of property, plant and equipment is reviewed regularly and revalued if at any time management considers that the carrying amount of an asset materially differs from its fair value.

Depreciation

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

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.

Useful life

Depreciation is calculated on a straight-line basis over the estimated useful life as follows:

| Class of asset | Useful life (years) |
|----------------------------|----------------------------|
| Buildings | 5-65 |
| Accommodation improvements | Life of lease |
| Plant and equipment | 1-60 |
| Solar plant and equipment | 20 |

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.1. Property, plant and equipment owned by the department (continued)

Reconciliation of property, plant and equipment owned or leased by the department

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

| | Plant and equipment | Solar plant and equipment | Building and accommodation improvements | Land | Works of art | Capital works in progress | ROU vehicles | Total |
|---|------------------------|------------------------------|---|--------------|--------------|------------------------------|--------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount as at 1 July 2023 | 20 903 | - | 27 046 | 7 208 | 54 | 717 | 415 | 56 343 |
| Additions | 1 594 | - | 168 | - | - | 4 102 | 509 | 6 373 |
| Disposals | (109) | - | - | - | - | - | - | (109) |
| Transfers between asset class | (8 720) | 9 850 | 96 | - | - | (1 226) | - | - |
| Depreciation | (1 316) | (495) | (960) | - | - | - | (223) | (2 994) |
| Carrying amount as at 30 June 2024 | 12 352 | 9 355 | 26 350 | 7 208 | 54 | 3 593 | 701 | 59 613 |
| Gross carrying amount | | | | | | | | |
| Gross carrying amount | 23 396 | 9 891 | 30 486 | 7 208 | 54 | 3 593 | 1 098 | 75 726 |
| Accumulated depreciation | (11 044) | (536) | (4 136) | - | - | - | (397) | (16 113) |
| Carrying amount as at 30 June 2024 | 12 352 | 9 355 | 26 350 | 7 208 | 54 | 3 593 | 701 | 59 613 |

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.1. Property, plant and equipment owned by the department (continued)

The following table shows the movement of property, plant and equipment owned by the department during 2022-23:

| | Plant and equipment | Building and accommodation improvements | Land | Works of art | Capital works in progress | ROU vehicles | Total |
|---|------------------------|---|--------------|-----------------|------------------------------|--------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Carrying amount as at 1 July 2022 | 10 437 | 27 994 | 7 208 | 70 | 8 947 | 376 | 55 032 |
| Additions | 1 473 | 1 | - | - | 2 340 | 262 | 4 076 |
| Capitalisation | 10 570 | - | - | - | (10 570) | - | - |
| Disposals | (335) | - | - | - | - | - | (335) |
| Donated assets | - | - | - | (16) | - | - | (16) |
| Depreciation | (1 242) | (949) | - | - | - | (223) | (2 414) |
| Carrying amount as at 30 June 2023 | 20 903 | 27 046 | 7 208 | 54 | 717 | 415 | 56 343 |
| Gross carrying amount | | | | | | | |
| Gross carrying amount | 31 082 | 30 191 | 7 208 | 54 | 717 | 728 | 69 980 |
| Accumulated depreciation | (10 179) | (3 145) | - | - | - | (313) | (13 637) |
| Carrying amount as at 30 June 2023 | 20 903 | 27 046 | 7 208 | 54 | 717 | 415 | 56 343 |

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.2. Property, plant and equipment leased by the department

Right-of-use (ROU) assets for property, plant and equipment leased by the department as lessee are measured at cost and there was no indication of impairment.

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 under travel and related expenses in note 4.2.

The department has a limited number of leases:

- As at 30 June 2024, the department has 46 motor vehicle leases with the South Australian Government Financing Authority. Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from three years (60 000km) up to five years (100 000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

The lease liabilities related to the right-of-use assets are disclosed on the Statement of Financial Position. The department's maturity analysis of its lease liabilities is disclosed in note 7.2. Expenses related to right-of use assets, including interest and depreciation expenses, are disclosed on the Statement of Comprehensive Income. Cash outflows related to right-of-use assets are disclosed in note 8.2.

Depreciation on right-of-use vehicles is calculated on a straight-line basis over the life of the lease.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.3. 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 or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Amortisation of intangible assets is calculated on a straight-line basis over the estimated useful life (3-10 years).

Reconciliation of intangible assets

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

| | Intangibles | | |
|---|-------------------------|---------------------|---------------|
| | Intangibles software | work in progress | Total |
| | \$'000 | \$'000 | \$'000 |
| Carrying amount as at 1 July 2023 | 392 | 7 054 | 7 446 |
| Additions | - | 6 151 | 6 151 |
| Amortisation | (386) | - | (386) |
| Transfers | 463 | (463) | - |
| Carrying amount as at 30 June 2024 | 469 | 12 742 | 13 211 |
| Gross carrying amount | | | |
| Gross carrying amount | 5 537 | 12 742 | 18 279 |
| Accumulated amortisation | (5 068) | - | (5 068) |
| Carrying amount as at 30 June 2024 | 469 | 12 742 | 13 211 |

The following table shows the movement of intangible assets during 2022-23:

| | Intangibles | | |
|---|-------------------------|---------------------|--------------|
| | Intangibles software | work in progress | Total |
| | \$'000 | \$'000 | \$'000 |
| Carrying amount as at 1 July 2022 | 793 | 2 789 | 3 582 |
| Additions | - | 4 265 | 4 265 |
| Amortisation | (401) | - | (401) |
| Carrying amount as at 30 June 2023 | 392 | 7 054 | 7 446 |
| Gross carrying amount | | | |
| Gross carrying amount | 5 075 | 7 054 | 12 129 |
| Accumulated amortisation | (4 683) | - | (4 683) |
| Carrying amount as at 30 June 2023 | 392 | 7 054 | 7 446 |

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

6. Financial assets

6.1. Cash and cash equivalents

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Deposits with the Treasurer | 49 449 | 52 051 |
| Deposits with the Treasurer – Accrual Appropriation | 3 658 | 3 658 |
| Total cash and cash equivalents in the Statement of Financial Position | 53 107 | 55 709 |
| Total cash and cash equivalents in the Statement of Cash Flows | 53 107 | 55 709 |

Cash is measured at nominal amounts. Deposits with the Treasurer include cash held as security deposits (refer to note 7.4).

Although the department controls the money reported above 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.

6.2. Receivables

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Current</u> | | |
| Trade receivables | | |
| From non-government entities | 2 759 | 2 501 |
| From government entities | 561 | 371 |
| Allowance for doubtful debts | (306) | (170) |
| Total trade receivables | 3 014 | 2 702 |
| GST input tax recoverable | 1 304 | 1 252 |
| Prepayments | 282 | 451 |
| Accrued revenue | 476 | 543 |
| Other receivables | 12 | 18 |
| Total other current receivables | 2 074 | 2 264 |
| Total current receivables | 5 088 | 4 966 |
| Total receivables | 5 088 | 4 966 |

Trade receivables arise in the normal course of selling goods and services to other government agencies and to the public. Trade 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.

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

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

6.2. Receivables (continued)

The net amount of GST recoverable from the ATO is included as part of receivables, consistent with 2023.

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

Allowance for impairment loss on receivables

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Carrying amount at the beginning of the period | (170) | (200) |
| Increase in the allowance | (136) | - |
| Decrease in the allowance | - | 30 |
| Carrying amount at the end of the period | (306) | (170) |

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

Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

Financial Instruments

Financial instrument receivables, at amortised cost, are \$0.9 million (2023: \$1.0 million).

In government, certain rights to receive cash may not be contractual, but have their source in legislation, therefore the disclosure requirements of AASB 7 *Financial Instruments* will not apply. For the department, these statutory receivables include fees and charges levied under the *Mining Act 1971*, *Energy Resources* (previously named the *Petroleum and Geothermal Energy Act 2000* and *Opal Mining Act 1995* and GST input tax recoverable. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes. Statutory receivables are \$3.8 million (2023: \$3.5 million)

Prepayments are also not classified as financial instruments for disclosure purposes as they are not financial assets.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7. Liabilities

7.1. Payables

| | 2024 | 2023 |
|--------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Current</u> | | |
| Creditors and accrued expenses | 15 041 | 8 639 |
| Total payables | 15 041 | 8 639 |

Payables and accruals are recognised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents, statutory fees and charges and 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. Statutory payables are carried at cost.

The net amount of GST recoverable from the ATO is included as part of receivables in 2024.

7.2. Financial liabilities

All financial liabilities relate to leases.

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

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Financial Liabilities | | |
| 1 to 3 years | 684 | 386 |
| 3 to 5 years | 66 | 50 |
| Total financial liabilities (undiscounted) | 750 | 436 |

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or the Department of Treasury and Finance's incremental borrowing rate. There were no defaults or breaches on any of the financial liabilities throughout the year.

Interest expense on lease liabilities was \$17 700 (2023: \$8 000).

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7.3. Provisions

All provisions relate to workers compensation.

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Reconciliation of workers compensation (statutory and non-statutory) | | |
| Carrying amount as at 1 July | 2 994 | 3 003 |
| (Decrease) / increase in provisions recognised | (233) | 55 |
| Reductions resulting from payments | (94) | (64) |
| Carrying amount as at 30 June | 2 667 | 2 994 |

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 2024 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.

7.4. Security deposits

Security deposits are received to ensure mine operators rehabilitate sites and comply with all statutory requirements on cessation of mining operations. Cash deposits are classified as security deposits. Security deposits held total \$24.9 million (2023: \$24.3 million). The value of securities held in the form of bank guarantees are reflected as a contingent asset as the department only has claim on these funds if the mining operator fails to meet its legislative requirements.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7.5. Other liabilities

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Current</u> | | |
| Contract liabilities | 1 892 | 1 793 |
| Other | 554 | 245 |
| Accommodation incentive | 27 | 27 |
| Total current other liabilities | 2 473 | 2 065 |
| <u>Non-current</u> | | |
| Accommodation incentive | 44 | 71 |
| Total non-current other liabilities | 44 | 71 |
| Total other liabilities | 2 517 | 2 136 |

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

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Other liabilities | | |
| 1 to 3 years | 2 517 | 2 136 |
| Total other liabilities (undiscounted) | 2 517 | 2 136 |

Contract liabilities relate to payments of rent and annual regulatory fees at the renewal of a mining tenement or subsequent exploration licence. Refer to note 2.3 for further detail.

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 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.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

8. Other disclosures

8.1. Equity

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

8.2. Cash flow

| | 2024 | 2023 |
|---|----------------|-----------------|
| | \$'000 | \$'000 |
| <u>Reconciliation of net cash provided by operating activities to net cost of providing services</u> | | |
| Net cash provided by / (used in) operating activities | 7 185 | (69 373) |
| <u>Add / (less) non-cash items</u> | | |
| Depreciation and amortisation expense of non-current assets | (3 380) | (2 815) |
| Concessional lending discount income | - | 1 482 |
| Amortisation of lease incentive | 27 | 27 |
| Bad and doubtful debts expense | (160) | (17) |
| Resources received free of charge | 541 | 507 |
| Resources provided free of charge | (541) | (507) |
| Donated assets | (481) | (1 651) |
| (Loss) from the disposal of non-current assets | (42) | (50) |
| <u>Movement in assets and liabilities</u> | | |
| Increase / (decrease) in receivables | 282 | (17 872) |
| (Increase) in payables | (4 029) | (1 710) |
| (Increase) / decrease in other liabilities | (408) | 1 837 |
| Decrease in provisions | 327 | 9 |
| (Increase) / decrease in security deposits | (617) | 4 180 |
| (Increase) / decrease in employee related liabilities | (424) | 645 |
| Decrease / (increase) in financial liabilities | 7 | (6) |
| Net loss | (1 713) | (85 314) |

Total cash outflows for leases were \$0.4 million (2023: \$0.2 million).

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

9. Outlook

9.1. Unrecognised 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

| | 2024 | 2023 |
|---|---------------|---------------|
| | \$'000 | \$'000 |
| Within one year | 9 652 | 4 832 |
| Later than one year but not later than five years | - | 960 |
| Total capital commitments | 9 652 | 5 792 |

The department's capital commitments are primarily related to the Mining and Exploration Regulation System (\$4.5 million) and the construction of a renewable hybrid power station at Oodnadatta (\$5.1 million).

Other contractual commitments

| | 2024 | 2023 |
|---|---------------|----------------|
| | \$'000 | \$'000 |
| Within one year | 40 205 | 47 216 |
| Later than one year but not later than five years | 32 450 | 57 578 |
| Later than five years | 100 | 145 |
| Total expenditure commitments | 72 755 | 104 939 |

The department's expenditure commitments are primarily for agreements for:

- South Australian Grid-Connected Battery Facility (\$14.8 million),
- Memoranda of administrative arrangements with the Department for Infrastructure and Transport for accommodation and related costs (\$10.6 million).
- South Australia's funding commitment to the Australian Energy Market Commission (\$8.6 million),
- Management of electricity infrastructure in the remote area energy supply communities (\$8.0 million),
- Remote Area Energy Supply independent operator subsidies (\$6.6 million),
- South Australia's Electric Vehicle Public Charging Network (\$5.8 million), and
- Demonstration of technology from an expanded Hornsdale Power Reserve (\$5.2 million),

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

9.2. Contingent assets and liabilities

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

Contingent assets

The department receives securities in accordance with Acts administered by the department. These are obtained to ensure that a mine operator rehabilitates a site and complies with all statutory requirements on cessation of a licence. The amount held as bank guarantees as at 30 June 2024 is approximately \$365 million (2023: approximately \$311 million). The department only has a claim on these funds if the licensee fails to perform their legislative requirements.

Contingent liabilities

The department sustains some non-quantifiable contingent liability related to potential litigation from interpretation of past regulatory decisions based on standard of operation applicable at the time. Additionally, there remains the possibility of historic contamination, and or environmental liability where the department no longer administers an active lease or licence or has retained a level of financial assurance to manage impacts. While past administration of the Acts tenders some exposure to potential liabilities that sits with the crown, current legislation, policy and regulatory frameworks seek to remedy this through lease and licence conditions that require adequate financial assurance and rehabilitation prior to the surrender application, minimising the likelihood of any future risk of liability. The financial impact, if any, cannot be reliably estimated as at 30 June 2024.

9.3. Impact of standards and statements not yet effective

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

9.4. Events after the reporting period

The department is not aware of any event occurring after balance date that would materially affect the financial statements.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

10. Measurement and risk

10.1. Fair value

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

Initial recognition

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

Where assets are acquired at no value, or nominal 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, is 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 its fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken every six years. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount 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); and
- 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.

At both 30 June 2024 and 30 June 2023 all property, plant and equipment was classified as level 3 with the exception of land which was classified as level 2.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

10.1. Fair value (continued)

Land and buildings

An independent valuation of land and buildings owned by the department was performed in June 2020 by a Certified Practising Valuer from Marsh Valuation Services, as at 30 June 2020. In 2023-24, the department undertook a line-by-line analysis of the ledger as part of the annual asset stocktake and insurance processes with no assets requiring revaluation outside of the formal valuation cycle.

Fair value of land was determined using the direct comparison approach whereby the evidence derived from the analysis of recent sales of similar properties was used to establish the value of the subject property. In this regard, sales evidence was collected as close to the date of valuation as possible and compared to the subject property on the basis of size, zoning, location, topography, shape and current use. The sales were then analysed on a sales price per square metre or hectare of land area and adjusted accordingly to reflect any character differences between the subject and the comparable sales data.

Given the specialised nature of some of the parcels there were limited directly comparable recent sales evidence available. For properties with limited sales evidence available or more unique zonings and uses, a higher number of assumptions and adjustments were required. Where a significant number of assumptions were required, the land was valued on a level 3 basis in the valuation hierarchy. Where sales evidence was available and fewer assumptions were required, the land was valued on a level 2 basis in the valuation hierarchy.

The fair value of specialised building assets was determined using current replacement cost. A broad search for other similar properties, not only locally based but across the State, indicated that there had been limited registered sales of such properties in the past 18 months.

The value of the buildings and site improvements was determined using the cost approach, by first establishing their estimated cost to replace with an equivalent new asset less depreciation for their physical, functional and economic obsolescence.

For non-specialised building assets where the asset can be identified as having the capability to be compared to open market conditions, the direct comparison or income approach was adopted whereby the evidence derived from the analysis of recent sales of similar properties was used to establish the value of the subject property. In this regard, sales evidence was collected as close to the date of valuation as possible and compared to the subject property on the basis of quality, age, condition and size of improvements, location, land area and shape. The sales were then analysed on a sales price per square metre of land area and adjusted accordingly to reflect any character differences between the subject and the comparable sales data.

Plant and equipment

Plant and equipment have not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

Works of art

The carrying balance of these items are deemed to approximate fair value and are not required to be revalued as the carrying value of the asset class is \$54,000.

Previously, the department's accounting policy had adopted the revaluation model, with the assets subject to an independent valuation by a Certified Practising Valuer at least every 6 years in accordance with APS 116.E. The last revaluation was performance by Theodore Bruce, as at 1 July 2018.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

10.2. Financial instruments

Financial risk management

Risk management is managed by the department's Corporate and Commercial division. 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 appropriation 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 7.1 and 7.2 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 - receivables

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

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

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

The ECL 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.

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. 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 90 days past due.

Receivables written off during the year are not subject to enforcement activity.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

10.2. Financial instruments (continued)

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

All of the department's debt investments at amortised cost are considered to have low credit risk based on payment history and therefore the ECL 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 TI 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.

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.

Department for Energy and Mining
Notes to and forming part of the financial statements
for the year ended 30 June 2024

11. Trust Fund

Extractive Areas Rehabilitation Fund

The Extractive Areas Rehabilitation Fund is credited with amounts by way of a royalty on extractive minerals and is used for the rehabilitation of land disturbed by extractive mining operations. The funds collected are used to limit damage to any aspect of the environment by such extractive mining operations, in addition to the promotion of research into methods of mining engineering and practice by which environmental damage might be reduced.

Aggregate details of the transactions and balances relating to this trust fund for year ended 30 June are as follows:

| | 2024 | 2023 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| <u>Income</u> | | |
| Royalties | 3 752 | 3 780 |
| Total income | 3 752 | 3 780 |
| <u>Expenses</u> | | |
| Extractive Industries contribution | 1 686 | 1 644 |
| Rehabilitation costs | 333 | 22 |
| Other expenses | 8 | 137 |
| Total expenses | 2 027 | 1 803 |
| Net result | 1 725 | 1 977 |
| Total comprehensive result | 1 725 | 1 977 |
| | | |
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| <u>Current assets</u> | | |
| Cash | 37 551 | 35 826 |
| Total assets | 37 551 | 35 826 |
| Net assets | 37 551 | 35 826 |
| <u>Equity</u> | | |
| Net receipts | 1 725 | 1 977 |
| Retained earnings | 35 826 | 33 849 |
| Fund balance at the end of the period | 37 551 | 35 826 |