



**Government  
of South Australia**

**OFFICE FOR RECREATION, SPORT AND  
RACING**

**2019-20 Annual Report**

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To:

Hon Corey Wingard MP

Minister for Recreation, Sport and Racing

Minister for Police, Emergency Services and Correctional Services

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**

Date \_\_\_\_\_ Signature \_\_\_\_\_

## From the Chief Executive

In 2019–20, we have witnessed localised and widespread adversity in South Australian communities as a result of the bushfires affecting Kangaroo Island, Cudlee Creek, Yorke Peninsula and the Adelaide Hills followed by the COVID-19 pandemic.

These events continue to present the South Australian recreation, sporting and racing sectors with significant challenges and opportunities. The Government of South Australia, including this agency, provided more than \$21 million in financial supports, rent relief and early access to grant programs to retain or stimulate the recreation, sport and racing sectors through COVID-19.

These challenges have also reminded us of the central role that grassroots sport and active recreation play in South Australians' lives and communities – it is the glue that holds communities together and that allows us to be resilient in the face of life's challenges. It was one of the first social restrictions that Australians called for their governments to ease post COVID-19, trusting that community sport could safely lead the return to 'normal' activity. I am both humbled and inspired by the importance placed on grassroots sport and recreation by South Australians.

Not all the challenges that we face grab our attention as dramatically as bushfires and pandemics. Some are more insidious, creeping up on us over

time. Whilst physical activity levels have been steadily declining across all age groups for some years, now only 8 per cent of Australia's youth (aged 13-17 years old) meet the daily guidelines of 60 minutes of physical activity. The agency's latest 'Active Lives' research<sup>1</sup>, conducted in partnership with Wellbeing SA, suggests that the public health savings to be earned from changing the course of each inactive 18 year old to become an active adult is calculated to be \$100,800 across the course of their lifetime. Increasing physical activity in this age cohort will become a significant focus for my team throughout the next year.

During the year, the agency has undertaken a wide-ranging ten-week consultation process with South Australian communities throughout the state to understand and encourage their passion for sport and recreation and the enablers that allow both their participation and their spectatorship. As a result of that consultation, we have set out a series of future outcomes that will positively influence millions of lives by getting South Australia moving<sup>2</sup>, building critical enabling infrastructure<sup>3</sup> and leveraging vital co-investment in the sector<sup>4</sup>.

With these foundations firmly in place, our attention will turn to implementing key projects during the next year; including developing the optimal model for the 'Club of the Future', exploring concepts for a new elite athlete training

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<sup>1</sup> SA Health, Population Health Surveys, Prevention and Population Health Branch (2019). Active Lives, prepared for the Office for Recreation, Sport and Racing.

Eckermann Crisp and Willan (2020) Active Lives South Australia Health Economic Analysis – an evidence base for reduced public

health costs through physical activity. Office for Recreation Sport and Racing.

<sup>2</sup> 2020 The 'Game On: getting South Australia moving' Plan

<sup>3</sup> 2020 The State Sport and Recreation Infrastructure Plan

<sup>4</sup> 2020 Building an Active State: a sport and recreation investment strategy for South Australia.

venue, working with the SA Tourism Commission to maximise the event capability of the state's venues, improving our community engagement capability and implementing our plans through enhanced partnership across government.

The agency has continued to support and facilitate governance reform within the sector to enhance financial sustainability in more competitive markets, member benefits and accountability. A five-year reform package of \$24 million<sup>5</sup> has been agreed with the three racing codes<sup>6</sup> to achieve significant governance reforms, strategic initiatives and infrastructure projects.

Athletes and staff from the South Australian Sports Institute (SASI) had been primed for their countdown year to the Tokyo Olympics with 15 World Champions being crowned from across the state. The Olympics, Paralympics and their lead-up events were postponed as the world responded to the COVID-19 pandemic. Despite social lockdown challenges, athlete training has persisted, with coaches and athletes drawing on their creativity, skills, resilience and flexibility to continue building performances. Whilst a return to international competition and selection events in the lead up to the Tokyo Olympics and Paralympics remain highly uncertain at present, I encourage all athletes and staff to remain focussed on the goal and continue their preparations for Tokyo (2021) and Paris (2024).

I am proud to extend my congratulations to triple Olympic medal

winner and SASI Head Coach Cycling, Brett Aitken, who was inducted into Cycling Australia's Hall of Fame this year as recognition of his years of hard work and excellence in performance.

I would like to thank all the passionate and dedicated people who work as part of my team. Their rapid adaptability, solutions focus, initiative and strong internal culture allowed the agency to provide uninterrupted services, meet significantly increased demand and support to the sector during the most challenging working conditions in a generation.

Our vision to relentlessly pursue an Active State for all South Australians relies on strong collaboration across many agencies of the government. I commend their willingness, energy and commitment to improving the wellbeing of the residents of our state by working in connected ways and partnering to achieve positive outcomes.

I encourage readers to explore the detail of this annual report and discover the significant outcomes achieved by the agency during the past 12 months.

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

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<sup>5</sup> \$24 million including 1.5 per cent of the previous financial year's total net state wagering revenue of all betting operators

upon which the Betting Operations Tax is payable (approximately \$4 million p.a.) during five years.

<sup>6</sup> Thoroughbred, greyhound and harness racing.

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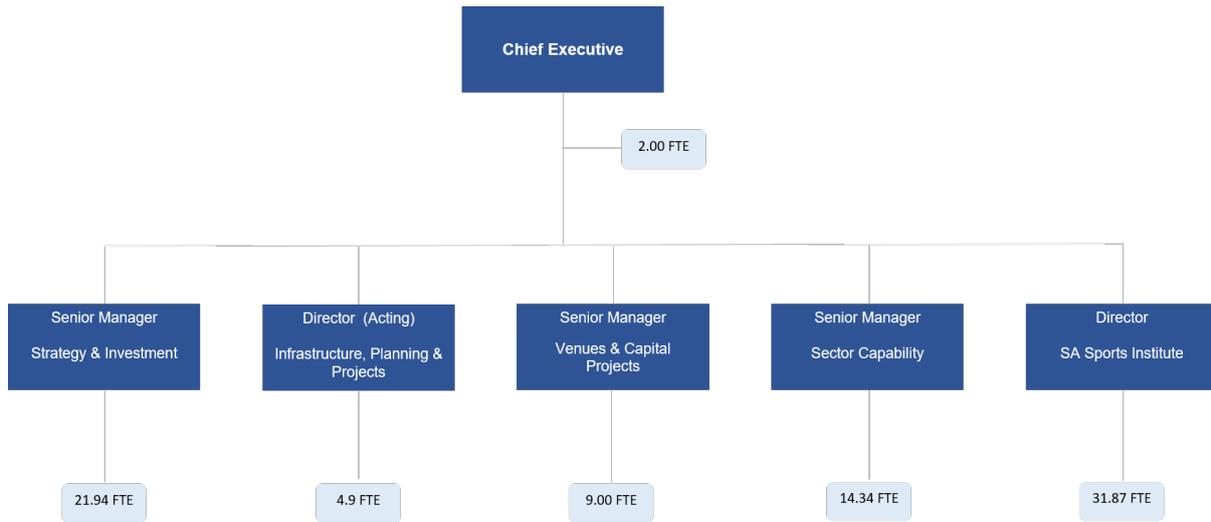
## Overview: About the agency

### Our strategic focus

<b>Our purpose</b>	An Active State
<b>Our vision</b>	Sport and active recreation develops stronger, healthier, happier and safer communities.
<b>Our functions</b>	<p>The Office for Recreation, Sport and Racing:</p> <ul style="list-style-type: none"> <li>✓ Provides advice and investment where it supports grassroots engagement, provides inclusive spaces, supports high-performance training environments and attracts major events and tourism.</li> <li>✓ Provides advice, support and resources to sport, recreation and racing stakeholders to build on their existing capacity to attract, retain and develop participants at all levels.</li> <li>✓ Invests in targeted programs, partnerships and resources that increase access and opportunities for all people to get involved in sport, recreation and racing.</li> <li>✓ Identifies, develops and supports targeted athletes, coaches, sport programs and pathways that maximise the performance of world-class athletes.</li> <li>✓ Delivers a suite of grant programs that support the achievement of the industry and the government’s sport and recreation priorities, transparently, efficiently and effectively.</li> <li>✓ Supports our service delivery with professional and timely support services that improve our business performance.</li> <li>✓ Supports the administration of legislation assigned to the Minister for Recreation, Sport and Racing.</li> </ul>
<b>Our objectives</b>	<ul style="list-style-type: none"> <li>✓ That South Australians have access to sport and recreation places and spaces that support participation at all levels.</li> <li>✓ That people and organisations delivering sport and active recreation have the capability and capacity to deliver quality opportunities for participation and performance.</li> <li>✓ That it is easy and enjoyable for all South Australians to participate at all levels and in all facets of recreation and sport.</li> <li>✓ That more South Australian athletes win on the international stage.</li> <li>✓ That investment in sport and recreation delivers value for the South Australian economy and community.</li> <li>✓ That the Office for Recreation, Sport and Racing is progressive, responsive and accountable.</li> </ul>
<b>Our deliverables</b>	<p>Our Places and Spaces strategy seeks to:</p> <ul style="list-style-type: none"> <li>✓ Lead the development of policy and strategy for land use relating to recreation and sport infrastructure.</li> </ul>

	<ul style="list-style-type: none"> <li>✓ Develop and embed an evidence-based investment approach for recreation and sport infrastructure and facilities.</li> <li>✓ Develop and promote best practice for the planning, design, development, management and operation of sport and recreation facilities.</li> <li>✓ Plan and develop local, state, national and international standard sport and recreation infrastructure to meet government and community outcomes.</li> <li>✓ Collaborate across government to develop and co-invest in local and regional facilities that meet the needs of sport, recreation and the community.</li> </ul> <p>Our Capacity and Capability strategy seeks to:</p> <ul style="list-style-type: none"> <li>✓ Lead the development of resources to encourage governance structures, systems and behaviours that support good leadership and decision making</li> <li>✓ Promote and develop sport and recreation environments that are fair, safe and ethical</li> <li>✓ Invest in people, projects and initiatives that increase the capability and capacity of recreation and sport in South Australia.</li> </ul> <p>Our Access and Opportunity strategy seeks to:</p> <ul style="list-style-type: none"> <li>✓ Lead the Women in Sport agenda in South Australia.</li> <li>✓ Develop plans and strategic partnerships to realise participation opportunities for low participation cohorts.</li> <li>✓ Invest in people, projects and initiatives that increase access and opportunities to participate in sport and recreation.</li> </ul> <p>Our Investment strategy seeks to:</p> <ul style="list-style-type: none"> <li>✓ Consult with industry on product development.</li> <li>✓ Reduce red tape requirements for funded organisations.</li> <li>✓ Evaluate the purpose and efficacy of programs.</li> </ul> <p>Our Business Performance strategy seeks to:</p> <ul style="list-style-type: none"> <li>✓ Provide effective management of resources, governance, risk and services.</li> <li>✓ Provide seamless, timely and effective business support via a multi-skilled team, which is supported by responsive corporate systems and service providers.</li> <li>✓ Continuously improve systems and processes to ensure they are contemporary and meet the requirements of the business.</li> </ul>
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## Our organisational structure



The total number of full-time equivalents (FTE) employed in the agency at 30 June 2020 was 88.05 FTE.

## Changes to the agency

During 2019–20 there were no changes to the agency’s structure and objectives as a result of internal reviews or machinery of government changes.

## Our Minister



Hon Corey Wingard MP was the Minister responsible for:

- Police, Emergency Services and Correctional Services
- Recreation, Sport and Racing

## **Our Executive Team**

### **Ms Kylie Taylor - Chief Executive**



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

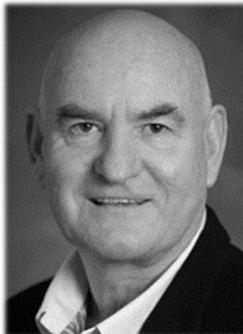
### **Mr Tim Nicholas – Senior Manager Strategy and Investment**



Mr Nicholas was the Senior Manager responsible for leading:

- Corporate Services
- Industry Insights – Research and Analytics
- Funding Services.

### **Wes Battams - Director, South Australian Sports Institute (SASI)**



Mr Battams was the Director responsible for leading:

- High Performance Sport Programs
- Sports Sciences and Performance Analytics
- Talent Search.

### **Mr Aaron Bell – Director (Acting), Infrastructure, Planning and Projects<sup>#</sup>**



Mr Bell was the Acting Director responsible for leading:

- Recreation and Sport Planning
- State Sport and Recreation Infrastructure Plan Project.

### **Ms Anthea Shem – Senior Manager, Venues and Capital Projects#**



Ms Shem was the Senior Manager responsible for leading:

- Venues Management
- Capital Project Management.

### **Mr Justin Stephens – Senior Manager, Sector Capability#**



Mr Stephens was the Senior Manager responsible for leading:

- Sector Capability
- Racing Industry Support.

# Please note that these roles have been brought into the Executive Leadership Team on an interim basis following the vacancy created in the Director, Infrastructure and Sector Capability role.

### **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 contribution to whole-of-government objectives

Key objective	Agency's contribution	
<b>Lower costs</b>	Financial support for bushfire recovery	<p>The agency provided \$190,000 to 19 not-for-profit sporting organisations directly affected by bushfires in Kangaroo Island (\$60,000), Cudlee Creek (\$90,000), Port Lincoln (\$30,000) and Yorke Peninsula (\$10,000).</p> <p>The agency, in partnership with the SANFL, SA Cricket Association, Netball SA and Tennis SA, also secured a \$1 million temporary building for Western Districts Memorial and Community Sports Centre use as change rooms and a clubhouse.</p>
	Rental relief for tenants during COVID-19	The agency provided approximately \$93,000 to 14 tenants affected by reductions in revenues caused by the social restrictions put in place to contain the COVID-19 outbreak.
	Reduce cost barriers to life-long participation in physical activity	The agency has provided a subsidy to support primary school aged children to participate in club-based sports to facilitate the early establishment of life-long participation in physical activity. 58,911 children were provided with sports vouchers throughout the year.

Key objective	Agency's contribution	
Better services	Major strategy documents	<p><i>Game On</i></p> <p>The agency released 'Game On', which seeks to improve collaboration between agencies of government and the sector in order to reverse the levels of poor physical activity and increase movement opportunities across the state. The agency is partnering with other agencies, including Wellbeing SA's <i>Open Your World Strategy</i> and the state-wide Wellbeing Taskforce to deliver these initiatives on the ground.</p> <p><i>State Sport and Recreation Infrastructure Plan (SSRIP)</i></p> <p>The agency developed the SSRIP and submitted the document to Infrastructure SA for discussions about the future needs of the South Australian community. The SSRIP sets out clear priority projects for the state and includes a Strategic Investment Assessment Framework to enhance decision making. The agency also undertook pilot projects with 14 organisations to collect and analyse supply and demand data.</p> <p><i>Building an Active State: A sport and recreation investment strategy for South Australia</i></p> <p>The agency's grants programs underwent a substantial review during the period. The review has been put on hold whilst consideration is given to the changing needs of the sector in the recovery period post COVID-19 and how the review may contribute to this.</p>
	Improving water safety	<p><b>Water Safety for Children</b></p> <p>11,577 children (aged 5–14 years) increased their water safety knowledge through the VACSWIM Program across 32 metro and 87 regional locations.</p>
	Reviewing agency functions	<p>The agency has undertaken (or has commenced) reviews of boxing and martial arts functions, SASI's diving program and athlete uniforms.</p>

	<p>Planning and design of major sporting facilities and upgrades</p>	<p>The agency has undertaken planning and design for the feasibility, development, management and/or upgrade of several major sporting facilities, including:</p> <ul style="list-style-type: none"> <li>▪ the State Sports Park Master Plan will provide a plan to activate underutilised public land for high-quality sport and recreation activities</li> <li>▪ planning work to re-open the bushfire damaged Cudlee Creek Forest Trails for mountain biking and identifying other potential recreation and/or tourism opportunities for the trail network - in partnership with Forestry SA, Bike SA, the Department for Environment and Water and the Adelaide Hills Council</li> <li>▪ supporting a pilot project to assist in implementing greater community access to schools through the development of a sporting facility at Unley High School</li> <li>▪ working with the Department of Education to plan and deliver facilities that can be shared by a school and the community.</li> </ul>
	<p>Planning support for community sporting facilities and upgrades</p>	<p>The agency has provided advisory and funding support to the following facility planning projects in South Australia:</p> <ul style="list-style-type: none"> <li>▪ Southern Adelaide Tennis</li> <li>▪ Netball, Football and Cricket Strategy</li> <li>▪ Essex Park and Gawler Showgrounds Master Plan</li> <li>▪ Mylor Oval Master Plan</li> <li>▪ West Beach Criterium Track Business Case</li> <li>▪ Encounter Bay Indoor Facility Business Case.</li> </ul>
	<p>High-performance tools</p>	<p>The agency has led or participated in the development of tools to improve high-performance outcomes, including a Data Ecosystem Mapping and Development project to streamline efficiency, effectiveness and security of athlete data.</p>

	<p>Elite pathways and high-performance programs</p>	<p>The agency has:</p> <ul style="list-style-type: none"> <li>▪ tested 2,351 young people (aged 12–20 years) to identify those with highly suitable physical attributes for specific Olympic sports. 80 participants (3 per cent) were invited to trial for sports selection, with 24 (1 per cent) being subsequently selected to join the State Talent Program</li> <li>▪ provided Sport Pathway Programs for 125 talented athletes across seven sports</li> <li>▪ provided support for 50 high-performance athletes in six sporting National Centres of Excellence based in Adelaide in partnership with their respective National Sporting Organisations</li> <li>▪ provided support for 25 Paralympic athletes across sport and individual athlete programs</li> <li>▪ provided support for 48 athletes from 24 non-program sports through individual scholarships</li> <li>▪ conducted more than 250 laboratory tests including Lactate Profile tests, Maximum Oxygen Uptake (V<sub>O</sub><sub>2</sub> max), Resting Metabolic Rate and Haemoglobin Blood Mass Tests</li> <li>▪ conducted 96 supervised heat loading athlete training sessions across 10 sport programs, totalling some 567 athlete training encounters</li> <li>▪ conducted 259 Passive Heat Adaption sessions with athlete encounters totalling 822.</li> </ul>
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	<p>Research</p>	<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>▪ heat acclimation research – two-year leading edge research and applied practice in heat stress adaptation</li> <li>▪ commissioned coach development research to assess the impact and effectiveness of a coach developer program in grassroots sports, talent pathways programs and high-performance settings</li> <li>▪ supported research into dynamic measurement of aerodynamic drag in cyclists.</li> </ul> <p>Collaborative research was jointly undertaken with National Institute Network partners on the following projects:</p> <ul style="list-style-type: none"> <li>▪ determining the reliability of resting metabolic rate and dual-energy x-ray absorptiometry in athletes</li> <li>▪ the influence of training on the progression of physiology and performance during a three-month period in junior rowing athletes</li> <li>▪ the effect of different high-intensity training programs on rowing performance</li> <li>▪ the social and economic values described in the '<i>Value of Government Funded Facilities Report</i>' has been applied to three facilities in the Minister's portfolio</li> <li>▪ Active Lives – Economic Impact – to measure the economic impacts of an insufficiently active population on the health care system and quantify potential savings in partnership with Wellbeing SA.</li> </ul>
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	<p>Inclusion and diversity</p>	<p>The Minister’s 40:40:20 initiative set targets to encourage gender-diverse boards in funded State Sporting Organisations to ensure they are reflective of the community in which they operate. A further 20 per cent of organisations reached the target in the period.</p> <p>The agency launched a Women’s Sport Season social media campaign throughout the summer (December 2019 to March 2020) to engage the South Australian community to attend, participate or support women’s sporting events. The campaign reached 113,119 people and interacted with users’ Google feeds more than 650,000 times.</p> <p>Three Inclusion Network (i-Net) meetings were held for the sector to support the removal or management of barriers to participation, which created a welcoming environment for all.</p> <p>Universal design principles are applied to sport and recreation projects and facilities maintenance to support family friendly and accessible facilities.</p> <p>Agency major projects utilising universal design include the:</p> <ul style="list-style-type: none"> <li>▪ Women’s Memorial Playing Fields change rooms/clubrooms upgrade</li> <li>▪ Adelaide Super-Drome wind tunnel tender documentation accessibility criteria, which includes design for para-athlete use with disability access required to the working section and the control room</li> <li>▪ State Centre for Football change rooms/ clubrooms upgrade/site design.</li> </ul>
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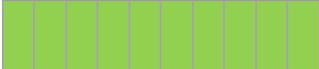
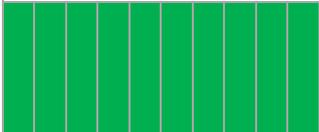
<b>Key objective</b>	<b>Agency's contribution</b>	
<b>More jobs</b>	Agency investment in sporting facilities and upgrades	The agency is projected to have stimulated 15.4 FTE jobs in the economy* through an investment of more than \$3.75m in various sporting facilities' development or upgrades, including infrastructure projects with Women's Memorial Playing Fields, Adelaide Super-Drome, Home of Football at State Sports Park and the SA Athletics stadium lighting upgrade.
	Agency funding of community or business sporting facilities and upgrades	The agency is projected to have stimulated 82.5 FTE jobs in the economy* through funding the community and/or business more than \$20.1m in various sporting facilities' development or upgrades, including infrastructure projects with Southern Soccer Facility (Marion), Murray Bridge Swimming Centre, Clare Sporting Precinct, Goolwa Oval Sporting Precinct, Angaston Recreation Park and Sports Facilities, Kingswood Oval (Mitcham) and West Beach Playing Fields.
	Agency funding supporting employment in the sport and recreation industry	The agency is projected to have stimulated 39.9 FTE jobs through funding projects to grow the sport or activity, improve services or address barriers to inclusion (SRDIP funding). In addition, the agency has supported the leadership, policies and services of State Sporting Organisations and Industry Representative Bodies that employ 869 employees in the sector.

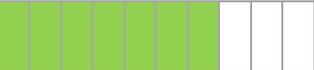
\* Projections based on the employment impact projects of capital projects set out in the *Guidelines for the Evaluation of Public Sector Initiatives*, which forms part of Treasurer's Instruction 17.

**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> .	29
	[Target: 29]	 100%

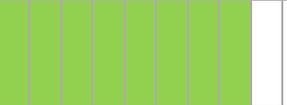
Objective 2	Indicators	Performance
Ensure people and organisations delivering sport and active recreation have the capability and capacity to deliver quality opportunities for participation and performance.	The number of training and development services provided to the active recreation and sports industry <i>per annum</i> .	21*
	*Including those provided under outsourcing arrangements. [Target: 91]	*The lower numbers relate to delays in training to prepare the sector for new child safety requirements, which were delayed by later-than-anticipated legislative assent.  23%

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>2019 calendar year's data released by AusPlay on 30 April 2020.</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*.	Children: 2.30%
	[Target: Positive difference between percentages SA:AUS]	 100%
	<sup>#</sup> 0-14 years of age <sup>^</sup> 15+ years of age *As measured by AusPlay for Jan – Dec 2019	Adults: -0.9%
		 99%
	The percentage of male and females participating in sport and active recreation is approximately equal*.	48.6% M : 51.4% F
	[Target: Close to 45-55% Males: 45-55% Females] *As measured by AusPlay for Jan – Dec 2019	 100%

	<p>The number of sport vouchers redeemed. <i>Children participating in sport or active recreation.</i> [Target: 71,500]</p>	<p>58,911</p>  <p>82%</p>
	<p>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</p>	<p><b>55%</b> meet the target; <b>45%</b> do not meet the target (35% skewed towards males and 10% skewed towards females.)</p>  <p>73%</p>

Objective 4	Indicators	Performance
<p>Grow the number of South Australian athletes winning on the international stage.</p> <p>* These targets may vary between years depending on the number of anticipated benchmark events and the stage of the Olympic / Paralympic cycle.</p>	<p>The number of SASI and SA-based athletes selected in Australian teams for benchmark events <i>per annum</i>. [Target: 50 athletes across 8 sports]</p>	<p>53 athletes</p>  <p>100%</p> <p>13 sports</p>  <p>100%</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>. [Target: 5 staff]</p>	<p>6 staff</p>  <p>100%</p>
	<p>The percentage of athletes remaining within their Individual Athlete Performance Plan parameters <i>per annum</i>. [Target: 75%]</p>	<p>77%</p>  <p>100%</p>
	<p>The number of Partnership Programs sustained (including Centres of Excellence and Development Programs) <i>per annum</i>. [Target: 11 Partnerships]</p>	<p>12 partnerships</p>  <p>100%</p>

Objective 5	Indicators	Performance
Ensure investment in sport and recreation delivers value for the South Australian economy and community.	The ratio of co-investment by government and industry in sport and recreation infrastructure.  <i>[Target: Every \$1 of the agency's Grants Program funding for infrastructure is matched by a \$2 investment by the industry.]</i>	\$1 : \$2.60   100%

Objective 6	Indicators	Performance
Ensure the Office for Recreation, Sport and Racing is progressive, responsive, and accountable.  The 'I work for ORSR' mini-survey 2020 received submissions from 63 members of staff.	The percentage of staff who would recommend the agency as a good place to work.  [Target: 100% of staff]	89%  90% of respondents feel 'about the same' or 'more positive' in comparison to last year.  I work for ORSR mini-survey 2020   89%
	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.)  [Target: 100% of staff]	77%  93% of respondents feel 'about the same' or 'more positive' in comparison to last year.  I work for ORSR mini-survey 2020   77%
	The percentage of staff who report having witnessed harassment or bullying in the workplace*.  [Target: 0% of staff]	20%  73% of respondents feel 'about the same' or 'more positive' in comparison to last year.  I work for ORSR mini-survey 2020   20%
	The percentage of staff who understand how their work contributes to the agency's objectives.  [Target: 100% of staff]	83%  93% of respondents feel 'about the same' or 'more positive' in comparison to last year.  I work for ORSR mini-survey 2020   83%
	The percentage of corrective actions completed within the target timeframe.  [Target: 100% of actions]	91%  + 7 actions due for completion in FY 2020-21.   91%

## 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, eight students completed a placement with the agency during the reporting period.
Graduate Program	SASI provided the opportunity for one graduate sports science internship.
Undergraduate Internship Program	SASI has ongoing relationships with the University of South Australia, Adelaide University and Flinders University to provide placement opportunities for undergraduate students. Through these programs, eight students completed a placement with the agency during the reporting period.
Work Experience Program	The agency has a strong level of interest from high school students to undertake work experience. During the reporting period, three high school students 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	94.0% 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	100% 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**

<b>Program name</b>	<b>Performance</b>
<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. 59% of the workforce opted to be vaccinated during the reporting period. This program was offered during the period where all staff were directed to work from home to comply with COVID-19 restrictions.</p>
<b>SKIN SCREENING PROGRAM</b>	<p>The agency introduced a voluntary skin screening program during the period for employees who predominantly work outdoors. The uptake by these employees for this first reporting period was 85%.</p> <p>The program resulted in one staff member being referred to their personal medical practitioner for further management.</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 eight 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 zero occasions during the reporting period.</p>
<b>WORKPLACE HEALTH AND SAFETY STRATEGY</b>	<p>The agency has drafted a WHS Action Plan to proactively manage and mitigate identified WHS risk areas.</p> <p>The Plan is scheduled to be implemented during the 2020/2021 financial year.</p>
<b>WHS INTERNAL AUDIT PROGRAM</b>	<p>The agency conducted one internal audit for an area of risk.</p>

<b>Program name</b>	<b>Performance</b>
<b>INJURY AND WORKERS COMPENSATION MANAGEMENT PROGRAM</b>	The agency provides confidential, systematic and proactive monitoring of 'potential' work and non-work related injuries and illnesses affecting employees and their work/workplace. This includes face-to-face and online mandatory work health safety and injury management training being delivered to all staff to ensure they remain aware of their WHS responsibilities.
<b>REHABILITATION PROGRAM</b>	The agency provides tailored, individual rehabilitation programs in relation to their injury and their work function for those returning to work from a workplace injury/illness.  The agency did not incur <u>any</u> lost time injuries during the reporting period; therefore, our rehabilitation programs were not required to be put into action.

<b>Workplace injury claims</b>	<b>Current Year</b>	<b>Past Year</b>	<b>% Change (+ / -)</b>
	2019–20	2018–19	
Total new workplace injury claims	0	1	-100%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

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

<b>Work health and safety regulations</b>	<b>Current Year</b>	<b>Past Year</b>	<b>% Change (+ / -)</b>
	2019–20	2018–19	
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	0	0%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	0%

<b>Return-to-work costs**</b>	<b>Current Year</b>	<b>Past Year</b>	<b>% Change (+ / -)</b>
	2019–20	2018–19	
Total gross workers' compensation expenditure (\$)	\$18,593	\$18,789	-1.0%
Income support payments – gross (\$)	\$16,855	\$18,789	-10.3%

\*\*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

<b>Executive classification</b>	<b>Number of executives</b>
SAES Level 1	2

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 at the 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 2019–20 are attached to this report.

<b>Statement of Comprehensive Income</b>	<b>2019–20 Budget \$000s</b>	<b>2019–20 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2018–19 Actual \$000s</b>
Total income	68,707	92,636	23,929	84,021
Total expenses	57,573	64,470	(6,897)	73,558
<b>Net result</b>	<b>11,134</b>	<b>28,166</b>	<b>17,032</b>	<b>10,463</b>
<b>Total comprehensive result</b>	<b>11,134</b>	<b>28,166</b>	<b>17,032</b>	<b>10,463</b>

<b>Statement of Financial Position</b>	<b>2019–20 Budget \$000s</b>	<b>2019–20 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2018–19 Actual \$000s</b>
Current assets	245	38,690	38,445	22,351
Non-current assets	300,481	286,730	(13,751)	275,555
<b>Total assets</b>	<b>300,726</b>	<b>325,420</b>	<b>24,694</b>	<b>297,906</b>
Current liabilities	3,441	8,131	(4,690)	8,753
Non-current liabilities	1,515	1,910	(395)	1,973
<b>Total liabilities</b>	<b>4,956</b>	<b>10,041</b>	<b>(5,085)</b>	<b>10,726</b>
<b>Net assets</b>	<b>295,770</b>	<b>315,379</b>	<b>19,609</b>	<b>287,180</b>
<b>Equity</b>	<b>295,770</b>	<b>315,379</b>	<b>19,609</b>	<b>287,180</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 less than \$10,000 each - combined	Various	\$6,325

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

Consultancies	Purpose	\$ Actual payment
Aurecon Australasia P/L	Consultation services for SASI Strategic Planning and Investment Study	\$30,000
Deloitte Financial Advisory	Consultation professional services for the Commonwealth Games Feasibility Assessment Project	\$184,444
Mel Consultants Pty Ltd	Consultation to provide engineering services in support of the Adelaide Super Drome Wind Tunnel Facility - technical specification review	\$65,500
URPS	Consultation services for review of the StarClub Club Development Program [\$20k]	\$19,860
	<b>Total</b>	<b>\$299,804</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 the 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

Contractor	Purpose	\$ Actual payment
All contractors less than \$10,000 each - combined	Various	\$ 292,430

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

Contractor	Purpose	\$ Actual Payment
Academy Services P/L	Contracted to provide cleaning service at SA Athletics Stadium.	\$45,642
ActiveXchange	Contracted to provide professional services for the establishment of the SportsEye SA platform, access features, and data collection for the SA Sport and Recreation Infrastructure Plan.	\$29,000
Aurecon Australasia P/L	Contracted to provide professional services relating to the agency's: <ul style="list-style-type: none"> <li>– Commonwealth Games Feasibility Assessment Project [\$328k]</li> <li>– Strategic Asset Management Plan [\$10k].</li> </ul>	\$338,153
Business and Risk Solutions P/L	Contracted to provide executive workshops and training services: <ul style="list-style-type: none"> <li>– visible leadership, high performance and leadership impact workshop</li> <li>– leadership coaching.</li> </ul>	\$12,064
Century Pool and Spa Services	Contracted to provide maintenance and cleaning services for SASI equipment.	\$12,373
Chris Turtur Services	Contracted to provide track maintenance services at Adelaide Super-Drome.	\$36,612
David Smith	Contracted to provide professional communications services relating to the agency's 'Active Lives' animation.	\$17,315

<b>Contractor</b>	<b>Purpose</b>	<b>\$ Actual Payment</b>
DB Consulting Group Pty Ltd	Contracted to provide professional services for the Commonwealth Games Feasibility Assessment Project including development of proposed budget.	\$31,488
Deloitte Financial Advisory	Contracted to provide professional services for the Commonwealth Games Feasibility Assessment Project.	\$7,397
Diverse Information Solutions	Contracted to provide archiving and record management services.	\$41,219
Edge Recruitment	Contracted to provide contracts management in venues (contracted staff).	\$24,400
Elise Bateman	Contracted to provide sport psychologist services to SASI.	\$30,652
Gilbert Enoka	Contracted to provide workshop facilitation and presentation services for the SASI culture project.	\$38,683
Girl About Town Pty Ltd	Contracted to provide professional communications services for promotion of the Women's Sport Season campaign.	\$28,007
GTA Consultants (SA) Pty Ltd	Contracted to provide professional services for State Sports Park Movement and Traffic Plan.	\$36,360
Hybrid Agency Pty Ltd	Contracted to provide professional communications services relating to: <ul style="list-style-type: none"> <li>– animation services for 'Active Lives' [\$10k]</li> <li>– strategic communications development [\$8k]</li> <li>– 40:40:20 Communications Strategy [\$7k].</li> </ul>	\$25,035
Iguana Creative	Contracted to deliver signage at State Sports Park.	\$18,089
Interrand Inc	Contracted to provide professional services to analyse economic data for the 'Active Lives' survey.	\$20,000
ISS Facility Services Aust Ltd	Contracted to provide cleaning services at Adelaide Super-Drome.	\$75,268

<b>Contractor</b>	<b>Purpose</b>	<b>\$ Actual Payment</b>
KPMG	Contracted to provide professional services to: <ul style="list-style-type: none"> <li>– value of government-funded facilities project case studies [\$7k]</li> <li>– facilitation services with ministers and executives throughout government to inform about the Game On Project [\$104k].</li> </ul>	\$111,850
KWP Advertising P/L	Contracted for report design and editing for: <ul style="list-style-type: none"> <li>• Infrastructure Plan copywriting and design [\$24k]</li> <li>• Game On report copywriting and design [\$30k].</li> </ul>	\$54,678
Leading Edge Physical Therapy	Contracted to provide physiotherapy services for SASI.	\$21,938
Lorin James Shaw	Contracted to provide para-cycling coaching services for SASI.	\$15,502
Mower Mate	Contracted to provide gardening services at State Sports Park.	\$10,687
Olivia Warnes	Contracted to provide nutrition services for SASI.	\$62,901
PwC	Contracted to provide professional services relating to the State Sport and Recreation Infrastructure Plan Project.	\$132,506
Renoturf	Contracted to provide regular ground maintenance services in venues.	\$34,364
Riggs Digital	Contracted to provide professional services relating to website development and maintenance.	\$23,400
SA Sports Federation Inc	Contracted to deliver to coaching and officiating professional development courses to the sport and recreation sector.	\$33,398
South Australia Police	Contracted to provide security services at agency facilities.	\$13,380
SPARC Sports and Arthritis Clinic	Contracted to provide medical services to SASI and other medical services.	\$58,515

<b>Contractor</b>	<b>Purpose</b>	<b>\$ Actual Payment</b>
Spurrier David J	Contracted to provide physiotherapy services for SASI.	\$14,625
Trailscapes Pty Ltd	Contracted to provide trail repairs to Sunset Boulevard mountain biking trail in Eagle Mountain Bike Park.	\$11,460
URPS	Contracted to provide professional services relating to facilitation services for state-wide community consultation.	\$37,327
Weslo Staff P/L	Contracted to provide security services at Adelaide Super-Drome and SA Athletics Stadium.	\$25,722
BDO Advisory (SA) P/L	Contracted to provide professional services for cash flow training workshop.	\$10,000
Jensen Plus	Contracted to provide Planning Services for the State Sports Park Master plan.	\$61,231
Lumin Sports Technology Pty	Contracted to provide professional services for SASI data ecosystem review and development.	\$10,000
SA Power Networks	Contracted to provide asset connection and network extension capital works for the Women's Memorial Playing Fields transformer.	\$129,390
262 Engineering Pty Ltd	Contracted to provide engineering services for the Adelaide Super-Drome Wind Tunnel.	\$20,560
Vertigo High Access Services	Contracted to provide cleaning service at the Adelaide Super-Drome.	\$15,390
<b>Total</b>		<b>\$1,806,580</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 agency has established, as a part of the corporate governance structure, a Risk and Audit Committee as an advisory committee to the Chief Executive. The inaugural Committee members were appointed on 19 November 2019.

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	<p>Chair</p> <p>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.</p>	<p>From 1 December 2019 to 1 December 2021</p>
Ms Nicolle Rantanen-Reynolds	<p>Ordinary Member</p> <p>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.</p>	<p>From 1 December 2019 to 1 December 2021</p>
Mr Peter Brass	<p>Ordinary Member</p> <p>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 Practicing Risk Manager with the Risk Management Institute of Australasia.</p>	<p>From 1 December 2019 to 1 December 2021</p>

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.

The Committee held its first meeting on 18 December 2019. The Committee meets at least four times per year.

### 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	13
Procurement or supplier fraud	0
Human resources fraud (Recruitment / Identity / Timesheet / Expenses)	0
Cybercrime / espionage	0
Other (describe below)	
Misuse of grant funding	2

*Note: 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 (established in December 2019).

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 Policy 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 of 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 across the duration of their employment.

### **Public interest disclosure**

The 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>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

## 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 monthly.</p>

### COMMITTEE COMPOSITION IN THE YEAR ENDING 30 JUNE 2020

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 30 June 2020. 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 seven individuals from various backgrounds with expertise in the boxing and martial arts sector, law, medicine and police enforcement, as follows:

Committee member	Role	Term
The Hon Judge Rauf Soulio	<p>Chair</p> <p>A legal practitioner who in the opinion of the Minister has knowledge of relevant legislation affecting the industry.</p> <p>A person who, in the opinion of the Minister, has knowledge of the industry relating to combat sports known as mixed martial arts (karate).</p>	From 30 August 2002 to 31 December 2020
Chief Inspector Greg Hutchins	A police officer nominated in writing by the Commissioner of Police.	From 1 July 2018 to 31 December 2020
Dr Luisa Rositano	<p>A medical practitioner who in the opinion of the Minister has knowledge of injuries suffered by contestants.</p> <p>A person who in the opinion of the Minister represents persons who are or have been</p>	From 1 July 2018 to 31 December 2020

	registered as contestants in a class relevant to combat sports (judo and jiu-jitsu).	
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 30 August 2002 to 31 December 2020

<b>Committee member</b>	<b>Role</b>	<b>Term</b>
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 2018 to 31 December 2020
Ms Uschi Artym	A person who in the opinion of the Minister has knowledge as a referee/judge in the industry (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 (boxing).	From 1 July 2018 to 31 December 2020
Ms 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 2018 to 31 December 2020

The gender composition for this Committee is 42.9 per cent males and 57.1 per cent females, which meets the government's target of 50 per cent of Committee positions being held by women.

## BOXING AND MARTIAL ARTS STATISTICS FOR THE YEAR ENDING 30 JUNE 2020

Number of public boxing or martial arts events in South Australia attended by the Agency in 2019/20:

Boxing	Mixed Martial Arts	Muay Thai	Kick Boxing	Taekwondo	Other
0	2	8	0	0	0
<b>TOTAL</b>					<b>10</b>

	CONTESTANTS	PROMOTERS	TRAINERS
Number of approved applications for a new registration / licence in 2019–20	43	0	4
Number of approved applications for renewal of a registration / licence in 2019–20	8	3	0
Total number of current registration / licence holders at 30 June 2020	344	13	56

	Boxing	Mixed Martial Arts	Muay Thai	Other
Number of rules approved by the Minister in 2019–20	0	0	0	0
Number of rules amended by the Minister in 2019–20	0	0	0	0
Number of rules revoked by the Minister in 2019–20	0	0	0	0

Activity	Number
s.15 reviews by the Minister commenced in 2019–20	0
s. 16 reviews by the Tribunal commenced in 2019–20	0
Exemptions to part or whole of the Act granted in 2019–20	2

## **REPORT ON THE ACTIVITIES OF THE COMMITTEE FOR THE YEAR ENDING 30 JUNE 2020**

During the 2019–20 period, the Committee held four Ordinary meetings and zero Special / Out of Session meetings.

### Report on Significant Issues Considered (including significant injury or other safety issues) or Feedback on Applications Received

- Weight cutting was discussed by the Committee following the death of a young female Muay Thai fighter in Western Australia.
- Feedback from the Committee was provided to the Minister on one promoter's application.

### Report on Significant Policy, Legislation or Rules Reviews

- The Committee reviewed the following rules:
  - Muay Thai Australia
    - Transgender
  - Kyokushin Karate.
- The Committee reviewed and provided comments on the following forms, which have been updated as part of the agency's review into processes and systems:
  - Contestant/Trainer Registration Form
  - Annual Medical and Event Medical Forms.

### Report on Significant Consultations or Contact with the Sector

- An industry seminar was held in August 2019.

### Any Other Matters of Note

- The current members of the Committee were reappointed by the Minister for a further six-month period (until 31 December 2020) in light of the restrictions in place for the COVID-19 pandemic.

Act or Regulation	Requirement
<i>Game On Expert Panel</i>	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 monthly.

### COMMITTEE COMPOSITION IN THE YEAR ENDING 30 JUNE 2020

The Game On Expert Panel (the Panel) was established by the Minister for Recreation, Sport and Racing from 17 May 2019 until the end of the project. The Panel considers various issues pertaining to emerging trends, technologies and issues impacting the future of sport and provides expert advice and recommendations to the Minister for Recreation, Sport and Racing.

The Committee comprises seven (7) individuals from various backgrounds with expertise in the sport, technology and innovation, academia, media and government.

Committee Member	Role	Term
The Hon. Amanda Vanstone	Chair  A person who, in the opinion of the Minister, has experience and knowledge relating to the development of government policy.	9 July 2019 to end of project
Mr Anton Andreacchio	Ordinary Member  A person who, in the opinion of the Minister, has knowledge of the industry relating to technology, fan engagement and youth.	18 June 2019 to end of project
Mr Mark Bickley	Ordinary Member  A person who, in the opinion of the Minister, has knowledge of the industry relating to sport, media and broadcasting.	17 May 2019 to end of project
Mr Paul Di Iulio	Ordinary Member  A person who, in the opinion of the Minister, has knowledge of the industry relating to local government and active recreation.	17 May 2019 to end of project

Ms LEEANNE GRANTHAM	<p>Ordinary Member</p> <p>A person who, in the opinion of the Minister, has knowledge of the industry relating to women in sport, volunteers, regions, and high performance sport.</p>	17 May 2019 to end of project
Professor Timothy Olds	<p>Ordinary Member</p> <p>A person who, in the opinion of the Minister, has knowledge of the industry relating to health science, children's integrated movement guidelines and higher education.</p>	17 May 2019 to end of project
Ms Kylie Taylor	<p>Ordinary Member</p> <p>Chief Executive of the Office for Recreation, Sport and Racing.</p>	17 May 2019 to end of project

The gender composition for this Committee is, therefore, 57.1% males and 42.9% females.

### **REPORT ON THE ACTIVITIES OF THE COMMITTEE FOR THE YEAR ENDING 30 JUNE 2020**

During the period, the Committee held four (4) Ordinary meetings and zero (0) Special / Out of Session meetings.

#### Report on Significant Issues Considered

- The Statewide Consultation executive report to prioritise issues that optimise benefits for the South Australian community.
- Selecting the eight issues that would be subject to further investigation
- Providing insights and prioritising solutions resulting from the Phase II report
- System-wide effects and methods of community engagement for the final report
- Contribute to and endorse the final Game On report for the consideration of the Minister for Recreation, Sport and Racing.

#### Any Other Matters of Note

- Provide advocacy of the Game On project to the South Australian community.

## Public complaints

### Number of public complaints reported

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of complaints 2019–20</b>
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	0
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	10
Service delivery	Access to services	Service difficult to find, location poor, facilities/ environment poor standard, not accessible to customers with disabilities	0
Service delivery	Process	Processing error, incorrect process used, delay in processing application, process not customer responsive	1
Policy	Policy application	Incorrect policy interpretation, incorrect policy applied, conflicting policy advice given	3
Policy	Policy content	Policy content difficult to understand, disagreement with policy position, policy	4

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of complaints 2019–20</b>
		unreasonable or disadvantages customer	
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	15
Service quality	Safety	Maintenance, personal or family safety, duty of care not shown, poor security service/ premises, poor cleanliness	2
Service quality	Service responsiveness	Service design doesn't meet customer needs, poor service fit with customer expectations	1
No case to answer	No case to answer	Third party, customer misunderstanding, redirected to another agency, insufficient information to investigate	1
		<b>Total</b>	<b>37</b>

Note: The section below is mandated.

<b>Additional metrics</b>	<b>Total</b>
Number of positive feedback comments	2
Number of negative feedback comments	37
Total number of feedback comments	<b>39</b>

Data for previous years is available at:

<https://data.sa.gov.au/data/organization/office-for-recreation-sport-and-racing>

## Service improvements for 2019-20

Significant numbers of enquiries and calls for support related to the impacts of the COVID-19 pandemic on the sector commenced in early March 2020. The agency centralised all COVID-related enquiries in April to better coordinate responses. Staff responded to 600 individual email enquiries between April and June 2020. The agency quickly formed a Representative Consultative Group (RCG) comprising 21 representatives across three groups to identify challenges and potential solutions regarding the rapidly changing situation. Agency staff facilitated connections with and between members of the sector by hosting small group video-conferencing meetings, multiple ministerial webinars, remote training for cashflows, governance and planning, an innovative lateral thinking webinar and providing communication and collateral to the sector. The agency maintained close contact and surveyed 68 State Sporting and Recreation Organisations to facilitate a deeper understanding of their finances and their anticipated needs in order to provide more targeted support. As requirements for sporting organisations to submit Return to Sport Plans were put in place, the agency provided feedback on those plans.

Concerns about fuel (fire) hazards and litter at agency venues were expressed. The agency has worked with the relevant council(s) and the Department of Environment and Water's Fire Management Team to assess and resolve specific issues. The agency has added general vegetation maintenance to the annual schedule of activity for one venue.

## Appendix: Audited financial statements 2019–20

### For official use only

Your ref: A20/027  
ORSR20/0307 (B853525)

24 September 2020

Mrs Lee Ager  
Auditor-General's Department  
Level 9, State Administration Centre  
200 Victoria Square  
ADELAIDE SA 5000

Dear Lee

### Management representation letter

#### Office for Recreation, Sport and Racing for the year ended 30 June 2020

We make the following representation, for your audit of the financial statements of the Office for Recreation, Sport and Racing for the year ended 30 June 2020, having made such enquiries as we considered necessary for appropriately informing ourselves and according to the best of our knowledge and belief.

1. We have fulfilled our responsibilities as set out in the terms of the engagement letter dated 21 January 2020 for the preparation of financial statements that give a true and fair view in accordance with the Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards.
2. We have provided you with:
  - (a) access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
  - (b) additional information that you have requested from us for the purpose of the audit
  - (c) unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence and
  - (d) information regarding all legal issues and legal opinions which have the capacity to be relevant to the control environment and the fair presentation of the financial statements.

**For official use only**

3. All transactions have been recorded in the accounting records and are reflected in the financial statements.
4. We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error. We have established and maintained an effective internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records have been maintained. We have disclosed to you details of all deficiencies in internal control that we are aware of.
5. We have disclosed to you all information about
  - fraud or suspected fraud involving:
    - i. management
    - ii. employees who have significant roles in internal control
    - iii. others where the fraud could have a material effect on the financial statements
  - allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators or others.
6. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
7. We have disclosed to you all known or suspected instances of non-compliance with laws, regulations, contracts or agreements, the effects of which should be considered when preparing the financial statements.
8. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in line with the financial reporting framework.
9. We believe the methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
10. We have assessed the impact of new accounting standards applied for the first time this year and have provided you with sufficient and appropriate documented evidence of our analysis which supports our judgements and conclusions about our accounting treatment.
11. All events occurring subsequent to the date of the financial statements and for which the financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.
12. There have been no changes in accounting policies or application of those policies that would have a material effect on the financial statements, except as disclosed in the financial statements.

**For official use only**

**13. Non-current assets**

- (a) The entity has satisfactory title to all assets (excluding those assets held in the name of the Crown), and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (b) Depreciation on assets has been allocated on a systematic basis over the estimated useful lives of assets. Useful lives and residual values of the assets were reviewed during the reporting period and adjusted where necessary. Any resulting changes were accounted for as a change in accounting estimate.
- (c) We have considered the requirements of accounting standards when assessing whether there are indicators of impairment of assets, and in ensuring that no assets are stated in excess of their recoverable amount.
- (d) We consider the measurement methods (including related assumptions) used to determine the value of assets to be appropriate, consistently applied, and sufficiently disclosed in the financial statements.

**14. Liabilities**

- (a) We have recognised all liabilities in the financial statements.
- (b) We consider the measurement methods (including related assumptions) used to determine the value of liabilities to be appropriate, consistently applied, and sufficiently disclosed in the financial statements.

**15. Contingent liabilities**

All material contingent liabilities have been completely and adequately disclosed in the financial statements.

**16. Commitments**

We have disclosed all material commitments in the financial statements.

**17. Related party transactions**

- (a) We have disclosed to you the identity of all related parties and related party relationships and transactions of which we are aware.
- (b) We have appropriately accounted for and disclosed such relationships and transactions in line with the requirements of the financial reporting framework.

**For official use only**

**18. Publication on a website**

With respect to the publication of the audited financial report on our website, we acknowledge that:

- (a) We are responsible for the electronic publication of the audited financial report.
- (b) We will ensure that the electronic version of the audited financial report and the auditor's report on the website are identical to the final signed hard copy version.
- (c) We will clearly differentiate between audited and unaudited information on our website as we understand the risk of potential misrepresentation.
- (d) We have assessed the controls over the security and integrity of the data on the website and that adequate procedures are in place to ensure the integrity of the information published.
- (e) We will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely

  
.....  
Chief Executive

25.9.2020  
.....  
Date:

  
.....  
Director, Corporate Strategy and Investment

25/9/2020  
.....  
Date:

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

### **Financial Statements**

For the year ended 30 June 2020

**Office for Recreation, Sport and Racing**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2020*

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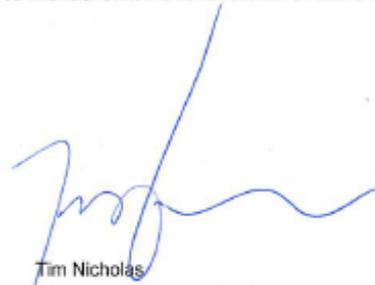
We certify that the attached general purpose financial statements for the Office for Recreation, Sport and Racing:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Office for Recreation, Sport and Racing; and
- present a true and fair view of the financial position of the Office for Recreation, Sport and Racing as at 30 June 2020 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Office for Recreation, Sport and Racing for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Kylie Taylor  
Chief Executive  
25 September 2020



Tim Nicholas  
Director, Corporate Strategy and Investment  
25 September 2020

**Office for Recreation, Sport and Racing**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2020*

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
Appropriation	2.1	82 228	75 780
Fees and charges	2.2	567	857
Commonwealth grants	2.3	140	83
Other grants	2.4	5 120	5 594
Resources received free of charge	2.5	134	31
Other income	2.6	4 447	1 676
<b>Total income</b>		<b>92 636</b>	<b>84 021</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	9 067	8 684
Supplies and services	4.1	6 109	6 171
Grants and subsidies	4.2	40 249	50 126
Borrowing costs	4.3	3	-
Depreciation and amortisation	4.4	8 628	8 458
Net loss from the disposal of property, plant and equipment	4.5	290	22
Other expenses	4.6	124	97
<b>Total expenses</b>		<b>64 470</b>	<b>73 558</b>
<b>Net result</b>		<b>28 166</b>	<b>10 463</b>
<b>Total comprehensive result</b>		<b>28 166</b>	<b>10 463</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 Financial Position**  
*as at 30 June 2020*

	Note	2020 \$'000	2019 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	36 249	19 262
Receivables	6.2	2 420	3 089
Other financial assets	6.3	21	-
<b>Total current assets</b>		<b>38 690</b>	<b>22 351</b>
<b>Non-current assets</b>			
Receivables	6.2	1	35
Property, plant and equipment	5.1	286 729	275 520
<b>Total non-current assets</b>		<b>286 730</b>	<b>275 555</b>
<b>Total assets</b>		<b>325 420</b>	<b>297 906</b>
<b>Current liabilities</b>			
Payables	7.1	5 338	6 115
Employee benefits	3.4	1 223	1 099
Financial liabilities	7.2	90	-
Provisions	7.3	23	23
Other liabilities	7.4	1 457	1 516
<b>Total current liabilities</b>		<b>8 131</b>	<b>8 753</b>
<b>Non-current liabilities</b>			
Payables	7.1	156	162
Employee benefits	3.4	1 680	1 775
Financial liabilities	7.2	25	-
Provisions	7.3	49	36
<b>Total non-current liabilities</b>		<b>1 910</b>	<b>1 973</b>
<b>Total liabilities</b>		<b>10 041</b>	<b>10 726</b>
<b>Net assets</b>		<b>315 379</b>	<b>287 180</b>
<b>Equity</b>			
Retained earnings		315 379	287 180
<b>Total equity</b>		<b>315 379</b>	<b>287 180</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 2020*

	<b>Retained earnings \$'000</b>	<b>Total Equity \$'000</b>
<b>Balance at 1 July 2018</b>	-	-
<b>Net result for 2018-19</b>	10 463	10 463
<b>Total comprehensive result for 2018-19</b>	<u>10 463</u>	<u>10 463</u>
<b>Transactions with SA Government as owner</b>		
Net assets received from an administrative restructure	276 717	276 717
<b>Balance at 30 June 2019</b>	<u>287 180</u>	<u>287 180</u>
Error correction	84	84
Changes in accounting policy on adoption of AASB15, 16 and 1058	(51)	(51)
<b>Restated balance at 1 July 2019</b>	<u>287 213</u>	<u>287 213</u>
<b>Net result for 2019-20</b>	28 166	28 166
<b>Total comprehensive result for 2019-20</b>	<u>28 166</u>	<u>28 166</u>
<b>Balance at 30 June 2020</b>	<u>315 379</u>	<u>315 379</u>

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

**Office for Recreation, Sport and Racing**  
**Statement of Cash Flows**  
*for the year ended 30 June 2020*

		2020 Inflows (Outflows) \$'000	2019 Inflows (Outflows) \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
<i>Cash inflows</i>			
Appropriation		82 228	75 780
Fees and charges		752	807
Receipts from Commonwealth		1 542	83
Grants		5 120	5 476
Interest received		3	1
Other receipts		4 444	541
<b>Cash generated from operations</b>		<b>94 089</b>	<b>82 688</b>
<i>Cash outflows</i>			
Employee benefits payments		(9 029)	(7 851)
Payments for supplies and services		(7 185)	(7 226)
Payments of grants and subsidies		(41 024)	(45 913)
Interest paid		(3)	-
Other payments		(83)	(66)
<b>Cash used in operations</b>		<b>(57 324)</b>	<b>(61 056)</b>
<b>Net cash provided by operating activities</b>	<b>8.1</b>	<b>36 765</b>	<b>21 632</b>
<b>Cash flows from investing activities</b>			
<i>Cash inflows</i>			
Proceeds from the sale of property, plant and equipment		21	51
<b>Cash generated from investing activities</b>		<b>21</b>	<b>51</b>
<i>Cash outflows</i>			
Purchase of property, plant and equipment		(19 662)	(2 506)
<b>Cash used in investing activities</b>		<b>(19 662)</b>	<b>(2 506)</b>
<b>Net cash (used in) investing activities</b>		<b>(19 641)</b>	<b>(2 455)</b>
<b>Cash flows from financing activities</b>			
<i>Cash inflows</i>			
Cash received from restructuring activities		-	85
<b>Cash generated from financing activities</b>		<b>-</b>	<b>85</b>
<i>Cash outflows</i>			
Repayment of leases		(137)	-
<b>Cash used in financing activities</b>		<b>(137)</b>	<b>-</b>
<b>Net cash (used in) / provided by financing activities</b>		<b>(137)</b>	<b>85</b>
<b>Net increase in cash and cash equivalents</b>		<b>16 987</b>	<b>19 262</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>19 262</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>6.1</b>	<b>36 249</b>	<b>19 262</b>

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 2020*

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**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2020*

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**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2020*

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**1. About the Office for Recreation, Sport and Racing**

From 1 July 2018, the Office for Recreation, Sport and Racing (the Office) became an "attached office" of the Department of the Premier and Cabinet under the *Public Sector Act 2009*. The Office is an administrative unit acting on behalf of the Crown.

The financial statements and accompanying notes encompass all the activities of the Office.

The Office does not control any other entity and has no interests in unconsolidated structured entities.

Administered items are disclosed in the schedule of administered items in note 12. Except as otherwise disclosed administered items are accounted for on the same basis and using the same accounting policies as for the Office items.

**1.1. Basis of preparation**

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

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

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

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 net GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Office is a member of an approved GST group, of which the Department of the Premier and Cabinet (DPC), is responsible for the remittance and collection of GST. As such, there are no cash flows relating to GST transactions with the ATO in the Statement of Cash Flows.

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

**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 2020*

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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 2019-20 were:

- The Office has (by agreement) not sought previously agreed grant contributions toward several of its sporting programs from three not-for-profit sporting organisations, relating to decreased capacity to operate sporting programs during the COVID-19 pandemic period.
- The Office has not experienced a material increase in credit losses resulting from the COVID-19 pandemic.
- The Office is not expecting to provide any specific and quantifiable additional community support in relation to the COVID-19 pandemic.
- The March 2020 Federal Government COVID-19 directives included directions on the closure of indoor gyms and sporting venues. Following this, the Government of South Australia announced a 'rent relief' policy on 16 April 2020. In response to the measures, the Office had closed its venues, and the ORSR COVID-19 taskforce considered and supported rental relief for tenants at these venues. The rental relief package, effective 1 April - 30 June 2020, comprises relief for eighteen not-for-profit recreation, sport and community tenants, across seven venues.
- The Office has not observed elevated levels of staff absences because of the COVID-19 pandemic. Staff were able to continue working from home during the March to June 2020 period.
- Some staff members may have delayed taking annual leave in response to Government imposed COVID-19 restrictions. This may have resulted in an increase in the annual leave liability balance, though this impact is not reliably estimable.
- Because 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 participated in the response, with three staff being mobilised from May 2020. The related employee benefit costs were expensed over the period.

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2020*

**1.4. Budget performance**

The budget performance table compares the Office's outcomes against budget information presented to Parliament (2019-20 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.

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
<b>Statement of Comprehensive Income</b>	<b>Note</b>			
<b>Income</b>				
Appropriation	a	60 908	82 228	21 320
Fees and charges		664	567	(97)
Commonwealth grants		-	140	140
Other grants		4 919	5 120	201
Resources received free of charge		-	134	134
Other income	b	2 216	4 447	2 231
<b>Total income</b>		<b>68 707</b>	<b>92 636</b>	<b>23 929</b>
<b>Expenses</b>				
Employee benefits expenses		8 132	9 067	(935)
Supplies and services		6 502	6 109	393
Grants and subsidies	c	34 301	40 249	(5 948)
Depreciation and amortisation		8 300	8 628	(328)
Other expenses		338	124	214
Net loss from the disposal of property, plant and equipment		-	290	(290)
Borrowing costs		-	3	(3)
<b>Total expenses</b>		<b>57 573</b>	<b>64 470</b>	<b>(6 897)</b>
<b>Net result</b>		<b>11 134</b>	<b>28 166</b>	<b>17 032</b>
<b>Total comprehensive result</b>		<b>11 134</b>	<b>28 166</b>	<b>17 032</b>

		Original budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000
<b>Investing expenditure summary</b>	<b>Note</b>			
Total existing projects	d	18 100	2 866	15 234
Total land acquisition	a	-	15 690	(15 690)
Total annual program		1 334	1 233	101
<b>Total investing expenditure</b>		<b>19 434</b>	<b>19 789</b>	<b>(355)</b>

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2020*

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**1.4 Budget performance (continued)**

The following are brief explanations of variances between original budget and actual amounts:

- a The favourable variance largely relates to additional appropriation funding of:
  - \$15.7 million to allow the Office to purchase land located at the State Sports Park, from the Minister for Environment and Water, to facilitate the development of the new State Centre of Football and the wider State Sports Park precinct.
  - \$5.0 million, to fund additional grants under the Grassroots Football, Cricket, and Netball Facility grants program.
- b The favourable variance mainly reflects a return of grant funds, where the grantee had chosen not to undertake specific capital works, which was a condition of the grant. The funding was reissued to another group to undertake the project.
- c The unfavourable variance reflects:
  - additional grants issued under the Grassroots Football, Cricket, and Netball Facility grants program; and
  - the payment of an additional grant, using returned grant funds, for the development of a community sporting facility;
  - partly offset by reduced Sport Voucher grant claims.
- d 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 directly 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 are primarily related to:

- Corporate Services provided by the Department of the Premier and Cabinet and the Department of Treasury and Finance (Shared Services SA);
- Facilities maintenance and improvements services engaged with Spotless and Facility Services, through the Department of Planning, Transport and Infrastructure;
- Major capital works through the Department of Planning, Transport and Infrastructure;
- Fleet vehicles leased through Fleet SA;
- Insurance provided through SAICORP; and
- Land acquisition at the State Sports Park, from the Minister for Environment and Water, to facilitate the development of the new State Centre of Football.

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2020*

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**2. Income**

**2.1. Appropriation**

	2020	2019
	\$'000	\$'000
Revenues from appropriation	82 228	75 780
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	<u>82 228</u>	<u>75 780</u>
<b>Total appropriations</b>	<b><u>82 228</u></b>	<b><u>75 780</u></b>

Appropriations are recognised on receipt.

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

The total appropriations consist of \$47.2 million for operational funding and \$35.1 million for capital projects and acquisitions. The original amount appropriated to the Office under the annual *Appropriation Act* is set out in note 1.4.

**2.2. Fees and charges**

	2020	2019
	\$'000	\$'000
Rental income	559	837
Fees for services	-	10
Registration fees	5	5
Sale of goods	1	4
Other fees and charges	2	1
<b>Total fees and charges</b>	<b><u>567</u></b>	<b><u>857</u></b>

**2.3. Commonwealth grants**

	2020	2019
	\$'000	\$'000
Grants	140	83
Commonwealth revenue	<u>140</u>	<u>83</u>
<b>Total Commonwealth grants</b>	<b><u>140</u></b>	<b><u>83</u></b>

The Office received a grant to upgrade one of its sporting facilities. The Office recognised \$43 121 in 2019-20 as income. The remainder of the grant will be recognised as income as upgrade works are completed and is included in note 7.4.

**2.4. Other grants**

	2020	2019
	\$'000	\$'000
Intra government transfer	4 407	4 183
Other	713	1 411
<b>Total other grants</b>	<b><u>5 120</u></b>	<b><u>5 594</u></b>

Intra government transfers are recognised on receipt.

**Office for Recreation, Sport and Racing**  
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**2.5. Resources received free of charge**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Services received free of charge - Shared Services SA	46	31
Plant and Equipment	88	-
<b>Total resources received free of charge</b>	<b>134</b>	<b>31</b>

Resources received free of charge relate to goods and/or services being provided free of charge including from other agencies within the SA Government. Contributions are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

Plant and equipment was donated by three organisations in the year. The plant and equipment are located at two of the Office's sporting facilities. There were no conditions attached to usage of the donated assets.

**2.6. Other Income**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Refunds	2 827	105
Sponsorship	23	43
Contribution to Grassroots Football, Cricket, Netball Facilities program	1 000	1 000
Other	597	528
<b>Total other income</b>	<b>4 447</b>	<b>1 676</b>

**Office for Recreation, Sport and Racing**  
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**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the Office include the Minister, the Chief Executive and five members of the Executive Leadership Team. Seven employees served on the Executive Leadership Team during the year.

Total compensation for key management personnel was \$1.096 million (2019: \$0.817 million).

	2020	2019
	\$'000	\$'000
<b>Compensation</b>		
Salaries and other short term employee benefits	955	746
Post-employment benefits	86	71
Other long-term employment benefits	55	-
<b>Total</b>	<b>1 096</b>	<b>817</b>

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

**Transaction with key management Personnel and other related parties**

There were no significant related party transactions.

**3.2. Board and committee members**

Members during the 2020 financial year were:

**Boxing and Martial Arts Advisory Committee**

Rauf Soulio\* (Chair)  
Mandy Graetz  
Laura Bowman  
Tomas Ferrauto\*\*  
Uschi Artym  
Greg Hutchins\*  
Luisa Rositano

**Risk and Audit Committee - established December 2019**

Andrew Faulkner (Chair) - appointed December 2019  
Peter Brass - appointed December 2019  
Nicolle Rantanen-Reynolds\* - appointed December 2019

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**3.2 Board and committee members (continued)**

**Game On Expert Panel - established May 2019**

Amanda Vanstone (Chair) - appointed July 2019

Timothy Olds - appointed May 2019

Leanne Grantham - appointed May 2019

Mark Bickley - appointed May 2019

Paul Di Iulio - appointed May 2019

Anton Andreacchio - appointed June 2019

Kylie Taylor\* - appointed May 2019

\*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.

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

	2020	2019
\$0 - \$19 999	17	7
<b>Total number of members</b>	<b>17</b>	<b>7</b>

The total remuneration received or receivable by members was \$15 791 (2019: \$2 519). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

**3.3. Employee benefits expenses**

	2020	2019
	\$'000	\$'000
Salaries and wages	6 853	6 497
Targeted voluntary separation packages	207	83
Long service leave	68	468
Annual leave	662	607
Skills and experience retention leave	30	32
Employment on-costs - superannuation	770	719
Employment on-costs - other	422	252
Board and committee fees	15	2
Workers compensation	36	(3)
Other employee related expenses	4	27
<b>Total employee benefits expenses</b>	<b>9 067</b>	<b>8 684</b>

**Employment on-costs - superannuation**

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

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**3.3 Employee benefits expenses (continued)**

**Executive remuneration**

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

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
\$151 000 - \$154 000*	N/A	1
\$154 001 - \$174 000	2	-
\$174 001 - \$194 000	-	1
\$194 001 - \$214 000	1	2
\$234 001 - \$254 000	1	-
<b>Total</b>	<b>4</b>	<b>4</b>

\* This band has been included for the purposes of reporting comparative figures based on the executive level remuneration rate for 2018-19.

The total remuneration received by those employees for the year was \$0.754 million (2019: \$0.748 million).

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

**Targeted voluntary separation packages**

The number of employees who received a TVSP during the reporting period was 2 (2019: 1):

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid to separated employees:		
Targeted voluntary separation packages	207	83
Leave paid to separated employees	72	16
Recovery from the Department of Treasury and Finance	(103)	(83)
<b>Net cost to the office</b>	<b>176</b>	<b>16</b>

**3.4. Employee benefits liability**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	195	145
Annual leave	792	714
Long service leave	183	184
Skills and experience retention leave	53	56
<b>Total current employee benefits</b>	<b>1 223</b>	<b>1 099</b>
<b>Non-current</b>		
Long service leave	1 680	1 775
<b>Total non-current employee benefits</b>	<b>1 680</b>	<b>1 775</b>
<b>Total employee benefits</b>	<b>2 903</b>	<b>2 874</b>

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**3.4 Employee benefits liability (continued)**

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 at 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 as note 11.1.

**Office for Recreation, Sport and Racing**  
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#### 4. Expenses

Employee benefits expenses are disclosed in note 3.3.

##### 4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Contractors	1 451	1 325
Other supplies and services	632	493
Corporate Services SLA	817	551
Repairs maintenance and minor equipment purchases	960	1 189
General administration and consumables	557	831
Utilities	428	440
Travel	393	492
Facility management	362	453
Information technology and communication charges	160	123
Consultants	241	38
Staff development and recruitment	100	111
Short term leases	5	-
Intra government transfer	3	-
Operating leases	-	125
<b>Total supplies and services</b>	<b>6 109</b>	<b>6 171</b>

##### Operating lease payments

Operating lease payments are recognised on a straight-line basis over the lease term. This information is provided for 2018-19 only, as AASB 16 Leases does not distinguish between operating and finance leases for lessees.

	2020	2019
	\$'000	\$'000
Operating lease minimum payments	-	125
<b>Total operating lease payments</b>	<b>-</b>	<b>125</b>

##### Consultants

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

	2020	2020	2019	2019
	Number	\$'000	Number	\$'000
Below \$10 000	1	6	-	-
\$10 000 or above	3	235	1	38
<b>Total consultants</b>	<b>4</b>	<b>241</b>	<b>1</b>	<b>38</b>

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**4.2. Grants and subsidies**

	2020	2019
	\$'000	\$'000
Grants and subsidies	40 249	50 126
<b>Total grants and subsidies</b>	<b>40 249</b>	<b>50 126</b>

**Grants and subsidies consists of the following:**

Grassroots Football, Cricket, and Netball Facility Program	11 000	6 000
Sports Vouchers Subsidies	5 805	5 753
Community Recreation and Sport Facilities Program	3 628	4 280
Racing Industry Fund	3 523	8 000
Active Club Program	3 150	2 950
Sport and Recreation Development and Inclusion Program	2 941	3 395
Sport and Recreation Sustainability Program	2 752	2 644
Other Grants	4 600	1 891
State Facility Fund	500	500
VACSWIM	455	432
SASI Individual Athlete Program	148	159
Subsidies - SA Aquatic and Leisure Centre	970	807
Subsidies - Parks Community Centre	777	876
Memorial Drive Tennis Centre Redevelopment	-	10 000
Sam Willoughby International BMX facility	-	1 300
Goodes O'Loughlin UniSA Scholarship	-	800
Planning and Research Program	-	339
<b>Total grants and subsidies</b>	<b>40 249</b>	<b>50 126</b>

**4.3. Borrowing costs**

	2020	2019
	\$'000	\$'000
Interest expense on lease liabilities	3	-
<b>Total Borrowing Costs</b>	<b>3</b>	<b>-</b>

The Office does not capitalise borrowing costs.

**4.4. Depreciation and amortisation**

	2020	2019
	\$'000	\$'000
Buildings and improvements	7 941	7 908
Plant and equipment	616	550
Right-of-use buildings	37	-
Right-of-use vehicles	34	-
<b>Total depreciation and amortisation</b>	<b>8 628</b>	<b>8 458</b>

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

**Office for Recreation, Sport and Racing**  
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**4.4 Depreciation and amortisation (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/amortisation is calculated on a straight-line basis over the estimated useful life of the following classes of assets as follows:

Class of asset	Useful life (years)
Buildings and Improvements	5 - 105
Furniture and fittings	5
Other equipment (including Sports Equipment)	3 - 30
IT equipment	3 - 5
Other Intangibles	3 - 5
Leasehold improvements	Life of lease

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

	2020	2019
	\$'000	\$'000
<b>Land, buildings and improvements</b>		
Proceeds from disposal	-	31
Less net book value of assets disposed	(307)	(55)
<b>Net (loss) from disposal of buildings and improvements</b>	<b>(307)</b>	<b>(24)</b>
<b>Plant and equipment</b>		
Proceeds from disposal	21	19
Less net book value of assets disposed	(4)	(17)
<b>Net gain from disposal of plant and equipment</b>	<b>17</b>	<b>2</b>
Proceeds from disposal	21	50
Less net book value of assets disposed	(311)	(72)
<b>Total net (loss) from disposal of non-current assets</b>	<b>(290)</b>	<b>(22)</b>

**4.6. Other expenses**

	2020	2019
	\$'000	\$'000
Rates and levies	75	66
Other - Shared Services SA	46	31
Bad and doubtful debts expense	3	-
<b>Total other expenses</b>	<b>124</b>	<b>97</b>

**Office for Recreation, Sport and Racing**  
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**5. Non-financial assets**

**5.1. Property, plant and equipment by asset class**

*Carrying amount of property, plant and equipment held and used by the Office*

	Total	Total
	2020	2019
	\$'000	\$'000
<b>Land, buildings and improvements</b>		
Land at fair value	62 788	104 598
Buildings & improvements at fair value	88 020	306 286
Accumulated depreciation at the end of the period	<u>(68 700)</u>	<u>(139 507)</u>
<b>Total land, buildings and improvements</b>	<b><u>82 108</u></b>	<b><u>271 377</u></b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	2 852	4 290
Accumulated depreciation at the end of the period	<u>(1 638)</u>	<u>(2 117)</u>
<b>Total plant and equipment</b>	<b><u>1 214</u></b>	<b><u>2 173</u></b>
<b>Work in progress</b>		
Work in progress at cost	<u>4 906</u>	<u>1 970</u>
<b>Total work in progress</b>	<b><u>4 906</u></b>	<b><u>1 970</u></b>
<b>Right-of-use buildings</b>		
Right-of-use buildings (deemed fair value)	98	-
Accumulated depreciation	<u>(37)</u>	<u>-</u>
<b>Total right-of-use buildings</b>	<b><u>61</u></b>	<b><u>-</u></b>
<b>Right-of-use vehicles</b>		
Right-of-use vehicles (deemed fair value)	90	-
Accumulated depreciation	<u>(34)</u>	<u>-</u>
<b>Total right-of-use vehicles</b>	<b><u>56</u></b>	<b><u>-</u></b>
<b>Total property, plant and equipment</b>	<b><u>88 345</u></b>	<b><u>275 520</u></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 11.2.

**Office for Recreation, Sport and Racing**  
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**5.1 Property, plant and equipment by asset class (continued)**

*Carrying amount of property, plant and equipment where the Office is the lessor under operating leases*

	Total	Total
	2020	2019
	\$'000	\$'000
<b>Land, buildings and improvements</b>		
Land at fair value	57 584	-
Buildings & improvements at fair value	217 047	-
Accumulated depreciation at the end of the period	(77 055)	-
<b>Total land, buildings and improvements</b>	<b>197 576</b>	<b>-</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	1 902	-
Accumulated depreciation at the end of the period	(1 094)	-
<b>Total plant and equipment</b>	<b>808</b>	<b>-</b>
<b>Total property, plant and equipment where the Office is the lessor under operating leases</b>	<b>198 384</b>	<b>-</b>

**5.2. Property, plant and equipment owned by the Office**

**Reconciliation 2019-20**

	Land, buildings and improvements	Plant and equipment	Land, buildings and improvements - leased	Plant and equipment - leased	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2020</b>						
<b>Carrying amount at 1 July 2019</b>	271 377	2 173	-	-	1 970	275 520
Adoption of AASB 16 at 1 July	(203 265)	(876)	203 265	876	-	-
Acquisitions	15 690	96	-	23	3 979	19 788
Disposals	-	(4)	(307)	-	-	(311)
Depreciation and amortisation	(1 997)	(348)	(5 944)	(268)	-	(8 557)
Transfer from works in progress	219	100	562	177	(1 058)	-
Transfers in as a result of administrative restructure	84	-	-	-	-	84
Other movements	-	73	-	-	15	88
<b>Carrying amount at 30 June 2020</b>	<b>82 108</b>	<b>1 214</b>	<b>197 576</b>	<b>808</b>	<b>4 906</b>	<b>286 612</b>

**Office for Recreation, Sport and Racing**  
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**5.2 Property, plant and equipment by asset class (continued)**

**Reconciliation 2018-19**

	Land, buildings and improvements	Plant and equipment	Work in progress	Total
2019	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at 1 July 2018</b>	-	-	-	-
Acquisitions	193	493	2 056	2 742
Disposals	(55)	(17)	-	(72)
Depreciation and amortisation	(7 908)	(550)	-	(8 458)
Transfer from works in progress	210	47	(257)	-
Transfers in as a result of administrative restructure	278 937	2 200	171	281 308
<b>Carrying amount at 30 June 2019</b>	<b>271 377</b>	<b>2 173</b>	<b>1 970</b>	<b>275 520</b>

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. Income received under this arrangement was \$159 900 in 2019-20.
- 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 sublease for retail space in the Adelaide CBD. Refer to note 6.3.
- A number of tenancy and management agreements made on concessional terms to sporting organisations located at Kidman Park, the State Hockey Centre, Priceline Stadium, the Parks, Women's Memorial Playing Fields, the Southern Sports Complex, and at West Lakes.

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.

Operating lease income recognised by the Office in 2019-20 was \$304 807.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received at the reporting date.

Operating lease payments to be received	2020 \$'000
Within 1 year	359
1-2 years	318
2-3 years	218
3-4 years	202
4-5 years	212
After 5 years	228
<b>Total operating lease income</b>	<b>1 535</b>

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**5.3. Property, plant and equipment leased by the Office**

Buildings and Property, plant and equipment leased by the Office is recorded at cost. Additions to leased vehicles during 2019-20 were \$55 074.

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 totalled \$4 731 for the year.

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.
- A retail space in the Adelaide CBD. This space has been subleased. Refer to note 6.3 regarding the sublease.
- Three rowing-related storage and other spaces. These leases have all been prepaid and end in mid-2023 and mid-2024.
- A lease for Office space and gymnasium access. Lease payments are paid annually. This lease ends in June 2021.

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.

**6. Financial assets**

**6.1. Cash and cash equivalents**

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	36 198	19 211
Other short-term deposits	51	51
<b>Total cash and cash equivalents</b>	<b>36 249</b>	<b>19 262</b>

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

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**6.2. Receivables**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
<b>Trade Receivables</b>		
From government entities	-	42
From non-government entities	1 416	3 021
Less impairment loss on receivables	(1)	-
<b>Total trade receivables</b>	<u>1 415</u>	<u>3 063</u>
Prepayments	1 005	26
<b>Total current receivables</b>	<u>2 420</u>	<u>3 089</u>
<b>Non-current</b>		
Prepayments	-	34
Receivables	1	1
<b>Total non-current receivables</b>	<u>1</u>	<u>35</u>
<b>Total receivables</b>	<u>2 421</u>	<u>3 124</u>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to note 11.3 for further information on risk management.

**Allowance for impairment loss on receivables**

	2020	2019
	\$'000	\$'000
Carrying amount at the beginning of the period	-	-
Increase/(decrease) in the allowance	1	-
<b>Carrying amount at the end of the period</b>	<u>1</u>	<u>-</u>

All of the above impairment losses are from receivables arising from contracts with customers. Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

**6.3. Other financial assets**

	2020	2019
	\$'000	\$'000
<b>Current</b>		
Investment in sublease	21	-
<b>Total current other financial assets</b>	<u>21</u>	<u>-</u>

The Office subleases a commercial retail space located in the Adelaide CBD. Both the head lease and sublease end in December 2020. The head lease is not expected to be renewed. Under the agreement, the sublessee is responsible for meeting the obligations per the head lease. Sublease payments received totalled \$40 151, and interest earned on the net investment in the sublease was \$1 626.

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

Employee benefits liabilities are disclosed in note 3.4.

**7.1. Payables**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trade payables	256	115
Accrued expenses	4 918	5 837
Employment on-costs	164	162
GST payable	-	1
<b>Total current payables</b>	<b>5 338</b>	<b>6 115</b>
<b>Non-current</b>		
Employment on-costs	156	162
<b>Total non-current payables</b>	<b>156</b>	<b>162</b>
<b>Total payables</b>	<b>5 494</b>	<b>6 277</b>

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.

**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 is discharged.

The Office makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at the reporting date relates to any contributions due but not yet paid to the superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has been assessed as 42% (2019: 41%) and the average factor for the calculation of employer superannuation cost on-costs has been assessed as 9.8% (2019: 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 not material.

**7.2. Financial Liabilities**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease liability	90	-
<b>Total current financial liabilities</b>	<b>90</b>	<b>-</b>
<b>Non-current</b>		
Lease liability	25	-
<b>Total non-current financial liabilities</b>	<b>25</b>	<b>-</b>
<b>Total Financial liabilities</b>	<b>115</b>	<b>-</b>

All material cash outflows are reflected in the lease liabilities disclosed above.

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**7.3. Provisions**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers compensation	23	23
<b>Total current provisions</b>	<b>23</b>	<b>23</b>
<b>Non-current</b>		
Provision for workers compensation	49	36
<b>Total non-current provisions</b>	<b>49</b>	<b>36</b>
<b>Total provisions</b>	<b>72</b>	<b>59</b>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Provision for workers compensation movement</b>		
Carrying amount at the beginning of the period	59	-
Net transfer from administrative restructures	-	80
Additional provisions recognised	13	-
Reductions resulting from re-measurement or settlement without cost	-	(21)
<b>Carrying amount at the end of the period</b>	<b>72</b>	<b>59</b>

**Provision for workers compensation**

A provision 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 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

**7.4. Other liabilities**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Unearned income	1 457	1 516
<b>Total current other liabilities</b>	<b>1 457</b>	<b>1 516</b>
<b>Total other liabilities</b>	<b>1 457</b>	<b>1 516</b>

Unearned income 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 completed. 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**

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows of the Department of the Premier and Cabinet, not the Office.

	2020 \$'000	2019 \$'000
<b>Leases</b>		
Buildings	106	-
Vehicles	53	-
<b>Total cash outflow for leases</b>	<u>159</u>	<u>-</u>
	2020 \$'000	2019 \$'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	36 249	19 262
<b>Balance as per the Statement of Cash Flows</b>	<u>36 249</u>	<u>19 262</u>
<b>Reconciliation of net cash provided by operating activities to net result</b>		
Net cash provided by operating activities	36 765	21 632
<b>Add / (less) non-cash items</b>		
Depreciation and amortisation expense	(8 628)	(8 458)
Resources received free of charge	134	31
Bad and doubtful debts expense	(1)	-
Loss on disposal of property, plant and equipment	(290)	(22)
Other expenses	(46)	(31)
<b>Movement in assets and liabilities</b>		
(Decrease) / increase in receivables	(694)	2 879
Decrease / (increase) in payables	909	(3 577)
(Increase) in employee benefits	(29)	(450)
(Increase) in provisions	(13)	(59)
Decrease / (increase) in other liabilities	59	(1 482)
<b>Net result</b>	<u>28 166</u>	<u>10 463</u>

**Office for Recreation, Sport and Racing**  
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**9. Changes in accounting policy**

**9.1. AASB16 Leases**

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 Leases replaces AASB 117 Leases and related interpretations.

The adoption of AASB 16 Leases from 1 July 2019 resulted in adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 Leases only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 Leases applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position.
- AASB 117 Leases resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 Leases largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

**Impact on retained earnings**

The total impact on the Office's retained earnings as at 1 July 2019 is as follows:

	\$'000
Closing retained earnings 30 June 2019 - AASB 117	287 264
<b><u>Assets</u></b>	
Property, Plant and Equipment	145
<b><u>Liabilities</u></b>	
Financial liabilities	(198)
<b>Opening retained earnings 1 July 2019 - AASB 16</b>	<b><u>287 213</u></b>

The Office disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$0.190 million under AASB 117. There is no material difference between the revised operating lease commitments when discounted and the financial liabilities recognised as at 1 July 2019.

**Office for Recreation, Sport and Racing**  
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**9.1 AASB16 Leases (continued)**

**Accounting policies on transition**

AASB 16 sets out accounting policies on transition in its transitional provisions. *The Treasurer's Instructions (Accounting Policy Statements)* requires certain choices in those transitional provisions to be taken. The Office has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of the lease liability was the present value of the remaining lease payments discounted using the relevant incremental borrowing rate published by the Department of Treasury and Finance as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 1.85%.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020, except for vehicles leased from SAFA.

**Ongoing accounting policies**

The Treasurer's Instructions (Accounting Policy Statements) specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the Office's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$15 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the Office, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes.

**Office for Recreation, Sport and Racing**  
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**9.2. AASB 15 Revenue from Contracts with Customers**

AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 supersedes AASB 111 *Construction contracts*, AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

**Impact on retained earnings**

The total impact on the Office's retained earnings as at 1 July 2019 is as follows:

	\$'000
Closing retained earnings 30 June 2019 - AASB 118	287 264
<b>Assets</b>	
Contract assets	-
<b>Liabilities</b>	
Contract liabilities	-
Opening retained earnings 1 July 2019 - AASB 15	<u>287 264</u>

**Accounting policies on transition**

The Office has adopted AASB 15 on 1 July 2019. The Treasurer's Instructions (Accounting Policy Statements) require certain choices in those transitional provisions to be taken. The Office has on transition:

- recognised the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of retained earnings as at 1 July 2019. Therefore, the comparative information has not been restated.
- not adopted the completed contract expedient, and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former revenue and income accounting standards.
- elected not to restate retrospectively contracts for modifications that occurred before 1 July 2019. Such contract modifications were minor so this is expected to have little impact on the financial statements.

Impacts on the financial statements are explained below together with impacts from adoption of AASB 1058 *Income of Not-for-Profit Entities*.

**Ongoing accounting policies**

The Treasurer's Instructions (Accounting Policy Statements) specify requirements for public authorities in applying AASB 15. These requirements are reflected in the Office's accounting policies as follows:

- AASB 15 is applied to a portfolio of contracts with similar characteristics.
- there is no adjustment to the promised amount of consideration for the effects of a significant financing component if the period between the transfer of goods/services and the payment date is one year or less.
- the incremental costs of obtaining a contract are expensed when incurred when the amortisation period of the asset that the Office would have recognised is one year or less.

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**9.2 AASB 15 Revenue from Contracts with Customers (continued)**

- for measuring progress towards satisfaction of performance obligations when the output method is applied, revenue is recognised in the amount to which there is a right to invoice corresponding directly to the value to the customers of the Office's performance completed to date.
- there is no disclosures of certain information relating to remaining performance obligations if the original contract is expected to end within one year or when revenue is recognised in accordance with para. B16.

Significant accounting policies relate to the application of AASB 15 are disclosed under relevant notes.

**9.3. AASB 1058 income of Not-for-Profit entities**

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

**Accounting policies on transition**

On transition, there was no impact on retained earnings.

**9.4. Effects on financial statements from AASB 15 and AASB 1058**

No adjustments were required on adoption of AASB 15 and AASB 1058. No line items in the Statement of Comprehensive Income or Statement of Financial Position were subject to changes.

**9.5. Presentation of Financial Statements**

*Treasurer's Instructions (Accounting Policy Statements)* issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the Office. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

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**10. Outlook**

**10.1. Unrecognised contractual commitments**

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

**Capital commitments**

	2020	2019
	\$'000	\$'000
Within one year	2 260	2 298
Later than one year but not longer than five years	-	634
<b>Total capital commitments</b>	<b>2 260</b>	<b>2 932</b>

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

**Expenditure commitments**

	2020	2019
	\$'000	\$'000
Within one year	6 611	3 256
Later than one year but not longer than five years	3 074	4 135
Later than five years	1 200	-
<b>Total expenditure commitments</b>	<b>10 885</b>	<b>7 391</b>

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

**Operating lease commitments**

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2020	2019
	\$'000	\$'000
Within one year	-	128
Later than one year but not longer than five years	-	64
<b>Total operating lease commitments</b>	<b>-</b>	<b>190</b>
Representing:		
Non-cancellable operating leases	-	190
<b>Total operating lease commitments</b>	<b>-</b>	<b>190</b>

Operating lease commitments are provided for the comparative year only, as AASB 16 Leases does not distinguish between operating and finance leases for the lessee.

**10.2. Contingent assets and liabilities**

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

The Office is not aware of any contingent assets or liabilities.

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

The Office has assessed the impact of new and changed Australian Accounting Standards Board Standards and Interpretations not yet effective.

**AASB 1059 Service Concession Arrangements: Grantors**

AASB 1059 prescribes the accounting for certain arrangements in which an operator provides public services on behalf of a public sector grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020. The Office has assessed its arrangements where operators provide services and has concluded that none of these will be within the scope of AASB 1059.

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

The COVID-19 pandemic will continue to impact the operations of the Office in 2020-21. Due to the nature of the pandemic, an estimate of the financial impact on the Office cannot be reliably made.

**10.5. Events after the reporting period**

As proclaimed in the South Australian Government Gazette on 29 July 2020, the Office for Recreation, Sport and Racing is no longer attached to the Department of the Premier and Cabinet and is now attached to the Department for Infrastructure and Transport.

**11. Measurement and risk**

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

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

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

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds for 2020 is 0.75% (2019: 1.25%).

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

The actuarial assessment performed by the Department of Treasury and Finance used a salary inflation rate of 2.5% (2019: 4.0%) for the long service leave liability. As a result, there is a decrease 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 \$0.161 million and employee benefits expense of \$0.161 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The unconditional portion of the long service leave provision is classified as current as the Office does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

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**11.2. Fair value**

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

**Initial recognition**

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

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

**Revaluation**

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a 6 year cycle, with the next revaluation due in the 2020-21 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 2 fair value hierarchy levels.

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**11.2 Fair value (continued)**

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

	<b>Note</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<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</b>		<b>120 372</b>	<b>161 334</b>	<b>281 706</b>

***Fair value classification – non-financial assets at 30 June 2019***

		<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Recurring fair value measurements</b>				
Land, buildings and improvements	5.1	104 598	166 779	271 377
Plant and equipment	5.1	-	2 173	2 173
<b>Total recurring fair value measurements</b>		<b>104 598</b>	<b>168 952</b>	<b>273 550</b>
<b>Total</b>		<b>104 598</b>	<b>168 952</b>	<b>273 550</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 building.

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

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**11.2 Fair value (continued)**

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

	Land, buildings and improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000
Opening balance at the beginning of the period	166 779	2 173	168 952
Acquisitions	-	192	192
Capitalised subsequent expenditure	-	-	-
Disposals	(307)	(4)	(311)
Transfer from works in progress	781	277	1 058
Acquisitions through administrative restructures	-	-	-
<b>Gains/(losses) for the period recognised in net result:</b>			
Depreciation	(7 941)	(616)	(8 557)
<b>Total gains/(losses) recognised in net result</b>	<u>(7 941)</u>	<u>(616)</u>	<u>(8 557)</u>
<b>Carrying amount at the end of the period</b>	<u><b>159 312</b></u>	<u><b>2 022</b></u>	<u><b>161 334</b></u>

**Reconciliation of level 3 recurring fair value measurement as at 30 June 2019**

	Land, buildings and improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000
2019			
Opening balance at the beginning of the period	-	-	-
Acquisitions	193	493	686
Disposals	(24)	(17)	(41)
Transfer from works in progress	210	47	257
Acquisitions through administrative restructures	174 308	2 200	176 508
<b>Gains/(losses) for the period recognised in net result:</b>			
Depreciation	(7 908)	(550)	(8 458)
<b>Total gains/(losses) recognised in net result</b>	<u>(7 908)</u>	<u>(550)</u>	<u>(8 458)</u>
<b>Carrying amount at the end of the period</b>	<u><b>166 779</b></u>	<u><b>2 173</b></u>	<u><b>168 952</b></u>

**Office for Recreation, Sport and Racing**  
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**11.3. Financial instruments**

***Financial risk management***

Risk management is managed by the Office's corporate services section. Risk management policies are in accordance with the Risk Management Policy Statement 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 the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

***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.

**Office for Recreation, Sport and Racing**  
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**11.3 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
Current (not past due)	1 330	0.03%	-
1 – 30 days past due	21	0.13%	-
31 – 60 days past due	19	0.28%	-
61 – 90 days past due	5	0.81%	-
More than 90 days past due	19	2.70%	1
<b>Loss allowance</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 \$2 566 written off during the year 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.

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the Financial Statements**  
*for the year ended 30 June 2020*

**11.3 Financial instruments (continued)**

**Classification of financial instruments**

The Office measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	2020 Carrying amount / fair value \$'000	2020 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	6.1	36 249	36 249	-	-
Receivables	6.2	1 416	1 416	-	-
Other financial assets	6.3	21	21	-	-
<b>Total financial assets</b>		<b>37 686</b>	<b>37 686</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Payables	7.1	5 138	5 138	-	-
Financial liabilities	7.2	115	90	25	-
Unearned income	7.4	1 457	1 457	-	-
<b>Total financial liabilities</b>		<b>6 710</b>	<b>6 685</b>	<b>25</b>	<b>-</b>

Category of financial asset and financial liability	Note	2019 Carrying amount / fair value \$'000	2019 Contractual maturities		
			Within 1 year \$'000	1-5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>					
Cash and cash equivalents	6.1	19 262	19 262	-	-
Receivables	6.2	3 063	3 063	-	-
<b>Total financial assets</b>		<b>22 325</b>	<b>22 325</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>					
Payables	7.1	5 952	5 952	-	-
Unearned income	7.4	1 516	1 516	-	-
<b>Total financial liabilities</b>		<b>7 468</b>	<b>7 468</b>	<b>-</b>	<b>-</b>

**Receivables and payables**

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore, in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.

**Office for Recreation, Sport and Racing**  
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*for the year ended 30 June 2020*

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**12. Administered items**

ORSR has administrative responsibility for the Recreation and Sport Fund and the Sport and Recreation Fund.

***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.

***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.

	2020 \$'000	2019 \$'000
<b>Administered Expenses</b>		
Intra government transfer - Sport & Recreation Fund	4 300	4 100
<b>Total administered expenses</b>	<u>4 300</u>	<u>4 100</u>
<b>Administered Income</b>		
Advances and grants - Sport & Recreation Fund	4 300	4 100
<b>Total administered income</b>	<u>4 300</u>	<u>4 100</u>
<b>Net result</b>	<u>-</u>	<u>-</u>
	2020 \$'000	2019 \$'000
<b>Administered Current Assets</b>		
Cash and cash equivalents		
Sport & Recreation Fund	3 322	3 322
Recreation & Sport Fund	1 544	1 544
<b>Total current assets</b>	<u>4 866</u>	<u>4 866</u>
<b>Total assets</b>	<u>4 866</u>	<u>4 866</u>
<b>Net assets</b>		
<b>Administered Equity</b>		
Retained earnings		
Sport & Recreation Fund	3 322	3 322
Recreation & Sport Fund	1 544	1 544
<b>Total equity</b>	<u>4 866</u>	<u>4 866</u>

**Office for Recreation, Sport and Racing**  
**Notes to and forming part of the Financial Statements**  
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**12. Administered items (continued)**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
<i>Cash outflows</i>		
Intra government transfer - Sport & Recreation Fund	(4 300)	(4 100)
<b>Cash used in operations</b>	<u>(4 300)</u>	<u>(4 100)</u>
<i>Cash inflows</i>		
Advances and grants - Sport & Recreation Fund	4 300	4 100
<b>Cash generated from operations</b>	<u>4 300</u>	<u>4 100</u>
<b>Net cash provided by/used in operating activities</b>	<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of the period		
Sport & Recreation Fund	3 322	3 322
Recreation & Sport Fund	1 544	1 544
<b>Cash and cash equivalents at the end of the period</b>	<u>4 866</u>	<u>4 866</u>