



Government  
of South Australia

TRS20D1797

Hon Stephen Mullighan MP  
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Dear Mr Mullighan

**APPLICATION UNDER THE *FREEDOM OF INFORMATION ACT 1991***

I refer to your application made under the *Freedom of Information Act 1991* (the Act), dated 29 May 2020.

Your application seeks access to:

*"All minutes, briefings and correspondence titled 'Valuation of DPTI Road Network' as described on the Objective document management system, between 14 November 2019 and 29 May 2020."*

The legislative prescribed timeframe to determine this application has expired and is now deemed to have refused you access to all documents relevant to your application. I refer to my letter dated 12 June 2020 where I sought additional time to make my determination.

The purpose of this letter is to advise you of my determination. An extensive search was conducted within this office. A total of 1 document was identified as answering the terms of your application.

I release the document in full.

Please note, in compliance with Premier and Cabinet Circular PC045 - *Disclosure Logs for Non-Personal Information Released through Freedom of Information* (PC045), the Department of Treasury and Finance is now required to publish a log of all non-personal information released under the Act.

In accordance with this Circular, any non-personal information determined for release as part of this application, may be published on the DTF website. A copy of PC045 can be found at the following address: <https://dpc.sa.gov.au/resources-and-publications/premier-and-cabinet-circulars>. Please visit the website for further information.

As I am determining this application as Principal Officer, section 29(6) of the Act does not provide for an internal review. If you are dissatisfied with my determination you are entitled to exercise your rights of external review with the Ombudsman.

Alternatively, you can apply to the South Australian Civil and Administrative Tribunal. If you wish to seek a review, section 39(3) of the Act states you must do so within 30 calendar days of receiving the determination.

If you require any further information, please contact Vicky Cathro on 8226 9769.

Yours sincerely

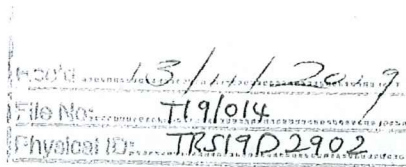


**Hon Rob Lucas MLC**  
*Principal Officer*

11 October 2020

**RELEASE**

MINUTE



Government  
of South Australia

Department of Treasury  
and Finance

MINUTES forming ENCLOSURE

File T&F 17/0223

Doc No A1273686

To The Treasurer

## VALUATION OF DPTI ROAD NETWORK ASSETS

Timing: ROUTINE — For Approval

**Recommendations/Issues:** It is recommended that you:

- pursuant to clause 10(1)(b) of the *Treasurer's Instructions (Accounting Policy Statements)*, approve a variation to Accounting Policy Statement APS 116.E, to enable the Department of Planning Transport and Infrastructure (DPTI) to use an internally-developed valuation methodology for its road network assets, up to and including 30 June 2028.

Approved / Not-Approved

Hon Rob Lucas MLC  
Treasurer

15/11/14

### Key Points:

- Clause 10(1)(b) of the *Treasurer's Instructions (Accounting Policy Statements)* provides you, as Treasurer, with the ability to modify the operation or application of any part of the Accounting Policy Statements (APS) to the extent that the part applies to a particular public authority or class of public authorities.
- Public authorities are required to hold property, plant and equipment at fair value subsequent to initial recognition. APS 116.E specifies how and when revaluations are to be performed:

*A public authority must have regard to the nature of the asset when determining valuation frequency. In any case for each asset subject to revaluation that is not a right of use asset, a public authority must at least every 6 years obtain a valuation appraisal from a qualified valuer.*





- The requirements in APS 116.E to use a qualified valuer at least every 6 years provide assurance that the reported value of assets is reliable.
- The Department of Planning, Transport and Infrastructure (DPTI) is seeking your approval to vary the requirements of APS 116.E to enable the valuation of its road network assets using an internally-developed valuation methodology. Road network assets were measured at \$19.3 billion at 30 June 2019 and represent a significant portion of the State's non-financial assets.
- DPTI has used an internally-developed revaluation methodology for valuing its road network assets for many years. Variations to enable this approach under the former Accounting Policy Framework were provided in 2008 for a period of 5 years, and 2014 for a period of 5 years.
- DPTI has developed a robust approach to these valuations. The valuation model is subject to a continuous review process by the established DPTI Road Revaluation Working Group, which consists of professional engineers and accountants. In addition, the valuation model, process, methodology and result is also supervised and approved by the DPTI Road Asset Revaluation Steering Committee (the Committee). Independent recognised industry experts are engaged to provide valuation input and appraisal for key areas of the valuation.
- In order to minimise the risk that the carrying amount of road network assets materially differs from fair value, DPTI policy mandates a full revaluation of road network assets every 3 years. In addition, indexation is applied in the 2 interim years. The variation sought in relation to APS 116.E does not relate to the timing of valuations.
- DPTI advises that the Auditor-General's Department is engaged with during the valuation process to ensure that the model complies with Australian Accounting Standards, Accounting Policy Statements and departmental asset policies. DPTI also advised that to date, the Auditor-General's Department has not noted any audit issues in relation to the methodology adopted.
- DPTI seeks approval to vary their application of APS 116.E for a period of 9 years, until 30 June 2028. This will provide for 3 full valuation cycles.
- Treasury and Finance is of the view that the nature of road network assets is such that an internally-developed valuation methodology, supported by the processes DPTI describes as noted above, supports a robust valuation. Treasury and Finance supports the variation proposed by DPTI and recommends you approve the variation to APS 116.E to enable the use of an internally-developed valuation methodology for road network assets until 30 June 2028.

*TJS Scott*

Tracey Scott  
A/EXECUTIVE DIRECTOR, ACCOUNTING SERVICES  
13 / 11 / 2019

Contact Officer:	Sally Karasoulos
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Supported / Not Supported

*[Signature]*

David Reynolds  
CHIEF EXECUTIVE

Department of Treasury and Finance

Date...13/11/19...