



**Government  
of South Australia**

**OFFICE FOR RECREATION, SPORT AND  
RACING  
2020–21 Annual Report**

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To:

Hon Corey Wingard MP  
Minister for Recreation, Sport and Racing  
Minister for Infrastructure and Transport

This annual report will be presented to Parliament to meet the statutory reporting requirements of Section 12(6) of the *Public Sector Act 2009* and the subordinate regulations, the financial reporting requirements of the *Public Finance and Audit Act 1987* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

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

Ms Kylie Taylor  
**CHIEF EXECUTIVE**  
Office for Recreation, Sport and Racing

Date: 29/9/2021 Signature: 

## From the Chief Executive

Even as I write this, many Australian states and several parts of the world are in the grip of second or third waves of the COVID-19 pandemic, with new variants much fiercer than anything we experienced in the past year. It is a health crisis of the kind we have not seen in generations.

During the past year, amidst travel restrictions and lockdowns instituted by various governments across the world, we ensured the safety and wellbeing of all our employees and athletes. On the business front, we have adapted quickly and made a seamless transition for employees to work from home whilst enabling us to continue supporting the South Australian community in our mission.

We have guided the sport and recreation industry through challenging periods during the course of the pandemic. Through workshops, virtual conferences and sharing information on our digital channels, we have helped our stakeholders understand ever-changing restrictions and highlighted the importance of being able to pivot during these uncertain times.

The data<sup>1</sup> tells us that the impact of COVID-19 has been mixed for the Australian community. Thirty-two per cent of people reported that their physical health had changed (12 per cent for the better and 20 per cent for the worse) since COVID restrictions. Adults, mostly adult women, became more physically active, more often on purpose. Children significantly

decreased their participation in organised sport, largely due to the restrictions placed on community gatherings. Only 53 per cent of people who had volunteered before COVID-19 had returned to volunteering. Sport and recreational activities that enabled social distancing, like golf and tennis, recorded significant increases. This will present challenges and opportunities for the sector and South Australians across the coming year.

Amidst all of this, our high-performance athletes have adapted to training schedules and competition cycles heavily impacted by pandemic restrictions. They have endured the mental and physical pressures of a highly compressed pinnacle event calendar for a postponed Tokyo Olympics and Paralympics that may never have happened. Despite all the uncertainty, the Olympics was a major success and uplifted the spirits of Australians in sore need of their inspirational performances. South Australian athletes returned with 11 medals (two gold, three silver and six bronze), contributing to 24 per cent of the nation's medal tally. As I write, we are days away from being stirred anew by our Paralympians!

I would like to extend my gratitude to my management team, staff and sector leaders for their adaptability and contributions to the sector amidst this challenging operating environment.

Although the pandemic has challenged us all, it has reinforced the need for

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<sup>1</sup> *AusPlay - Participation Data for Sports Sector 2020*, Australian Sports Commission + *Household Impacts of COVID-19 Survey*, Jan & Jun 2021 Australian Bureau of Statistics

strong resilient communities supporting connections to others. During this period, the Agency launched a blueprint to create an active state, connected communities and inspired performances through our *Strategic Plan 2021-25*. Key projects identified within that Plan have been the focus of our work during the past 12 months.

Significantly, we announced a \$49 million addition in the form of the state's first purpose-built, state-of-the-art high-performance hub to enable the continuing development of our future sporting superstars. This will deliver elite training facilities that provide world-class athlete training experiences.

A further investment of \$184 million was put into places and spaces identified within our *State Sport and Recreation Infrastructure Plan 2020-40* that encourage and support movement, play and performance. Major upgrades for national-level tennis<sup>2</sup> facilities, state-level AFL-football<sup>3</sup>, athletics<sup>4</sup>, cycling<sup>5</sup>, football (soccer)<sup>6</sup>, netball<sup>7</sup> and basketball<sup>8</sup> facilities and various regional-level facilities were allocated during this period and projects are underway. This includes upgrades to Hindmarsh Stadium, a key factor in securing games for the 2023 FIFA Women's World Cup.

The return on investment from our support for grassroots sport has also increased as a result of the *Building an Active State: a sport and recreation*

*investment strategy for South Australia*, the decennial review of the Agency's Grant Program. The review introduced the Partnerships Program, a new co-investment Program to drive the achievement of *Game On: Getting South Australia Moving* outcomes. This new Program harnesses the skills, expertise and co-investment of organisations delivering Game On outcomes at scale across our state. We look forward to spreading the benefits of government investment in grassroots participation.

Lastly, I want to acknowledge that much of what we have achieved during the past year only happened through a steadfast commitment to partnerships with other government agencies, local government and the community sector. By sharing information and working together we have achieved more collectively than we ever could on our own. I am indebted to leaders, their staff, communities and individuals, for their passion and dedication to creating a more active South Australia.

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



Kylie Taylor  
**CHIEF EXECUTIVE**  
Office for Recreation, Sport and Racing

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<sup>2</sup> Memorial Drive Stage 2

<sup>3</sup> Thebarton Oval

<sup>4</sup> SA Athletics Stadium

<sup>5</sup> Super-Drome

<sup>6</sup> State Football Centre, Hindmarsh Stadium + Women's Memorial Playing Fields

<sup>7</sup> Priceline Stadium

<sup>8</sup> Wayville Home of Basketball

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## Overview: about the Agency

### Our Strategic Focus

The Office for Recreation, Sport and Racing (ORSR) 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.

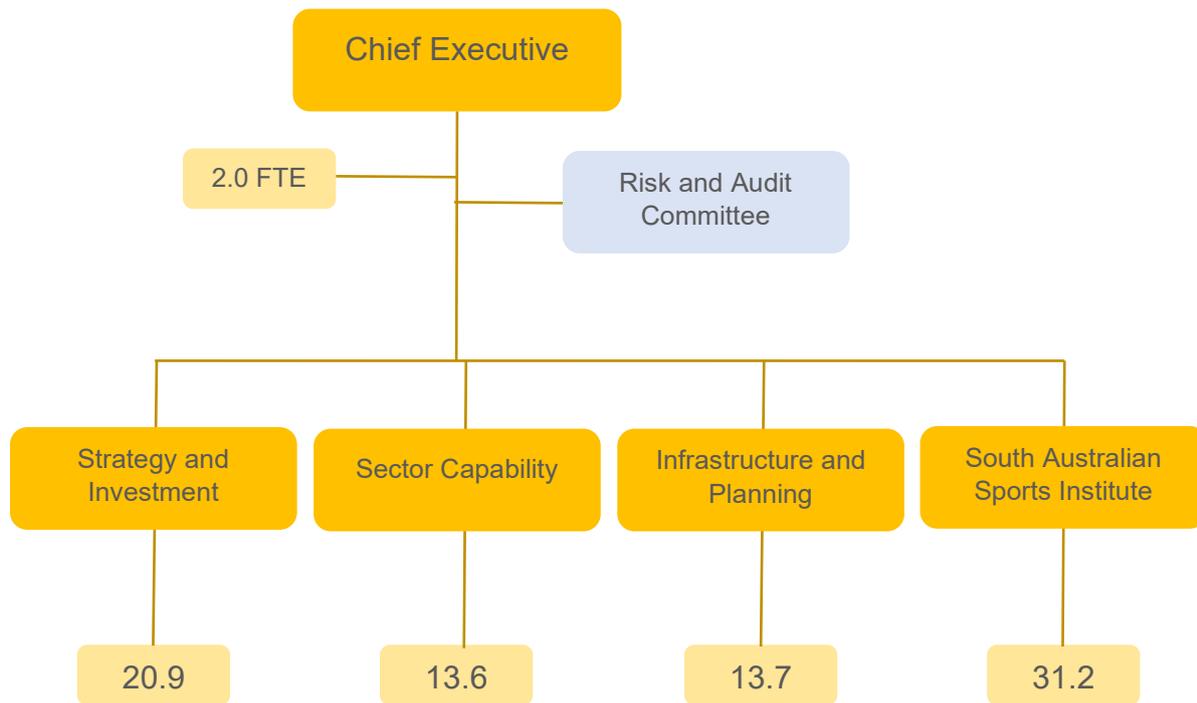
**Connected Communities**  
Bring people together to build strong, healthy, safe and more resilient communities.

**Inspire Performance**  
Empower people to achieve their sporting dreams.

## Our Functions, Objectives and Deliverables

Active Lives	Places and Spaces	Sporting Excellence	Strategic Partnerships	Business Performance
<p><b>Strategic Goal</b> Movement, play and performance is embedded into the daily lives of South Australians.</p>	<p><b>Strategic Goal</b> Places and spaces that encourage and support movement, play and performance are accessible to all.</p>	<p><b>Strategic Goal</b> People are empowered to achieve their sporting dreams.</p>	<p><b>Strategic Goal</b> Community outcomes are delivered through strategic partnerships.</p>	<p><b>Strategic Goal</b> Recognised as a respected organisation, delivering high quality services to support the achievement of our strategic goals.</p>
<p><b>Key Strategies</b></p> <ul style="list-style-type: none"> <li>Support children and youth to move and play more.</li> <li>Devise 'Club of the Future' to improve community experiences.</li> <li>Activate movement and play in our regions.</li> <li>Increase opportunities for movement and play for all South Australians.</li> <li>Enable recreation, sport and racing organisations to thrive.</li> </ul>	<p><b>Key Strategies</b></p> <ul style="list-style-type: none"> <li>Lead planning for the provision of active places and spaces.</li> <li>Support the delivery of the state's significant active places and spaces.</li> <li>Optimise utilisation of places and spaces for active living.</li> </ul>	<p><b>Key Strategies</b></p> <ul style="list-style-type: none"> <li>Provide a world class high performance daily training hub including leading-edge technologies.</li> <li>Optimise national representation and medal success on the world stage for South Australian-based athletes and teams.</li> <li>Pursue excellence in practice, services and culture.</li> <li>Develop sustainable talent pathways for athletes and coaches.</li> <li>Enhance community engagement with SASI.</li> </ul>	<p><b>Key Strategies</b></p> <ul style="list-style-type: none"> <li>Ensure delivery of the 'Game On' actions to get South Australians moving.</li> <li>Improve the ability of South Australians to adopt more active means of transport.</li> <li>Actively seek partnerships to achieve outcomes and leverage investment in movement, play and performance.</li> </ul>	<p><b>Key Strategies</b></p> <ul style="list-style-type: none"> <li>Inspire South Australians to adopt active lives through engaging communications.</li> <li>Identify and explore emerging sector issues and trends through research, analysis and innovation.</li> <li>Provide integrated and responsive corporate support systems, processes, programs and services.</li> <li>Deliver grants programs that drive the achievement of our strategic goals.</li> <li>Empower and invest in our people.</li> </ul>

## Our Organisational Structure



The total number of full-time equivalents (FTE) employed in the Agency at 30 June 2020 was 79.40 FTE.

## Changes to the Agency

During 2020–21 there were the following changes to the Agency’s structure and objectives as a result of internal reviews or machinery-of-government changes.

- The Venues and Capital Projects Team is now represented in the Executive Leadership Team by the newly filled Director Infrastructure and Planning position.

## Our Minister



Hon Corey Wingard MP was the Minister responsible for:

- Infrastructure and Transport
- 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.

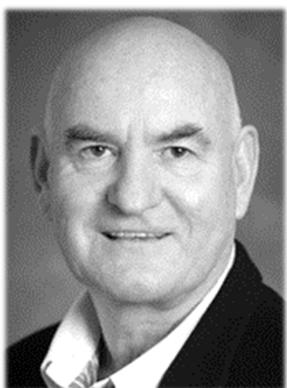
### **Mr Tim Nicholas – Director, Corporate Strategy and Investment Division**



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 Sport Programs Coaching
- Performance Analysts
- Skills Acquisition
- Sports Physiologists & Engineers
- Sports Psychologist
- Strength and Conditioning
- Biochemistry
- Talent Search
- Volunteer Management
- Athlete Career Development.

### **Mr Adam Trottman – Director, Infrastructure and Planning Division**



Mr Trottman commenced with the Agency on 1 February 2021 as 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**



Mr Stephens was the Senior Manager responsible for leading:

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

### **Legislation Administered by the Agency**

Acts committed to the Minister for Recreation, Sport and Racing:

- *Boxing and Martial Arts Act 2000*
- *Recreational Greenways Act 2000*
- *Recreation Grounds (Joint Schemes) Act 1947*
- *Recreation Grounds Rates and Taxes Exemption Act 1981*
- *Sports Drug Testing Act 2000*
- *Port Pirie Racecourse Site Act 1946.*

## The Agency's Performance

### Agency Response to COVID-19

Agency COVID-19 Response Initiative	Parties Involved in Initiative	Parties Benefitted by Initiative	Outcomes
COVID-19 Framework	ORSR	SA Health SAPOL Transition Committee	Developed a COVID-19 Framework for sport and recreation to help assist other key government stakeholders understand the recreation, sport and racing operating environments.
COVID-19 Workshop	ORSR + SA Health	Sector, SSO, Clubs, LGAs	Hosted a COVID-19 Workshop for the sport and recreation sector on 15 April 2021. Presentation delivered by Deputy Chief Health Officer (Dr Chris Lease). Attended by 52 representatives.
Ministerial Webinars to Sector	ORSR	Sector, SSO, Clubs, LGAs	The Minister facilitated 11 webinars with the sport and recreation sector to update them on the COVID-19 situation at the time. Sector educated on COVID-19 Emergency Management Directions.
Active Club <i>Club Reboot Round</i>	ORSR	Clubs	Allocated an additional \$2.495 million in funding to 1,236 recreation, sport and racing clubs across South Australia through the government's ' <i>Club Reboot Round</i> '. Clubs were provided funding for equipment that could assist them to rebuild from the impact of COVID-19 restrictions.

Agency COVID-19 Response Initiative	Parties Involved in Initiative	Parties Benefitted by Initiative	Outcomes
Rent Relief	ORSR	Recreation, Sport or Community Tenants	Provided \$85,571 rent relief for 18 not-for-profit tenants of the Minister's venues.
COVID Hotline + Sector Assistance Virtual Network	ORSR	Sector, SSO, Clubs, LGAs	Responded to 800+ questions or queries about the COVID-19 requirements. Organised a Sector Assistance Virtual Network with 21 organisations represented to assist the sector.
'Return to Sport' Campaign	ORSR + Inclusive Sport SA	Sector, SSO, Clubs, LGAs	Produced a 'Return to Sport' Campaign video to ensure the sector and the general public understood health and hygiene protocols during the early and critical stages of returning to sport for the South Australian community. Also aided the development and submission of 61 Return-to-Sport Plans.
Mobilisation of Staff	ORSR + OCPSE	SAPOL, DTF	Mobilised 2.7 per cent of the Agency's available FTE at a cost of \$53,184 to assist in contact tracing and other project management activities in support of the SA Government's COVID-19 response.

## Agency Contribution to Whole-of-Government Objectives

Key Objective	Agency's Contribution	
<p><b>Better services</b></p>	<p>Major strategy documents</p>	<p>The Agency launched the Strategic Plan 2021–25 on 15 April 2021 and identified the key priority areas and strategies for the near future. The Plan is complemented by a detailed Corporate Plan identifying the specific programs and projects to be delivered under the Plan.</p> <p><i>Game On: Getting South Australians Moving</i></p> <p>The Agency's implementation commenced from 1 July 2020 and includes the following activities:</p> <ul style="list-style-type: none"> <li>• Across-Government Committee formed to oversee multi-agency delivery against the plan.</li> <li>• Two <i>Wellbeing Hubs</i> developed in partnerships with Wellbeing SA and local government (City of Playford, Naracoorte Lucindale Council).</li> <li>• Contributed to the <i>Adelaide 100 Walking Loop</i> in partnership with Wellbeing SA and Walking SA.</li> <li>• <i>Public Health Partnership Authority (PHPA) Agreement</i> commenced to create more opportunities for collaboration with Wellbeing SA through healthy, physically active communities.</li> <li>• Enhanced the <i>Premier's be active Challenge</i> in partnership with the Department of Education.</li> <li>• Partnership (including naming rights) with the <i>Game On Corporate Cup</i> commenced in partnership with The Australian Council for Health, Physical Education and Recreation South Australia Branch (ACHPER SA).</li> </ul>

Key Objective	Agency's Contribution	
<b>Better services</b>	Major strategy documents (Cont'd.)	<ul style="list-style-type: none"> <li>Developed an <i>Engagement and Communication Plan</i> for Game On.</li> </ul> <p><i>State Sport and Recreation Infrastructure Plan (SSRIP)</i></p> <p>The Marshall Liberal Government allocated \$160 million in the 2020–21 State Budget to deliver key projects identified in the Plan.</p>
	Improving water safety	<p>Water Safety for Children</p> <p>12,190 children (aged 5–14 years) increased their water safety knowledge through the VACSWIM Program across 21 metro and 92 regional locations. This formed a 5 per cent increase in participants from the previous year.</p> <p>The Agency undertook a review, informed by state-wide community consultation, on the future delivery model of the VACSWIM program.</p>
	Reviewing Agency functions	<p>The Agency has undertaken (or has commenced) reviews of:</p> <ul style="list-style-type: none"> <li>The Sports Vouchers scheme and provided options for the expansion of the program.</li> <li>Methods for SASI to increase its public visibility and transparency and improve allied health and performance services.</li> <li>The Grants Programs and subsequently commenced implementation of the review recommendations. \$2.3 million Partnership Program funding launched, with 19 successful organisations funded.</li> <li>The STARCLUB Field Officer Program.</li> <li>Regional Sports Academies.</li> </ul>

Key Objective	Agency's Contribution	
<b>Better services</b>	Business cases under consideration	<p>The Agency considered (or is considering) the following significant business case(s), white papers or proposals for new initiatives, including:</p> <ul style="list-style-type: none"> <li>• Creating vibrant open spaces for movement, play and social connections through temporary street closures; it has implemented pilots in four local government areas (LGAs).</li> <li>• Four new basketball courts to be constructed at Wayville Showgrounds creating a total seven court facility to be the new home for Basketball in South Australia. The stadium will be capable of hosting state and national tournaments and carnivals.</li> <li>• An unsolicited proposal from Cardijn College to develop a sports stadium and expanded school facilities on land under the ownership of the Minister for Recreation, Sport and Racing at Noarlunga.</li> </ul>
	Planning and design of major sporting facilities and upgrades	<p>The Minister released the <i>State Sport and Recreation Infrastructure Plan: 2020–2040</i> in November 2020 identifying priority infrastructure projects for the sector. As a result, the government allocated \$204 million in the FY2020/21 State Budget to deliver key projects including Stage 2 Memorial Drive Tennis Centre, SASI Development, Thebarton Oval upgrade, SA Athletics Stadium upgrade and a Netball SA Stadium upgrade.</p>
	Planning support for community sporting facilities and upgrades	<p>The Agency has undertaken a Community Infrastructure Planning Model Project during the reporting period to model the infrastructure planning and investment for 14 sports using their supply-and-demand data in partnership with ActiveXchange to inform the development of the State Sport and Recreation Infrastructure Plan V2.0.</p>

	<p>High-performance tools</p>	<p>The Agency has participated in the development of protocols to improve high-performance outcomes, including:</p> <ul style="list-style-type: none"> <li>• Rowing - analysis and quantification of boat rigging in relation to different individual physiologies.</li> <li>• Heat acclimation – including:             <ul style="list-style-type: none"> <li>○ Longitudinal haematological responses to training load and heat acclimation.</li> <li>○ Mitochondrial adaptation to heat stress.</li> <li>○ Effects of active vs passive heat stress on exercise-induced cellular signalling in skeletal muscle.</li> </ul> </li> <li>• Central and peripheral responses to active and post-exercise passive heat stress.</li> </ul>
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Key Objective	Agency's Contribution	
<p><b>Better services</b></p>	<p>Elite pathways and high-performance programs</p>	<p>The Agency has:</p> <ul style="list-style-type: none"> <li>• Tested 2,377 young people (aged 12–20 years) to identify those with highly suitable physical attributes for specific Olympic sports; 94 participants (4 <i>per cent</i>) were invited to trial for sports selection.</li> <li>• 71 Talent Search participants are currently in Talent Identification Programs.</li> <li>• Provided Sport Pathway Programs for 120 talented athletes across seven sports.</li> <li>• Provided support for 40 high-performance athletes in five sporting National Centres of Excellence based in Adelaide in partnership with their respective National Sporting Organisations.</li> <li>• Provided support for 23 Paralympic athletes across sport and individual athlete programs.</li> <li>• Provided support for 60 athletes from 21 non-program sports through individual scholarships.</li> <li>• Supported an additional 140 athletes by providing access to SASI facilities to some of SA's National League Teams and State Sporting Organisations' Pathway Programs.</li> <li>• Conducted more than 33 laboratory tests including Lactate Profile tests, Maximum Oxygen Uptake (V<sub>O<sub>2</sub> max</sub>), Resting Metabolic Rate and Haemoglobin Blood Mass Tests*.</li> <li>• Conducted 102 supervised heat loading athlete training sessions across six sport programs*.</li> <li>• Conducted 261 Passive Heat Adaption sessions.</li> </ul> <p>*Activities significantly restricted due to COVID-19 Restricted Operating Protocols</p>

Key Objective	Agency's Contribution	
<b>Better services</b>	Research	<p>The Agency has invested in research to improve our understanding and capacity to respond in the following areas:</p> <ul style="list-style-type: none"> <li>Youth Physical Activity – engaging with cohorts of young South Australians in Years 9 and 11 to understand the barriers and motivators for physical activity to inform the development of the state's Game On Youth Strategy.</li> </ul> <p>Collaborative research was jointly undertaken with partner organisations on the following projects:</p> <ul style="list-style-type: none"> <li>Active Lives 2.0 – to monitor and measure against Game On targets the physical activity behaviours across a representative sample of the adult South Australian population in partnership with Wellbeing SA.</li> </ul>
	Inclusion and diversity	<p>The Agency adopted:</p> <ul style="list-style-type: none"> <li>A Disability Access and Inclusion Plan 2020–24.</li> <li>A 40:40:20 Policy Position on gender diverse Boards.</li> </ul> <p>Universal design principles are applied to sport and recreation projects and facilities maintenance to support family friendly and accessible facilities. Agency major projects utilising universal design include the:</p> <ul style="list-style-type: none"> <li>State Centre of Football</li> <li>Super-Drome upgrades</li> <li>Women's Memorial Playing Fields upgrade</li> <li>SA Netball Stadium upgrade.</li> </ul> <p>The Agency achieved its White Ribbon Accreditation during the reporting period.</p>

Key Objective	Agency's Contribution	
<b>More jobs</b>	Agency investment in sporting facilities and upgrades	The Agency is projected to have stimulated 70.3 FTE jobs in the economy through an investment of more than \$17.14m in various sporting facilities' development or upgrades, including infrastructure projects with Home of Football at State Sports Park, Women's Memorial Playing Fields, Adelaide Super-Drome upgrade, Hindmarsh Stadium upgrade, SA Athletics Stadium upgrade and the Netball SA Stadium upgrade.
	Agency funding of community or business sporting facilities and upgrades	The Agency is projected to have stimulated 519.8 FTE jobs in the economy through the provision of \$126.78m in funding for various sport and recreation facility developments or upgrades. This includes but is not limited to Memorial Drive, Thebarton Oval, Murray Bridge Racing Club Stalls Project, Broadview Oval Community and Sports Hub, Alberton Oval Precinct Development and Barossa Rugby Development.
	Agency funding supporting employment in the sport and recreation industry	The Agency is projected to have stimulated 33.8 FTE jobs through \$8.25m funding in projects to grow the sport or activity, improve services or address barriers to inclusion.

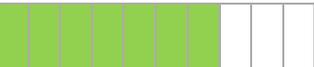
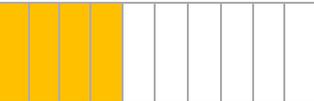
\* Projections based on the employment impact projects of capital projects set out in the *Guidelines for the Evaluation of Public Sector Initiatives*, which forms part of Treasurer's Instruction 17.

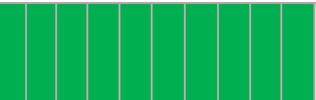
## Agency Specific Objectives and Performance

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%

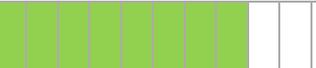
Objective 2	Indicators	Performance
Ensure people and organisations delivering sport and active recreation have the capability and capacity to deliver quality opportunities for participation and performance.	The number of training and development services provided to the active recreation and sports industry <i>per annum</i> .  <small>*Including those provided under outsourcing arrangements.</small> [Target: 10]	47
		 100%

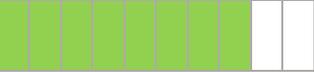
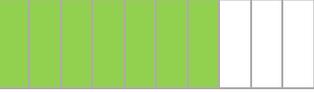
Objective 3	Indicators	Performance
Ensure it is easy and enjoyable for all South Australians to participate at all levels and in all facets of recreation and sport.  <small>2020 calendar year's data released by AusPlay on 30 April 2021.</small>	The percentage of South Australian children <sup>#</sup> and adults <sup>^</sup> exceeding the national participation level in sport and active recreation at least once per week*.  [Target: Positive difference between percentages SA:AUS] <small><sup>#</sup> 0-14 years of age <sup>^</sup> 15+ years of age *As measured by AusPlay for Jan – Dec 2020</small>	Children: -0.60%
		 99%
	The percentage of male and females participating in sport and active recreation is approximately equal*.  [Target: Close to 45-55% Males: 45-55% Females *As measured by AusPlay for Jan – Dec 2020	Adults: -1.4%
		 99%
	The number of sport vouchers redeemed. <small>Children participating in sport or active recreation.</small> [Target: 85,000]	48.1% M: 51.9% F
		 100%
The percentage of State Sporting Organisations achieving 40:40:20 gender targets on their boards.  [Target: 100% by 30 June 2021]  35% FY18/19, 75% FY19/20, 100% FY20/21	85,144	
	 100%	
	55% meet the target  45% do not meet the target (35% skewed towards males and 10% skewed towards females.)	55% meet the target  45% do not meet the target (35% skewed towards males and 10% skewed towards females.)
		 55%

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><small>[Target: 59 athletes across 11 sports]</small></p> <p><small>*Source: 2020 SASI Awards Book</small></p>	<p>56 athletes</p>  <p>95%</p> <p>8 sports</p>  <p>73%</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><small>[Target: 5 staff]</small></p> <p><small>*Source: 2020 SASI Awards Book</small></p>	<p>2 staff</p>  <p>40%</p>
	<p>The percentage of athletes remaining within their Individual Athlete Performance Plan parameters <i>per annum</i>.</p> <p><small>[Target: 75%]</small></p>	<p>84%</p>  <p>84%</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>12 partnerships</p>  <p>100%</p>
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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: \$1.34</p>  <p>67%</p>

Objective 6	Indicators	Performance
<p>Ensure the Office for Recreation, Sport and Racing is progressive, responsive, and accountable.</p> <p>The 'I work for SA' Survey 2021 received submissions from 94% of staff.</p>	<p>The percentage of staff who would recommend the Agency as a good place to work.</p> <p>[Target: 100% of staff]</p>	<p>81%</p> <p>Variance of -7% from 2020 ORSR mini survey.</p> <p>Q27e: I Work for SA Survey 2021</p>  <p>81%</p>
	<p>The percentage of employees 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>74%</p> <p>Variance of -3% from 2020 ORSR mini survey.</p> <p>Q16e: I Work for SA Survey 2021</p>  <p>74%</p>
	<p>The percentage of staff who report having witnessed harassment or bullying in the workplace*.</p> <p>[Target: 0% of staff]</p>	<p>21%</p> <p>15 of the respondents. Variance of +1% from 2020 ORSR mini survey.</p> <p>Q24: I Work for SA Survey 2021</p>  <p>21%</p>

	<p>The percentage of staff who understand how their work contributes to the Agency's objectives.</p> <p>[Target: 100% of staff]</p>	<p>91%</p> <p>Variance of +8% from 2020 ORSR mini survey.</p> <p>Q11g: I Work for SA Survey 2021</p>  <p>83%</p>
	<p>The percentage of corrective actions completed within the target timeframe.</p> <p>[Target: 100% of actions]</p>	<p>70%</p> <p>+ 7 actions due for completion in FY 2020–21.</p>  <p>70%</p>

Objective 7	Indicators	Performance
<p>Ensure the Office for Recreation, Sport and Racing is able to rapidly adapt to changing external circumstances.</p> <p>(e.g. COVID-19)</p>	<p>The percentage of staff who report sufficient resources and arrangements to help them feel safe.</p> <p>[Target: 100% of staff]</p>	<p>89%</p> <p>Q18a: I Work for SA Survey 2021</p>  <p>89%</p>
	<p>The percentage of staff who report receiving sufficient communication about changes impacting their work.</p> <p>[Target: 100% of staff]</p>	<p>79%</p> <p>Q18c: I Work for SA Survey 2021</p>  <p>79%</p>

## Corporate Performance Summary

# Achievement of Agency Performance Indicators

FY 2020 / 21



**35%** **On Target**  
*Performance achieved was 0% variance from stated target*

**35%** **Slightly Off Target**  
*Performance achieved was 1-25% variance from stated target*

**12%** **Off Target — Needs Work to Correct**  
*Performance achieved was 26-50% variance from stated target*

**6%** **Seriously Off Target — Needs Urgent Work to Correct**  
*Performance achieved was 51-75% variance from stated target*

**12%** **Seriously Off Target — Needs Urgent Management Action**  
*Performance achieved was 76-100% variance from stated target*

## Employment Opportunity Programs

Program Name	Performance
Postgraduate Internship Program	SASI has an ongoing partnership with the University of South Australia to provide placement opportunities for PhD and Masters students. Through these programs, three students completed a placement with the Agency during the reporting period.
Graduate Program	No internships occurred during the reporting period.
Undergraduate Internship Program	Four students completed a placement with the Agency during the reporting period through University of South Australia.
Work Experience Program	The Agency has a strong level of interest from high school students to undertake work experience. During the reporting period, one high school student completed a work experience placement with the Agency.

## Agency Performance Management and Development Systems

Performance Management and Development System	Performance
<b>CHRIS 21</b> Staff Performance Management Program	90 per cent 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 at 30 June 2020.
<b>SAES PROGRAM</b> Executive Performance Management Program	75 per cent 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.

## Work Health, Safety and Return-to-Work Programs

Program Name	Performance
<b>EMPLOYEE WELLBEING PROGRAM</b>	<p>The Agency's employees are able to participate in the following employee wellbeing activities:</p> <ul style="list-style-type: none"> <li>• Corporate Cup.</li> <li>• Online health assessments.</li> <li>• Access to onsite gym facilities.</li> </ul>
<b>INFLUENZA VACCINATION PROGRAM</b>	<p>The Agency provides an annual, voluntary influenza vaccination program to employees. The program is run at our main Kidman Park site. 68 per cent of the workforce opted to be vaccinated during the reporting period.</p>
<b>EMPLOYEE ASSISTANCE PROGRAM</b>	<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 two occasions during the reporting period.</p> <p>In addition, the program provides critical incident response. The critical incident response service was made available to staff on one occasion during the reporting period.</p>
<b>WORKPLACE HEALTH AND SAFETY STRATEGY</b>	<p>The Agency had planned to implement a WHS Action Plan during FY2020/21, following the disruptions to planned operations caused by COVID-19. This has been re-scheduled for implementation during FY2021/22.</p>
<b>WHS INTERNAL AUDIT PROGRAM</b>	<p>The Agency conducted one internal audit for an area of risk.</p>

Workplace Injury Claims	Current Year 2020-21	Past Year 2019-20	% Change (+ / -)
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

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

Work Health and Safety Regulations	Current Year 2020–21	Past Year 2019–20	% 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 2020-21	Past Year 2019-20	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$ 24,690	\$ 18,593	+32.8%
Income support payments – gross (\$)	\$ 24,622	\$ 16,855	+46.1%

\*\*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 brief summary of the overall financial position of the Agency. The information is unaudited. Full audited financial statements for 2020–2021 are attached to this report.

Statement of Comprehensive Income	2020–21 Budget \$000s	2020–21 Actual \$000s	Variation \$000s	2019–20 Actual \$000s
Total income	143,582	159,915	16,333	92,636
Total expenses	134,845	125,831	9,014	64,470
<b>Net result</b>	<b>8,737</b>	<b>34,084</b>	<b>25,347</b>	<b>28,166</b>
<b>Total comprehensive result</b>	<b>8,737</b>	<b>34,084</b>	<b>25,347</b>	<b>28,166</b>

Statement of Financial Position	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	2019–20 Actual \$000s
Current assets	17,636	67,628	49,992	38,690
Non-current assets	316,420	303,132	-13,288	286,730
<b>Total assets</b>	<b>334,056</b>	<b>370,760</b>	<b>36,704</b>	<b>325,420</b>
Current liabilities	8,180	19,673	-11,493	8,131
Non-current liabilities	1,760	1,624	136	1,910
<b>Total liabilities</b>	<b>9,940</b>	<b>21,297</b>	<b>-11,357</b>	<b>10,041</b>
<b>Net assets equity</b>	<b>324,116</b>	<b>349,463</b>	<b>25,347</b>	<b>315,379</b>
	<b>324,116</b>	<b>349,463</b>	<b>25,347</b>	<b>315,379</b>

## 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	\$ 0.00

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

Consultancies	Purpose	\$ Actual payment
Faster Horses Pty Ltd	Operations Plan development Paris Olympic Cycle & Review of SASI Performance Services Staffing	\$ 22,740
Mel Consultants Pty Ltd	Adelaide Super-Drome Wind Tunnel Facility - Technical Specification Review	\$ 17,500
	<b>Total</b>	<b>\$ 40,240</b>

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	\$ 239,152

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

Contractors	Purpose	\$ Actual payment
Academy Services P/L	Contracted to provide cleaning service at SA Athletics Stadium.	\$ 73,042
Adelaide Fitness Solutions P/L	Contracted to provide student talent ID testing for SASI.	\$ 16,250
Andrew & Associates Pty Ltd	Contracted to provide land surveying services.	\$ 11,984
Artem Consulting Group	Contracted to provide online workshops.	\$ 14,400
Aurecon Australasia P/L	Contracted to provide professional services for High Performance Facility Condition Assessment and Costing.	\$ 25,000
Austral Tree Services Pty Ltd	Contracted to provide tree pruning and removal at Women's Memorial Playing Fields.	\$ 20,000
Bateman, E.	Contracted for the provision of allied health (sport psychologist) professional services to SASI.	\$ 21,183
Bestec Pty Ltd	Contracted to provide building site inspection and report of a grantee facility.	\$ 15,000
Bicycle SA Inc	Contracted to provide trail survey and maintenance of Mawson and Kidman trails.	\$ 15,800
Carter Property	Contracted to provide valuation report of ORSR facility.	\$ 20,000

Contractors	Purpose	\$ Actual payment
Chris Turtur Services	Contracted to provide track maintenance services at Adelaide Super-Drome.	\$ 27,995
Co.Op Studio Pty Ltd	Contracted to provide professional design services for high-performance facility.	\$ 11,264
Co-Create Solutions Pty Ltd	Contracted for construction services for the infield fence at the Adelaide Super-Drome.	\$ 113,360
Deloitte Financial Advisory	Contracted to provide market sounding services for State Sports Park.	\$ 39,091
Destination Trails Pty Ltd	Contracted to provide trail design and construction for Eagle Mountain Bike Park.	\$ 13,800
Diverse Information Solutions	Contracted to provide archiving and record management services.	\$ 14,238
DJL Fabrications	Contracted to build and install racking at rowing facility (Murray Bridge) and construction of a rowing trailer.	\$ 29,900
Edge Recruitment	Contracted to provide temporary staff.	\$ 21,917
Frank The Lawn Mower Man	Contracted to provide lawn maintenance services at the Agency's venues.	\$ 22,100
Greenway Architects SA P/L	Contracted to provide professional services for the Anna Mears Connector at the State Sports Park.	\$ 11,250
GTA Consultants (SA) Pty Ltd	Contracted to provide professional services for State Sports Park Movement and Traffic Plan.	\$ 10,133
Hender Careers / Entree	Contracted to provide staff recruitment services.	\$ 23,500
ISS Facility Services Aust Ltd	Contracted to provide cleaning services at Adelaide Super-Drome.	\$ 77,892
Jensen Plus	Contracted to provide planning services for the State Sports Park Master Plan.	\$ 19,005
KPMG	Contracted to provide financial audit of grantee expenditure.	\$ 24,323

Contractors	Purpose	\$ Actual payment
Leading Edge Physical Therapy	Contracted for the provision of allied health (physiotherapy) professional services to SASI.	\$ 19,162
M Millsted	Contracted for the provision of allied health (physiotherapy / massage) professional services to SASI.	\$ 15,155
Mower Mate	Contracted to provide gardening services at State Sports Park.	\$ 12,869
Randstad P/L	Contracted to provide temporary staff.	\$ 29,874
Renoturf	Contracted to provide regular grounds maintenance services in the Agency's venues.	\$ 34,027
SA Power Networks	Contracted to provide asset connection and network extension capital works for the Women's Memorial Playing Fields transformer.	\$ 34,390
SA Sports Federation Inc	Contracted to deliver professional development (coaching and officiating) training courses to the sport and recreation sector.	\$ 50,096
L.J. Shaw	Contracted to provide para-cycling coaching services for SASI.	\$ 20,107
South Australia Police (SAPOL)	Contracted to provide security services at the Agency's facilities.	\$ 16,480
Sports & Arthritis Clinic (SPARC)	Contracted for the provision of medical and other allied health professional services to SASI.	\$ 52,849
D.J. Spurrier	Contracted for the provision of allied health (physiotherapy) professional services to SASI.	\$ 22,200
Studio 9 Architects Pty Ltd	Architect design services for the SASI Mile End facility.	\$ 44,130
The Riesling Trail Inc	Contracted to provide maintenance works on the Quarry Road Bridge.	\$ 36,000

Contractors	Purpose	\$ Actual payment
URPS	Contracted to provide professional services relating to the Game On: Action Plan for Youth project.	\$ 27,347
Vertigo High Access Services	Contracted to provide cleaning service at the Adelaide Super-Drome.	\$ 14,915
O. Warnes	Contracted for the provision of allied health (nutrition) professional services to SASI.	\$ 61,378
Weslo Staff P/L	Contracted to provide security services at Adelaide Super-Drome and SA Athletics Stadium.	\$ 40,743
M. Worsman	Contracted for the production of Game On video series.	\$ 10,150
Wrenhaven Contracting Pty Ltd	Contracted to provide maintenance services at Eagle Mountain Bike Park.	\$ 12,849
	<b>Total</b>	<b>\$ 1,247,147</b>

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

## Risk Management

### Risk and Audit at a Glance

The Risk and Audit Committee is an advisory committee to the Chief Executive established in November 2019. The Committee meets at least four times per year. The Committee comprises three members 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. He has a Bachelor of Business (Accountancy) and has also been practicing as a Chartered Accountant for more than 20 years. He is a Member of Chartered Accountants Australia and New Zealand, a Registered Company Auditor and Registered Tax Agent.	From 1 December 2019 to 1 December 2021
Ms Nicolle Rantanen-Reynolds	Ordinary Member  She 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. She has a Masters of Commercial Law, a Masters of Business Administration and a Bachelor of Commerce. She is a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Society of CPAs and a Fellow of the Taxation Institute of Australia.	From 1 December 2019 to 1 December 2021
Mr Peter Brass	Ordinary Member  He is an accomplished executive with diverse industry and business exposure, his skills and experience ensure heightened levels of commercial accountability, financial management and business rigour. He holds a Bachelor of Economics. He is a Fellow of CPA Australia, a graduate of the Australian Institute of Company Directors and is a Certified Practising Risk Manager with the Risk Management Institute of Australasia.	From 1 December 2019 to 1 December 2021

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

Agency. The Committee's responsibilities, authority and specific duties are set out in a Terms of Reference approved in September 2019 and a Committee Work Plan approved in February 2020.

### 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	3
Procurement or supplier fraud	0
Human resources fraud (Recruitment / Identity / Timesheet / Expenses)	0
Cybercrime / espionage	0
Other (describe below)	
Misuse of grant funding	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 and 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 and Audit 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 iLearn Code of Ethics Awareness Program. 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 throughout 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

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 2021

The Boxing and Martial Arts Advisory Committee (the Committee) is 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 considers various issues pertaining to combat sports and provides expert advice and recommendations to the Minister for Recreation, Sport and Racing.

The Committee comprises up to eight individuals from various backgrounds with expertise in the boxing and martial arts sector, law and medicine and police enforcement.

Membership of the Committee has been refreshed across the reporting period. Members of the Committee during the reporting period were:

Committee Member	Role	Membership During Reporting Period
Ms Uschi Artym	<p>A person who, in the opinion of the Minister, has knowledge as a referee/judge in the industry (boxing).</p> <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 (Boxing).</p>	From 1 July 2020 to 31 December 2020
Ms Laura Bowman	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 (Muay Thai).	From 1 July 2020 to 31 December 2020

Ms Paula Davies	A legal practitioner who, in the opinion of the Minister, has knowledge of relevant legislation affecting the industry.	From 10 February 2021 to 30 June 2021
Mr Matthew Dockrill	A person who, in the opinion of the Minister, has knowledge as a trainee official in the industry (ISKA).  A person who, in the opinion of the Minister, represents persons who are or have been registered as trainers in a class relevant to combat sports (MMA).	From 10 February 2021 to 30 June 2021
Mr Tom Ferrauto	A person who, in the opinion of the Minister, has knowledge as a referee/judge in the industry (Boxing, Muay Thai, Kick Boxing and Mixed Martial Arts).	From 1 July 2020 to 31 December 2020
Mr Mandy Graetz	A person who, in the opinion of the Minister, has knowledge as a referee/judge in the industry (Muay Thai / Kick Boxing). 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 (Muay Thai / Kick Boxing).	From 1 July 2020 to 31 December 2020
Ms Allison Goodes	A person who, in the opinion of the Minister, represents persons who are or have been registered as contestants in a class relevant to combat sports (Boxing). A person who, in the opinion of the Minister, has knowledge of principles of sports governance and/or administration affecting a class relevant to combat sports (Boxing).	From 10 February 2021 to 30 June 2021
Chief Inspector Greg Hutchins	A police officer nominated in writing by the Commissioner of Police.	From 1 July 2020 to 31 December 2020
Dr Simon Lew	A person who, in the opinion of the Minister, has knowledge of principles of sports governance and/or administration affecting a class relevant to combat sports (Taekwondo). A person who, in the opinion of the Minister, represents persons who are or have been registered as trainers in	From 10 February 2021 to 30 June 2021

	a class relevant to combat sports (Taekwondo).	
Mr Lorenzo Mazzocchetti (Chair)	A legal practitioner who, in the opinion of the Minister, has knowledge of relevant legislation affecting the industry.	From 10 February 2021 to 30 June 2021
Dr Luisa Rositano	A medical practitioner, who in the opinion of the Minister, has knowledge of injuries suffered by contestants. A person who, in the opinion of the Minister, represents persons who are or have been registered as contestants in a class relevant to combat sports (Judo and Jiu Jitsu).	From 1 July 2020 to 31 December 2020
Hon Judge Rauf Soulio (Chair)	A legal practitioner who, in the opinion of the Minister, has knowledge of relevant legislation affecting the industry. A person who, in the opinion of the Minister, has knowledge of the industry relating to combat sports known as Mixed Martial Arts (Karate).	From 1 July 2020 to 31 December 2020
Dr Duncan Walker	A medical practitioner (sports and exercise physician) who, in the opinion of the Minister, has knowledge of injuries suffered by contestants. A person who, in the opinion of the Minister, has knowledge of the industry relating to combat sports known as Aikido.	From 10 February 2021 to 30 June 2021
Ms Helen Ward	A legal practitioner who, in the opinion of the Minister, has knowledge of relevant legislation affecting the industry.	From 10 February 2021 to 27 April 2021 (resignation).
Dr Alexandra Wong	A medical practitioner (medical intern) who, in the opinion of the Minister, has knowledge of injuries suffered by contestants. A person who, in the opinion of the Minister, has knowledge as an official (medical) in the industry. A person who, in the opinion of the Minister, is or has been registered as contestants / trainers in a class relevant to combat sports (Muay Thai).	From 10 February 2021 to 30 June 2021

The Committee is established under the principles of 40:40:20 gender composition. Gender composition has varied from 57 per cent to 29 per cent females across the reporting period; falling to its lowest point following the resignation of a female member.

## BOXING AND MARTIAL ARTS STATISTICS FOR THE YEAR ENDING 30 JUNE 2021

Number of significant professional or public boxing or martial arts events held in South Australia in 2020/21:

Boxing	Mixed Martial Arts	Muay Thai	Kick Boxing	Taekwondo	Other
10	1	3	0	0	0
<b>TOTAL</b>					<b>14</b>

	CONTESTANTS	PROMOTERS	TRAINERS
Number of approved applications for a new registration / licence in 2020/21	74	2	1
Number of approved applications for renewal of a registration / licence in 2020/21	12	0	0
<b>Total number of current registration / licence holders at 30 June 2021</b>	<b>328</b>	<b>11</b>	<b>54</b>

	Boxing	Mixed Martial Arts	Muay Thai	Other
Number of rules approved by the Minister in 2020/21	2	2	3	1
Number of rules amended by the Minister in 2020/21	0	0	0	0
Number of rules revoked by the Minister in 2020/21	2	2	3	5

Activity	Number
s.15 Reviews by the Minister commenced in 2020/21	0
s.16 Reviews by the Tribunal commenced in 2020/21	0
Exemptions to part of the Act granted in 2020/21	3

## **REPORT ON THE ACTIVITIES OF THE BOXING AND MARTIAL ARTS ADVISORY COMMITTEE FOR THE YEAR ENDING 30 JUNE 2021**

During the 2020/21 period, the Committee held nine ordinary meetings and zero special / out-of-session meetings.

### Report on Significant Issues Considered, (including significant injury or other safety issues)

#### **1. Significant Injuries**

The Committee considered any recommendations for changed practices or protocols as a result of significant injuries suffered by contestants competing in combat sports during the reporting period, that being:

- November 2020 - Educate Cup - One male contestant was rendered unconscious (knocked-out) requiring at least ten days hospitalisation and a total of 33 days under medical supervision:
  - The injury was reported to SafeWork SA who found there was no cause to investigate.
  - The contestants were deemed to be well-matched. It was noted that both contestants were wearing head gear at the time of the bout. Suitably qualified officials were provided by event organisers.
  - The event was deemed to fall outside the jurisdiction of the *Boxing and Martial Arts Act 2000* as it was not a public event.

No recommendations for change were made by the Committee.

#### **2. Safety Considerations in South Australia**

The Committee considered the impacts to contestants and public safety arising from the COVID-19 pandemic and made recommendations regarding the COVID-safe conduct of boxing or martial arts events, including:

- Spectator numbers – >1000 require a dedicated COVID Management Plan, which requires SA Health approval.
- Maintaining physical distancing – spectators, contestant support crew.
- Hygiene requirements – cleaning the ring/ropes between bouts.

#### **3. Cross-Jurisdictional Safety Concerns**

The Committee is considering the potential implementation in South Australia of general recommendations made by coroners pertaining to combat sports made as a result of:

- The 2020 inquest into the death of a young female Muay Thai fighter, Jessica Lesley Jackson (Western Australia).
- The 2017 inquest into the death of professional boxer, David Browne (New South Wales).

Report on Advice on Rules and Exemptions

The Committee considered and provided advice on one request for exemption from the *Boxing and Martial Arts Act 2000* from:

- Boxing SA.

The Committee considered and provided advice on seven sets of rules for approval or revocation, those being:

Rules Considered for Approval	Rules Considered for Revocation
<ul style="list-style-type: none"> <li>• Boxing Australia</li> <li>• Muay Thai Australia</li> <li>• World Kun Khmer</li> </ul>	<ul style="list-style-type: none"> <li>• Australian Martial Arts Association Tournaments Rules published 25/5/1993.</li> <li>• The K-1 International Rules revised 23/9/2004.</li> <li>• World Police and Fire Games Federation (WPFGE) Event 2007 Amateur Boxing and Karate Rules revised July 2005.</li> <li>• Kudo International Federation Australia (Kudo Australia) Rule Book General competition guidelines and Competition format manual V1.0 2013.</li> </ul>

Report on Significant Policy or Legislative Reviews

The Committee is currently considering the findings of an administrative review of the Boxing and Martial Arts function.

Report on Significant Consultations or Contact with the Sector

Nil

Any Other Matters of Note

Nil

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
Sports vouchers 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 Children and Young People (Safety) Act 2017. Having the data supplied on a regular basis will save both agencies the need to email to confirm status.	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 Complaints

### Number of Public Complaints Reported

Complaint Categories	Sub-categories	Example	Number of Complaints 2020–21
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	1
Professional behaviour	Staff knowledge	Lack of service-specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	2
Service delivery	Access to services	Service difficult to find; location poor; facilities/environment poor standard; not accessible to customers with disabilities	1
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect	0

Complaint Categories	Sub-categories	Example	Number of Complaints 2020–21
		policy applied; conflicting policy advice given	
Policy	Policy content (Government or Agency)	Policy content difficult to understand; policy unreasonable or disadvantages customer	8
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	1
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	1
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	6
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	6
		<b>Total</b>	<b>26</b>

Additional Metrics	Total
Number of positive feedback comments	2
Number of negative feedback comments	26
Total number of feedback comments	<b>28</b>

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

The top three complaint subjects (each with four-plus complaints) were complaints about sporting associations handling of matters/complaints, the government's decision not to hold the Adelaide 500 motorsports event, and noise complaints relating to the Athletic Stadium's loudspeakers.

The only matter over which the Agency has control is in relation to the Athletic Stadium's loudspeakers. In response to the complaints made, the Agency has had the stadium and grandstand speaker volume levels adjusted to reduce noise drift across the stadium. The operational PA procedures have also been reviewed and a sound check is undertaken with event hirers prior to the commencement of their event.

### 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



Our ref: A21/027

29 September 2021

Ms K Taylor  
Chief Executive  
Office for Recreation, Sport and Racing  
27 Valetta Road  
KIDMAN PARK SA 5025

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State Administration Centre  
200 Victoria Square  
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Tel +618 8226 9640  
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Dear Ms Taylor

## **Audit of the Office for Recreation, Sport and Racing for the year to 30 June 2021**

We have completed the audit of your accounts for the year ended 30 June 2021. Two key outcomes from the audit are the:

- 1 Independent Auditor's Report on your agency's financial report
- 2 audit management letters.

### **1 Independent Auditor's Report**

We are returning the financial statements for the Office for Recreation, Sport and Racing, with the Independent Auditor's Report. This report is unmodified.

The *Public Finance and Audit Act 1987* allows me to publish documents on the Auditor-General's Department website. The enclosed Independent Auditor's Report and accompanying financial statements will be published on that website on Tuesday, 12 October 2021

### **2 Audit management letters**

During the year, we sent you an audit management letter detailing the weaknesses we noted and improvements we considered you needed to make.

We have received responses to our letter and will follow these up in our 2021-22 audit.

### **What the audit covered**

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

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

- Grants and subsidies expense
- Employee benefits expense
- Supplies and services expense

We concluded that the financial report was prepared in accordance with the financial reporting framework in this respect.

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

Yours sincerely

A handwritten signature in black ink, appearing to read "Richardson", with a long horizontal stroke extending to the right.

Andrew Richardson  
**Auditor-General**

enc



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## 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 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Office for Recreation, Sport and Racing as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant 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 2021.

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.



Andrew Richardson  
**Auditor-General**  
29 September 2021

# **Office for Recreation, Sport and Racing**

## **Financial Statements**

For the year ended 30 June 2021

**Office for Recreation, Sport and Racing**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2021*

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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**  
September 2021

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Tim Nicholas  
**Director, Corporate Strategy and Investment**  
September 2021

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**Office for Recreation, Sport and Racing**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

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	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Appropriation	2.1	152 082	82 228
Fees and charges	2.2	726	567
Commonwealth-sourced grants and funding	2.3	39	140
SA Government grants, subsidies and transfers	2.4	4 581	4 407
Other grants	2.5	790	713
Resources received free of charge	2.6	655	134
Other income	2.7	1 042	4 447
<b>Total income</b>		<b>159 915</b>	<b>92 636</b>
<b>Expenses</b>			
Employee benefits	3.3	7 898	9 067
Supplies and services	4.1	6 196	6 109
Grants and subsidies	4.2	102 750	40 249
Borrowing costs	7.2	1	3
Depreciation and amortisation	5.1	8 690	8 628
Net loss from disposal of non-current assets	4.3	162	290
Other expenses	4.4	134	124
<b>Total expenses</b>		<b>125 831</b>	<b>64 470</b>
<b>Net result</b>		<b>34 084</b>	<b>28 166</b>
<b>Total comprehensive result</b>		<b>34 084</b>	<b>28 166</b>

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 2021*

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	35 588	36 249
Receivables	6.2	32 040	2 420
Other financial assets	6.3	-	21
<b>Total current assets</b>		<b>67 628</b>	<b>38 690</b>
<b>Non-current assets</b>			
Receivables	6.2	13 506	1
Property, plant and equipment	5.1	289 626	286 729
<b>Total non-current assets</b>		<b>303 132</b>	<b>286 730</b>
<b>Total assets</b>		<b>370 760</b>	<b>325 420</b>
<b>Current liabilities</b>			
Payables	7.1	17 007	5 338
Employee benefits	3.4	1 167	1 223
Financial liabilities	7.2	53	90
Provisions	7.3	26	23
Other liabilities	7.4	1 420	1 457
<b>Total current liabilities</b>		<b>19 673</b>	<b>8 131</b>
<b>Non-current liabilities</b>			
Payables	7.1	128	156
Employee benefits	3.4	1 366	1 680
Financial liabilities	7.2	67	25
Provisions	7.3	63	49
<b>Total non-current liabilities</b>		<b>1 624</b>	<b>1 910</b>
<b>Total liabilities</b>		<b>21 297</b>	<b>10 041</b>
<b>Net assets</b>		<b>349 463</b>	<b>315 379</b>
<b>Equity</b>			
Retained earnings		349 463	315 379
<b>Total equity</b>		<b>349 463</b>	<b>315 379</b>

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 2021*

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	<b>Retained earnings</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2019</b>	287 180	287 180
Error correction	84	84
Changes in accounting policy on adoption of AASB15, 16 and 1058	(51)	(51)
<b>Net result for 2019-20</b>	28 166	28 166
<b>Total comprehensive result for 2019-20</b>	<b>28 166</b>	<b>28 166</b>
	<hr/>	<hr/>
<b>Balance at 30 June 2020</b>	<b>315 379</b>	<b>315 379</b>
	<hr/>	<hr/>
<b>Net result for 2020-21</b>	34 084	34 084
<b>Total comprehensive result for 2020-21</b>	<b>34 084</b>	<b>34 084</b>
	<hr/>	<hr/>
<b>Balance at 30 June 2021</b>	<b>349 463</b>	<b>349 463</b>

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 Cash Flows**  
*for the year ended 30 June 2021*

		2021	2020
		Inflows (Outflows)	Inflows (Outflows)
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Appropriation		152 082	82 228
Fees and charges		673	752
Receipts from Commonwealth-sourced grants		55	1 542
SA Government grants, subsidies and transfers		4 581	4 407
Other grants		921	716
Other receipts		2 228	4 444
<b>Cash generated from operations</b>		<b>160 540</b>	<b>94 089</b>
<b>Cash outflows</b>			
Employee benefits payments		(8 270)	(9 029)
Payments for supplies and services		(5 709)	(7 185)
Payments of grants and subsidies		(98 077)	(41 024)
Other payments		(88)	(86)
<b>Cash used in operations</b>		<b>(112 144)</b>	<b>(57 324)</b>
<b>Net cash provided by operating activities</b>	8.1	<b>48 396</b>	<b>36 765</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from the sale of property, plant and equipment		6	21
<b>Cash generated from investing activities</b>		<b>6</b>	<b>21</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(3 911)	(19 662)
Other investing payments		(45 000)	-
<b>Cash used in investing activities</b>		<b>(48 911)</b>	<b>(19 662)</b>
<b>Net cash used in investing activities</b>		<b>(48 905)</b>	<b>(19 641)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of leases		(152)	(137)
<b>Cash used by financing activities</b>		<b>(152)</b>	<b>(137)</b>
<b>Net cash provided by financing activities</b>		<b>(152)</b>	<b>(137)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(661)</b>	<b>16 987</b>
Cash and cash equivalents at the beginning of the reporting period		36 249	19 262
<b>Cash and cash equivalents at the end of the reporting period</b>	6.1	<b>35 588</b>	<b>36 249</b>
Non-cash transactions	8.1		

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 2021*

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### **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*. It is currently an attached office to the Department for Infrastructure and Transport (since 29 July 2020), previously it was an attached office of the Department of the Premier and Cabinet.

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 are 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.

For the purposes of preparing the financial statements, the Office is a not-for-profit entity. 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.

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.

The GST receivable/payable to the ATO is recognised as a receivable/payable in the Statement of Financial Position in relation to accrued receivable and payable amounts at 30 June only. During the 2020-21 year, the Office remained a member of an approved GST group, for which another agency was responsible for the remittance and collection of GST throughout the year. As such, there are no cash flows relating to GST transactions with the ATO in the Statement of Cash Flows.

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

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.

#### **1.2. Objectives**

The Office for Recreation, Sport and Racing 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 on matters relating to the South Australian Racing Industry.

The Office for Recreation, Sport and Racing 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 2021*

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**1.3. Impact of COVID-19 pandemic on the Office**

The COVID-19 pandemic has impacted on the operations of the Office and the impacts are included under the relevant disclosure notes. The key impacts in 2020-21 were:

- As a result of the COVID-19 pandemic, the Government of South Australia had activated the Public Sector Mobilisation Policy in March 2020. Mobilised staff assist with COVID-19 tracing activities and other activities in support of the COVID-19 response. The Office participated in the response, with two staff being mobilised during the 2020-21 financial year. The related employee benefit costs were expensed over the period.
- The Office provided rent relief of approximately \$58 000 to 3 tenants affected by reductions in revenues, resulting from the COVID-19 pandemic. These amounts were reimbursed to the Office via the State Government Business and Jobs Support Fund.
- The Office has not experienced a material increase in credit losses resulting from the COVID-19 pandemic.
- The Office has not observed elevated levels of staff absences as a result of the COVID-19 pandemic. Should the need arise, staff can transition to a working from home arrangement.
- The Office is not expecting to provide any specific and quantifiable additional community support in relation to the COVID-19 pandemic.
- The Office has (by agreement) not sought previously agreed grant contributions toward one of its sporting programs from one not-for-profit sporting organisation, relating to decreased capacity to operate sporting programs during the COVID-19 pandemic period.

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**1.4. 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 2021 \$'000	Actual 2021 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>				
<b>Income</b>				
Appropriation	a	135 082	152 082	17 000
Fees and charges		1 014	726	(288)
Commonwealth-sourced grants and funding		1 457	39	(1 418)
SA Government grants, subsidies and transfers		4 500	4 581	81
Other grants		617	790	173
Resources received free of charge		-	655	655
Other income		912	1 042	130
<b>Total Income</b>		<b>143 582</b>	<b>159 915</b>	<b>16 333</b>
<b>Expenses</b>				
Employee benefits		8 326	7 898	428
Supplies and services		6 213	6 196	17
Grants and subsidies		111 566	102 750	8 816
Borrowing costs		2	1	1
Depreciation and amortisation		8 590	8 690	(100)
Net loss from disposal of non-current assets		-	162	(162)
Other expenses		148	134	14
<b>Total expenses</b>		<b>134 845</b>	<b>125 831</b>	<b>9 014</b>
<b>Net result</b>		<b>8 737</b>	<b>34 084</b>	<b>25 347</b>
<b>Total comprehensive result</b>		<b>8 737</b>	<b>34 084</b>	<b>25 347</b>

	Note	Original budget 2021 \$'000	Actual 2021 \$'000	Variance \$'000
<b>Investing expenditure summary</b>				
Total new projects		1 000	1 040	40
Total existing projects	b	35 554	9 295	(26 259)
Total Annual Programs		1 683	703	(980)
<b>Total investing expenditure</b>		<b>38 237</b>	<b>11 038</b>	<b>(27 199)</b>

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**1.4 Budget performance (continued)**

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses, as follows:

- a The favourable variance reflects additional appropriation funds of \$17 million being received to enable the Office to make a transfer to Adelaide Venue Management Corporation (totalling \$45 million) for upgrade works at Hindmarsh Stadium.
- b The favourable variance reflects delays in completion of capital projects at the Adelaide SuperDrome (Wind Tunnel), Home of Football at State Sports Park, and Women's Memorial Playing Fields at St Mary's. Projects were subject to delays in tender processes, land transfers, and construction works, as well as delays related to the COVID-19 pandemic generally.

**1.5. Significant transactions with government related entities**

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

- Corporate services provided by the Department of the Premier and Cabinet and the Department of Treasury and Finance (Shared Services SA);
- Major capital works through the Department for Infrastructure and Transport;
- A transfer of \$45 million to Adelaide Venue Management Corporation for upgrade works at Hindmarsh Stadium (refer to note 6.2);
- Facilities maintenance and improvements services engaged with Spotless and Facility Services, through the Department for Infrastructure and Transport; and
- Other Government services including: fleet vehicles leased through Fleet SA; insurance provided through SAICORP; legal services obtained from the Crown Solicitor's Office 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 2021*

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**2. Income**

**2.1. Appropriation**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	135 082	82 228
Appropriation from Governor's Appropriation Fund	17 000	-
<b>Total appropriation</b>	<b>152 082</b>	<b>82 228</b>

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 \$128.4 million (2020: \$47.2 million) for operational funding and \$6.7 million (2020: \$35.1 million) for 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.

Money appropriated from the Governor's Appropriation Fund consisted of \$17 million for capital projects.

**2.2. Fees and charges**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Rental income	333	304
Short-term facility and equipment hire	373	255
Registration fees	10	5
Sale of goods	10	1
Other fees and charges	-	2
<b>Total fees and charges</b>	<b>726</b>	<b>567</b>

Regarding rental income, refer to note 5.2 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**  
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*For the year ended 30 June 2021*

**2.3. Commonwealth-sourced grants and funding**

	2021	2020
	\$'000	\$'000
Commonwealth revenue	39	140
<b>Total commonwealth-sourced grants and funding</b>	<b>39</b>	<b>140</b>

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

The Office received a grant to upgrade one of its sporting facilities. The Office recognised \$39 175 in 2020-21 as income using the percentage of completion method. The remainder of the grant will be recognised as income as upgrade works are completed and is included in note 7.4.

**2.4. SA Government grants, subsidies and transfers**

	2021	2020
	\$'000	\$'000
Intra-government transfer	4 581	4 300
Contingency funding provided by the Department of Treasury and Finance	-	3
Recovery from the Department of Treasury and Finance for TVSPs	-	104
<b>Total SA Government grants, subsidies and transfers</b>	<b>4 581</b>	<b>4 407</b>

Grants, subsidies and transfers are recognised upon receipt, and largely relate to funds transferred from the Sport and Recreation Fund, which is an administered item of the Office. Refer to note 11.

**2.5. Other grants**

	2021	2020
	\$'000	\$'000
Private industry grants	790	713
<b>Total other grants</b>	<b>790</b>	<b>713</b>

Grants largely relate to sport programs and are recognised upon receipt.

**2.6. Resources received free of charge**

	2021	2020
	\$'000	\$'000
Services received free of charge - Shared Services SA	46	46
Services received free of charge - ICT	53	-
Donated assets received	556	88
<b>Total resources received free of charge</b>	<b>655</b>	<b>134</b>

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.

The Office receives Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA. Information, Communication and Technology services are received from the Department of the Premier and Cabinet, following Cabinet's approval to cease intra-government charging.

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

**Office for Recreation, Sport and Racing**  
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**2.7. Other Income**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Refunds	609	2 827
Sponsorship	15	23
Contribution to Grassroots Football, Cricket, Netball Facilities program	-	1 000
Recoveries	209	380
Other	209	217
<b>Total other income</b>	<b>1 042</b>	<b>4 447</b>

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.

Other income includes \$159 621 (2020: \$159 900) related to a profit share arrangement at the Parks Recreation and Sports Centre at Angle Park. Refer to note 5.2 for details on the Office's leasing arrangements as lessor.

**3. Committees and employees**

**3.1. Key management personnel**

Key management personnel of the Office include the Minister, the Chief Executive and four other members of the Executive Leadership Team. The Minister and six employees of the Office served on the Executive Leadership Team during the year.

Total compensation for key management personnel was \$0.952 million (2020: \$1.096 million).

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*.

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Compensation</b>		
Salaries and other short-term employee benefits	869	955
Post-employment benefits	83	86
Other long-term employment benefits	-	55
<b>Total compensation</b>	<b>952</b>	<b>1 096</b>

There were no transactions to disclose for key management personnel and related parties during the reporting period.

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the financial statements**  
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**3.2. Committee members**

Members during the 2021 financial year were:

**Boxing and Martial Arts Advisory Committee**

Rauf Soulio\* (Chair) (term expired December 2020)  
Mandy Graetz (term expired December 2020)  
Laura Bowman (term expired December 2020)  
Tomas Ferrauto\*\* (term expired December 2020)  
Uschi Artym (term expired December 2020)  
Greg Hutchins\* (term expired December 2020)  
Luisa Rositano (term expired December 2020)  
Lorenzo Mazzocchetti (Chair) (appointed February 2021)  
Paula Davies (appointed February 2021)  
Matthew Dockrill (appointed February 2021)  
Allison Goodes (appointed February 2021)  
Simon Lew (appointed February 2021)  
Duncan Walker (appointed February 2021)  
Helen Ward\* (appointed February 2021, retired April 2021)  
Alexander Wong (appointed February 2021)

**Risk and Audit Committee**

Andrew Faulkner (Chair)  
Peter Brass  
Nicolle Rantanen Reynolds\*

\* 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.

\*\* Special exception to receive payment as a government employee.

**Committee remuneration**

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

	<b>2021</b>	<b>2020</b>
\$0 - \$19 999	18	17
<b>Total number of members</b>	<b>18</b>	<b>17</b>

The total remuneration received or receivable by members was \$7 634 (2020: \$15 791). Remuneration of members reflects all costs of performing committee duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

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.

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**3.3. Employee benefits expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	6 403	6 853
Employment on-costs - superannuation	707	770
Annual leave	562	662
Employment on-costs - other	374	422
Long service leave	(218)	68
Skills and experience retention leave	25	30
Workers compensation	38	36
Targeted voluntary separation payments	-	207
Committee fees	7	15
Other employee related expenses	-	4
<b>Total employee benefits</b>	<b>7 898</b>	<b>9 067</b>

The superannuation employment on-cost charge represents the Office's contributions to superannuation plans in respect of current services of current employees. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole of government financial statements.

**Remuneration of employees**

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

	<b>2021</b>	<b>2020</b>
\$154 001 - \$174 000	1	2
\$194 001 - \$214 000	2	1
\$234 001 - \$254 000	-	1
\$254 001 - \$274 000	1	-
<b>Total number of employees</b>	<b>4</b>	<b>4</b>

The total remuneration received by these employees for the year was \$0.823 million (2020: \$0.754 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, termination payments, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

**Targeted voluntary separation packages**

No employees received a TVSP during the current reporting period (2020: 2):

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid to separated employees:		
Targeted voluntary separation packages	-	207
Leave paid to separated employees	-	72
Recovery from the Department of Treasury and Finance	-	(103)
<b>Net cost to the Office</b>	<b>-</b>	<b>176</b>

**Office for Recreation, Sport and Racing**  
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**3.4. Employee benefits liability**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	227	195
Annual leave	732	792
Long service leave	153	183
Skills and experience retention leave	55	53
<b>Total current employee benefits</b>	<b>1 167</b>	<b>1 223</b>
<b>Non-current</b>		
Long service leave	1 366	1 680
<b>Total non-current employee benefits</b>	<b>1 366</b>	<b>1 680</b>
<b>Total employee benefits</b>	<b>2 533</b>	<b>2 903</b>

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 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. Details about the measurement of the long service leave liability is provided in note 10.1.

**Office for Recreation, Sport and Racing**  
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*For the year ended 30 June 2021*

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**4. Expenses**

**4.1. Supplies and services**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Repairs maintenance and minor equipment purchases	1 121	960
Corporate Services SLA	1 065	817
Contractors	1 065	1 451
General administration and consumables	602	557
Facility management	532	362
Other supplies and services	463	499
Utilities	420	428
Information technology and communication charges	374	160
Travel	305	393
Insurance fees	147	133
Staff development and recruitment	76	100
Consultants	23	241
Short term leases	3	5
Intra government transfers	-	3
<b>Total supplies and services</b>	<b>6 196</b>	<b>6 109</b>

**Consultants**

The number of consultancies and the dollar amount paid/payable (included in supplies and services) to consultants fell within the following bands:

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>No.</b>	<b>\$'000</b>	<b>No.</b>	<b>\$'000</b>
Below \$10 000	-	-	1	6
Above \$10 000	1	23	3	235
<b>Total paid / payable to the consultants engaged</b>	<b>1</b>	<b>23</b>	<b>4</b>	<b>241</b>

**Office for Recreation, Sport and Racing**  
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**4.2. Grants and subsidies**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Grants and subsidies consist of the following:</b>		
Memorial Drive Tennis Centre Redevelopment - Stage 2	44 000	-
Grassroots Facilities Program*	15 000	11 000
Sports Vouchers Subsidies	8 317	5 805
Regional and Districts Facilities Program	5 000	-
Gifford Hill Facility Upgrade	5 000	-
Thebarton Oval Redevelopment	5 000	-
Community Recreation and Sport Facilities Program	4 328	3 628
Racing Industry Fund	3 463	3 523
Sport and Recreation Development and Inclusion Program	2 941	2 941
Sport and Recreation Sustainability Program	2 544	2 752
Active Club Program	2 494	3 150
Other Grants	2 057	4 600
Subsidies - SA Aquatic and Leisure Centre	1 155	970
Subsidies - Parks Community Centre	850	777
VACSWIM	464	455
SASI Individual Athlete Program	137	148
State Facility Fund	-	500
<b>Total grants and subsidies</b>	<b>102 750</b>	<b>40 249</b>

\* Previously the Grassroots Football, Cricket, and Netball Facility Program.

**4.3. Net (loss) from the disposal of property, plant and equipment**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land, buildings and improvements</b>		
Net book value of assets disposed	(152)	(307)
<b>Net loss from disposal of land and buildings</b>	<b>(152)</b>	<b>(307)</b>
<b>Plant and equipment</b>		
Proceeds from disposal	6	21
Less net book value of assets disposed	(16)	(4)
<b>Net (loss) / gain from disposal of plant and equipment</b>	<b>(10)</b>	<b>17</b>
<b>Total assets:</b>		
Proceeds from disposal of non-current assets	6	21
Net book value of assets disposed	(168)	(311)
<b>Net loss from disposal of non-current assets</b>	<b>(162)</b>	<b>(290)</b>

**4.4. Other expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Rates and levies	86	75
Other expenses	46	46
Bad and doubtful debts expense	2	3
<b>Total other expenses</b>	<b>134</b>	<b>124</b>

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the financial statements**  
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**5. Non-financial assets**

**5.1. Property, plant and equipment**

**Reconciliation 2020-21**

	Land, buildings and improvements	Plant and equipment	Land, buildings and improvements - leased	Plant and equipment - leased	Work in progress	ROU Buildings	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	82 108	1 214	197 576	808	4 906	61	56	286 729
Acquisitions	19	15	-	-	11 004	139	20	11 197
Donated assets received	556	-	-	-	-	-	-	556
Disposals	(152)	(16)	-	-	-	-	-	(168)
Depreciation and amortisation	(2 252)	(303)	(5 833)	(228)	-	(40)	(34)	(8 690)
Transfer from works in progress	3 946	102	428	98	(4 574)	-	-	-
Other movements	5 078	-	(5 078)	1	1	-	-	2
<b>Carrying amount at the end of the period</b>	<b>89 303</b>	<b>1 012</b>	<b>187 093</b>	<b>679</b>	<b>11 337</b>	<b>160</b>	<b>42</b>	<b>289 626</b>
<b>Gross carrying amount</b>								
Gross carrying amount	161 368	2 867	267 644	1 940	11 337	237	98	445 491
Accumulated depreciation	(72 065)	(1 855)	(80 551)	(1 261)	-	(77)	(56)	(155 865)
<b>Carrying amount at the end of the period</b>	<b>89 303</b>	<b>1 012</b>	<b>187 093</b>	<b>679</b>	<b>11 337</b>	<b>160</b>	<b>42</b>	<b>289 626</b>

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the financial statements**  
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**5.1 Property, plant and equipment (continued)**

**Reconciliation 2019-20**

	Land, buildings and improvements \$'000	Plant and equipment \$'000	Land, buildings and improvements - leased \$'000	Plant and equipment - leased \$'000	Work in progress \$'000	ROU Buildings \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	271 377	2 173	-	-	1 970	-	-	275 520
Adoption of AASB 16 at 1 July	(203 265)	(876)	203 265	876	-	98	35	133
Acquisitions	15 690	96	-	23	3 979	-	55	19 843
Donated assets received	-	73	-	-	15	-	-	88
Disposals	-	(4)	(307)	-	-	-	-	(311)
Depreciation and amortisation	(1 997)	(348)	(5 944)	(268)	-	(37)	(34)	(8 628)
Transfer from works in progress	219	100	562	177	(1 058)	-	-	-
Transfers in as a result of administrative restructure	84	-	-	-	-	-	-	84
<b>Carrying amount at the end of the period</b>	<b>82 108</b>	<b>1 214</b>	<b>197 576</b>	<b>808</b>	<b>4 906</b>	<b>61</b>	<b>56</b>	<b>286 729</b>
<b>Gross carrying amount</b>								
Gross carrying amount	150 808	2 852	274 631	1 902	4 906	98	90	435 287
Accumulated depreciation	(68 700)	(1 638)	(77 055)	(1 094)	-	(37)	(34)	(148 558)
<b>Carrying amount at the end of the period</b>	<b>82 108</b>	<b>1 214</b>	<b>197 576</b>	<b>808</b>	<b>4 906</b>	<b>61</b>	<b>56</b>	<b>286 729</b>

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 10.2.

**Office for Recreation, Sport and Racing**  
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**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. 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:

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings and Improvements	5 - 105
Plant and equipment	2 - 30
Right-of-use buildings	Life of lease
Right-of-use vehicles	Life of lease

**5.2. 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 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, and at West Lakes. An agreement in relation to the Women's Memorial Playing Fields was terminated in the year, related PPE as at 1 July 2020 has been transferred to 'property, plant and equipment held and used by the Office'.

Refer to note 2.2 for operating lease income.

**Office for Recreation, Sport and Racing**  
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**5.3. 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 for 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 8.1.

The Office has several leases:

- Six 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.
- Four rowing-related storage and other spaces. Three of these leases have been prepaid and end in mid-2023 and mid-2024. One of these leases was entered into in 2020-21, has also been prepaid, and ends in January 2031.
- A lease for Office space and gymnasium access, entered into in 2020-21. Lease payments are paid annually. This lease contains an option to extend and will likely end in June 2024.

**Concessional leases**

The Office also has several 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.
- **Storage Bays:** The Office has been granted a concessionary lease over two sporting equipment storage bays. The lease of the bays is to allow access to on site sporting equipment for athletes. The lease is for 20 years, expiring in April 2023. No consideration is payable.

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**  
**Notes to and forming part of the financial statements**  
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**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Deposits with the Treasurer (Special deposit accounts)</b>		
Office for Recreation, Sport and Racing Operating Account	35 588	36 198
Other cash and deposits	-	51
<b>Total cash and cash equivalents</b>	<b>35 588</b>	<b>36 249</b>

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.

**6.2. Receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current:</b>		
Receivables	145	1 416
Less impairment loss on receivables	(1)	(1)
	<b>144</b>	<b>1 415</b>
GST input tax receivable	1 395	-
Prepayments	30 501	1 005
<b>Total current receivables</b>	<b>32 040</b>	<b>2 420</b>
<b>Non-current:</b>		
Prepayments	13 505	-
Receivables	1	1
<b>Total non-current receivables</b>	<b>13 506</b>	<b>1</b>
<b>Total receivables</b>	<b>45 546</b>	<b>2 421</b>

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 10.3 for further information on risk management.

Prepayments largely relate 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.

**Office for Recreation, Sport and Racing**  
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**6.2 Receivables (continued)**

**Allowance for impairment loss on receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	1	-
Increase/(decrease) in the allowance	-	1
<b>Carrying amount at the end of the period</b>	<b>1</b>	<b>1</b>

All of the above impairment losses are from receivables arising from contracts with customers. Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

**6.3. Other financial assets**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Investment in sublease	-	21
<b>Total other financial assets</b>	<b>-</b>	<b>21</b>

The Office subleased a commercial retail space located in the Adelaide CBD. Both the head lease and sublease ended in December 2020.

**7. Liabilities**

**7.1. Payables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors	16 834	5 174
Employment on-costs	173	164
<b>Total current payables</b>	<b>17 007</b>	<b>5 338</b>
<b>Non-current</b>		
Employment on-costs	128	156
<b>Total non-current payables</b>	<b>128</b>	<b>156</b>
<b>Total payables</b>	<b>17 135</b>	<b>5 494</b>

Payables are measured at nominal amounts.

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

Statutory payables do not arise from contracts.

**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.

**Office for Recreation, Sport and Racing**  
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**7.1 Payables (continued)**

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 DTF, the proportion of long service leave taken as leave was 42% (2020: 42%) and the average factor for the calculation of employer superannuation on-costs has changed to 10.1% (2020: 9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$17 572 and employee benefits expense of \$17 572.

**7.2. Financial Liabilities**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease liabilities	53	90
<b>Total current financial liabilities</b>	<b>53</b>	<b>90</b>
<b>Non-current</b>		
Lease liabilities	67	25
<b>Total non-current financial liabilities</b>	<b>67</b>	<b>25</b>
<b>Total financial liabilities</b>	<b>120</b>	<b>115</b>

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Lease liabilities</b>		
Within one year	53	90
Later than one year but not later than five years	67	25
<b>Total lease liabilities</b>	<b>120</b>	<b>115</b>

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. Financing costs associated with leasing activities was \$900 (2020: \$2 955). 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 above.

**Office for Recreation, Sport and Racing**  
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**7.3. Provisions**

All provisions relate to workers compensation.

<b>Movement in provisions</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Provision for workers compensation movement</b>		
Carrying amount at the beginning of the period	72	59
Additional provisions recognised	17	13
<b>Carrying amount at the end of the period</b>	<b>89</b>	<b>72</b>

**Provision for workers compensation**

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

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The liability was calculated in accordance with AASB 137 as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

**7.4. Other liabilities**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Unearned income	1 420	1 457
<b>Total current other liabilities</b>	<b>1 420</b>	<b>1 457</b>
<b>Total other liabilities</b>	<b>1 420</b>	<b>1 457</b>

Unearned income primarily relates to a grant that was received from the Commonwealth Government 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). The original grant was for \$1.5 million.

**Office for Recreation, Sport and Racing**  
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**8. Other disclosures**

**8.1. Cash flow reconciliation**

	2021 \$'000	2020 \$'000
<b>Reconciliation of cash and cash equivalents at the end of the reporting period</b>		
Cash and cash equivalents disclosed in the Statement of Financial Position	35 588	36 249
Balance as per the Statement of Cash Flows	<u>35 588</u>	<u>36 249</u>
<b>Reconciliation of net cash provided by operating activities to net cost of providing services</b>		
Net cash provided by operating activities	48 396	36 765
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation expense	(8 690)	(8 628)
Resources received free of charge	655	134
Bad and doubtful debts expense	-	(1)
Loss on disposal of property, plant and equipment	(168)	(311)
Other expenses	(99)	(46)
<b>Movement in assets and liabilities</b>		
Decrease in receivables	(850)	(673)
(Increase) / decrease in payables	(5 529)	909
Decrease / (increase) in employee benefits	370	(29)
Increase in provisions	(17)	(13)
Decrease in other financial assets	(21)	-
Decrease in other liabilities	37	59
<b>Net result</b>	<u><b>34 084</b></u>	<u><b>28 166</b></u>

Total cash outflows for leases was \$170 273 (2020: \$158 615).

**Office for Recreation, Sport and Racing**  
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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.

**Capital commitments**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	30 598	2 260
Later than one year but not later than five years	666	-
<b>Total capital commitments</b>	<b>31 264</b>	<b>2 260</b>

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

**Expenditure commitments**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	5 706	6 611
Later than one year but not later than five years	3 337	3 074
Later than five years	960	1 200
<b>Total expenditure commitments</b>	<b>10 003</b>	<b>10 885</b>

Expenditure commitments predominantly relate to the management of the SA Aquatic & Leisure Centre, the Parks Community Centre, and Grant programs.

**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 5.2 for information about land, buildings and property, plant and equipment the office leases out under operating leases.

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	372	359
Later than one year but not longer than two years	225	318
Later than two year but not longer than three years	208	218
Later than three years but not longer than four years	218	202
Later than four years but not longer than five years	33	212
Later than five years	202	226
<b>Total operating lease income</b>	<b>1 258</b>	<b>1 535</b>

**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 Office is not aware of any contingent liabilities.

The following are contingent assets of the Office:

- **Debtor claims:** The Office has lodged a claim with a liquidator to recover funds from a grantee. A claim for approximately \$22 000 has been agreed and accepted by the liquidator. The amount recovered is presently estimated to be equivalent to the claimed amount, though this is subject to other claims which are yet to be received by the liquidator. Receipt of funds is expected in the 2021-22 financial year.
- **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.
- **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. The financial impact is not able to be reliably estimated.

**9.4. Impacts of standards and statements not yet effective**

The Office has assessed that the impact of new and changed Australian Accounting Standards and Interpretations not yet effective. These changes will not have a material impact on the financial statements in the initial period of application.

**9.5. COVID-19 pandemic outlook for the Office**

As a result of the COVID-19 pandemic, the Government of South Australia had activated the Public Sector Mobilisation Policy in March 2020. Mobilised staff assist with COVID-19 tracing activities and other project management activities in support of the COVID-19 response. The Office for Recreation, Sport and Racing participated in the response, with two staff being mobilised. The estimated impact for the 2021-22 financial year is \$6 000.

**9.6. Events after the reporting period**

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

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the financial statements**  
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**10. Measurement and risk**

**10.1. Long service leave liability - measurement**

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

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 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has changed from 0.75% for 2019-20, to 1.25% for 2020-21. 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 DTF used a salary inflation rate of 2.5% (2020: 2.5%) for the long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$184 110 and employee benefits expense of \$184 110. 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.

**10.2. 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).

All non-current tangible assets with a value equal to or in excess of \$10 000 are capitalised.

***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.

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

Revaluation is undertaken on a six year cycle, with the next revaluation due in the 2021-22 financial year. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

***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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**10.2 Fair value (continued)**

***Fair value classification – non-financial assets at 30 June 2021***

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
Land, buildings and improvements	5.1	120 372	156 024	276 396
Plant and equipment	5.1	-	1 691	1 691
<b>Total recurring fair value measurements</b>		<b>120 372</b>	<b>157 715</b>	<b>278 087</b>
<b>Total fair value measurements</b>		<b>120 372</b>	<b>157 715</b>	<b>278 087</b>

***Fair value classification – non-financial assets at 30 June 2020***

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
Land, buildings and improvements	5.1	120 372	159 312	279 684
Plant and equipment	5.1	-	2 022	2 022
<b>Total recurring fair value measurements</b>		<b>120 372</b>	<b>161 334</b>	<b>281 706</b>
<b>Total fair value measurements</b>		<b>120 372</b>	<b>161 334</b>	<b>281 706</b>

***Land and buildings***

An independent valuation of land and buildings was performed by Certified Practising Valuers from M3property Strategist, Australian Valuation Solution and Opteon Property Group, and verified by the State Valuation Office as at 1 July 2015.

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 classified as restricted in use an adjustment was applied to reflect the restriction.

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

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs were derived from building costs guides / internal records such as recent tender documents, construction invoices etc. and the estimated useful life due to age and condition of the buildings.

***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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**10.2 Fair value (continued)**

**Reconciliation of level 3 recurring fair value measurements at 30 June 2021**

	Land, buildings and improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	159 312	2 022	161 334
Acquisitions	19	15	34
Donated assets received	556	-	556
Disposals	(152)	(16)	(168)
Transfer from works in progress	4 374	200	4 574
Other movements	-	1	1
<b>Gains/(losses) for the period recognised in net result:</b>			
Depreciation	(8 085)	(531)	(8 616)
<b>Total losses recognised in net result</b>	<b>(8 085)</b>	<b>(531)</b>	<b>(8 616)</b>
<b>Carrying amount at the end of the period</b>	<b>156 024</b>	<b>1 691</b>	<b>157 715</b>

**Reconciliation of level 3 recurring fair value measurements at 30 June 2020**

	Land, buildings and improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	166 779	2 173	168 952
Acquisitions	-	119	119
Donated assets received	-	73	73
Disposals	(307)	(4)	(311)
Transfer from works in progress	781	277	1 058
<b>Gains/(losses) for the period recognised in net result:</b>			
Depreciation	(7 941)	(616)	(8 557)
<b>Total losses recognised in net result</b>	<b>(7 941)</b>	<b>(616)</b>	<b>(8 557)</b>
<b>Carrying amount at the end of the period</b>	<b>159 312</b>	<b>2 022</b>	<b>161 334</b>

**Office for Recreation, Sport and Racing**  
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**10.3. 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 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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**10.3 Financial instruments (continued)**

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

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
<b>2020-21</b>			
Current (not past due)	92	0.03%	-
1 - 30 days past due	21	0.12%	-
31 - 60 days past due	2	0.34%	-
61 - 90 days past due	-	1.02%	-
More than 90 days past due	19	2.89%	1
<b>Loss allowance</b>	<b>134</b>		<b>1</b>

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.

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

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.

Receivables with a contractual amount of \$1 877 were written off during the year, though are still 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 *TI 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.

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Administered Income</b>		
Advances and grants - Sport and Recreation Fund	4 500	4 300
<b>Total administered income</b>	<b>4 500</b>	<b>4 300</b>
<b>Administered Expenses</b>		
Intra government transfer - Sport and Recreation Fund	4 500	4 300
<b>Total administered expenses</b>	<b>4 500</b>	<b>4 300</b>
<b>Net result</b>	<b>-</b>	<b>-</b>
<b>Administered Current Assets</b>		
Cash and cash equivalents		
Sport and Recreation Fund	3 322	3 322
Recreation and Sport Fund	1 544	1 544
<b>Total current assets</b>	<b>4 866</b>	<b>4 866</b>
<b>Total assets</b>	<b>4 866</b>	<b>4 866</b>
<b>Net assets</b>	<b>4 866</b>	<b>4 866</b>
<b>Administered Equity</b>		
Retained earnings		
Sport and Recreation Fund	3 322	3 322
Recreation and Sport Fund	1 544	1 544
<b>Total equity</b>	<b>4 866</b>	<b>4 866</b>