



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000  
Tel +618 8226 9640  
ABN 53 327 061 410  
enquiries@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Chair South Australian Tourism Commission

### Opinion

I have audited the financial report of the South Australian Tourism Commission for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Tourism Commission as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chair, the Chief Executive Officer and the Chief Operating Officer.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Tourism Commission. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of the Chief Executive Officer and the Board of Directors for the financial report**

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board of Directors are responsible for overseeing the entity's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 23(3) of the *South Australian Tourism Commission Act 1993*, I have audited the financial report of the South Australian Tourism Commission for the financial year ended 30 June 2024.

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

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

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

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australian Tourism Commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive Officer and the Board of Directors about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

3 September 2024

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SOUTH AUSTRALIAN TOURISM COMMISSION

# CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the financial statements of the South Australian Tourism Commission (SATC):

- are in accordance with the accounts and records of the SATC,
- comply with relevant Treasurer's Instructions,
- comply with relevant accounting standards, and
- present a true and fair view of the financial position of the SATC at the end of the financial year and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the SATC for the financial year over its financial reporting and its preparation of the financial statements have been effective.

*Signed in accordance with a resolution of the board members.*



**David Koch**  
Chair  
South Australian Tourism  
Commission Board

28 / 8 / 2024



**Emma Terry**  
Chief Executive Officer  
South Australian Tourism  
Commission

28 / 08 / 2024



**Stephanie Rozokos**  
Chief Operating Officer  
South Australian Tourism  
Commission

28 / 08 / 2024

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SOUTH AUSTRALIAN TOURISM COMMISSION

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
<b>INCOME</b>			
Appropriation	2.1	<b>63 193</b>	88 531
SA Government grants, subsidies and transfers	2.2	<b>59 063</b>	36 203
Commonwealth-sourced grants	2.3	<b>800</b>	7
Sponsorship and participation	2.4	<b>9 521</b>	6 309
Entry fees, licence fees and sales	2.5	<b>2 301</b>	2 276
Other income	2.6	<b>571</b>	1 134
<b>TOTAL INCOME</b>		<b>135 449</b>	134 460
<b>EXPENSES</b>			
Employee related expenses	3.3	<b>17 769</b>	15 674
Advertising and promotion	4.1	<b>27 021</b>	37 654
Industry assistance	4.2	<b>60 999</b>	56 043
Administration and accommodation	4.3	<b>5 604</b>	5 685
Event operations	4.4	<b>28 119</b>	24 698
Depreciation expense	4.5	<b>1 302</b>	1 667
Borrowing costs	4.6	<b>79</b>	98
Loss on impairment of receivables	5.2.1	<b>11</b>	24
<b>TOTAL EXPENSES</b>		<b>140 904</b>	141 543
<b>NET RESULT</b>		<b>(5 455)</b>	(7 083)
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>(5 455)</b>	(7 083)

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

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5.1	18 507	18 261
Receivables	5.2	1 969	3 063
Other financial assets	5.3	-	155
Other current assets	5.4	426	-
<b>TOTAL CURRENT ASSETS</b>		<b>20 902</b>	21 479
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	6.1	3 972	5 059
Other non-current assets	5.4	1 565	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5 537</b>	5 059
<b>TOTAL ASSETS</b>		<b>26 439</b>	26 538
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Payables	7.1	14 617	11 029
Financial liabilities	7.2	253	960
Employee related liabilities	3.4	1 768	1 483
Provisions	7.3	24	43
Other current liabilities	7.4	217	22
<b>TOTAL CURRENT LIABILITIES</b>		<b>16 879</b>	13 537
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities	7.2	3 251	3 468
Employee related liabilities	3.4	1 870	1 454
Provisions	7.3	103	136
Other non-current liabilities	7.4	1 848	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7 072</b>	5 058
<b>TOTAL LIABILITIES</b>		<b>23 951</b>	18 595
<b>NET ASSETS</b>		<b>2 488</b>	7 943
<b>EQUITY</b>			
Contributed capital		64	64
Retained earnings		2 424	7 879
<b>TOTAL EQUITY</b>		<b>2 488</b>	7 943

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	<b>Contributed Capital \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Total Equity \$'000</b>
<b>BALANCE AT 30 JUNE 2022</b>	<b>64</b>	<b>14 962</b>	<b>15 026</b>
Net result for 2022-23	-	(7 083)	<b>(7 083)</b>
Total comprehensive result for 2022-23	-	(7 083)	<b>(7 083)</b>
<b>BALANCE AT 30 JUNE 2023</b>	<b>64</b>	<b>7 879</b>	<b>7 943</b>
Net result for 2023-24	-	(5 455)	<b>(5 455)</b>
Total comprehensive result for 2023-24	-	(5 455)	<b>(5 455)</b>
<b>BALANCE AT 30 JUNE 2024</b>	<b>64</b>	<b>2 424</b>	<b>2 488</b>

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

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

		2024 Inflows (Outflows) \$'000	2023 Inflows (Outflows) \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Note		
CASH INFLOWS			
Receipts from SA Government		122 256	124 734
Receipts from the Commonwealth		800	353
Receipts from the sale of goods and services		10 461	7 614
GST recovered from the ATO		10 088	9 056
Receipts for Paid Parental Leave scheme		70	136
CASH GENERATED FROM OPERATIONS		<u>143 675</u>	<u>141 893</u>
CASH OUTFLOWS			
Employee related payments		(17 070)	(15 594)
Payments for supplies, services and industry assistance		(125 072)	(136 114)
Payments for Paid Parental Leave scheme		(74)	(128)
Interest paid		(79)	(98)
CASH USED IN OPERATIONS		<u>(142 295)</u>	<u>(151 934)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	8.5.1	<u>1 380</u>	<u>(10 041)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
CASH OUTFLOWS			
Purchase of plant and equipment		(176)	(136)
CASH USED IN INVESTING ACTIVITIES		<u>(176)</u>	<u>(136)</u>
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		<u>(176)</u>	<u>(136)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
CASH OUTFLOWS			
Repayment of leases		(963)	(1 264)
Cash transferred to SA Motor Sport Board		-	(113)
CASH USED IN FINANCING ACTIVITIES		<u>(963)</u>	<u>(1 377)</u>
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<u>(963)</u>	<u>(1 377)</u>
Effect of exchange rate on cash and cash equivalents		5	266
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>246</u>	<u>(11 288)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		<u>18 261</u>	<u>29 549</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5.1	<u>18 507</u>	<u>18 261</u>

The accompanying notes form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## 1. ABOUT THE SOUTH AUSTRALIAN TOURISM COMMISSION

### 1.1 REPORTING ENTITY

The South Australian Tourism Commission (SATC) is a not-for-profit statutory corporation of the State of South Australia, established pursuant to the *South Australian Tourism Commission Act 1993*. The SATC is an instrumentality of the Crown and holds its property on behalf of the Crown.

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

### 1.2 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*
- relevant Australian Accounting Standards.

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

Income, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except:

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

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

Assets and liabilities that are to be 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.

Material accounting policy information is set out in the notes of the financial statements.

### 1.3 OBJECTIVES AND PROGRAMS

The purpose of the SATC is to assist in securing economic and social benefits for the people of South Australia through the promotion of South Australia as a tourism destination, including the promotion of events, festivals and other activities, and the further development and improvement of the State's tourism industry.

In achieving its objectives, the SATC provides a range of services classified into the following programs:

- **Tourism Development**  
To build tourism opportunities by improving visitor access into and around the state, building industry capability and providing advice to the industry in terms of research, policy and planning.
- **Tourism Events**  
To strategically build and promote the state's event calendar by developing and attracting new events and managing and growing existing events.
- **Tourism Marketing**  
To develop and implement marketing activities and campaigns to increase the number of international and national visitors to and within South Australia.

The following tables present income, expenses, assets and liabilities attributed to each program. Income and expenses attributed to the SATC as a whole have been proportionally allocated to each of the programs based on full time equivalent employees in each of the programs.

**1.4 EXPENSES AND INCOME BY PROGRAM**

for the year ended 30 June 2024

	<i>Tourism Development</i>		<i>Tourism Events</i>		<i>Tourism Marketing</i>		<i>Total</i>	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>								
Appropriation	5 916	6 297	27 193	40 930	30 084	41 304	63 193	88 531
SA Government grants, subsidies and transfers	3	-	58 051	34 203	1 009	2 000	59 063	36 203
Commonwealth-sourced grants	300	7	-	-	500	-	800	7
Sponsorship and participation	10	5	9 338	6 235	173	69	9 521	6 309
Entry fees, licence fees and sales	71	-	2 230	2 276	-	-	2 301	2 276
Other income	40	34	201	397	330	703	571	1 134
<b>TOTAL INCOME</b>	<b>6 340</b>	<b>6 343</b>	<b>97 013</b>	<b>84 041</b>	<b>32 096</b>	<b>44 076</b>	<b>135 449</b>	<b>134 460</b>
<b>EXPENSES</b>								
Employee related expenses	2 734	2 327	7 546	7 001	7 489	6 346	17 769	15 674
Advertising and promotion	920	774	6 114	5 812	19 987	31 068	27 021	37 654
Industry assistance	5 487	9 593	52 870	45 317	2 642	1 133	60 999	56 043
Administration and accommodation	1 175	1 035	1 844	1 777	2 585	2 873	5 604	5 685
Event operations	226	267	27 893	24 431	-	-	28 119	24 698
Depreciation expense	169	220	655	811	478	636	1 302	1 667
Borrowing costs	12	14	34	43	33	41	79	98
Loss on impairment of receivables	9	-	1	22	1	2	11	24
<b>TOTAL EXPENSES</b>	<b>10 732</b>	<b>14 230</b>	<b>96 957</b>	<b>85 214</b>	<b>33 215</b>	<b>42 099</b>	<b>140 904</b>	<b>141 543</b>
<b>NET RESULT</b>	<b>(4 392)</b>	<b>(7 887)</b>	<b>56</b>	<b>(1 173)</b>	<b>(1 119)</b>	<b>1 977</b>	<b>(5 455)</b>	<b>(7 083)</b>

**1.5 ASSETS AND LIABILITIES BY PROGRAM**

as at 30 June 2024

	<i>Tourism Development</i>		<i>Tourism Events</i>		<i>Tourism Marketing</i>		<i>General or Not Attributable</i>		<i>Total</i>	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>										
Cash and equivalents	-	-	3 019	3 017	7 086	7 328	8 402	7 916	18 507	18 261
Receivables	158	51	1 269	783	375	93	167	2 136	1 969	3 063
Other financial assets	-	-	-	155	-	-	-	-	-	155
Other assets	-	-	-	-	-	-	1 991	-	1 991	-
Plant and equipment	-	-	3 920	4 241	-	-	52	818	3 972	5 059
<b>TOTAL ASSETS</b>	<b>158</b>	<b>51</b>	<b>8 208</b>	<b>8 196</b>	<b>7 461</b>	<b>7 421</b>	<b>10 612</b>	<b>10 870</b>	<b>26 439</b>	<b>26 538</b>
<b>LIABILITIES</b>										
Payables	360	617	11 678	5 310	2 251	5 143	328	350	14 617	11 420
Financial liabilities	-	-	3 452	3 665	-	-	52	763	3 504	4 428
Employee related liabilities	423	288	1 122	759	959	678	1 134	821	3 638	2 546
Provisions	-	-	-	-	-	-	127	179	127	179
Other liabilities	-	-	4	22	-	-	2 061	-	2 065	22
<b>TOTAL LIABILITIES</b>	<b>783</b>	<b>905</b>	<b>16 256</b>	<b>9 756</b>	<b>3 210</b>	<b>5 821</b>	<b>3 702</b>	<b>2 113</b>	<b>23 951</b>	<b>18 595</b>

**1.6 RELATED PARTY TRANSACTIONS**

Related parties of the SATC include all key management personnel and their close family members, all Cabinet Ministers and their close family members, any entities controlled or jointly controlled by a related party, all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government. See note 3.1 for transactions with key management personnel.

**1.6.1 Significant Transactions with Government Related Entities**

Other than as disclosed elsewhere in the financial statements, the SATC had the following significant transactions with government:

- net grants, sponsorships and contributions received from the Department of the Premier and Cabinet totalling \$58.0 million (\$34.3 million) (included in notes 2.2 and 2.4)
- grants paid to the Department of Treasury and Finance totalling \$3.2 million (\$7.7 million) for payment to Tourism Industry Development Fund grant recipients (included in note 4.2)

- net contributions paid to Adelaide Venue Management of \$1.9 million for venue services (included in note 4.4)
- sponsorship paid to the Adelaide Festival Corporation \$1.5 million (included in note 4.2)
- office accommodation and event operations totalling \$1.1 million (\$0.5 million) provided by the Department for Infrastructure and Transport (included notes 4.3 and 4.4)
- rent, maintenance, outgoings and services of \$0.9 million (\$1.3 million) paid to the South Australian Water Corporation for an office lease (refer to notes 4.3 and 6.1.3).

## 2. INCOME

### 2.1 APPROPRIATION

	2024 \$'000	2023 \$'000
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	65 738	88,530
Carryover of funds into 2024-25 for event sponsorships	(2 500)	-
Transfer to Department of Premier and Cabinet for ICT services	(30)	-
Transfer to Department of Treasury and Finance for Shared Services SA variation	(15)	1
Total appropriation	<u>63 193</u>	<u>88 531</u>

Appropriation is recognised as income on receipt.

Total appropriation consists of \$62 437 000 (\$87 793 000) of operational funding and \$756 000 (\$738 000) for capital purposes.

### 2.2 SA GOVERNMENT GRANTS, SUBSIDIES AND TRANSFERS

	2024 \$'000	2023 \$'000
State Government grants	58 042	34 203
Contingency funding provided by the Department of Treasury and Finance	1 021	2 000
Total revenues from SA Government	<u>59 063</u>	<u>36 203</u>

State Government grants mainly consist of funding from the Department of Premier and Cabinet's Major Events Fund. As the grants are non-recourse grants, they have been recognised as income on receipt. Contingency funding provided by the Department of Treasury and Finance mostly consists of funding for the River Revival Voucher program (\$1 million).

### 2.3 COMMONWEALTH-SOURCED GRANTS

	2024 \$'000	2023 \$'000
Commonwealth grants	800	7
Total Commonwealth-sourced grants	<u>800</u>	<u>7</u>

Commonwealth grants consist of a grant received under the Choose Tourism Grant Program. Commonwealth-sourced grants are recognised in accordance with AASB 1058 *Income of Not-for-Profit Entities* as income on receipt.

### 2.4 SPONSORSHIP AND PARTICIPATION

	2024 \$'000	2023 \$'000
Sponsorship income	6 791	6 230
Industry contributions	2 565	5
Cooperative marketing/advertising	165	19
Industry participation fees	-	55
Total sponsorship and participation	<u>9 521</u>	<u>6 309</u>

Sponsorship and participation is recognised as income from contracts with customers. Revenue is recognised in the period in which the services are provided. Where payment is received for sponsorship and participation in an earlier period, it is disclosed in note 7.4 as a contract liability.

### 2.5 ENTRY FEES, LICENCE FEES AND SALES

	2024 \$'000	2023 \$'000
Event entry fees	830	994
Licence fees	1 163	1 087
Sale of merchandise	230	159
Service fees	71	15
Rental income	7	21
Total entry fees, licence fees and sales	<u>2 301</u>	<u>2 276</u>

Income from event entry fees, licence fees and sales is recognised as income from contracts with customers. Revenue is recognised in the period in which the services are provided. Where payment is received for event entry fees and licence fees in an earlier period, it is disclosed in note 7.4 as a contract liability.

<b>2.6 OTHER INCOME</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Resources received free of charge	<b>452</b>	475
Gain on foreign exchange	<b>119</b>	659
Total other income	<b>571</b>	1 134

Resources received free of charge consist of IT, telecommunications and media monitoring services provided by the Department of the Premier and Cabinet. Services of this nature would otherwise have been purchased.

Foreign currency transactions are translated using exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using exchange rates at the reporting date. Gains and losses on foreign exchange arise when items are translated at rates different from those at which they were translated when initially recognised or in previous financial statements.

### 3. BOARD, COMMITTEES AND EMPLOYEES

#### 3.1 KEY MANAGEMENT PERSONNEL

The key management personnel of the SATC during 2023-24 were the Minister for Tourism, Board directors, the Chief Executive Officer and the members of the Executive Team who have responsibility for the strategic direction and management of the SATC. Total compensation for key management personnel detailed in this note excludes salaries and other benefits received by the Minister for Tourism. 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 under section 6 the *Parliamentary Remuneration Act 1990*.

<b>3.1.1 Compensation</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Salaries and other short-term employee related expenses	<b>1 541</b>	1 602
Post-employment related expenses	<b>168</b>	150
Termination related expenses	-	81
Total compensation	<b>1 709</b>	1 833

#### 3.1.2 Significant Transactions with Key Management Personnel

The SATC had no individually significant transactions with key management personnel, their close family members or any entities controlled or jointly controlled by key management personnel or their close family members.

#### 3.2 BOARD DIRECTORS

Members of the South Australian Tourism Commission Board during the 2024 financial year were:

Andrew Bullock	Ian Horne	Grant Wilckens
Donna Gauci	Justyna Jochym	Jayne Flaherty (until 30 September 2023)
Jess Greatwich	Eoin Loftus	Emma Terry <sup>1</sup> ( <i>ex officio</i> )

The number of directors whose total remuneration received or receivable falls within the following bands:	<b>2024</b>	2023
	<b>Number</b>	Number
\$0 - \$19 999	<b>8</b>	12
\$20 000 - \$39 999	<b>1</b>	1
Total number of directors	<b>9</b>	13

The total remuneration received or receivable by directors was \$152 000 (\$158 000). Remuneration of directors includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

<sup>1</sup> In accordance with Premier and Cabinet Circular PC016, no director received remuneration for board duties while employed by the SA Government.

### 3.3 EMPLOYEE RELATED EXPENSES

	2024 \$'000	2023 \$'000
Salaries and wages	13 427	12 088
Long service leave	470	221
Annual leave	1 164	1 017
Skills and experience retention leave	29	28
Employment on-costs – superannuation	1 626	1 363
Employment on-costs – other	833	731
Board and committee fees	137	143
Other employee related expenses	83	83
Total employee related expenses	<u>17 769</u>	<u>15 674</u>

Superannuation employment on-costs represent the SATC's contributions to superannuation plans for the current services of current employees.

#### 3.3.1 Employee Remuneration

	2024 Number	2023 Number
The number of employees whose remuneration received or receivable falls within the following bands:		
\$160 001 - \$166 000 <sup>1</sup>		2
\$166 001 - \$186 000	2	-
\$186 001 - \$206 000	-	2
\$206 001 - \$226 000	1	2
\$226 001 - \$246 000	1	-
\$246 001 - \$266 000	1	1
\$266 001 - \$286 000	1	-
\$326 001 - \$346 000	1	1
\$426 001 - \$446 000	1	-
	<u>8</u>	<u>8</u>

The total remuneration received by these employees for the year was \$2 096 000 (\$1 745 000).

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

### 3.4 EMPLOYEE RELATED LIABILITIES

	2024 \$'000	2023 \$'000
Current:		
Annual leave	1 178	1 000
Long service leave	184	171
Skills and experience retention leave	39	28
Employment on-costs	361	284
Accrued salaries and wages	6	-
Total current employee related liabilities	<u>1 768</u>	<u>1 483</u>
Non-Current:		
Long service leave	1 720	1 347
Employment on-costs	150	107
Total non-current employee related liabilities	<u>1 870</u>	<u>1 454</u>
Total employee related liabilities	<u>3 638</u>	<u>2 937</u>

Employee related liabilities accrue from services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee related liabilities are measured at nominal amounts.

#### 3.4.1 Salaries and Wages, Annual Leave, Skills and Experience Retention Leave and Sick Leave Liabilities

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

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

<sup>1</sup> This band has been included to report comparative figures based on the executive base level remuneration for 2022-23.

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.

### 3.4.2 Long Service Leave Liability

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. Current long service leave reflects the portion of leave expected to be settled within the next twelve months based on previous experience. All other long service leave is classified as non-current.

AASB 119 *Employee Benefits* determines the calculation methodology for long service leave liability.

An actuarial assessment performed by the Department of Treasury and Finance provided a basis for the measurement of long service leave and is 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 actuarial assessment determined that the salary inflation rate for long service leave was 3.5%, unchanged from 2022-23, resulting in no change to the reported long service leave liability.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased to 4.25% from 4.0% in 2022-23, resulting in a decrease in the reported long service leave liability.

The net financial effect in the current financial year of the changes to actuarial assumptions and the bond yield rate is an increase in the long service leave liability of \$100 000 and employee benefits expenses of \$109 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using several demographic and financial assumptions, including the long-term discount rate.

### 3.4.3 Employment On-Costs

Employment on-costs include payroll tax, workers compensation levies and superannuation contributions.

The SATC makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as expenses when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The liabilities outstanding at the reporting date are for contributions due but not yet paid to superannuation schemes, payroll tax payable to Revenue SA and the estimated on-costs on liabilities for accrued salaries and wages, long service leave, annual leave and skills and experience retention leave.

An actuarial assessment performed by the Department of Treasury and Finance determined that the average factor for the calculation of employer superannuation contribution on-cost on annual leave, skills and experience retention leave and long service leave increased to 11.5% in 2023-24 from 11.1% in 2022-23. The percentage of long service leave taken as leave is 31.0% (25.5%), calculated as the actual percentage of leave taken during the last five years. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$25 000. The estimated future impact is an increase of \$26 000 in 2024-25 and \$27 000 in 2025-26.

## 4. EXPENSES

Employee related expenses are disclosed in note 3.3.

### 4.1 ADVERTISING AND PROMOTION

	2024	2023
	\$'000	\$'000
Consumer advertising	12 720	19 382
Cooperative consumer marketing	3 356	7 247
Familiarisations	1 282	1 666
Other consumer marketing	100	307
Production	4 333	3 347
Representation and contractors	2 329	2 479
Marketing research	1 258	962
Trade marketing	656	1 063
Other advertising and promotion	987	1 201
Total advertising and promotion	<u>27 021</u>	<u>37 654</u>

#### 4.1.1 Resources Provided Free of Charge

Services provided free of charge included in marketing research were \$182 000 (\$216 000) and were expensed at fair value.

<b>4.2 INDUSTRY ASSISTANCE</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Sponsorship of events	<b>52 800</b>	42 071
Marketing/industry support	<b>3 783</b>	1 414
Tourism infrastructure	<b>3 632</b>	7 967
SA Government grants and transfers	<b>117</b>	3 810
Tourism marketing boards/information centre grants	<b>592</b>	575
Trade show subsidies/membership of tourism industry bodies	<b>75</b>	206
Total industry assistance	<b>60 999</b>	56 043

Industry assistance is recognised as a liability and expense when the SATC has a contractual obligation to pay and the expense recognition criteria are met.

<b>4.3 ADMINISTRATION AND ACCOMMODATION</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Accommodation and service costs	<b>1 428</b>	970
Communication and computing	<b>1 349</b>	2 278
Stationery, postage, couriers and freight	<b>38</b>	77
Contractors and consultants	<b>821</b>	431
Motor vehicles, taxis and car parking	<b>90</b>	87
Domestic and international travel	<b>434</b>	401
Seminars, courses and training	<b>301</b>	306
Insurance	<b>239</b>	209
Audit, legal and other fees	<b>394</b>	562
Other	<b>510</b>	364
Total administration and accommodation	<b>5 604</b>	5 685

#### 4.3.1 Consultants

The number and dollar amount of consultancies included in Administration and Accommodation that fell within the following bands:

	<b>2024</b>		2023	
	<b>No.</b>	<b>\$'000</b>	No.	\$'000
Below \$10 000	<b>3</b>	<b>21</b>	1	9
\$10 000 and above	<b>7</b>	<b>493</b>	2	203
Total paid/payable to the consultants engaged	<b>10</b>	<b>514</b>	3	212

#### 4.3.2 Audit Fees

Audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$96 000 (\$84 000). No other services were provided by the Audit Office of South Australia.

#### 4.3.3 Resources Provided Free of Charge

Services provided free of charge included in communication and computing were \$270 000 (\$234 000) and were expensed at fair value.

<b>4.4 EVENT OPERATIONS</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Event facilities	<b>8 195</b>	7 685
Catering and entertainment	<b>2 282</b>	2 028
Communications	<b>883</b>	934
Transport	<b>1 584</b>	1 055
Participants and contractors	<b>8 466</b>	6 698
Television and media	<b>4 723</b>	4 676
Fees and permits	<b>523</b>	522
Event management	<b>1 463</b>	1 100
Total event operations	<b>28 119</b>	24 698

<b>4.5 DEPRECIATION EXPENSE</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
General and events assets	<b>165</b>	157
Fitouts	<b>230</b>	305
Right-of-use assets	<b>907</b>	1 205
Total depreciation expense	<b>1 302</b>	1 667

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

#### 4.5.1 Review of Accounting Estimates

Assets' residual values, useful lives and amortisation methods are reviewed annually and adjusted if appropriate. Changes in the expected useful 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. The value of fitouts is amortised over the estimated remaining useful life of each fitout, or the unexpired period of the relevant lease, whichever is shorter.

#### 4.5.2 Useful Life

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

<b>Class of Asset</b>	<b>Useful Life</b>
General and events assets	3-35
Fitouts	3-9
Right-of-use assets	3-20

<b>4.6 BORROWING COSTS</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Interest expense on lease liabilities	<b>79</b>	98
Total borrowing costs	<b>79</b>	98

## 5. FINANCIAL ASSETS

<b>5.1 CASH AND CASH EQUIVALENTS</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Deposits with the Treasurer	<b>8 397</b>	7 911
Cash at bank	<b>10 105</b>	10 345
Cash on hand	<b>5</b>	5
Total cash and cash equivalents	<b>18 507</b>	18 261

Cash is measured as nominal amounts.

#### 5.1.1 Deposits with the Treasurer

In 2023-24 the SATC held four deposit accounts with the Treasurer, consisting of three general operating accounts and the Accrual Appropriation Excess Funds Account (AAEFA). The balance of the AAEFA was \$2 557 000 (\$2 746 000). The SATC controls the money in the AAEFA but its use must be approved by the Treasurer. The SATC does not earn interest on its deposits with the Treasurer.

<b>5.2 RECEIVABLES</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Current:		
Contractual receivables		
From government entities	<b>64</b>	483
From non-government entities	<b>480</b>	303
Less allowance for impairment loss on contractual receivables	<b>(16)</b>	(10)
Total contractual receivables	<b>528</b>	776
Statutory receivables		
GST input tax recoverable	<b>837</b>	2 050
Total statutory receivables	<b>837</b>	2 050
Prepayments	<b>310</b>	237
Contract assets	<b>294</b>	-
Total receivables	<b>1 969</b>	3 063



Contractual receivables arise in the normal course of selling goods and services to the public and to other government agencies. Contractual receivables are normally settled within 30 days of the receipt of an invoice or provision of the goods or services under a contractual arrangement.

Other than as recognised in the allowance for impairment loss on contractual receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of contractual 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 related to taxes and equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables but are not classified as financial instruments for disclosure purposes.

The net amount of GST payable to the ATO is included as part of receivables. Receivables and prepayments are non-interest bearing. Contractual receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Refer to note 10.1 for information on risk management.

<b>5.2.1 Allowance for Impairment Loss on Contractual Receivables</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Movement in the allowance for impairment loss on receivables		
Carrying amount at 1 July	10	79
Increase in the allowance	11	10
Amounts recovered during the year	-	(14)
Increase (decrease) in allowance recognised in profit or loss	11	24
Amounts written off	(5)	(65)
Carrying amount at 30 June	16	10

Impairment losses relate to contracts with customers external to SA Government. Refer to note 10.3 for information on credit risk and the methodology for determining impairment.

<b>5.2.2 Contract Assets</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Balance at 1 July	-	1
Add additional costs incurred that are recoverable from the customer	294	-
Less transfer to receivables	-	(1)
Total contract assets	294	-

Contract assets relate to the SATC's right to consideration in exchange for goods and services transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the SATC issues an invoice to the customer.

Contract assets are non-interest bearing.

Refer to note 10.4 for information on market risk.

<b>5.3 OTHER FINANCIAL ASSETS</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Foreign currency forward contracts	-	155
Total other financial assets	-	155

Refer to note 10.4 for information on market risk.

<b>5.4 OTHER ASSETS</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Current:		
Accommodation incentive assets	426	-
Total other current assets	426	-
Non-Current:		
Accommodation incentive assets	1 565	-
Total other non-current assets	1 565	-
Total other assets	1 991	-

Accommodation incentive assets relate to an arrangement with the Department for Infrastructure and Transport for office accommodation. This arrangement is not recognised under AASB 16 *Leases*, and therefore no right-of-use asset or corresponding lease liability has been recognised. See note 6.1.3. The incentive is a discount in accommodation expenses for five years. See also note 7.4.

## 6. NON-FINANCIAL ASSETS

### 6.1 PLANT AND EQUIPMENT BY ASSET CLASS

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

	2024	2023
	\$'000	\$'000
General and events assets		
At cost (deemed fair value)	2 477	2 349
Accumulated depreciation at the end of the period	<u>(1 640)</u>	<u>(1 521)</u>
Total general and events assets	<u>837</u>	<u>828</u>
Fitouts		
At cost (deemed fair value)	1 867	1 868
Accumulated depreciation at the end of the period	<u>(1 751)</u>	<u>(1 522)</u>
Total fitouts	<u>116</u>	<u>346</u>
Right-of-use assets		
At cost	4 357	8 632
Accumulated depreciation at the end of the period	<u>(1 338)</u>	<u>(4 747)</u>
Total right-of-use assets	<u>3 019</u>	<u>3 885</u>
Total plant and equipment	<u><u>3 972</u></u>	<u><u>5 059</u></u>

#### 6.1.1 Owned Plant and Equipment

Plant and equipment owned by the SATC is valued at deemed fair value. Refer to note 6.2 for information about fair value.

All Pageant floats, regardless of their value, are recognised as non-current assets. Pageant floats are recorded at historic cost less accumulated depreciation. All other non-current tangible assets with a value equal to or in excess of \$15 000 are capitalised.

Plant and equipment includes \$526 000 (\$633 000) of fully depreciated plant and equipment still in use.

#### 6.1.2 Impairment of Owned Plant and Equipment

The SATC holds its plant and equipment assets for their service potential (value in use). There were no indications of impairment of plant and equipment at 30 June 2024.

#### 6.1.3 Leased Plant and Equipment

Right-of-use plant and equipment assets leased by the SATC are measured at cost. 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 rent payments are recognised as expenses and disclosed in note 4.3.

The SATC had the following leases during 2023-24:

- 9 (9) motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years or 60,000 km, up to 5 years or 100,000 km. The lease agreements contain no contingent rental provisions and no options to renew the leases at the end of their term.
- A lease of office accommodation under a Memorandum of Administrative Agreement (MoAA) with SA Water. The term of the lease was 5 years 9 months with rent payable monthly in advance. The MoAA with SA Water ceased in March 2024. A new office accommodation MoAA was then entered into with the Department for Infrastructure and Transport (DIT) for a 5-year term, with an option for a further 5-years. The new MoAA is within the scope of Premier and Cabinet Circular *PC018 Government Office Accommodation Framework*, and therefore does not meet the definition of a lease under AASB 16. No right-of-use asset or corresponding lease liability has been recognised.
- A commercial lease of warehouse, workshop and office space for the term of 10 years, with the option to extend for up to a further 10 years. The option to extend has been included in the term because management is reasonably certain to exercise the option. Rent is payable monthly in advance.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. Refer to note 10.5 for maturity analysis of lease liabilities. Expenses related to leases, including other and interest, are disclosed in notes 4.5 and 4.6. Cash outflows related to leases are disclosed in note 8.5.1.

#### 6.1.4 Impairment of Leased Plant and Equipment

Plant and equipment leased by the SATC has been assessed for impairment. There was no indication of impairment at 30 June 2024.

### 6.1.5 Reconciliation of Movements in Plant and Equipment during 2023-24

	General and Events Assets \$'000	Fitouts \$'000	Right-of-Use Assets \$'000	<b>Total \$'000</b>
Carrying amount at 1 July	828	346	3 885	<b>5 059</b>
Additions	174	-	41	<b>215</b>
Depreciation	(165)	(230)	(907)	<b>(1 302)</b>
Carrying amount at 30 June	<b>837</b>	<b>116</b>	<b>3 019</b>	<b>3 972</b>

### 6.1.6 Reconciliation of Movements in Plant and Equipment during 2022-23

	General and Events Assets \$'000	Fitouts \$'000	Right-of-Use Assets \$'000	<b>Total \$'000</b>
Carrying amount at 1 July	828	651	5 068	<b>6 547</b>
Additions	157	-	22	<b>179</b>
Depreciation	(157)	(305)	(1 205)	<b>(1 667)</b>
Carrying amount at 30 June	<b>828</b>	<b>346</b>	<b>3 885</b>	<b>5 059</b>

## 6.2 FAIR VALUE MEASUREMENT

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.

### 6.2.1 Acquisition and Recognition

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

### 6.2.2 Revaluation

The valuation processes and fair value changes are reviewed by the Chief Operating Officer at each reporting date.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or 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. A valuation appraisal by a Certified Practising Valuer is performed at least 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. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets. Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

### 6.2.3 Fair Value Hierarchy

The SATC classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

Fair value measurements recognised in the Statement of Financial Position are categorised into level 3 at 30 June. The SATC had no valuations categorised into level 1 or level 2. There were no transfers of assets between fair value hierarchy levels and there were no changes in valuation techniques during 2023-24.

### 6.2.4 Fair Value Measurements

All items of general plant and equipment, events plant and equipment and fitouts had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years. In accordance with *Treasurer's Instructions (Accounting Policy Statements) 2019 APS 116.D* these assets have not been revalued. The carrying value of assets not revalued is deemed to approximate fair value.

## 7. LIABILITIES

Employee related liabilities are disclosed in note 3.4.

<b>7.1 PAYABLES</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Current:		
Contractual payables		
Creditors	<b>1 981</b>	6 956
Accrued expenses	<b>12 527</b>	3 980
Total contractual payables	<b>14 508</b>	10 936
Statutory payables		
Audit fees payable	<b>104</b>	84
Paid Parental Leave scheme payable	<b>5</b>	9
Total statutory payables	<b>109</b>	93
Total current payables	<b>14 617</b>	11 029
Total payables	<b>14 617</b>	11 029

All payables are non-interest bearing. The net amount of GST recoverable from the ATO is included as part of creditors. The carrying amount of payables represents fair value due to their short-term nature. Refer to note 10.1 for information on risk management.

### 7.1.1 Creditors

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the SATC.

### 7.1.2 Accrued Expenses

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice had not been received.

<b>7.2 FINANCIAL LIABILITIES</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Current:		
Lease liabilities	<b>253</b>	960
Total current financial liabilities	<b>253</b>	960
Non-Current:		
Lease liabilities	<b>3 251</b>	3 468
Total non-current financial liabilities	<b>3 251</b>	3 468
Total financial liabilities	<b>3 504</b>	4 428

Financial liabilities are measured at amortised cost. All material cash outflows are reflected in the lease liabilities disclosed above.

<b>7.3 PROVISIONS</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Current:		
Provision for workers compensation	<b>24</b>	43
Total current provisions	<b>24</b>	43
Non-Current:		
Provision for workers compensation	<b>103</b>	136
Total non-current provisions	<b>103</b>	136
Total provisions	<b>127</b>	179

### 7.3.1 Movement in Provisions

	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Carrying amount at 1 July	<b>179</b>	144
Additional provisions recognised	<b>32</b>	40
Reductions resulting from payments/other sacrifice of future economic benefits	<b>(6)</b>	(16)
Adjustments resulting from re-measurement or settlement without cost	<b>(78)</b>	11
Carrying amount at 30 June	<b>127</b>	179

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 for Public Sector Employment. The provision reflects unsettled workers compensation claims and is for the estimated cost of ongoing payments to employees as required under current legislation.

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

<b>7.4 OTHER LIABILITIES</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Current:		
Accommodation incentive liabilities	213	-
Contract liabilities	4	22
Total current other liabilities	<u>217</u>	<u>22</u>
Non-Current:		
Accommodation incentive liabilities	1 848	-
Total non-current other liabilities	<u>1 848</u>	<u>-</u>
Total other liabilities	<u><u>2 065</u></u>	<u>22</u>

Accommodation incentive liabilities relate to an arrangement with the Department for Infrastructure and Transport for office accommodation. This arrangement is not recognised under AASB 16 *Leases*, and therefore no right-of-use asset or corresponding lease liability has been recognised. See note 6.1.3. The incentive is a discount in accommodation expenses for the first 5 years of the 10 year accommodation term. The benefit of the incentive is spread over the full term so that reported expenses reflect the economic substance of the arrangement and related benefits provided. See also note 5.4.

<b>7.4.1 Contract Liabilities</b>	<b>2024</b>	2023
	<b>\$'000</b>	\$'000
Balance at 1 July	22	124
Add payments received for performance obligations yet to be completed	4	22
Less performance obligations transferred to the SA Motor Sport Board	-	(113)
Less revenue recognised for completion of performance obligations	(22)	(11)
Total contract liabilities	<u>4</u>	<u>22</u>

Contract liabilities include consideration received in advance from customers in respect of events managed by SATC and are recognised in the reporting period when the performance obligation is complete. All contract liabilities are expected to be realised as revenue within 12 months.

## 8. OTHER DISCLOSURES

### 8.1 CHANGES IN ACCOUNTING POLICY

The SATC assessed Australian Standards and Interpretations that first applied in 2023-24 and determined that they do not have a material impact on its financial statements. No new Australian Accounting Standards or Interpretations have been early adopted.

### 8.2 PROCUREMENT EXPENDITURE

Total expenditure on contracts above \$55 000 per contract (including GST) resulting from procurements under Treasurer's Instruction 18 <i>Procurement</i> :	<b>2024</b>	Proportion
	<b>\$'000</b>	%
South Australian businesses	26 356	68.1%
Non-South Australian businesses	12 318	31.9%
Total expenditure on contracts above \$55 000 resulting from procurements	<u><u>38 674</u></u>	<u>100.0%</u>

Arrangements between public authorities and with other governments are not included. Total expenditure with South Australian businesses may include the cost of goods sourced from outside SA.

#### 8.2.1 Classification of South Australian or Non-South Australian Business

The classification of South Australian business or non-South Australian business is generally based on circumstances at the time of entering into a contract. For contracts entered into before 20 February 2023, assessments made under previous procurement requirements are used to determine the classification where sufficient evidence is available to the SATC. For contracts entered into before 20 February 2023 where such evidence is not available, and for all other contracts, the classification is based on the definition of a South Australian business provided in Treasurer's Instruction 18. In many cases the classification is based on representations made by suppliers at a point in time which have not been subject to independent verification.

Treasurer's Instruction 18 defines a South Australian business in relation to a procurement as one that operates in SA and more than 50% of the workforce delivering the contract resulting from the procurement are residents of SA. A business operates in SA by previously or currently providing goods, services or construction in SA or by having an office location or staff located in SA. A resident of SA is defined as a resident of SA for tax purposes.

### 8.3 BUDGET PERFORMANCE

The budget performance tables compare the SATC's outcome against budget information presented to Parliament (2023-24 Budget Paper 4). The original budget amounts have been presented and classified on a basis that is consistent with line items in the financial statements and have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

#### 8.3.1 Statement of Comprehensive Income

	Note	Original Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
<b>Income</b>				
Appropriation		65 738	63 193	<b>(2 545)</b>
SA Government grants, subsidies and transfers	(a)	10 500	59 063	<b>48 563</b>
Commonwealth-sourced grants		-	800	<b>800</b>
Sponsorship and participation	(b)	4 514	9 521	<b>5 007</b>
Entry fees, licence fees and sales		1 233	2 301	<b>1 068</b>
Other income		-	571	<b>571</b>
<b>Total income</b>		<b>81 985</b>	<b>135 449</b>	<b>53 464</b>
<b>Expenses</b>				
Employee related expenses		15 151	17 769	<b>2 618</b>
Advertising and promotion		23 104	27 021	<b>3 917</b>
Industry assistance	(c)	27 264	60 999	<b>33 735</b>
Administration and accommodation		4 514	5 604	<b>1 090</b>
Event operations	(d)	11 678	28 119	<b>16 441</b>
Depreciation expense		1 804	1 302	<b>(502)</b>
Borrowing costs		106	79	<b>(27)</b>
Loss (gain) on impairment of receivables		-	11	<b>11</b>
<b>Total expenses</b>		<b>83 621</b>	<b>140 904</b>	<b>57 283</b>
<b>Net result</b>		<b>(1 636)</b>	<b>(5 455)</b>	<b>(3 819)</b>
<b>Total comprehensive result</b>		<b>(1 636)</b>	<b>(5 455)</b>	<b>(3 819)</b>

#### 8.3.2 Investing Expenditure Summary

		Original Budget 2024 \$'000	Actual 2024 \$'000	Variance \$'000
<b>Investing expenditure</b>				
Total annual programs		756	174	<b>(582)</b>
Total leases	(e)	5 742	41	<b>(5 701)</b>
<b>Total investing expenditure</b>		<b>6 498</b>	<b>215</b>	<b>(6 283)</b>

Explanations are only provided for variances where the variance is more than 10% of the original budgeted amount and more than 5% of original budgeted total expenses.

- (a) The variance in SA Government grants, subsidies and transfers mainly relates to funding received from the Department of the Premier and Cabinet through the Major Events Fund to grow existing owned and managed events and to secure and support major national and international events.
- (b) The variance in sponsorship and participation relates to the recognition of additional events sponsorship income and offsetting expenses for managed and sponsored events.
- (c) The variance in industry assistance is mainly due to expenditure associated with grants from the Major Events Fund to secure and support major national and international events.
- (d) The variance in events operations is mainly due to expenditure associated with grants from the Major Events Fund to grow existing owned and managed events and to support major national and international events.
- (e) The variance in leases investing expenditure is due to the expected extension of an office lease originally being budgeted in accordance with AASB 16 *Leases*. The lease was replaced with an office accommodation agreement with the Department for Infrastructure and Transport. The new arrangement is not recognised as a lease under AASB 16 and is therefore not budgeted as investing expenditure.

### 8.4 EQUITY

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

## 8.5 CASH FLOWS

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.

### 8.5.1 Cash Flow Reconciliation

	2024	2023
	\$'000	\$'000
Reconciliation of cash and cash equivalents at 30 June:		
Cash and cash equivalents disclosed in the Statement of Financial Position	<b>18 507</b>	18 261
Balance as per the Statement of Cash Flows	<b>18 507</b>	18 261
Reconciliation of net cash provided by operating activities to net result:		
Net cash provided by (used in) operating activities	<b>1 380</b>	(10 041)
Non-cash items		
Depreciation expense	<b>(1 302)</b>	(1 667)
Effect of exchange rate on cash and cash equivalents	<b>5</b>	266
Assets transferred to SA Motor Sport Board	-	(113)
Assets acquired for significantly less than fair value	-	25
Movement in assets and liabilities		
Receivables	<b>(1 094)</b>	768
Other financial assets	<b>(155)</b>	155
Other assets	<b>1 991</b>	-
Payables	<b>(3 588)</b>	3 462
Employee related liabilities	<b>(701)</b>	(5)
Provisions	<b>52</b>	(35)
Other liabilities	<b>(2 043)</b>	102
Net result	<b>(5 455)</b>	(7 083)

## 9. UNRECOGNISED CONTRACTUAL COMMITMENTS

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

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not payable to, or recoverable from, the ATO the commitments are disclosed on a gross basis.

### 9.1 EXPENDITURE COMMITMENTS

	2024	2023
	\$'000	\$'000
Expenditure commitments at the reporting date not recognised as liabilities are payable as follows:		
Within one year	<b>59 309</b>	44 874
Later than one year but not longer than five years	<b>65 460</b>	5 293
Later than five years	<b>9 074</b>	-
Total expenditure commitments	<b>133 843</b>	50 167

The SATC's commitments arise from agreements for marketing services, event operations, event sponsorship, accommodation, infrastructure grants and other cooperative and service contracts. There are no purchase options available to the SATC.

## 10. FINANCIAL INSTRUMENTS

### 10.1 FINANCIAL RISK MANAGEMENT

Risk management is managed by the SATC's Finance and Business Services group. 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 SATC's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held. There have been no changes in risk exposure since the last reporting period.

### 10.2 LIQUIDITY RISK

The SATC is funded principally from appropriation by the SA Government. The SATC 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 8.3 and 8.5 for further information.

### 10.3 CREDIT RISK

The SATC 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 SATC.

#### 10.3.1 Impairment of Financial Assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9 *Financial Instruments*. The SATC uses an allowance matrix to measure the expected credit loss of contractual receivables from non-government debtors. Contractual receivables are grouped based on shared risks characteristics and days past due, taking into account 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 SATC's historical experience and informed credit assessment, including any relevant forward-looking information. Loss rates are calculated based on the probability of a contractual receivable progressing through stages to write-off based on the common risk characteristics of the transaction and debtor.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

The following table provides information about the SATC's exposure to credit risk and expected credit loss for non-government debtors.

	Gross Carrying Amount	Loss	Lifetime Expected Losses
	\$'000	%	\$'000
Non-government debtors at 30 June 2024			
Current (not past due)	372	0.2%	1
1 – 30 days past due	41	0.3%	-
31 – 60 days past due	43	0.9%	-
61 – 90 days past due	4	1.6%	-
91 – 120 days past due	4	2.8%	-
More than 120 days past due	16	94.0%	15
Total loss allowance			16

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

Impairment losses are presented on a net basis within net result. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual 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 SATC and a failure to make contractual payments for a period of greater than 120 days past due.

Receivables with a contractual amount of \$5 000 written off during the year are still subject to enforcement activity.

Cash and cash equivalents have low credit risk due to the external credit ratings of the counterparties and therefore the expected credit loss is nil.

All impairment losses on contractual receivables arise from contracts with customers. No impairment losses were recognised in relation to contract assets during the year.

### 10.4 MARKET RISK

The SATC does not trade in foreign currency, enter into transactions for speculative purposes nor engage in high risk hedging for its financial assets. To manage its exchange risk the SATC implements forward foreign exchange cover through SAFA in accordance with Treasurer's Instruction 23 *Management of Foreign Currency Exposures*. Due to their short-term nature, the SATC does not designate its foreign currency forward contracts as hedging instruments.

At 30 June 2024 SAFA had no (5) foreign exchange forward contracts in place on behalf of the SATC. In 2023-24 the SATC had 11 (13) foreign exchange forward contracts mature totalling \$12 326 000 (\$13 341 000). Forward contracts are to cover commitments denominated in foreign currencies, including for the payment of representation fees, sponsorships, event participation fees and global marketing activity.

As with all forward foreign exchange contracts there are financial risks. Cashflows from foreign exchange forward contracts in 2023-24 are included in the Statement of Comprehensive Income, and where material are shown separately as losses in note 4.3 and as gains in note 2.6. Refer to note 5.3 for further information.

The SATC does not undertake any hedging of interest rate risk. There is no exposure to other price risks.

### 10.5 CATEGORISATION OF FINANCIAL INSTRUMENTS

Details of the material accounting policy information and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised for each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset or financial liability note.

The SATC measures all financial instruments at amortised cost.



**10.5.1 Category of financial asset and financial liability**

	Note	2024 Carrying Amount \$'000	2024 Contractual Maturities <sup>1</sup>		
			Within 1 year \$'000	1–5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and equivalents					
Cash and cash equivalents	5.1, 8.5	18 507	18 507	-	-
Amortised cost					
Receivables	5.2	822	822	-	-
Total financial assets		19 329	19 329	-	-
<b>Financial liabilities</b>					
Amortised cost					
Payables	7.1	14 508	14 508	-	-
Lease liabilities	7.2	3 504	325	1 285	2 359
Other financial liabilities	7.4	4	4	-	-
Total financial liabilities		18 016	14 837	1 285	2 359
<b>2023</b>					
	Note	2023 Carrying Amount \$'000	2023 Contractual Maturities <sup>1</sup>		
			Within 1 year \$'000	1–5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and equivalents					
Cash and cash equivalents	5.1, 8.5	18 261	18 261	-	-
Amortised cost					
Receivables	5.2	776	776	-	-
Other financial assets	5.3	155	155	-	-
Total financial assets		19 192	19 192	-	-
<b>Financial liabilities</b>					
Amortised cost					
Payables	7.1	10 936	10 936	-	-
Lease liabilities	7.2	4 428	1 038	1 245	2 685
Other financial liabilities	7.4	22	22	-	-
Total financial liabilities		15 386	11 996	1 245	2 685

Amounts disclosed here exclude prepayments and statutory receivables and payables. Prepayments are presented in note 5.2 as receivables but are not financial assets as the future economic benefit is the receipt of goods and services rather than the right to receive cash or another financial asset.

**10.5.2 Statutory Receivables and Payables**

Receivables and payables amounts disclosed above exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges, Auditor-General's Department audit fees and employee-related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 *Financial Instruments: Disclosures* will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

**10.6 CREDIT STANDBY ARRANGEMENTS**

The SATC has a \$500 000 (\$300 000) purchasing card facility with ANZ Bank. The unused portion of this facility at 30 June 2024 was \$344 000 (\$24 000).

<sup>1</sup> Maturities analysis is presented using undiscounted cashflows and therefore may not equal the total carrying amount of the financial instrument.