



**Government
of South Australia**

**OFFICE FOR RECREATION, SPORT AND
RACING
2022–23 Annual Report**

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Acknowledgement of Country

The Office for Recreation, Sport and Racing acknowledges the traditional custodians of the lands of South Australia.

We pay our respects to ancestors and Elders: past, present and emerging. We are committed to honouring First Nations peoples' unique cultural and spiritual relationships to the land, water and seas and recognise the outstanding contribution they make to South Australia.

We celebrate the power of sport and active recreation to facilitate connections and promote equality and reconciliation.

To:

Hon Katrine Hildyard MP

Minister for Child Protection

Minister for Women and the Prevention of Domestic and Family Violence

Minister for Recreation, Sport and Racing

This annual report will be presented to Parliament to meet the statutory reporting requirements of *(insert relevant acts and regulations)* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the Office for Recreation, Sport and Racing by:

Ms Kylie Taylor
CHIEF EXECUTIVE

Date 29 September 2023

Signature 

From the Chief Executive

As a nation, sport is one of our greatest strengths and our largest obsession. Sport plays a key role in forging social connections, enabling community resilience and keeping our minds and bodies in good shape. Hence, a domestic Olympic and Paralympic Games in Brisbane 2032 will be a once-in-a-lifetime opportunity to champion the role sport can play in inspiring all South Australians and driving positive health outcomes and community connections.

The Office for Recreation, Sport and Racing has driven or contributed significantly to critical infrastructure and initiatives necessary to preparations for Brisbane 2032 and key benchmark performance events (e.g., World Cups) including:

- The South Australian Sports Institute (SASI) became a signatory to and was part of the co-design team for *Australia's High Performance 2032+ Sport Strategy* and took a pledge to 'Win Well' – a new national commitment to balancing ambitious sporting goals with cultures that are safe, fair and supportive;
- Commencement of construction of state-of-the-art training facilities in the new Mild End Precinct, including:
 - A new leading-edge high-performance sport headquarters for SASI (\$68m) that will support athletes to perform at their best and attract national and international teams to Adelaide in their preparations for Brisbane 2032;
 - The creation of a UniSA Sports Science Hub (\$20m contributed by UniSA) that will provide a research and education precinct and, through visitation of aspiring athletes, increased talent identification;
 - A new National Centre for Aerodynamics for analysis of the effects of performance interventions (alterations to posture and equipment) for high-performance athletes and support education, innovation and research in South Australia (\$15.5m);
 - The integration and upgrade of the SA Athletics Stadium (\$6m) and the Netball SA Stadium (\$12m).
- Completion of the new State Centre for Football (\$26m), Hindmarch Stadium upgrade (\$45m) enabled Adelaide to host 65,757 spectators at five sold-out matches of the FIFA Women's World Cup 2023 (FIFA WWC 2023) in July 2023, including teams from England, China, Brazil, France, Morocco, Korea, Haiti and Panama.

- Creation of a State Basketball Centre (\$15.8m) by upgrading and more than doubling the court facilities of the existing Wayville Sports Centre and providing a headquarters for Basketball SA, SA Country Basketball, SA Wheelchair Basketball and SA Church Basketball.

The FIFA WWC 2023, partially hosted in Adelaide, shone a spotlight on female participation in sport internationally. The Office for Recreation, Sport and Racing has sought significant advancement in gender equality in sport across the past year, including by:

- Hosting 1,000 attendees at the Power of Her Symposium in June 2023 to tackle gender inequality and all that inhibits women from equally and actively leading in every aspect of the community and economy.
- Grant funding investment to create better accessibility to sport for women and girls (\$18m), where \$10m has been quarantined for football and Football SA have agreed to match the funding – securing a total of \$28m investment in female sport.
- FIFA WWC 2023 Legacy Funding to Football SA enabling it to employ football development officers in the Adelaide Hills, Eyre Peninsula, Riverland and Limestone Coast.
- Establishing an eligibility criterion of ‘40% women in leadership positions’ for all grant recipients in the State Sport and Recreation Development Program; and
- Providing significant support in the re-establishment and operations of the Minister’s Women in Sport Taskforce.

In May of this year, the Office for Recreation, Sport and Racing was proud to launch its first Reconciliation Action Plan. The document was curated by a Working Group of staff, following consultation with First Nations advisors Kellie Graves (Tjindu Foundation General Manager), Tim Larkin (Larkin Consulting) and artist Pat Caruso (Eastern Arrernte). I look forward to building on our provision of SASI Scholarships to First Nations athletes.

First Nations SASI athlete Callum Peters was amongst a highly successful group of 55 South Australians across 17 sports who competed at the Birmingham Commonwealth Games – losing the final middleweight boxing gold medal decider in a controversial split decision, bringing home a silver medal, providing one of the best matches of the Games and showing outstanding sportsmanship. Our South Australian athletes returned from Birmingham with 42 medals, including 23 golds, 11 silvers and eight bronzes. Not long afterwards, SASI celebrated its 40th anniversary at the annual SASI Awards with SASI sporting legends Libby Kosmala, Val Beddoe, Matt Cowdrey and Annette Edmondson, plus SASI Directors (past and present) sharing stories about iconic SASI moments.

I would like to thank all the passionate and dedicated people who work as part of the Office for Recreation, Sport and Racing team. Our vision to relentlessly pursue an active state for all South Australians relies on strong collaboration across many agencies of the government. I commend their willingness, energy and commitment to improving the well-being of the residents of our state by working in connected ways and partnering to achieve positive outcomes.

I encourage readers to explore the details of this Annual Report and discover the significant outcomes achieved by the Agency and our partners over the past 12 months.

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

Kylie Taylor

CHIEF EXECUTIVE

Office for Recreation, Sport and Racing

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Overview: about the Agency

Our strategic focus

The Office for Recreation, Sport and Racing is South Australia’s lead government agency for sport, recreation and racing.

Getting South Australians moving and enjoying the benefits of physical activity is a key focus of the Agency. Adapting to and embracing an ever-changing social landscape has become an increasingly important part of finding ways to incorporate movement, play or performance in the everyday lives of children, youth and adults. This objective is supported by the development of policy, programs and resources; the provision of funding, recreation and sport planning; infrastructure development; elite sport pathways and programs; and the promotion of physical activity.

Our vision



Active State
Ensure lifelong movement, play and performance is part of our daily routine.

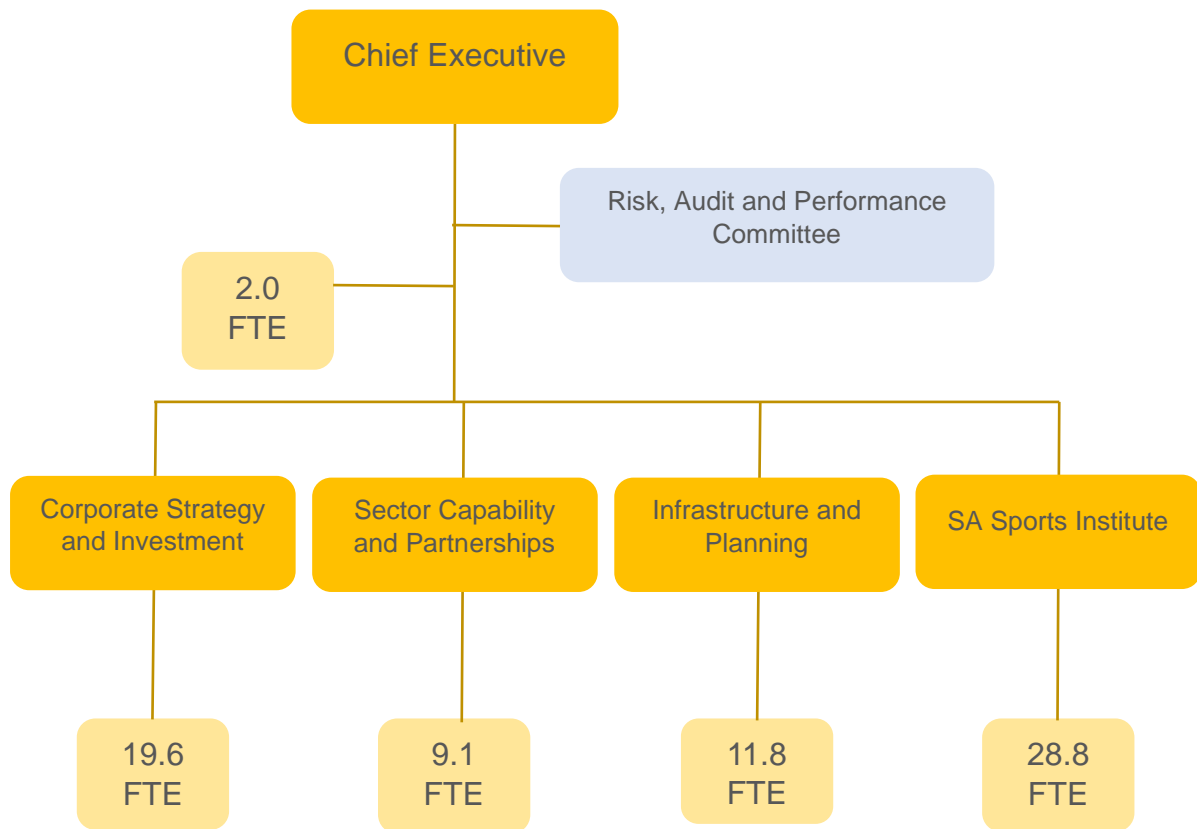
Connected Communities
Bring people together to build strong, healthy, safe and more resilient communities.

Inspire Performance
Empower people to achieve their sporting dreams.

Our functions, objectives and deliverables

<h2>Active Lives</h2> <p>Strategic Goal Movement, play and performance is embedded into the daily lives of South Australians.</p> <p>Key Strategies Support children and youth to move and play more. Devise 'Club of the Future' to improve community experiences. Activate movement and play in our regions. Increase opportunities for movement and play for all South Australians. Enable recreation, sport and racing organisations to thrive.</p>	<h2>Places and Spaces</h2> <p>Strategic Goal Places and spaces that encourage and support movement, play and performance are accessible to all.</p> <p>Key Strategies Lead planning for the provision of active places and spaces. Support the delivery of the state's significant active places and spaces. Optimise utilisation of places and spaces for active living.</p>	<h2>Sporting Excellence</h2> <p>Strategic Goal People are empowered to achieve their sporting dreams.</p> <p>Key Strategies Provide a world class high performance daily training hub including leading-edge technologies. Optimise national representation and medal success on the world stage for South Australian-based athletes and teams. Pursue excellence in practice, services and culture. Develop sustainable talent pathways for athletes and coaches. Enhance community engagement with SASI.</p>	<h2>Strategic Partnerships</h2> <p>Strategic Goal Community outcomes are delivered through strategic partnerships.</p> <p>Key Strategies Ensure delivery of the 'Game On' actions to get South Australians moving. Improve the ability of South Australians to adopt more active means of transport. Actively seek partnerships to achieve outcomes and leverage investment in movement, play and performance.</p>	<h2>Business Performance</h2> <p>Strategic Goal Recognised as a respected organisation, delivering high quality services to support the achievement of our strategic goals.</p> <p>Key Strategies Inspire South Australians to adopt active lives through engaging communications. Identify and explore emerging sector issues and trends through research, analysis and innovation. Provide integrated and responsive corporate support systems, processes, programs and services. Deliver grants programs that drive the achievement of our strategic goals. Empower and invest in our people.</p>
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Our organisational structure



The total number of full-time equivalents (FTE) employed in the Agency on 30 June 2023 was 71.3 FTE.

Changes to the Agency

Nil.

Our Minister



Hon Katrina Hildyard MP was the Minister responsible for:

- Child Protection
- Women and the Prevention of Domestic and Family Violence
- Recreation, Sport and Racing.

Our Executive Leadership Team

Ms Kylie Taylor – Chief Executive



Ms Taylor was the Chief Executive of the Office for Recreation, Sport and Racing.

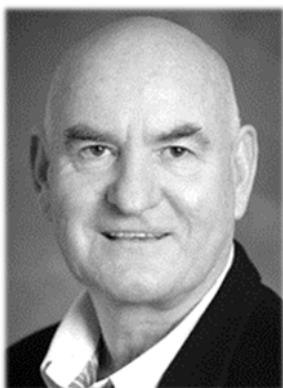
Mr Tim Nicholas – Director, Corporate, Strategy and Investment Division



Mr Nicholas was the Director responsible for leading:

- Financial Management
- Human Resources
- Customer Service
- Communications
- Governance
- Strategic and Corporate Planning
- Enterprise Information Management
- Industry Insights – Research and Analytics
- Funding Services

Mr Wes Battams – Director, South Australian Sports Institute (SASI) Division



Mr Battams was the Director responsible for leading:

- High-Performance Coaching
- Performance Services
- Physical Preparation
- High-Performance Sports Partnerships

Mr Adam Trottman – Director, Infrastructure, Planning and Projects Division



Mr Trottman was the Director responsible for leading:

- Venues Management
- Recreation and Sport Planning
- Asset Management
- Transport Operations
- Infrastructure Delivery

Mr Justin Stephens – Senior Manager, Sector Capability Division



To 5 May 2023, Mr Stephens was the Senior Manager responsible for leading:

- Community Participation
- Game On: Getting South Australia Moving
- Sports Integrity
- Sport Culture and Ethics
- Industry Advice
- Diversity and Inclusion
- Racing Industry Support
- Boxing and Martial Arts Regulation and Compliance

This role was filled, in an acting capacity only, to the end of the financial year.

Legislation administered by the Agency

Boxing and Martial Arts Act 2000

Port Pirie Racecourse Site Act 1946


Recreation Grounds (Joint Schemes) Act 1947


Recreation Grounds Rates and Taxes Exemption Act 1981



Sports Drug Testing Act 2000




The Agency’s performance




Agency-specific objectives and performance



Objective 1	Indicators	Performance
Ensure South Australians have access to sport and recreation places and spaces that support participation at all levels.	The number of state active recreation and sports venues, properties and trails developed or maintained <i>per annum</i> . [Target: 29]	29
		 100%


Objective 2	Indicators	Performance
Ensure people and organisations delivering sport and active recreation have the capability and capacity to deliver quality opportunities for participation and performance.	The number of training and development services provided to the active recreation and sports industry <i>per annum</i> . <small>Including those provided under outsourcing arrangements.</small> [Target: 73]	83
		 114%

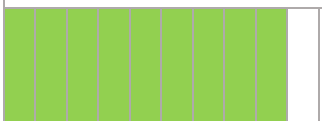
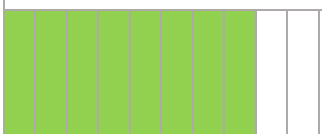
Objective 3	Indicators	Performance
Ensure it is easy and enjoyable for all South Australians to participate at all levels and in all facets of recreation and sport. <small>2022 calendar year's data released by AusPlay on 28 April 2023.</small> <small>* As measured by adult AusPlay for Jan–Dec 2022 at least once per week.</small>	The percentage of South Australian children [#] and adults [^] participating in sport and active recreation at least once per week exceeds the national level.* [Target: Positive difference between percentages SA:AUS] <small>[#] 0–14 years of age [^] 15+ years of age</small>	Children: -1.9%
		 98%
	The percentage of males and females participating in sport and active recreation is approximately equal.*	Adults: -2.0%
		 98%
		46.9% M : 53.1% F <small>Total participants 1+ times/week has increased by 0.06% from 2021.</small>


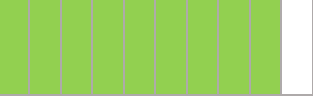

	[Target: Close to 45–55% males; 45–55% females]	 100%
	The number of sport vouchers redeemed. <i>Children participating in sport or active recreation.</i> [Target: 92,000]	89,2341  97%
	The percentage of State Sporting Organisations receiving SSRPD* funding achieving a minimum of 40% women on their board. [Target: 100%] <small>* SSRDP = State Sport and Recreation Development Program</small>	92% meet the target. 61 of 66 SSOs. 2 SSOs have not yet submitted data at the time of reporting.  92%

Objective 4	Indicators	Performance
<p>Grow the number of South Australian athletes winning on the international stage.</p> <p><small>These targets may vary between years depending on the number of anticipated benchmark events and the stage of the Olympic/Paralympic cycle.</small></p>	<p>The number of SASI and SA-based athletes selected in Australian teams for benchmark events <i>per annum</i>.</p> <p>[Target: 59 athletes across 11 sports] Source: 2021 SASI Awards Book</p>	<p>47 athletes</p> <p> 80%</p>
		<p>12 sports</p> <p> 109%</p>
	<p>The number of SASI staff selected to provide support to Australian teams competing at international benchmark events (senior or junior) <i>per annum</i>.</p> <p>[Target: 5 staff] Source: 2021 SASI Awards Book</p>	<p>6 staff</p> <p> 120%</p>

	<p>The percentage of athletes remaining within their Individual Athlete Performance Plan parameters <i>per annum</i>.</p> <p>[Target: 75%]</p> <p>Source: SASI Managed Programs + Categorized IAP Athletes</p>	<p>88%</p>  <p>117%</p>
	<p>The number of Partnership Programs sustained (including Centres of Excellence and Development Programs) <i>per annum</i>.</p> <p>[Target: 11 partnerships]</p> <p>Source: NCEs + Pathway Programs</p>	<p>15 partnerships</p>  <p>136%</p>

Objective 5	Indicators	Performance
<p>Ensure investment in sport and recreation delivers value for the South Australian economy and community.</p>	<p>The ratio of co-investment by government and industry in sport and recreation infrastructure.</p> <p>[Target: Every \$1 of the Agency's Grants Program funding for infrastructure is matched by a \$2 investment by the industry.]</p>	<p>\$1 : \$2.67</p> <p>NOTE: The co-investment ratio is typically lower in a general election year, as election commitments typically do not require the grantee to co-invest.</p>  <p>133%</p>

Objective 6	Indicators	Performance
<p>Ensure the Office for Recreation, Sport and Racing is progressive, responsive and accountable.</p> <p>The ORSR staff mini-survey 2023 received submissions from 62 respondents (i.e., 83% of potential respondents).</p>	<p>The percentage of staff survey respondents who would recommend the Agency as a good place to work.</p> <p>[Target: 100% of staff]</p>	<p>87%</p> <p>Variance of +6% from 2021 I Work for SA survey.</p> <p>Q1: ORSR staff mini-survey 2023</p>  <p>87%</p>
	<p>The percentage of staff survey respondents who state that personal background is not a barrier to success in the Agency. (e.g., cultural background, age, disability, sexual orientation, gender, etc.)</p> <p>[Target: 100% of staff]</p>	<p>77%</p> <p>Variance of +3% from 2021 I Work for SA survey.</p> <p>Q2: ORSR staff mini-survey 2023</p>  <p>77%</p>

	<p>The percentage of staff survey respondents who report having witnessed harassment or bullying in the workplace.</p> <p>[Target: 0% of staff]</p>	<p>8%</p> <p>6 of the respondents. Variance of -13% from 2021 I Work for SA survey.</p> <p>Q3: ORSR staff mini-survey 2023</p>  <p>8%</p>
	<p>The percentage of staff survey respondents who understand how their work contributes to the Agency’s objectives.</p> <p>[Target: 100% of staff]</p>	<p>89%</p> <p>Variance of -2% from 2021 I Work for SA survey.</p> <p>Q4: ORSR staff mini-survey 2022</p>  <p>89%</p>
	<p>The percentage of corrective actions completed within the target timeframe.</p> <p>[Target: 100% of actions]</p>	<p>42%</p>  <p>42%</p>

Corporate performance summary

Employment opportunity programs

Program name	Performance
Postgraduate Internship Program	Three (3) post-graduate university students completed a placement/internship during the period.
Graduate Program	No internships occurred during the reporting period.
Undergraduate Internship Program	Six (6) students completed a placement with the Agency during the reporting period.
Work Experience Program	The Agency has a strong level of interest from high school students to undertake work experience. During the reporting period, three (3) high school students completed a work experience placement with the Agency.

Agency performance management and development systems

Performance management and development system	Performance
CHRIS 21 Staff Performance Management Program	89% of FTE (including staff and managers) completed a formal performance development process in accordance with the Public Sector Employment Guideline on Performance Management and Development as of 30 June 2023.
SAES PROGRAM Executive Performance Management Program	75% of FTE (for executives only) completed a formal performance development process incorporating assessment against the core competencies outlined in the South Australian Executive Service Competency Framework and individual performance indicators as of 30 June 2023.

Work health, safety and return to work programs

Program name	Performance																											
EMPLOYEE WELL-BEING PROGRAM	<p>The Agency's employees are able to participate in the following employee well-being activities:</p> <ul style="list-style-type: none"> ▪ Corporate Cup ▪ Access to onsite gym facilities ▪ Online health assessments. 																											
INFLUENZA VACCINATION PROGRAM	<p>The Agency provides an annual, voluntary influenza vaccination program to employees. The program is run at our main Kidman Park site. 51% of the workforce opted to be vaccinated during the reporting period.</p>																											
EMPLOYEE ASSISTANCE PROGRAM	<p>The Agency offers employees and their immediate family members a short-term, anonymous counselling service for both work-related and personal issues.</p> <p>The Agency's Employee Assistance Program was accessed by staff on seven (7) occasions during the reporting period.</p> <p>In addition, the program provides critical incident response. The critical incident response service was not required by staff during the reporting period.</p>																											
WORKPLACE HEALTH AND SAFETY STRATEGY	<p>The Agency implemented a WHS and Injury Management Plan during FY2022/23. This Plan includes the following KPIs and targets:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Target</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>WHS for Workers training completed</td> <td>70%</td> <td>83%</td> </tr> <tr> <td>WHS for Managers training completed</td> <td>70%</td> <td>84%</td> </tr> <tr> <td>WHS checklists completed</td> <td>75%</td> <td>68%</td> </tr> <tr> <td>Working from Home applications</td> <td>N/A</td> <td>36</td> </tr> <tr> <td>Use of Private Vehicle for Work Purposes applications</td> <td>N/A</td> <td>28</td> </tr> <tr> <td>Incidents reported within 24 hours</td> <td>70%</td> <td>100%</td> </tr> <tr> <td>Corrective actions completed on time</td> <td>70%</td> <td>100%</td> </tr> <tr> <td>Internal audit findings compliant with requirements</td> <td>70%</td> <td>Nil findings</td> </tr> </tbody> </table>	Description	Target	Status	WHS for Workers training completed	70%	83%	WHS for Managers training completed	70%	84%	WHS checklists completed	75%	68%	Working from Home applications	N/A	36	Use of Private Vehicle for Work Purposes applications	N/A	28	Incidents reported within 24 hours	70%	100%	Corrective actions completed on time	70%	100%	Internal audit findings compliant with requirements	70%	Nil findings
Description	Target	Status																										
WHS for Workers training completed	70%	83%																										
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WHS checklists completed	75%	68%																										
Working from Home applications	N/A	36																										
Use of Private Vehicle for Work Purposes applications	N/A	28																										
Incidents reported within 24 hours	70%	100%																										
Corrective actions completed on time	70%	100%																										
Internal audit findings compliant with requirements	70%	Nil findings																										

WHS INTERNAL AUDIT PROGRAM	The Agency conducted one (1) internal audit for an area of risk, that being hazard management.
INJURY AND WORKERS' COMPENSATION MANAGEMENT PROGRAM	The Agency provides confidential, systematic and proactive monitoring of 'potential' work- and non-work-related injuries and illnesses affecting employees and their work/workplace. This includes face-to-face and online mandatory work health safety and injury management training being delivered to all staff to ensure they remain aware of their WHS responsibilities.
REHABILITATION PROGRAM	The Agency provides tailored, individual rehabilitation programs in relation to their injury and their work function for those returning to work from a workplace injury/illness. The Agency did not incur any lost-time injuries during the reporting period; therefore, our rehabilitation programs did not need to be put into action.

Workplace injury claims	Current year 2022–23	Past year 2021–22	% Change (+ / -)
Total new workplace injury claims	1	0	+100%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

*Number of claimants assessed during the reporting period as having a whole-person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5).

Work health and safety regulations	Current year 2022–23	Past year 2021–22	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvements, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2022–23	Past year 2021–22	% Change (+ / -)
Total gross workers' compensation expenditure (\$)	\$18,985	\$20,480	-7.3%
Income support payments – gross (\$)	\$15,570	\$19,840	-21.5%

**Before third-party recovery.

Data for previous years is available at: <https://data.sa.gov.au/data/organization/office-for-recreation-sport-and-racing>

Executive employment in the Agency

Executive classification	Number of executives
SAES Level 1	3
SAES Level 2	1

Data for previous years is available at: <https://data.sa.gov.au/data/organization/office-for-recreation-sport-and-racing>

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

Financial performance

Financial performance at a glance

The following is a summary of the overall financial position of the Agency. The information is unaudited. Full audited financial statements for 2022–2023 are attached to this report.

Statement of comprehensive income	2022–23 budget \$000s	2022–23 actual \$000s	Variation \$000s	2021–22 actual \$000s
Total income	126,004	75,949	(50,055)	174,329
Total expenses	56,890	86,415	29,525	200,419
Net result	69,114	(10,466)	(79,580)	26,090
Total comprehensive result	69,114	(10,466)	(79,580)	89,088

Statement of financial position	2022–23 budget \$000s	2022–23 actual \$000s	Variation \$000s	2021–22 actual \$000s
Current assets	55,047	54,030	(1,017)	141,186
Non-current assets	397,523	388,496	(9,027)	362,955
Total assets	452,570	442,526	(10,044)	504,141
Current liabilities	18,396	13,143	(5,253)	64,325
Non-current liabilities	1,635	1,298	(337)	1,265
Total liabilities	20,031	14,441	(5,590)	65,590
Net assets	432,539	428,085	(4,454)	438,551
Equity	432,539	428,085	(4,454)	438,551

Consultants' disclosure

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

Consultancies with a contract value less than \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each – combined	Various	\$13,716

Consultancies with a contract value more than \$10,000 each

Consultancies	Purpose	\$ Actual payment
BRM Advisory	Consultation for prudential review of the Marleston Foundation Sport and Community Centre Business Case.	\$20,000
Health Q Consulting	Consultation for provision of evaluation services for the Active State Collaboration Funding Program and Connected and Active Communities Program.	\$43,015
Inside Edge Sport and Leisure	Consultation for Aldinga Bay Aquatic Centre feasibility study.	\$22,357
Mel Consultants Pty Ltd	Consultation services in support of the Adelaide Super-Drome Wind Tunnel Facility – technical specification review (capital).	\$38,350
	TOTAL	\$123,722

Data for previous years is available at: <https://data.sa.gov.au/data/organization/office-for-recreation-sport-and-racing>

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

Contractors' disclosure

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

Contractors with a contract value less than \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each – combined	Various	\$291,358

Contractors with a contract value more than \$10,000 each

Contractors	Purpose	\$ Actual payment
Aurecon Australasia P/L	Contracted to provide professional services for High-Performance Facility condition assessment and costing.	\$27,900
Belair Turf Management P/L	Contracted to provide maintenance and landscaping services at Agency venues.	\$47,802
Bicycle SA Inc	Contracted to provide trail survey and maintenance of Mawson & Kidman trails.	\$36,000
Chris Turtur Services	Contracted to provide track maintenance services at Adelaide Super-Drome.	\$35,497
Cleanscope	Contracted to provide cleaning services at Agency venues.	\$119,804
Co-Create Solutions P/L	Contracted for construction services for the infield fence at the Adelaide Super-Drome and fencing at Women's Memorial Playing Fields.	\$72,565
Creative Representation	Contracted for the provision of a host for the Power of Her Conference.	\$12,500
Diverse Information Solutions	Contracted to provide archiving and record management services.	\$10,353
EBS Ecology	Contracted to manage outdoor venues' vegetation.	\$10,970

Contractors	Purpose	\$ Actual payment
Edge Recruitment	Contracted to provide temporary staff.	\$18,654
Frank the Lawn Mower Man	Contracted to provide lawn maintenance services at the Agency's venues.	\$19,395
Future Women P/L	Contracted to facilitate Future Women Gender Equality Training.	\$14,250
Gollan, S.A.	Contracted to provide cycling project professional services to SASI.	\$11,250
Greenway Architects SA P/L	Contracted to provide professional services for the Anna Mears Connector at the State Sports Park.	\$11,680
Hays Specialist Recruitment	Contracted to provide temporary staff.	\$55,247
Iguana Creative	Contracted to deliver a sign at the State Sports Park.	\$11,700
ISS Facility Services Aust Ltd	Contracted to provide cleaning services at Adelaide Super-Drome.	\$72,282
Kennedy Property Services	Contracted for property maintenance services.	\$62,417
KOJO Productions	Contracted to provide event management services.	\$86,500
KPMG	Contracted to provide financial audit services over grantee expenditure.	\$35,013
Laninau P/L	Contracted for the provision of allied health (physiotherapy/massage services) professional services to SASI.	\$10,782
LCS Maintenance SA	Contracted for grounds maintenance services at the Agency's venues.	\$20,421
Leading Edge Physical Therapy	Contracted for the provision of allied health (physiotherapy) professional services to SASI.	\$32,703
Millstead, M.	Contracted for the provision of allied health (physiotherapy/massage) professional services to SASI.	\$17,011

Contractors	Purpose	\$ Actual payment
Mower Mate	Contracted to provide gardening services at State Sports Park.	\$21,833
Nottle, L.	Contracted for the provision of allied health (physiotherapy) professional services to SASI.	\$18,675
Open Trails Australia	Contracted to provide trail repair services and trail sign audit.	\$73,085
Peter May Fencing	Contracted to provide fencing services at the Agency's venues.	\$12,472
Randstad P/L	Contracted to provide temporary staff.	\$34,773
Redgum Lawn & Garden Service	Contracted for property maintenance services on the Agency's vacant land.	\$11,832
Riggs Digital	Contracted to provide professional services relating to website development and maintenance.	\$15,462
Rise Performance Consulting	Contracted for the provision of allied health (psychology) professional services to SASI.	\$14,660
SA Sports Federation Inc	Contracted to deliver professional development (coaching and officiating) training courses to the sport and recreation sector.	\$33,397
South Australia Police	Contracted to provide security services at Agency venues.	\$17,714
Sports and Arthritis Clinic (SPARC)	Contracted for the provision of medical and other allied health services professional services to SASI.	\$51,600
Spotless Facility Services P/L	Contracted to provide soft facilities management services at Agency venues.	\$242,624
SRS Security P/L	Contracted to provide event security services.	\$85,659
Surf Life Saving South Australia	Contracted to deliver the VACSWIM Program.	\$474,609
The Chair Doctor (SA) P/L	Contracted to provide and maintain seating at the Adelaide Super Drome.	\$11,177
URPS	Contracted to provide professional services to coordinate and facilitate workshops.	\$19,483

Contractors	Purpose	\$ Actual payment
Ventia Australia P/L	Contracted for facilities management services under the Across-Government Facilities Management arrangements.	\$767,787
Warnes, O.	Contracted for the provision of allied health (nutrition) professional services to SASI.	\$57,714
	TOTAL	\$2,817,264

Data for previous years is available at: <https://data.sa.gov.au/data/organization/office-for-recreation-sport-and-racing>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the Agency's list of contracts](#). The website also provides details of [across-government contracts](#).

Risk management

Risk, audit and performance at a glance

The Risk and Audit Committee is an advisory committee to the Chief Executive established in November 2019. The Committee was provided with an additional purview over corporate performance in November 2021; hence the Committee was re-named to include ‘performance’ in the title. The Committee meets at least four times per year. The Committee comprises three members (at any time) from various backgrounds with expertise in finance, risk management and corporate governance, as follows:

Committee member	Role	Term
Mr Andrew Faulkner	Chair Principal in the Audit and Assurance division of Pitcher Partners in Adelaide, specialising in internal/external audit and assurance, risk management, commercial business advice and corporate governance.	From 1 December 2019 to 1 December 2024 Resignation 1 December 2022 (ill health).
Ms Nicolle Rantanen-Reynolds	Ordinary Member, then subsequently, Chair Ms Rantanen-Reynolds is the South Australian Public Trustee managing more than 200 staff with responsibilities including corporate strategy, financial management and investment of more than \$1.2 billion.	From 1 December 2019 to 1 December 2024 Appointed to Chair from 12 February 2023.
Ms Magdalena Hadji	Ordinary Member Ms Hadji is Director of Strategy and Business Development at Blue Sky Thinking in Adelaide, specialising in strategy and entrepreneurship, business development, business process improvement, audit and compliance, governance, corporate partnering and member retention.	From 28 February 2022 to 1 December 2023
Mr Russell D’Costa	Ordinary Member Mr D’Costa is an accomplished executive, with experience in organisations across the education, health and medical, sport and recreation, and disability sectors.	From 8 May 2023 to 30 June 2025

The purpose of the Committee is to provide independent assurance and assistance to the Chief Executive on the operation and effectiveness of the Agency’s corporate performance, financial management and reporting, risk management, legislative and policy compliance, audit, integrity oversight and quality assurance, and continuous improvement responsibilities.

Fraud detected in the Agency

Category/nature of fraud	Number of instances
Asset misappropriation or misuse	0
Accounting, superannuation and/or tax fraud	0
Bribery or corruption	0
IP infringement, including theft of data	0
Card fraud	5
Procurement or supplier fraud	0
Human resources fraud (Recruitment/Identity/Timesheet/Expenses)	0
Cybercrime/espionage	0
Other (describe below)	
Grant funding fraud	0

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

Major categories of fraud adapted from Deloitte: 'Public sector fraud: Identifying the risk areas' and PwC: 'Fraud in the public sector' and 'Fighting fraud in the public sector IV'.

Strategies implemented to control and prevent fraud

The Agency is committed to the prevention, detection and reporting of fraud and corruption in connection with its activities.

The processes for preventing, detecting and responding to the risks of fraud are documented in the Fraud and Corruption Policy issued by the Commissioner for Public Sector Employment. Additionally, every employee has an obligation to report any suspected fraud, corruption, maladministration and misconduct.

These processes are supported by:

- monthly executive financial performance reports
- certification of internal controls under the Financial Management Compliance Program
- the end-of-financial-year statements preparation process

The financial report is supported by a system of internal controls that are monitored and assessed during the financial year through the Agency's internal assurance processes and other processes undertaken by Shared Services SA as the external service provider.

Appropriate business practices are also reinforced through the Agency's Financial

Management Compliance Program and the oversight of a Risk, Audit and Performance Committee.

Risk management is crucial to the Agency's fraud control strategy. It provides the Agency with an understanding of its vulnerabilities and guides its development of effective strategies to minimise the opportunities for fraud to occur.

The Risk Management Framework details the Agency's overall framework for the systematic identification, analysis, evaluation and treatment of risks, including those relating to fraud and corruption. The Fraud and Corruption Control Policy also provides the requirement for business areas to assess the risks of fraud as part of its risk management activity. The Agency's strategic and business risk management processes include consideration of potential risks.

The Agency's risk profile is assessed on an annual basis through a structured review process. It details key fraud risks together with control activities, responsibilities and any treatment actions.

The Agency's first line of defence against the risk of fraud and corruption is its internal control framework. It consists of hard controls (such as organisational structures, plans, authorities and responsibilities, policies, procedures, information systems and reporting mechanisms) and soft controls (such as management culture, morale, integrity, ethical climate, empowerment, competencies, openness, shared values and supervisory controls) that manage the risks identified through the risk assessment process.

A Code of Ethics has been in place throughout the course of the year to ensure all business affairs are conducted legally, ethically and with the strict observance of the highest standards of integrity and propriety. This Code of Ethics applies to all executives, employees and contractors of the Agency.

The Agency's supervisory staff are required to exercise due diligence in the hiring, retention and promotion of employees, which assists in reducing exposure to fraudulent and corrupt conduct. Role applicants and continuing employees are required to make full and honest disclosure of criminal conviction history. Criminal history record checks are undertaken for potential and existing employees in roles that have been classified as 'positions of trust'. Holding these positions requires the maintenance of a satisfactory criminal history.

Employees who are responsible for the ongoing creation, use, handling, storage and disposal of security classified information and resources as part of their normal duties are subject to a security clearance at the appropriate level for their role. These requirements are documented in the role statements for identified roles.

All new inductees have been required to complete the e-learning module for the Code of Ethics. All staff are required to declare actual or perceived conflicts of interest at commencement, prior to involvement in specific projects (e.g., grant assessments) and across the duration of their employment.

Data for previous years is available at: <https://data.sa.gov.au/data/organization/office-for-recreation-sport-and-racing>

Public interest disclosure

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

Nil.

Data for previous years is available at: <https://data.sa.gov.au/data/organization/office-for-recreation-sport-and-racing>

Reporting required under any other act or regulation

Reporting required under the Boxing and Martial Arts Act 2000

Act or regulation	Requirement
<i>Boxing and Martial Arts Act 2000</i>	<p>Section 4 of the Act allows for the establishment of a Ministerial Advisory Committee.</p> <p>Clause 8 of Department of Premier and Cabinet Circular 22 <i>'Establishment and governance requirements for government boards and committees'</i> requires regular reporting to the Minister of periods not less than 12 months.</p>

COMMITTEE COMPOSITION IN THE YEAR ENDING 30 JUNE 2023

The Boxing and Martial Arts Advisory Committee (the Committee) was established pursuant to Section 4 of the *Boxing and Martial Arts Act 2000* (the Act) by the Minister for Recreation, Sport and Racing until 31 December 2022. The Committee considered various issues pertaining to combat sports and provided expert advice and recommendations to the Minister for Recreation, Sport and Racing. The Committee concluded its operations on 31 December 2022.

The Committee comprised eight individuals from various backgrounds with expertise in the boxing and martial arts sector, law and medicine, as follows:

Committee member	Role	Term
Mr Lorenzo Mazzocchetti	<p>Chair</p> <p>A legal practitioner.</p>	From 10 February 2021 to 9 February 2023
Dr Duncan Walker	<p>A medical practitioner who in the opinion of the Minister has knowledge of injuries suffered by contestants.</p> <p>Sports and exercise physician, currently working as team doctor for Adelaide Crows AFLW, Adelaide 36ers and Adelaide Thunderbirds.</p> <p>Aikido background, black belt.</p>	From 10 February 2021 to 9 February 2023
Ms Allison Goodes	<p>A person who in the opinion of the Minister has experience in sport governance and experience in combat sports (boxing).</p> <p>President of Boxing SA.</p>	From 10 February 2021 to 9 February 2023

	Strong sport governance background and only member with boxing knowledge.	
Dr Simon Lew	<p>A person who in the opinion of the Minister has experience in sport governance and experience in combat sports (taekwondo).</p> <p>Chairperson, Taekwondo Australia. Taekwondo teacher of 20 years.</p> <p>Executive experience, predominantly in the health industry.</p>	From 10 February 2021 to 31 December 2022
Dr Luisa Rositano	<p>A medical practitioner who in the opinion of the Minister has knowledge of injuries suffered by contestants.</p> <p>Medical practitioner – emergency department medical officer for the RAH and QEH.</p> <p>Ringside physician for mixed martial arts events.</p>	From 10 February 2022 to 31 December 2022
Mr Shane Kokotis	<p>A person who in the opinion of the Minister has experience in sport governance and experience as a combat sports official (karate).</p> <p>Chair of International Sports Karate Association (ISKA).</p> <p>Experience at events as Chief Referee at all national ISKA-sanctioned events.</p>	From 1 January 2022 to 31 December 2022
Ms Margaret Sherlock	<p>A person who in the opinion of the Minister has experience as a regulator of combat sports and represents persons who are or have been registered as contestants/trainers in a class relevant to combat sports (martial arts).</p> <p>45+ years of martial arts experience.</p> <p>Commissioner with WA Combat Sports Commission from 2005 to 2011.</p>	From 1 January 2022 to 31 December 2022
Dr Matthew Stevens	<p>A person who in the opinion of the Minister represents persons who are or have been registered as contestants/trainers in a class relevant to combat sports (kickboxing/Muay Thai/taekwondo).</p>	From 1 January 2022 to 31 December 2022

	<p>Professional kickboxing and Muay Thai athlete. Holds a third-degree black belt in taekwondo.</p> <p>Grant-funded research fellow for Uni SA School of Biomedicine.</p>	
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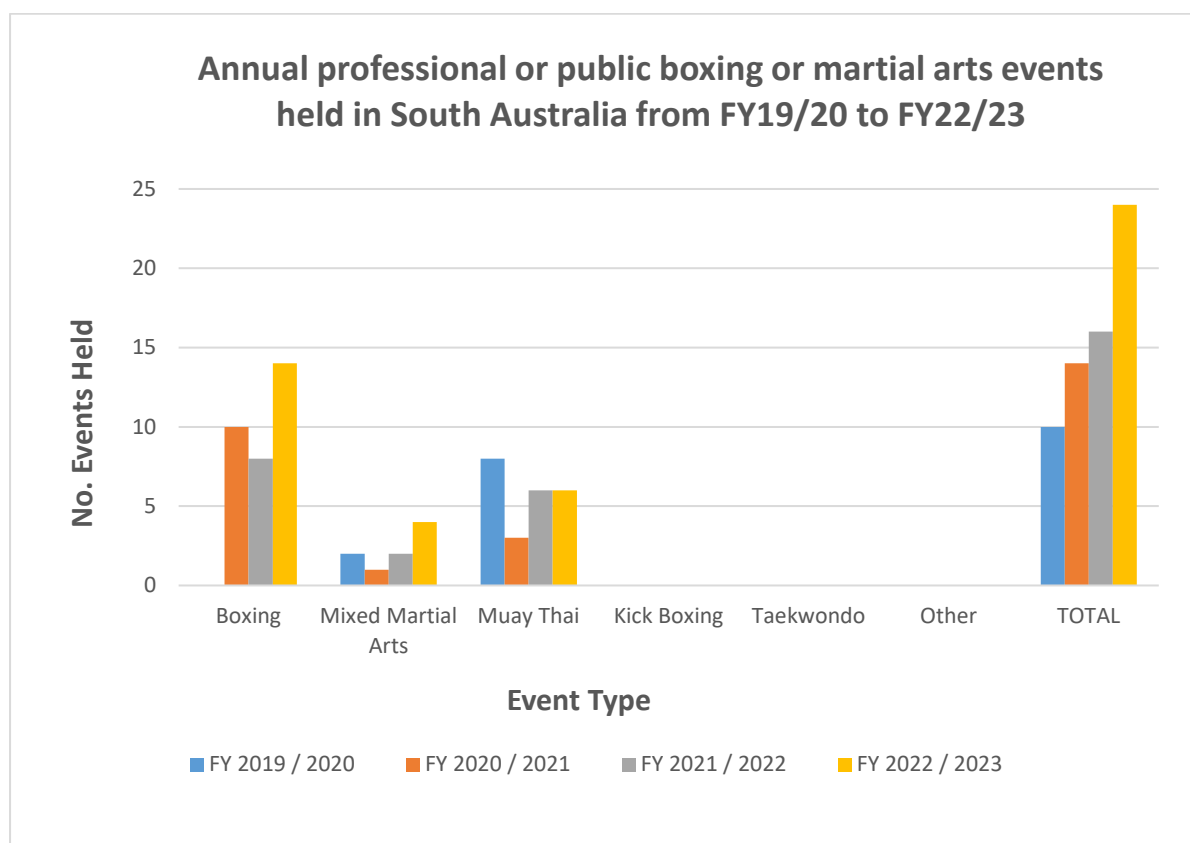
The Committee is compliant with the Agency's 40:40:20 gender composition principle for a committee of eight persons.

BOXING AND MARTIAL ARTS STATISTICS FOR THE YEAR ENDING 30 JUNE 2023

Number of significant professional or public boxing or martial arts events held in South Australia in 2022/23

Boxing	Mixed Martial Arts	Muay Thai	Kick-boxing	Taekwondo	Other
14	4	6	0	0	0
				TOTAL	24

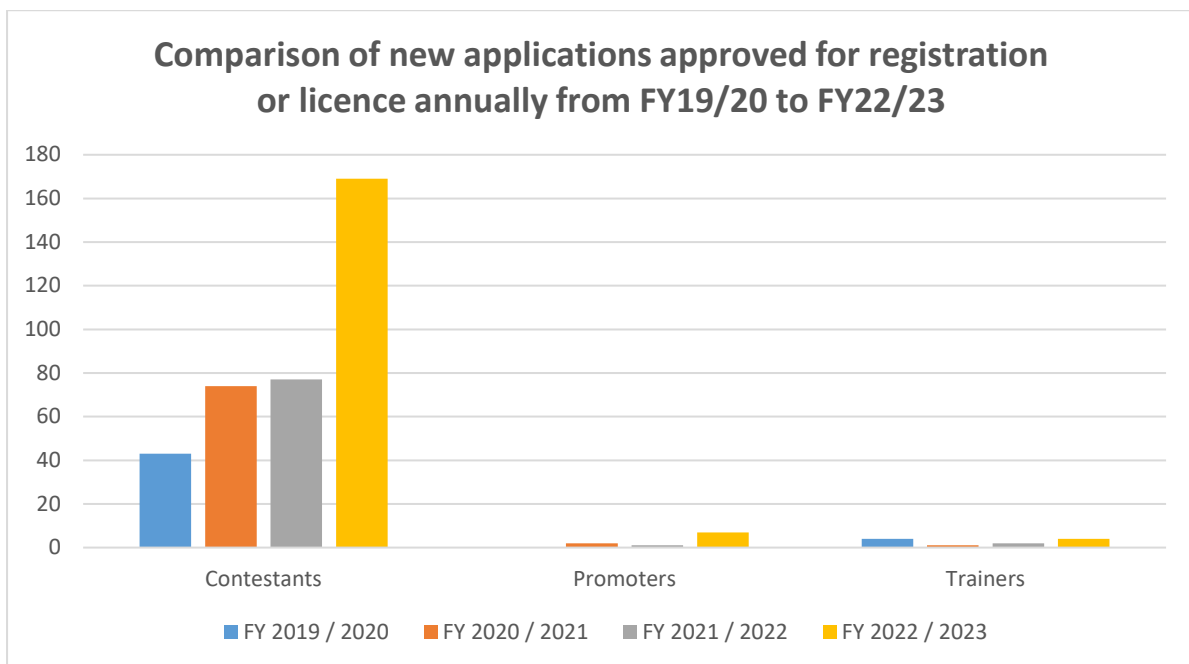
*Includes 13 Boxing SA conducted events

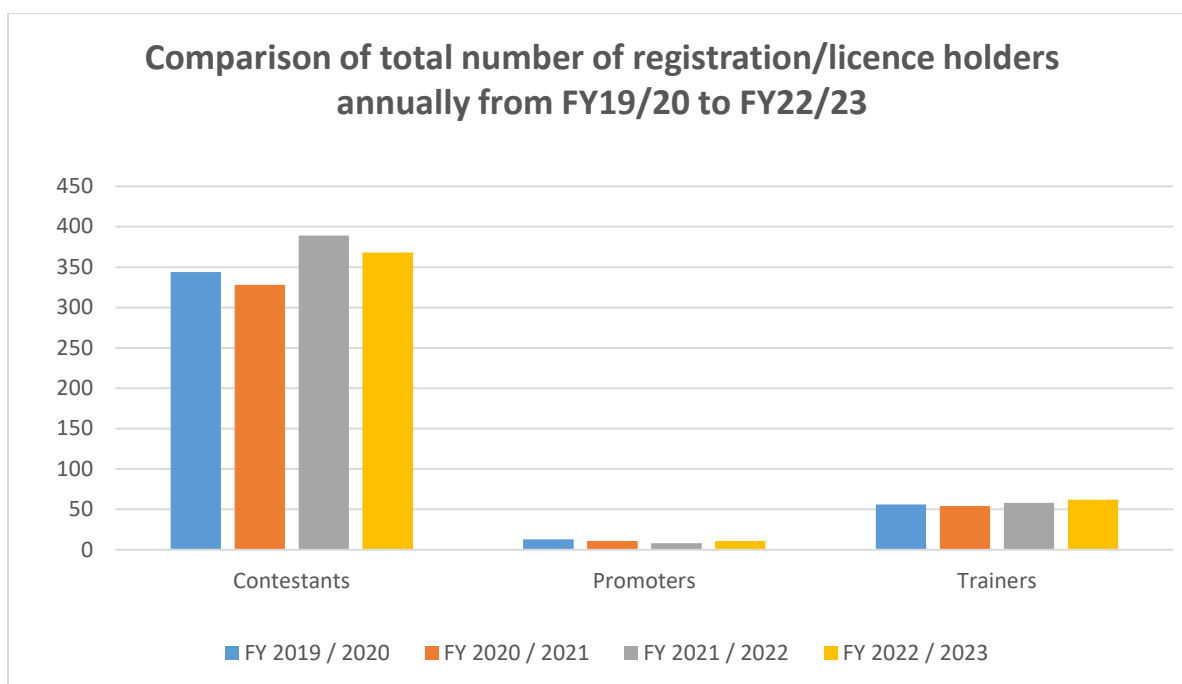


	CONTESTANTS	PROMOTERS	TRAINERS
Number of approved applications for a new registration/licence in 2022/23	169	7	4
Number of approved applications for renewal of a registration/licence in 2022/23	199*	4*	0**
Total number of current registration/licence holders on 30 June 2023	368	11	62

*Registrations for contestants, and promoters last three years.

**Registrations for trainers do not lapse





	Boxing	Mixed Martial Arts	Muay Thai	Other
Number of rules approved by the Minister in 2022/23	1	2	0	1
Number of rules amended by the Minister in 2022/23	0	0	0	0
Number of rules revoked by the Minister in 2022/23	0	0	0	0

Activity	Number
s. 15 reviews by the Minister commenced in 2022/23	0
s. 16 reviews by the Tribunal commenced in 2022/23	0
Exemptions to part of the Act granted in 2022/23	2

REPORT ON THE ACTIVITIES OF THE BOXING AND MARTIAL ARTS ADVISORY COMMITTEE FOR THE YEAR ENDING 30 JUNE 2023

During the 2022/23 period, up to the conclusion of the Committee on 31 December 2022, the Committee held two (2) ordinary meetings and zero (0) special/out-of-session meetings.

Report on significant issues considered (including significant injury or other safety issues)

Nil.

Report on significant policy or legislation reviews

Advice was sought and received regarding the ruleset submissions for:

- International Sports Karate Association
- Australian National Boxing Federation
- International (Combat) Sambo

Report on significant consultations or contact with the sector

The Agency completed the following industry engagements with the boxing and martial arts sector for its review and feedback on the following:

- Advice was provided by industry doctors on improvements to existing medical forms.

Any other matters of note

Nil.

Reporting required under the Public Sector (Data Sharing) Act 2016

Act or regulation	Requirement
<i>Public Sector (Data Sharing) Act 2016</i>	List of all data sharing agreements entered into and the general nature of the data being shared.

Public interest/purpose of data sharing agreement	Data provider	Data recipient	Data description	Date signed	Contains personal data?
The agreement supports the Office of the Commissioner for Public Sector Employment's Human Capital Management project, official workforce publications such as the State of the Sector report, responding to information requests and providing organisations with workforce reports.	Office for Recreation, Sport and Racing	Office of the Commissioner for Public Sector Employment	Used in deriving metrics used in workforce reporting. The procedures used to derive the metrics are created and defined in consultation with the workforce reporting and analytics group.	June 2020	Yes
This Agency will more efficiently be able to check that Sports Voucher providers have submitted a Child-Safe Environments Compliance Statement and are meeting the minimum obligations under the <i>Children and Young People (Safety) Act 2017</i> . Having the data supplied on a regular basis will save both	Department of Human Services	Office for Recreation, Sport and Racing	A report outlining the progress of sporting and recreation organisations towards child-safe environments.	August 2020	No

Public interest/purpose of data sharing agreement	Data provider	Data recipient	Data description	Date signed	Contains personal data?
agencies the need to email to confirm status.					
<p>The Memorandum of Administrative Arrangements supports both parties to better ensure:</p> <ul style="list-style-type: none"> • Persons of suitable integrity, honesty and reputation are being licensed as promoters for professional or public boxing or martial arts events. • The identification and management of potential threats to public safety arising from professional or public boxing or martial arts events. 	South Australian Police	Office for Recreation, Sport and Racing	<p>Information concerning the criminal history and association with any 'declared organisations' of any Promoters Licence Applicant for the purposes of conducting a 'fit and proper person test'.</p> <p>Information concerning upcoming professional or public boxing and martial arts events that have been scheduled.</p>	18 November 2021	Yes
The AMS (Athlete Management System) Access Agreement supports Australian athletes' performances as they progress through the high-performance system through the sharing of relevant information between athlete support personnel.	SASI	Australian Institute of Sport	Information concerning individual athletes, including health information, performance data, scholarship information, contact details, training loads, etc.	1 June 2021	Yes

Public interest/purpose of data sharing agreement	Data provider	Data recipient	Data description	Date signed	Contains personal data?
The Agreement supports the analysis, visualisation and ongoing monitoring of athlete health, well-being and performance.	SASI	Lumin Sports	Information concerning athlete training metrics, sleep tracking, biometric data (e.g., heart rate, temperature), performance data, well-being input, etc. Reports outlining the progress of athletes.	25 June 2020	Yes
The Agreement facilitates research that supports the administration of the Sports Vouchers program and informs future expansions, improvements or targeted promotion of the program.	Office for Recreation, Sport and Racing and Department for Education	University of South Australia	Demographic data and well-being derived scale results of students and demographic data of Sports Voucher participants.	December 2022	Yes

Public complaints

Number of public complaints reported FY2022–2023

Complaint categories	Sub-categories	Example	No.
Professional Behaviour	Staff Attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, going the extra mile, cultural competency	2
	Staff Competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	2
	Staff Knowledge	Lack of service-specific knowledge; incomplete or out-of-date knowledge	1
Communication	Communication Quality	Inadequate, delayed or absent communication with customer	1
	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service Delivery	Systems/ Technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	2
	Access to Services	Service difficult to find; location poor; facilities/environment poor; not accessible to customers with disabilities	6
	Process	Processing error; incorrect process used; delay in processing application; process not customer-responsive	1
Policy	Policy Application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	1
Policy	Policy Content	Policy content difficult to understand; policy unreasonable or disadvantages customer	10
Service Quality	Information	Incorrect, incomplete, outdated or inadequate information; not fit for purpose	2
	Access to Information	Information difficult to understand, hard to find or difficult to use; not plain English	0
	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	2

Complaint categories	Sub-categories	Example	No.
Service Quality cont.	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/premises; poor cleanliness	9
	Service Responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	13
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	15
Total			67

Data for previous years is available at: <https://data.sa.gov.au/data/organization/office-for-recreation-sport-and-racing>

Service improvements

- Limited access for athletes to disability toilets at public training sessions at the SA Athletics Stadium. Public training session access to additional (secured) disability toilets on the ground floor of the main building was provided.
- \$100 Sports Vouchers were expanded to include Year 8 and 9 students in response to calls for expansion of the Program.
- Re-opened an upgraded SA Athletics Stadium with a new track, changerooms and stadium lighting.
- Re-established the Local Government Sport and Recreation Network to support and co-ordinate the work of local councils.

Compliance statement

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

Appendix: Audited financial statements 2022–23

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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

To the Chief Executive Office for Recreation, Sport and Racing

Opinion

I have audited the financial report of the Office for Recreation, Sport and Racing for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Officer for Recreation, Sport and Racing as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with the 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 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Director, Corporate Strategy and Investment.

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 Office for Recreation, Sport and Racing. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer’s Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the 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 is free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Office for Recreation, Sport and Racing for the financial year ended 30 June 2023.

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 Office for Recreation, Sport and Racing’s internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor’s report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Daniel O’Donohue
Assistant Auditor-General (Financial Audit)

29 September 2023

Office for Recreation, Sport and Racing

Financial Statements

For the year ended 30 June 2023

Office for Recreation, Sport and Racing
Certification of the Financial Statements
for the year ended 30 June 2023

We certify that the:

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


Kylie Taylor
Chief Executive
27 September 2023


Tim Nicholas
Director, Corporate Strategy and Investment
27 September 2023

Office for Recreation, Sport and Racing
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Appropriation	2.1	60 235	188 455
Fees and charges	2.2	805	835
Commonwealth-sourced grants and funding	2.3	800	626
SA Government grants, subsidies and transfers	2.4	11 507	5 729
Other grants	2.5	862	1 235
Resources received free of charge	2.6	825	204
Other income	2.7	1 390	3 335
Total income		76 424	200 419
Expenses			
Employee benefits	3.3	8 766	8 059
Supplies and services	4.1	7 112	6 357
Grants and subsidies	4.2	35 395	144 391
Borrowing costs	7.2	3	1
Depreciation and amortisation	5.1, 5.2	15 325	14 190
Net loss from disposal of non-current assets	4.3	2 420	1 011
Cash alignment transfers to Consolidated Account		19 061	-
Other expenses	4.4	366	320
Total expenses		88 448	174 329
Net result		(12 024)	26 090
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in asset revaluation surplus		-	62 998
Total other comprehensive income		-	62 998
Total comprehensive result		(12 024)	89 088

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

Office for Recreation, Sport and Racing
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.1	43 924	88 908
Receivables	6.2	5 421	27 612
Non-current assets classified as held for sale	5.3	4 684	24 666
Total current assets		54 029	141 186
Non-current assets			
Receivables	6.2	2	4
Property, plant and equipment	5.1	386 551	362 815
Intangible assets	5.2	386	136
Total non-current assets		386 939	362 955
Total assets		440 968	504 141
Current liabilities			
Payables	7.1	10 033	60 730
Employee benefits	3.4	861	912
Financial liabilities	7.2	235	49
Contract liabilities	2.3	67	125
Provisions	7.3	32	32
Other liabilities	7.4	1 915	2 477
Total current liabilities		13 143	64 325
Non-current liabilities			
Payables	7.1	96	99
Employee benefits	3.4	959	1 027
Financial liabilities	7.2	135	46
Provisions	7.3	108	93
Total non-current liabilities		1 298	1 265
Total liabilities		14 441	65 590
Net assets		426 527	438 551
Equity			
Asset revaluation surplus	8.1	62 998	62 998
Retained earnings	8.1	363 529	375 553
Total equity		426 527	438 551

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

Office for Recreation, Sport and Racing
Statement of Changes in Equity
for the year ended 30 June 2023

	Asset revaluation surplus	Retained earnings	Total equity
Note	\$'000	\$'000	\$'000
Balance at 1 July 2021	-	349 463	349 463
Net result for 2021-22	-	26 090	26 090
Gain on revaluation of plant and equipment during 2021-22	62 998	-	62 998
Total comprehensive result for 2021-22	62 998	26 090	89 088
Balance at 30 June 2022	62 998	375 553	438 551
Net result for 2022-23	-	(12 024)	(12 024)
Balance at 30 June 2023	62 998	363 529	426 527
	8.1		

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

Office for Recreation, Sport and Racing
Statement of Cash Flows
for the year ended 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		60 235	188 455
Fees and charges		932	1 019
Receipts from Commonwealth-sourced grants		515	1 290
SA Government grants, subsidies and transfers		12 462	5 426
Other grants		842	794
Net GST relating to Investing/Financing activities		532	-
Net GST recovered from the ATO		1 721	9 344
Other receipts		2 211	2 487
Cash generated from operations		79 450	208 815
Cash outflows			
Employee benefits payments		(8 839)	(8 629)
Payments for supplies and services		(7 807)	(7 208)
Payments of grants and subsidies		(92 442)	(103 463)
Net GST relating to Investing/Financing activities		-	(3 248)
Cash alignment transfers to Consolidated Account		(19 061)	-
Other payments		(164)	(92)
Cash used in operations		(128 313)	(122 640)
Net cash provided by / (used in) operating activities	8.2	(48 863)	86 175
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		18 032	14
Cash generated from investing activities		18 032	14
Cash outflows			
Purchase of property, plant and equipment		(14 088)	(32 803)
Cash used in investing activities		(14 088)	(32 803)
Net cash used in investing activities		3 944	(32 789)
Cash flows from financing activities			
Cash outflows			
Repayment of leases		(65)	(66)
Cash used in financing activities		(65)	(66)
Net cash used in financing activities		(65)	(66)
Net increase / (decrease) in cash and cash equivalents		(44 984)	53 320
Cash and cash equivalents at the beginning of the reporting period		88 908	35 588
Cash and cash equivalents at the end of the reporting period	6.1	43 924	88 908

The accompanying notes form part of these financial statements.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1. About the Office for Recreation, Sport and Racing

The Office for Recreation, Sport and Racing (the Office) is a not-for-profit administrative unit established pursuant to the *Public Sector Act 2009*. The Office became an attached office to the Department for Infrastructure and Transport (DIT) on 29 July 2020.

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

The Office has administered items and they are presented separately and disclosed in note 11. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Office transactions.

1.1 Basis of preparation

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

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

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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.

The Office is subject to fringe benefits tax. The Office is not subject to income tax.

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

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

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.

1.2 Objectives

The Office is the lead agency for the Government's policy on sport and active recreation. The Office supports sport and recreation through the development of policy, programs and resources, the provision of funding, recreation and sport planning, infrastructure development, elite sport pathways and the promotion of physical activity.

The Office also provides strategic policy advice to the Minister for Recreation Sport and Racing (the Minister) on matters relating to the South Australian Racing Industry.

The Office has administrative responsibility for the Recreation and Sport Fund and the Sport and Recreation Fund.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.3 Budget performance

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

	Note	Original budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Statement of Comprehensive Income				
Income				
Appropriation	a	103 972	60 235	(43 737)
Fees and charges		779	805	26
Commonwealth-sourced grants and funding		1 239	800	(439)
SA Government grants, subsidies and transfers		9 286	11 507	2 221
Other grants		891	862	(29)
Resources received free of charge		-	825	825
Other income		441	1 390	949
Total income		116 608	76 424	(40 184)
Expenses				
Employee benefits		8 802	8 766	(36)
Supplies and services		6 366	7 112	746
Grants and subsidies		32 298	35 395	3 097
Borrowing costs		3	3	-
Net gain / (loss) from disposal of non-current assets	b	(9 396)	2 420	11 816
Depreciation and amortisation	c	9 283	15 325	6 042
Cash alignment transfers to Consolidated Account	d	-	19 061	19 061
Other expenses		138	366	228
Total expenses		47 494	88 448	40 954
Net result		69 114	(12 024)	(81 138)
Total comprehensive result		69 114	(12 024)	(81 138)
Investing expenditure summary				
Total new projects		-	-	-
Total existing projects	e	76 055	37 757	(38 298)
Leases		55	342	287
Total annual programs		1 243	1 109	(134)
Total investing expenditure		77 353	39 208	(38 145)

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.3 Budget performance (continued)

Explanations are provided for variances where the variance exceeds 10 per cent of the original budgeted amount and more than 5 per cent of the original budgeted total expenses, as follows:

- a The variance largely reflects reduced appropriations received due to the re-profiling of Investing Expenditure on major projects from 2022-23 to 2023-24 (\$45 million).
- b The Office undertook a revaluation of its land and buildings, effective 1 July 2021, resulting in an increase in reported asset values. Movements largely reflected recent developments in the Australian property market. The variance reflects a revised net loss on sale of land and buildings due to this revaluation (\$9.4 million).
- c The variance reflects increase in reported assets value due to the revaluation of buildings in 2021-22, resulting in increased depreciation.
- d Transfers to Consolidated Account under the Cash Alignment Policy were not budgeted for.
- e The variance largely reflects timing of expenditure on major capital works, primarily the National Centre for Sports Aerodynamics, South Australian Sports Institute – New Facilities, and the Hindmarsh Stadium Upgrade.

1.4 Significant transactions with government related entities

Significant transactions with the SA Government are identifiable throughout this financial report. They include:

- Appropriation, and Contingency funding provided by the Department of Treasury and Finance (refer to note 2.1);
- Major capital works through the Department for Infrastructure and Transport (refer to note 5.1);
- Corporate services provided by the Department of the Premier and Cabinet and the Department of Treasury and Finance (Shared Services SA) (refer to note 2.6 and 4.1);
- Contributions from SA Government towards sport facility grants (refer to note 2.4);
- A prepaid amount with Adelaide Venue Management Corporation to fund upgrade works at Hindmarsh Stadium (refer to note 6.2);
- Other Government services including: fleet vehicles leased through Fleet SA; insurance provided through South Australian Government Financing Authority; legal services obtained from the Crown Solicitor's Office; Audit services obtained from the Auditor-General's Department, and rates and taxes payable to SA Water and Revenue SA.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2. Income

2.1 Appropriation

	2023	2022
	\$'000	\$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	60 235	90 483
Appropriation from Governor's Appropriation Fund	-	97 972
Total appropriation	60 235	188 455

This table does not show appropriations in the form of a loan or an equity contribution.

Appropriations are recognised on receipt. Appropriation pursuant to the *Appropriation Act* consist of \$40.1 million (2022: \$53.4 million) for net operational funding and \$20.1 million (2022: \$37.1 million) for net capital projects. This appropriation comprises money issued and applied to the Office as per Schedule 1 of the Act. Money appropriated for the Office's purposes which was issued to special deposit accounts or deposit accounts of other public authorities is not reflected here.

The original amount appropriated to the Office under the annual *Appropriation Act* was \$104 million. The decrease in the appropriation amount was due to approved carryovers and other budget adjustments.

No additional funds were received from the Treasurer via the Governor's Appropriation Fund. In 2022, money appropriated from the Governor's Appropriation Fund related entirely to operational funding.

2.2 Fees and charges

	2023	2022
	\$'000	\$'000
Rental income	431	423
Short-term facility and equipment hire	351	396
Registration fees	21	13
Other fees and charges	2	3
Total fees and charges	805	835

Regarding rental income, refer to note 5.1 for details on the Office's leasing arrangements as lessor.

In relation to revenue from short-term hire of sporting facilities, and associated support services, customers are invoiced at the conclusion of the hire arrangement. At this point in time, satisfaction of performance obligations are considered complete and revenue is recognised.

Transaction prices reflect the fixed amounts agreed with customers prior to the service being rendered, and once invoiced, amounts receivable are subject to standard 30 day payment terms. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

Registration fees consist of registrations for boxing and martial arts. The Office has applied the recognition exemptions for licences where the transaction price is of low value and accordingly recognises registration income at a point in time.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2.3 Commonwealth-sourced grants and funding

	2023	2022
	\$'000	\$'000
Commonwealth revenue - multi-year asset construction	542	626
Commonwealth revenue - other	258	-
Total commonwealth-sourced grants and funding	800	626

Grants received are usually subject to terms and conditions set out in contracts, correspondence or legislation.

The Office received grants from Commonwealth Government entities for the purposes of constructing and upgrading sporting infrastructure. The Office recognised \$0.542 million as income using the percentage of completion method (2022: \$0.626 million). The remainder of the grant funds will be recognised as income as upgrade works are completed. Additional detail is included at note 7.4.

Contract balances

	2023	2022
	\$'000	\$'000
Contract liabilities	67	125
Total contract liabilities	67	125

The Office received grants in 2023 and 2022 from the Commonwealth Government in for research projects, which were originally recognised as a contract liability.

The single performance obligation is satisfied over time as research is conducted, and the customer receives and uses the research intellectual property benefits simultaneously. The Office recognises revenue on an input basis, as the Office expends the granted amount on allowable expenses under the agreement as the research project is progressed. Unexpended amounts are returned to the customer at the conclusion of the project.

The Office recognised \$0.108 million as income (2022: \$0). No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods was recorded.

2.4 SA Government grants, subsidies and transfers

	2023	2022
	\$'000	\$'000
Intra-government transfers - other	6 257	603
Intra-government transfers - Sport and Recreation Fund	4 536	4 524
Contingency funding provided by the Department of Treasury and Finance	714	602
Total SA Government grants, subsidies and transfers	11 507	5 729

SA Government grants, subsidies and transfers are recognised upon receipt. These largely relate to funds transferred from the Sport and Recreation Fund, which is an administered item of the Office (note 11), and funds transferred from the Planning and Development Fund (\$4.75 million).

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2.5 Other grants

	2023	2022
	\$'000	\$'000
Private industry grants	819	1 219
Private industry grants - multi-year asset construction	43	16
Total other grants	862	1 235

Other grants largely relate to private industry grants for sport programs and income is recognised upon receipt.

The Office received a grant for the purposes of constructing and upgrading sporting infrastructure. The Office recognised \$43 000 as income using the percentage of completion method (2022: \$16 000). The remainder of the grant funds will be recognised as income as upgrade works are completed. Additional detail is included at note 7.4.

2.6 Resources received free of charge

	2023	2022
	\$'000	\$'000
Donated assets received	574	-
Services received free of charge - Shared Services SA	176	150
Services received free of charge - ICT	75	54
Total resources received free of charge	825	204

Contribution 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.

Building improvements were donated by two organisations this year. The improvements are located at two of the Office's sporting facilities. There were no conditions attached to usage of the donated assets. Refer to note 5.1.

The Office receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge. Information, Communication and Technology services and media monitoring services (from 2022-23) from Department of Premier and Cabinet (DPC), following Cabinet's approval to cease intra-government charging.

2.7 Other income

	2023	2022
	\$'000	\$'000
Other	1 051	449
Recoveries	346	254
Refunds	(7)	2 632
Total other income	1 390	3 335

Other income includes \$0.864 million related to profit share agreements with two of the Office's leased facilities (2022: \$0.283 million). Refer to note 5.1 for details on the Office's leasing arrangements as lessor.

Refunds relate to the return of grant funds to the Office. Income is recognised in line with the Office's acceptance of a grantee's acquittal.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3. Committees and employees

3.1 Key management personnel

Key management personnel of the Office include the Minister, the Chief Executive and four members of the Executive Leadership Team.

The compensation detailed below 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 of the *Parliamentary Remuneration Act 1990*.

	2023	2022
	\$'000	\$'000
Compensation		
Salaries and other short-term employee benefits	924	937
Post-employment benefits	97	94
Total compensation	1 021	1 031

Transactions with key management personnel and other related parties

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

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
 For the year ended 30 June 2023

3.2 Committee members

Members during the 2023 financial year were:

Boxing and Martial Arts Advisory Committee #

Lorenzo Mazzocchetti (Chair) (term expired December 2022)
 Allison Goodes (term expired December 2022)
 Simon Lew (term expired December 2022)
 Duncan Walker (term expired December 2022)
 Shane Kokotis* (term expired December 2022)
 Luisa Rositano* (term expired December 2022)
 Margaret Sherlock (term expired December 2022)
 Matthew Stevens (term expired December 2022)

Women In Sports Taskforce

Hon Katrine Hildyard MP (Minister for ORSR) (Chair) (appointed August 2022)
 Amber Halliday (appointed August 2022)
 Bronwyn Brooks (appointed August 2022)
 Craig Scott (appointed August 2022)
 Eleni Tee (appointed August 2022)
 Murray Drummond (appointed August 2022)
 Paul Vandenberg (appointed August 2022)
 Tony Wright (appointed August 2022)

Risk, Audit and Performance Committee

Nicolie Rantanen Reynolds* (Chair)
 Andrew Faulkner (term expired December 2022)
 Russell D'Costa (appointed May 2023)
 Magdalena Hadji

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

The Boxing and Martial Arts Advisory Committee ceased on 31 December 2022 in line with its terms of reference.

Committee remuneration

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

	2023	2022
\$0 - \$19 999	20	15
Total number of members	20	15

The total remuneration received or receivable by members was \$4 472 (2022: \$10 902). Remuneration of members reflects all costs of performing committee duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that are reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.3 Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	6 527	6 287
Employment on-costs - superannuation	812	715
Annual leave	624	571
Employment on-costs - other	404	369
Targeted voluntary separation payments	213	140
Long service leave	97	(146)
Workers compensation	36	54
Skills and experience retention leave	28	23
Other employee related expenses	20	35
Committee fees	5	11
Total employee benefits	8 766	8 059

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

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

Remuneration of employees

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

	2023	2022
\$160 001 - \$180 000	1	1
\$180 001 - \$200 000	1	1
\$200 001 - \$220 000	2	2
\$260 001 - \$280 000	1	1
Total number of employees	5	5

The total remuneration received by these employees for the year was \$1.041 million (2022: \$1.057 million).

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

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.3 Employee benefits expenses (continued)

Targeted voluntary separation packages

Two employees received a TVSP during the current reporting period (2022: 2):

	2023	2022
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	213	140
Leave paid to separated employees	82	61
Recovery from DTF	(213)	-
Net cost to the Office	82	201

3.4 Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Annual leave	661	696
Long service leave	142	126
Skills and experience retention leave	50	60
Accrued salaries and wages	8	30
Total current employee benefits	861	912
Non-current		
Long service leave	959	1 027
Total non-current employee benefits	959	1 027
Total employee benefits	1 820	1 939

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

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

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

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 1.5% (2022) to 2.0% (2023).

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

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

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.4 Employee benefits liability (continued)

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions of expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data across government.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of long service leave liability. The yield on long-term Commonwealth Government bonds has increased to 4% (2022: 3.5%).

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 actuarial assessment performed by the Department of Treasury and Finance increased the salary inflation rate from 2.5% (2022) to 3.5% for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability and employee benefits expense of \$0.038 million. 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 current portion of long service leave reflects the Office's past experience of long service leave which is expected to continue in future.

4. Expenses

4.1 Supplies and services

	2023	2022
	\$'000	\$'000
Contractors	1 568	1 815
Repairs, maintenance and minor equipment purchases	1 099	598
Corporate Services SLA	927	875
Travel	633	348
General administration and consumables	628	572
Utilities	495	495
Facility management	493	452
Other supplies and services	477	418
Information technology and communication charges	343	501
Insurance fees	279	160
Consultants	99	50
Staff development and recruitment	71	73
Total supplies and services	7 112	6 357

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4.2 Grants and subsidies

	2023	2022
	\$'000	\$'000
Grants and subsidies consist of the following:		
Sports Vouchers Subsidies	8 883	8 160
Community Recreation and Sport Facilities Program	5 524	5 670
Racing Industry Fund	4 961	4 740
Other Grants	3 432	2 045
State Sport and Recreation Development Program	2 643	-
Active State Collaboration Program	2 631	-
Local Sporting Club Facility Grants	2 380	79 311
Active Club Program	1 236	1 024
Subsidies - SA Aquatic and Leisure Centre	1 213	1 184
Subsidies - Parks Community Centre	1 074	948
Performance Pathways Program	723	-
Partnerships Program	294	2 008
Connected and Active Communities	250	-
SASI Individual Athlete Program	151	145
State Basketball Centre	-	15 200
Grassroots Facilities Program	-	10 000
Regional and Districts Facilities Program	-	5 000
Memorial Drive Tennis Centre Redevelopment - Stage 2	-	3 100
Sport and Recreation Sustainability Program	-	2 592
State Hockey Centre Upgrade	-	1 500
State Sporting Organisations - COVID-19 Grant Assistance	-	1 100
Sport and Recreation Development and Inclusion Program	-	664
Total grants and subsidies	35 395	144 391

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

4.3 Net loss from the disposal of property, plant and equipment

	2023	2022
	\$'000	\$'000
Land, buildings and improvements		
Proceeds from disposal	2	-
Net book value of assets disposed	(506)	(1 000)
Net loss from disposal of land and buildings	(504)	(1 000)
Plant and equipment		
Proceeds from disposal	30	14
Less net book value of assets disposed	(1)	(25)
Net loss from disposal of plant and equipment	29	(11)
Non-Current Asset Held for Sale		
Proceeds from disposal	18 000	-
Less net book value of assets disposed	(19 982)	-
Recognised as prepayment as a result of sale-and-leaseback transaction	37	-
Net loss from disposal of non-current assets held for sale	(1 945)	-
Total assets:		
Proceeds from disposal of non-current assets	18 032	14
Net book value of assets disposed	(20 489)	(1 025)
Recognised as prepayment as a result of sale-and leaseback transaction	37	-
Net loss from disposal of non-current assets	(2 420)	(1 011)

4.4 Other expenses

	2023	2022
	\$'000	\$'000
Other expenses	178	151
Rates and levies	101	93
Audit fees	64	63
Expected credit loss	23	8
Asset impairment	-	5
Total other expenses	366	320

Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$64 000 (2022: \$63 000). No other services were provided by the Auditor-General's Department.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5. Non-financial assets

5.1 Property, plant and equipment

Reconciliation 2022-23

	Land, buildings and improvements	Plant and equipment	Land, buildings and improvements - leased	Plant and equipment - leased	Work in progress	ROU Buildings	ROU Equipment	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	135 110	831	207 889	638	18 181	116	34	16	362 815
Acquisitions	-	-	-	-	38 602	287	-	55	38 944
Donated assets received	574	-	-	-	-	-	-	-	574
Disposals	-	(1)	(506)	-	-	(2)	-	-	(509)
Depreciation	(3 301)	(163)	(11 527)	(239)	-	(50)	(13)	(18)	(15 311)
Transfer from works in progress	6 055	79	33 674	557	(40 365)	-	-	-	-
Other movements	(26 002)	-	26 006	-	34	-	-	-	38
Carrying amount at the end of the period	112 436	746	255 536	956	16 452	351	21	53	386 551
Carrying amount									
Gross carrying amount	166 444	2 571	420 130	2 388	16 452	485	37	73	608 580
Accumulated depreciation	(54 008)	(1 825)	(164 594)	(1 432)	-	(134)	(16)	(20)	(222 029)
Carrying amount at the end of the period	112 436	746	255 536	956	16 452	351	21	53	386 551

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Land is capitalised regardless of value. Property, plant and equipment is recorded at fair value. Details about the Office's approach to fair value is set out in note 10.1.

Other movements include a transfer between classes for buildings where the Office is lessor of \$26 million.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
 For the year ended 30 June 2023

5.1 Property, plant and equipment (continued)

Reconciliation 2021-22

	Land, buildings and improvements	Plant and equipment	Land, buildings and improvements - leased	Plant and equipment - leased	Work in progress	ROU Buildings	ROU Equipment	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	89 303	1 012	187 093	679	11 337	160	-	42	289 626
Acquisitions	-	-	-	-	50 038	-	37	2	50 077
Disposals	(41)	(25)	(959)	-	-	-	-	-	(1 025)
Depreciation	(3 595)	(282)	(9 995)	(242)	-	(44)	(3)	(28)	(14 189)
Transfer from works in progress	36 183	66	6 791	155	(43 195)	-	-	-	-
Revaluation increment/(decrement)	37 969	-	25 029	-	-	-	-	-	62 998
Asset impairment	(5)	-	-	-	-	-	-	-	(5)
Assets transferred to held for sale	(24 666)	-	-	-	-	-	-	-	(24 666)
Other movements	(38)	60	(70)	46	1	-	-	-	(1)
Carrying amount at the end of the period	135 110	831	207 889	638	18 181	116	34	16	362 815
Carrying amount									
Gross carrying amount	185 940	2 802	361 882	2 099	18 181	237	37	74	571 252
Accumulated depreciation	(50 830)	(1 971)	(153 993)	(1 461)	-	(121)	(3)	(58)	(208 437)
Carrying amount at the end of the period	135 110	831	207 889	638	18 181	116	34	16	362 815

Office for Recreation, Sport and Racing
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For the year ended 30 June 2023

5.1 Property, plant and equipment (continued)

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted through the stocktake process on an annual basis and also through a periodic asset revaluation process. 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. Property, plant and equipment depreciation is calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings and Improvements	2 - 105
Plant and equipment	2 - 30
Right-of-use buildings	Life of lease
Right-of use equipment	Life of lease
Right-of-use vehicles	Life of lease

Property, plant and equipment leased by the Office as lessor

Leases are classified as operating leases, as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The majority of leases are typically made for terms of 5 years or less.

As lessor, the Office has the following lease arrangements:

- The SA Aquatic and Leisure Centre at Oaklands Park, and the Parks Recreation and Sports Centre at Angle Park are subject to operation and management agreements. The Office recognises an expense for amounts paid under the agreement, and recognises income when facility operating profits exceed a specified benchmark. Refer to note 2.7 for further detail.
- An operations and management agreement at Hindmarsh Stadium.
- Tenancy and management agreements at Kidman Park, SA Athletics Stadium, State Shooting Park, Heini Becker Park, Monarto Shooting Park, Hindmarsh Heritage Precinct, Women's Memorial Playing Fields and Adelaide SuperDrome.
- A number of tenancy and management agreements made on concessional terms to sporting organisations located at Kidman Park, the State Hockey Centre, Netball SA Stadium, the Parks, the Southern Sports Complex, the State Centre of Football and the A.M Ramsay Regatta Course at West Lakes.

Refer to note 2.2 for operating lease income.

Property, plant and equipment leased by the Office as lessee

Right of use assets leased by the Office as lessee are measured at cost, and there were no indications 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 in note 4.1.

The lease liabilities and interest expense related to the right-of-use assets are disclosed in note 7.2. Depreciation expenses related to leases are disclosed in note 5.1. Cash outflows related to leases are disclosed in note 8.2.

Office for Recreation, Sport and Racing
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5.1 Property, plant and equipment (continued)

The Office has several leases:

- Motor vehicle leases with Fleet SA, a division of 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 (60,000km) up to 5 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.
- Two prepaid leases for rowing-related storage and other spaces. These end in mid-2024 and January 2031.
- Two new leases for rowing-related storage and other spaces commencing in 2023. Lease payments are paid annually, with the lease ending in early-2028.
- A lease for office space and gymnasium access. Lease payments are paid annually, with the lease ending in mid-2024.
- A lease for strength and conditioning equipment. Lease payments are paid annually, with the lease ending in March 2025.

Concessional leases

The Office also has concessionary leases, which are measured at cost in accordance with Treasurer's Instructions (Accounting Policy Statements):

- Recreational Walking Trails: The Office has been granted access to sections of privately owned land, over which walking trails have been established. The trails are for use by members of the public for recreational purposes. The leases are for 5 year terms, with only a single nominal payment to be made (\$1.10), if required by the landowner.

Access to the above leased assets allows the Office to further its objectives, and without the agreements being made on concessionary terms, additional costs may be incurred.

Office for Recreation, Sport and Racing
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5.2 Intangible Assets

	2023 \$'000	2022 \$'000
Software		
Computer software	136	137
Accumulated amortisation	(14)	(1)
Work in Progress	264	-
Total computer software	386	136
Total intangibles	386	136

Reconciliation 2022-23

	Computer software \$'000	Work in Progress - Computer software \$'000	Total \$'000
Carrying amount at 1 July 2022	136	-	136
Additions	-	264	264
Amortisation	(14)	-	(14)
Carrying amount at the end of the period	122	264	386

Reconciliation 2021-22

	Computer software \$'000	Work in Progress - Computer software \$'000	Total \$'000
Carrying amount at 1 July 2021	-	-	-
Acquisitions	-	137	137
Transfers from capital WIP	137	(137)	-
Amortisation	(1)	-	(1)
Carrying amount at 30 June 2022	136	-	136

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

The acquisition of computer 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.

Where subsequent expenditure on intangible assets cannot be attributed to existing intangible assets, the expenditure is not capitalised but is classified as expenditure.

Computer software relates to the Office's Sports Vouchers system and database. This system has a remaining useful life of 9 years.

Office for Recreation, Sport and Racing
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5.3 Assets classified as held for sale

	2023	2022
	\$'000	\$'000
Land and buildings	4 684	24 666
Total non-current assets classified as held for sale	4 684	24 666

Land and building assets at one metropolitan Adelaide location were classified as held for sale in the year. Terms of sale were agreed with the purchaser and a formal agreement to effect the sale are anticipated to be executed in the coming year.

Assets held for sale with a net book value of \$19.982 million were disposed in the year under a sale-and-leaseback arrangement. Refer to note 4.3.

The Office has measured the land and buildings held for sale at their carrying amounts.

6. Financial assets

6.1 Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Office for Recreation, Sport and Racing Operating Account	43 924	88 908
Total cash and cash equivalents	43 924	88 908

Cash is measured at nominal amounts. The SA Government has a policy to align agency cash balances with appropriation and expenditure authority (cash alignment policy).

The Office does not earn interest on its deposits with the Treasurer.

Office for Recreation, Sport and Racing
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For the year ended 30 June 2023

6.2 Receivables

	2023	2022
	\$'000	\$'000
Current:		
Receivables	1 222	2 601
Less impairment loss on receivables	(2)	(8)
	<u>1 220</u>	<u>2 593</u>
GST input tax receivable	1 187	1 270
Prepayments	3 014	23 749
Total current receivables	<u>5 421</u>	<u>27 612</u>
Non-current:		
Prepayments	-	2
Receivables	2	2
Total non-current receivables	<u>2</u>	<u>4</u>
Total receivables	<u>5 423</u>	<u>27 616</u>

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

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to note 10.2 for further information on risk management.

Prepayments largely relates to a transfer of \$45 million to Adelaide Venue Management Corporation for delivery of upgrade works at Hindmarsh Stadium, which is a venue owned by the Office. The prepayment balance is amortised as upgrade works are completed, and work in progress is recognised by the Office. The majority of the works were completed and capitalised in 2023. The remaining works are scheduled to be capitalised by 2023-24. Refer to Note 5.1 for details regarding capitalisation of assets.

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

Allowance for impairment loss on receivables

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	8	1
Amounts written off	(32)	-
Increase/(decrease) in the allowance	26	7
Carrying amount at the end of the period	<u>2</u>	<u>8</u>

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

Office for Recreation, Sport and Racing
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7. Liabilities

7.1 Payables

	2023	2022
	\$'000	\$'000
Current		
Creditors	9 850	60 553
Employment on-costs	183	177
Total current payables	10 033	60 730
Non-current		
Employment on-costs	96	99
Total non-current payables	96	99
Total payables	10 129	60 829

Payables are measured at nominal amounts.

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual 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.

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 Office makes contributions 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 the reporting date relates to any contributions due but not yet paid to the superannuation 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 42% in 2022 to a rate of 43% and the average factor for the calculation of employer superannuation cost on-costs has changed to 11.1% (2022: 10.6%). These rates are used in the employment on-cost calculation. The impact on 2023 is immaterial and cannot be reliably estimated for future years.

Office for Recreation, Sport and Racing
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7.2 Financial liabilities

All financial liabilities relate to leases.

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. Financing costs associated with leasing activities was \$2 675 (2022: \$299). There were no defaults or breaches on any of the above liabilities throughout the year. All material cash outflows are reflected in the lease liabilities disclosed below.

	2023	2022
	\$'000	\$'000
Current		
Lease liabilities	235	49
Total current financial liabilities	<u>235</u>	<u>49</u>
Non-current		
Lease liabilities	135	46
Total non-current financial liabilities	<u>135</u>	<u>46</u>
Total financial liabilities	<u><u>370</u></u>	<u><u>95</u></u>

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

	2023	2022
	\$'000	\$'000
Lease liabilities		
Within one year	245	49
Later than one year but not later than five years	146	46
Total lease liabilities	<u><u>391</u></u>	<u><u>95</u></u>

Office for Recreation, Sport and Racing
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For the year ended 30 June 2023

7.3 Provisions

All provisions relate to workers compensation.

	2023	2022
	\$'000	\$'000
Current		
Provision for workers compensation	32	32
Total current provisions	<u>32</u>	<u>32</u>
Non-current		
Provision for workers compensation	108	93
Total non-current provisions	<u>108</u>	<u>93</u>
Total provisions	<u>140</u>	<u>125</u>
	2023	2022
	\$'000	\$'000
Workers' compensation:		
Reconciliation of workers compensation		
Carrying amount at the beginning of the period	125	89
Additional provisions recognised	15	36
Carrying amount at the end of the period	<u>140</u>	<u>125</u>

Provision for workers compensation

The Office is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Office 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 (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are nonserious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

Office for Recreation, Sport and Racing
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7.4 Other liabilities

	2023	2022
	\$'000	\$'000
Unearned income received to construct non-financial assets		
Opening balance	2 475	1 418
Funds received from grantees	-	1 200
Amounts recognised as income	(585)	(143)
Closing balance	<u>1 890</u>	<u>2 475</u>
Other liabilities	25	2
Total other liabilities	<u>1 915</u>	<u>2 477</u>

Unearned income of \$1.890 million (2022: \$2.475 million) relates grants that were received from the Commonwealth Government and a national sporting organisation for capital upgrades at one of the Office's sporting facilities. Income is recognised on the percentage of completion basis, as the upgrades are delivered (refer to note 2.3). A total of \$2.7 million in cash was granted to the Office.

Office for Recreation, Sport and Racing
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For the year ended 30 June 2023

8. Other disclosures

8.1 Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another.

8.2 Cash flow reconciliation

	2023	2022
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period		
Cash and cash equivalents disclosed in the Statement of Financial Position	43 924	88 908
Balance as per the Statement of Cash Flows	43 924	88 908
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by / (used by) operating activities	(48 863)	86 175
Add / (less) non-cash items		
Depreciation and amortisation expense	(15 325)	(14 190)
Impairment of non-current assets	-	(5)
Resources received free of charge	825	204
Bad and doubtful debts expense	(23)	(8)
Asset derecognition	(2)	-
Loss on disposal of property, plant and equipment	(2 420)	(1 011)
Other expenses	(251)	(204)
Movement in assets and liabilities		
Increase / (decrease) in receivables	(1 541)	2 353
(Increase) / decrease in payables	54 852	(46 600)
Decrease in employee benefits	119	594
(Increase) in provisions	(15)	(36)
(Increase) / decrease in contract liabilities	58	(125)
(Increase) / decrease in other liabilities	562	(1 057)
Net result	(12 024)	26 090

Total cash outflows for leases was \$68 469 (2022: \$78 727).

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9. Outlook

9.1 Unrecognised commitments

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

Contractual commitments to acquire property, plant and equipment

	2023	2022
	\$'000	\$'000
Within one year	90 059	10 209
Total capital commitments	90 059	10 209

Capital commitments predominantly relate to upgrade works at several of the Office's major sporting facilities.

Other contractual commitments

	2023	2022
	\$'000	\$'000
Within one year	8 157	3 618
Later than one year but not later than five years	8 738	1 628
Later than five years	480	720
Total expenditure commitments	17 375	5 966

Expenditure commitments predominantly relate to multiyear funding agreements for grant programs such as the State Sport and Recreation Development Program, management of the SA Aquatic & Leisure Centre, and contracts for services at the Office's facilities.

9.2 Expected rental income

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

See note 5.1 for information about land, buildings and property, plant and equipment the Office leases out under operating leases.

	2023	2022
	\$'000	\$'000
Within one year	505	253
Later than one year but not longer than two years	337	233
Later than two years but not longer than three years	81	245
Later than three years but not longer than four years	58	64
Later than four years but not longer than five years	62	45
Later than five years	186	199
Total operating lease income	1 229	1 039

Office for Recreation, Sport and Racing
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9.3 Contingent assets and liabilities

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

The following are contingent assets of the Office:

- Pending Legal Action: The Office is involved in a pending legal action seeking compensation from the manufacturer of building materials for cost of replacement which may result in a settlement. Next evaluation will be August 2023. The financial impact is not able to be reliably estimated.
- Returned grant funds: The Office issues grants to a range of recipients for the purposes of supporting sport and recreation outcomes. Typically, an amount of grant funds are returned to the Office each year, reflecting instances where a grant has not been fully acquitted, or where grantees are unable to comply with the conditions of the grant agreement. The financial impact is not able to be reliably estimated.
- Leasehold improvements: Improvements made by lessees become property of the Office upon termination or expiry of a lease, as is typical of such arrangements. The financial impact is not able to be reliably estimated, and is dependent on factors including lease renewals, and condition of leasehold improvements on transfer to the Office.

9.4 Impacts of standards and statements not yet effective

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

9.5 Events after the reporting period

The Office is not aware of any after balance date events.

Office for Recreation, Sport and Racing
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10. Measurement and risk

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.

10.1 Fair value

Initial recognition

Non-current owned tangible assets are initially recorded on a cost basis and subsequently measured at fair value. Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. Where assets are acquired 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

Revaluation of non-current assets or a group of assets is only performed when the owned assets fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is exceeds three years.

Revaluation is undertaken on a six year cycle, with the last revaluation effective 1 July 2021. 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.

When assets are revalued, the carrying amount is adjusted to the revalued amount. At the date of the revaluation the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

As a result of the latest revaluation, the increase in the carrying amount of the Office's land and building assets is recognised on a net basis in other comprehensive income and accumulated in equity under the heading of revaluation surplus.

Fair value hierarchy

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

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

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

The Office had no valuations categorised into Level 1 and there were no transfers of assets between Level 1 and Level 2 categories.

Office for Recreation, Sport and Racing
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10.1 Fair value (continued)

Fair value classification – non-financial assets at 30 June 2023

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land, buildings and improvements	5.1	141 926	226 046	367 972
Plant and equipment	5.1	-	1 702	1 702
Total recurring fair value measurements		141 926	227 748	369 674
Total fair value measurements		141 926	227 748	369 674

Fair value classification – non-financial assets at 30 June 2022

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land, buildings and improvements	5.1	141 926	201 073	342 999
Plant and equipment	5.1	-	1 469	1 469
Total recurring fair value measurements		141 926	202 542	344 468
Total fair value measurements		141 926	202 542	344 468

Land and buildings

An independent valuation of land and buildings was performed as at 1 July 2021, by a Certified Practising Valuer from Marsh, and endorsed by the Valuer-General.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land which is restricted in use, zoning or is encumbered otherwise, adjustments were applied in determining value.

The fair value of buildings was determined using current replacement cost, due to there not being an active market to support a market based approach. The current replacement cost considered the specialised nature and restricted use of the assets, their size, condition, age, location and obsolescence.

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs that were derived from building costs guides, and actual costs for recent construction projects.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life between two years and thirty years. Plant and equipment has not been revalued in accordance with Treasurer's Instructions (Accounting Policy Statements) 116.D. The carrying value of these items are deemed to approximate fair value.

Office for Recreation, Sport and Racing
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10.1 Fair value (continued)

Reconciliation of Level 3 recurring fair value measurements at 30 June 2023

	Land, buildings and improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	201 073	1 469	202 542
Donated assets received	574	-	574
Disposals	(506)	(1)	(507)
Transfer from works in progress	39 729	636	40 365
Other movements	4	-	4
Gains/(losses) for the period recognised in net result:			
Depreciation	(14 828)	(402)	(15 230)
Total losses recognised in net result	(14 828)	(402)	(15 230)
Carrying amount at the end of the period	226 046	1 702	227 748

Reconciliation of Level 3 recurring fair value measurements at 30 June 2022

	Land, buildings and improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	156 024	1 691	157 715
Disposals	(1 000)	(25)	(1 025)
Transfer from works in progress	42 974	221	43 195
Asset impairment	(5)	-	(5)
Assets transferred to held for sale	(4 982)	-	(4 982)
Other movements	(108)	106	(2)
Gains/(losses) for the period recognised in net result:			
Depreciation	(13 590)	(524)	(14 114)
Total losses recognised in net result	(13 590)	(524)	(14 114)
Gains for the period recognised in other comprehensive income (OCI)			
Revaluation increments	21 760	-	21 760
Total gains recognised in OCI	21 760	-	21 760
Carrying amount at the end of the period	201 073	1 469	202 542

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10.2 Financial instruments

Financial risk management

Risk management is managed by the Office's corporate services section. Risk management policies are in accordance with the *SA Government Risk Management Guide* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Office'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 Office is funded principally from appropriation by the SA Government. The Office works with DTF 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.

Credit risk

The Office 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 Office.

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. The Office uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which typically comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Office 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 Office's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Office is exposed to credit risk.

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

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

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10.2 Financial instruments (continued)

The following table provides information about the exposure to credit risk and ECL for non-government debtors.

	Debtor gross carrying amount		Lifetime expected losses
	\$'000	Loss %	\$'000
2022-23			
Current (not past due)	55	0.15%	-
1 - 30 days past due	91	0.44%	-
31 - 60 days past due	39	1.25%	1
61 - 90 days past due	2	2.15%	-
More than 90 days past due	37	2.83%	1
Total	224	-	2

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 Office's view of the forecast economic conditions over the expected life of the receivables.

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

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 with a contractual amount of \$32,000 waived during the year are not subject to enforcement activity.

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

Market risk

The Office does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The Office 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 *T1 23 Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through its interest bearing liabilities.

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

Categorisation of financial instruments

Details of the 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 Office measures all financial instruments at amortised cost.

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11. Administered items

The Office has administrative responsibility for the Sport and Recreation Fund and the Recreation and Sport Fund.

Sport and Recreation Fund

The Sport and Recreation Fund was established under section 73A (1) of the *Gaming Machines Act 1992* (the Act). The use of the Fund is governed by section 73A (3) of the Act, which states the funds must be used for recreation and sport purposes. Funds are transferred to the Office to fund grant programs consistent with Act requirements.

Recreation and Sport Fund

The Recreation and Sport Fund was established by section 17 of the *Soccer Football Pools Act 1981*. This Act has since been repealed. The continued existence of the Recreation and Sport Fund is attributable to section 16A (1) of the *State Lotteries Act 1966*. The use of the Recreation and Sport Fund is governed by 16A (2) of the *State Lotteries Act 1966*, which states the funds must be used for recreation and sport purposes. Amounts received into the Recreation and Sport Fund was based on a percentage share of the "Pools" lotto game. The "Pools" was discontinued after the final draw on 25 June 2018.

	2023 \$'000	2022 \$'000
Administered Income		
Advances and grants - Sport and Recreation Fund	4 536	4 524
Total administered income	4 536	4 524
Administered Expenses		
Intra government transfer - Sport and Recreation Fund	4 536	4 524
Total administered expenses	4 536	4 524
Net result	-	-
Administered Current Assets		
Cash and cash equivalents		
Sport and Recreation Fund	3 322	3 322
Recreation and Sport Fund	1 544	1 544
Total current assets	4 866	4 866
Total assets	4 866	4 866
Net assets	4 866	4 866
Administered Equity		
Retained earnings		
Sport and Recreation Fund	3 322	3 322
Recreation and Sport Fund	1 544	1 544
Total equity	4 866	4 866