



**Government
of South Australia**

State Theatre Company of South Australia 2018-19 Annual Report

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To:

Hon Steven Marshall MP
Premier of South Australia

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *State Theatre Company of South Australia Act 1972* 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 State Theatre Company of South Australia by:

Justin Jamieson
Chairman

Date 6 November 2019

Signature

A handwritten signature in black ink, appearing to read 'Justin', is written over a horizontal line.

The report has been provided late due to the timing of audited financial statements and staff resourcing.

From the Executive Director/Producer



State Theatre Company of South Australia is an art-making company. We produce theatre for audiences to enjoy. This is our core business.

In the 2018-19 financial year, State Theatre Company of South Australia continued its prolific output as the state's leading theatre company. In total, we produced, co-produced and presented 10 productions with 234 performances in 23 venues for 64,478 people.

Additionally, more than 1,000 people attended other events including Tangent, Subscriber Briefings, workshops, and work-in-progress presentations.

In Adelaide, we presented a total of 171 performances of nine mainstage productions for 43,266 people. We toured across South Australia, performing in Noarlunga, Goolwa, Bedford Park, Elizabeth, Port Augusta, Ceduna, Streaky Bay, Port, Lincoln, Whyalla, Leigh Creek, Tanunda, Renmark, Mount Gambier, Lamerook, Bordertown, Murray Bridge and Port Pirie, as well as interstate to Albury-Wodonga and Sydney, presenting 34 performances of two productions to 5,284 people. The Company also toured internationally, staging 29 performances in London for 15,982 people.

The 2018-19 year also saw the Company invest in transformation and unearth new opportunities as we strive to develop innovative ways to connect with our audiences, grown our revenue and secure a sustainable future.

For nearly 47 years, we have operated in and built, rehearsed and presented our theatre productions in the Adelaide Festival Centre's Drama Centre. No other major performing arts centre in Australia has the distinction of having a major, national significant theatre-making company operating full-time within its premises, from commission to presentation. This has been one of the features that has made our Company unique in Australia.

Over the past 15 years, the Company has been incrementally moved out of the Adelaide Festival Centre, commencing first with the Company's Administration in the early 2000s, followed by Wardrobe and a reduction in our Workshop's footprint within the Adelaide Festival Centre. Since 2017, the Adelaide Festival Centre has been undergoing a major redevelopment as part of the Riverbank Precinct development. This is an exciting development for the city and State. Of course, one of the necessary challenges of major redevelopment works is that it causes disruption to existing operators within the building and precinct. This has certainly been the case for our Company in the 2018-19 year. As a result of the infrastructure works, we needed to relocate our production facilities – comprising Set Construction Workshop, Wardrobe/Costume Making department, Production/Stage Management department

and rehearsal room – to temporary facilities in the old Wigg & Son building at Port Road, Thebarton. Here, our production facilities have operated since July 2018.

Not only have the building works in and around the Adelaide Festival Centre presented logistical challenges, they have caused disruption to the Company's operations and interrupted access to the two theatres in which we performed most of our shows in 2018-19 Dunstan Playhouse and Space Theatre. This had an adverse impact on box office revenue and the Company's financial performance in the 2018-19 year. It is well understood that this is the necessary price of progress when major infrastructure works are undertaken.

We have adjusted for these impacts by reviewing and tightening the Company's cost controls and finding new savings as part of our continuous improvement regime. In this regard, we acknowledge especially the ongoing financial and departmental support of the Government of South Australia and, in particular the team with the Department of the Premier and Cabinet and Arts South Australia, who are a constant source of advice and support.

The 2018-19 year has seen transition in artistic leadership. In March 2019 we farewelled outgoing Artistic Director Mr Geordie Brookman who served as Artistic Director from 2013 to 2019.

We were delighted to welcome our new Artistic Director Mr Mitchell Butel, who was appointed in December 2018 following a nationwide search. Mitchell commenced in March 2019.

Season 2019 is Geordie's final program as Artistic Director. Geordie's final two productions for the Company were: *The Gods of Strangers* by Elena Carapetis which Geordie directed; and *Animal Farm* which he both adapted (from George Orwell's novel, with one actor playing upwards of 20 characters) and directed. Exceptional performances from Mr Renato Musolino in Adelaide and 16 outer metropolitan and regional South Australian communities, and Mr Dale March in Albury-Wodonga and Sydney, earned rave reviews and ensured *Animal Farm* exceeded box office target.

The Gods of Strangers premiered in Port Pirie before transferring to Adelaide. This marked a new milestone, being the first mainstage production the Company has premiered in a regional community.

We are constantly seeking ways to amplify our value, deepen our impact and extend our reach, through interrogating how we work, where collaborations and partnerships can take us and how we can engage with our audiences, our funding partners from the public and private sectors, and the arts industry in innovative and valuable ways. Through all these efforts, we always remain true to our core business of making *theatre that opens the heart and fires the imagination*.

State Theatre Company of South Australia is distinguished by having a full-time Set Construction Workshop and Wardrobe Department, which are among the country's most experienced and skilled. This year, our longest serving employee and Workshop Supervisor, Mr John Meyer, celebrates 41 years with the Company. Our Props and Costume Hire business continued to generate income for the Company through hires to schools, films and TV productions and live performing arts companies.

It is a source of pride that State Theatre Company of South Australia is a vertically integrated business, from commissioning new plays, designing and building sets, costumes, props, lighting and audio-visual components for theatre productions, rehearsals, engaging artists and production personnel, performances and touring. We invest earned income through ticket sales, sponsorship, donations and partnerships with government funding into the making, performance and touring of theatre productions.

Our regional touring reach is unrivalled by any other arts company in South Australia.

Each year we engage with high school students and teachers across the state, delivering one of Australia's most successful education programs in theatre.

We are a nationally significant Major Performing Arts (MPA) company – one of only three in South Australia and one of 29 in Australia.

Support of and investment in the local performing arts sector yields a sustainable, viable, thriving creative industry which is critical to the Company's success.

We were encouraged to see the Government of South Australia commission the first, comprehensive strategic plan for the arts sector in South Australia for many years. Our Company enthusiastically participated in the South Australian Government's consultations that preceded the release of its Arts Plan. We also engaged thoroughly and constructively in the Federal Government's MPA Framework review.

Strategic Plan 2019-2021

In 2018, the Board, executive team, management and staff undertook a thorough strategic planning process resulting in a new three-year Strategic Plan for 2019-2021. The Strategic Plan reaffirms theatre-making as the Company's core business. It sets out clear and achievable goals for the Company and will set the foundation for the Company's future growth and success.

Diversity and Reconciliation

Diversity is at the heart of our Strategic Plan.

We began 2019 with *Welcome to Country* on the first day of rehearsal for *Animal Farm* our first production for the year. We acknowledged the tens of thousands of years of Aboriginal and Torres Strait Island storytelling and connection to Country.

Development of the State Theatre Company of South Australia's first Reconciliation Action Plan (RAP) began. Staff, Board Members and Foundation Directors, undertook whole-day Cultural Awareness Training.

We are committed to presenting at least one production led by Aboriginal/First nations/Indigenous artists every year. In 2018-19 with Malthouse Theatre we co-produced *Brothers Wreck* by Jada Alberts, with seasons in the Merlyn Theatre, Melbourne (June 2018) and The Odeon Theatre, Adelaide (July 2018).

Cultural and linguistic diversity is a cornerstone for the Company's annual programs. In 2018 we were enormously proud to present *The Gods Of Strangers* by Elena Carapetis, a trilingual play performed in Greek, Italian and English with surtitles in English. It was an extraordinary achievement, attracting brand new audiences who had never before seen a State Theatre Company of South Australia production, and highlighting the depth of talent in South Australia with the Stage Management team, creative artists and actors needing to use and understand scripts in three languages.

We are pleased that the Company's Board has comprised, for many years, more women than men.

We recognise that in its 47 years since establishment under the *State Theatre Company of South Australia Act 1972*, the Company has only been led by one female Artistic Director, Ms Rosalba Clemente (2000-2004), noting that in 1993-1997 the Company operated with an Executive Producer model led by Ms Chris Westwood. Investment in new opportunities for women writers, directors and creative leaders is critical.

In 2019 we proudly partnered with the Helpmann Academy, State Opera of South Australia and the James & Diana Ramsay Foundation to appoint Ms Clara Solly-Slade for the inaugural Helpmann Academy Emerging Director Fellowship. This unique fellowship is the first in Australia for an emerging director to develop skills in two major artforms – theatre and opera – by working with nationally recognised directors across two major arts organisations.

For many years we have employed associate artists. In 2018-19 these were Resident Artist Ms Elena Carapetis and Resident Designer Ms Ailsa Patterson.

In 2018-19, not only did Elena Carapetis write her first full length play *The Gods of Strangers* (Keith Mitchell Theatre Port Pirie and Dunstan Playhouse Adelaide, October-December 2018) – which was also trilingual and reflected the stories of Greek and Italian migrants to Port Pirie – she rehearsed and performed in the Adelaide season of *That Eye, The Sky* (Dunstan Playhouse, July-August 2019) and

the London season of *Rumpelstiltskin* (Queen Elizabeth Hall, Southbank Centre, December 2018-January 2019 - our co-production with Windmill Theatre), and rehearsed *A View From The Bridge* in June-July 2019 (which opened in Dunstan Playhouse Adelaide, July 2019). Elena also directed her first mainstage production, *End of the Rainbow* (Royalty Theatre Adelaide, May-June 2019) with set and costumes designed by Ailsa Paterson.

Respectful Workplaces and #safetheatres

State Theatre Company of South Australia is committed to providing respectful, safe and mentally healthy workplaces. We have spent the past year collaborating with our fellow major theatre companies Sydney Theatre Company, Belvoir, Melbourne Theatre Company, Malthouse Theatre, Queensland Theatre, Black Swan State Theatre Company, Bell Shakespeare and Circus Oz to create standardised respectful workplace policies and procedures across Australia. Our collaboration underlines our commitment to providing #safetheatres and rehearsal rooms free from bullying and harassment and demonstrates national leadership in an industry that faces scrutiny from within, the general public and the media.

Risks

We have continued to maintain and develop a rigorous risk-assessment and attenuation regime. The most significant of these, in the 2018-19 year, arose from the disruption to the Company's business caused by the infrastructure works at and around the Adelaide Festival Centre.

An additional risk, and significant cost pressure, has been the Adelaide Festival Centre's decision to significantly increase venue hire rates and associated venue hire costs (technical and front-of-house labour, utilities, hospitality service fees) in the past two years. This has placed significant and increasing strain on the Company's operating budget. Additionally, the Adelaide Festival Centre's ticketing service agency BASS has sharply increased the fees and charges it imposes on as a hirer of venues in the Adelaide Festival Centre. This has reduced the Company's net ticket sales income, which has come as an extra financial burden.

Programming around the Adelaide Festival Centre's own presented festivals (annual Adelaide Cabaret Festival, OzAsia and Guitar Festival and the biennial DreamBIG Festival) as well as the annual Adelaide Festival (presented by the Adelaide Festival Corporation) and finding suitable venues in which to perform is challenging and makes for an increasingly competitive and constrained environment.

The absence of viable alternative venues in Adelaide presents operational and financial risks. In 2019, the Company hired Royalty Theatre from the Calisthenics Society for a season of *End of the Rainbow*. While the show was a huge success, the

venue was not to the same professional standard as the Dunstan Playhouse that was purpose-built for the Company in the 1970s.

Results

The Company's 2018-19 financial result reflected a reduction in our box office as a result of the disruptive infrastructure works at the Adelaide Festival Centre. The Company's balance sheet remains strong with cash reserves.

Beyond this anomalous set of circumstances arising from the Adelaide Festival Centre building works Riverbank redevelopment, the Company's budgetary position is sound. In the short-term, the Company's principal aim is to boost output and attendances in order to re-establish its audience base in order to achieve future surpluses.

Conclusion

As this report demonstrates, it has been a challenging period for State Theatre Company of South Australia, brought about by the significant infrastructure and redevelopment works that took place at the Adelaide Festival Centre throughout 2018-19.

We remain steadfast in our focus on transformation and commitment to investing in long term sustainability and success.

On that note, I sincerely thank our Board, led by Chairman Mr Justin Jamieson, and Board members Hon Anne Levy AO, Ms Diané Ranck, Mr Simon Blewett, Mr Terence Crawford, Ms Jodie Newton, Ms Kristen Raison (resigned August 2018) and Ms Claudine Law (appointed March 2019) for their enthusiastic belief in the Company and ongoing hard work, expertise and support.

We are very grateful to the many individual and organisational supporters whose generosity directly contributes to our achievements, most importantly the significant financial support of the Government of South Australia through the Department of the Premier and Cabinet and Arts South Australia and the Commonwealth Government through the Australia Council for the Arts. Thank you to our Premier Hon Steven Marshall MP, and to the staff of the Department of Premier and Cabinet and Arts South Australia and the Australia Council for the Arts who make our vision possible.

State Theatre Company of South Australia's ongoing operations are only possible with the continuing support of our core audiences – Gold Subscribers, Subscribers, group bookers, ticket buyers, teachers, educators and high school students, artists, creative and production personnel, corporate partners sponsors, donors, philanthropic trusts and foundations, and fellow arts organisations.

To all of these supporters, we are truly grateful for, and humbled by, your support.

To our artists – actors, directors, designers, writers – our entire network of creatives who deliver the magic on stage – I thank you for your professionalism, creativity and ingenuity.

Finally, and most importantly, I give my deepest thanks to the staff of State Theatre Company of South Australia for their unwavering commitment to the Company and the artform of theatre. The dedication, energy and passion of this remarkable group of people inspires me every day.

A handwritten signature in black ink, appearing to read 'Jodi Glass', with a stylized, cursive script.

Jodi Glass
Executive Director/Producer
State Theatre Company of South Australia

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Overview: about the agency

Our strategic focus

State Theatre Company of South Australia is an art-making company.

Our purpose is to create extraordinary experiences through theatre.

We aspire to be Australia's pre-eminent storyteller by creating theatre that *opens the heart and fires the imagination*.

Our values are: *Imagine. Be bold. Respect.*

Our purpose, our vision and our values are fundamental to the theatre we make and the way we work.

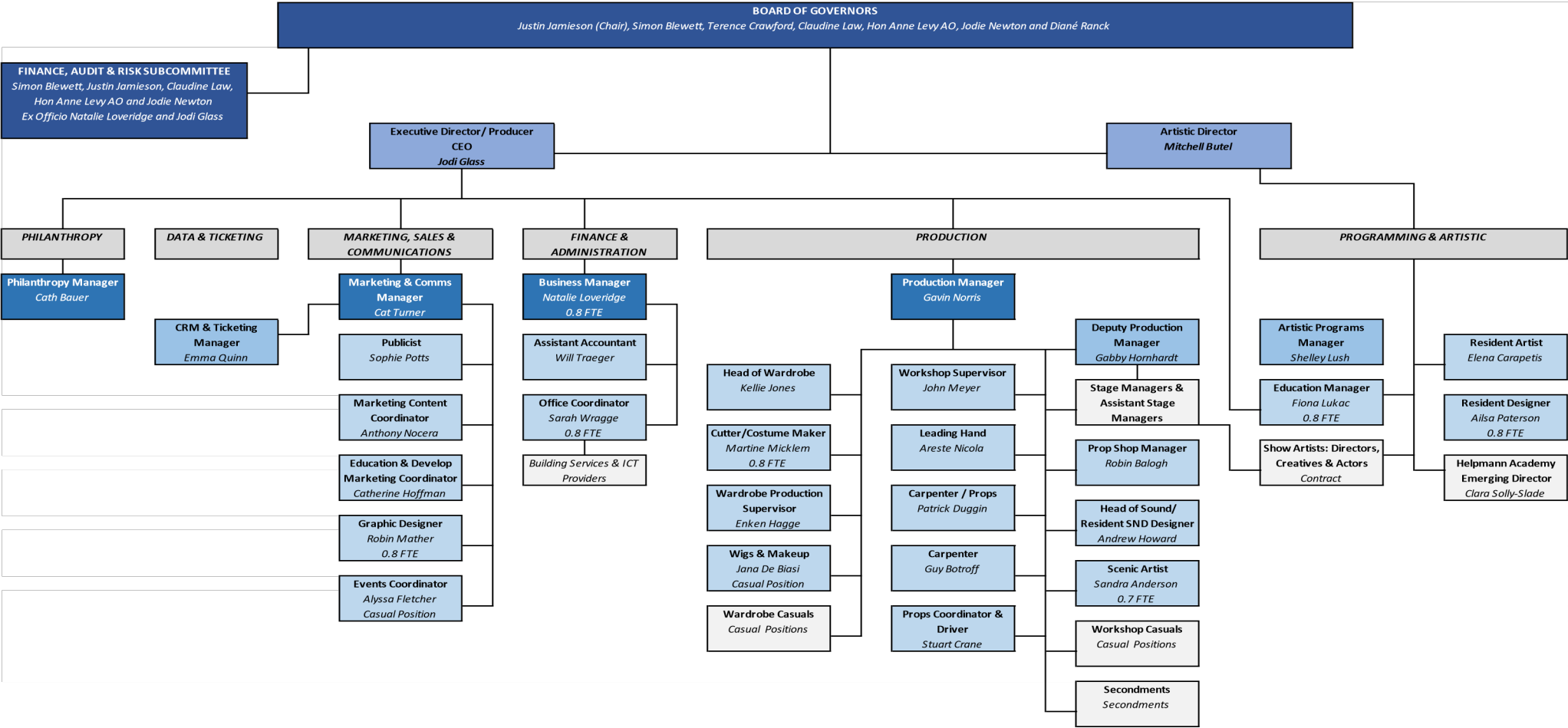
With 47 years of history as the platform, we will achieve sustainable growth and ongoing success through:

- excellence in programming that attracts great artists, entices audiences, generates employment, and garners strong and positive responses;
- investing in commissioning and supporting new and extant Australian work;
- amplifying diversity in programming and across our Company;
- increasing engagement for South Australian audiences through geographic reach and by reducing barriers to access the arts
- developing a Reconciliation Action Plan;
- strengthening our engagement with the local arts community by supporting local independent and small-to-medium theatre companies;
- deepening community engagement opportunities with the Company;
- increasing employment opportunities and developing skilled workforce by contributing to tertiary education and vocational training;
- ensuring all workplaces are respectful and safe;
- nurturing our passionate, dedicated, productive and positive company culture;
- growing the Company's revenue streams and increasing private sector support through activities and new initiatives, programs, partnerships and opportunities;
- ensuring audiences and artists alike are connected and committed to the Company by living our values and having a strong and recognisable brand;
- developing capabilities through transformation, improvements in business operations, exemplary service, increasing productivity, finding efficiencies;
- preserving financial stability with sound financial controls through strong governance and financial management.

We believe investing in the local creative and performing arts community by providing South Australian actors, writers, directors, designers, theatre technicians and production and stage management personnel with employment and training opportunities is essential to a viable arts industry. We are passionate about creating work that is uniquely South Australian and delivering the best of South Australian theatre making and theatre makers to the nation and the world as well as bringing the best of the best to Adelaide.

Our organisational structure

State Theatre Company of South Australia Organisation Chart at 30 June 2019



Changes to the agency

During 2018-19 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

The Hon Steven Marshall MP is the Premier of South Australia. He is responsible for Aboriginal Affairs and Reconciliation, Defence and Space Industries, the Arts, Veterans' Affairs and Multicultural Affairs.

Our Executive team

Jodi Glass, Executive Director/Producer (CEO)

Mitchell Butel, Artistic Director

Legislation administered by the agency

State Theatre Company of South Australia Act 1972.

The agency's performance

Performance at a glance

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	State Theatre Company of South Australia is a major employer in this State's performing arts industry. In 2018-19 the Company engaged 114 freelance artists (including actors, directors, designers) and stage management, production and technical personnel for 610 weeks for the Company's productions, workshops and events. Co-productions with other companies, touring, collaborations and comprehensive education program, all key to the Company's Strategic Plan, extend employment opportunities in the State.
Lower costs	In 2018-19, the Company's State annual operating grant was reduced by 5%, following a 3% reduction in the previous financial year. The Company maintained the quality in delivery and geographical reach of its programs while investing in technology and infrastructure for increased productivity, efficiencies and artistic success. Ticket pricing and audience engagement strategies, investment in data management and communications and expanded access and inclusion programs enabled the Company to maintain pricing from previous years without compromise while enabling participation disadvantaged communities in the Company's programs.
Better Services	In 2018-19 the Company presented nine mainstage Subscription productions, the most the Company has ever presented in a year. The Company's nationally-recognised subscription, education, touring, artist and arts sector development, new work, commissioning and co-production programs are the result of commitment to making and presenting theatre to the highest professional standards.

Agency specific objectives and performance

While State Theatre Company of South Australia's artistic programs are delivered on a calendar year basis (notably our annual subscription season which accounts for the majority of the Company's audiences, ticket sales income and expenses), the Company is required to operate and report on a financial year basis. Accordingly the objectives and indicators reported below are for the 2018-19 financial year.

Agency objectives	Indicators	Performance
Subscription Program	The Company's subscription season of mainstage plays is presented each year and is the only such theatre subscription program for South Australian audiences.	<p>In 2018-19, State Theatre Company of South Australia presented 171 performances of nine mainstage theatre productions in Adelaide across the 2018 and 2019 subscription seasons:</p> <p><i>Brothers Wreck</i> written and directed by Jada Alberts, co-produced with Malthouse Theatre, Odeon Theatre, 21 performances, 2,993 total attendances (June-July 2018).</p> <p><i>Creditors</i> by August Strindberg, a new version by Duncan Graham, directed by David Mealor Space Theatre, 17 performances, 3,122 total attendances (July-August 2018).</p> <p><i>That Eye, The Sky</i>, a stage adaptation of Tim Winton's novel by Justin Monjo and Richard Roxburgh, directed by Kate Champion, Dunstan Playhouse, 24 performances, 7,370 total attendances (August-September 2018).</p> <p><i>Faith Healer</i> by Brian Friel, directed by Judy Davis, produced by Belvoir, Space Theatre, 20 performances, 4,503 total attendances (September-October 2018).</p> <p><i>The Gods of Strangers</i> by Elena Carapetis, directed by Geordie Brookman, commissioned by State Theatre Company of South Australia in collaboration with Country Arts SA, Dunstan Playhouse, 19 performances, 5,984 total attendances (November-December 2018).</p> <p><i>Animal Farm</i> by George Orwell, adapted for the stage and directed by Geordie Brookman, Space Theatre, 13 performances, 4,090 total attendances (March 2019).</p>

		<p><i>David Williamson's The Club (an all-female, three-actor version)</i>, directed by Tessa Leong, produced by <i>isthisyours?</i>, Space Theatre, 18 performances, 4,800 total attendances (April 2019).</p> <p><i>Hydra</i> by Sue Smith, directed by Sam Strong, co-produced with Queensland Theatre, Dunstan Playhouse, 18 performances, 4,539 total attendances (May 2019).</p> <p><i>End of the Rainbow</i> by Peter Quilter, directed by Elena Carapetis, Royalty Theatre, 21 performances, 5,865 total attendances (May-June 2019).</p> <p>Total performances of nine mainstage productions in Adelaide in 2018-19: 171</p> <p>Total attendances to nine mainstage productions in Adelaide in 2018-19: 43,266.</p> <p>In 2018-19 the Company also presented more than 40 additional ticketed and non-ticketed events including Tangent, Subscriber Briefings, educational workshops for students and professional development workshops for teachers, with attendances of approximately 1,000.</p>
Regional South Australia, National and International Touring	Showcasing local talent extends the employment opportunities for South Australian artists, creatives and production personnel. Touring also consolidates the Company's reputation as a company of national and international significance.	<p>State Theatres Company touring productions in 2018-19:</p> <p><i>The Gods of Strangers</i> by Elena Carapetis, Northern Festival Centre Port Pirie, 2 performances, total attendances 528 (November 2018).</p> <p><i>Animal Farm</i> by George Orwell, metropolitan Adelaide and South Australian regional and remote tour presented by State Theatre Company. 19 performances, total attendances 2,773 (March- April 2019).</p> <p><i>Animal Farm</i> by George Orwell, interstate New South Wales/Victoria tour: Hothouse Theatre, Albury-</p>

		<p>Wodonga, 7 performances, total attendances 939; Parramatta Riverside Theatres, Sydney, 6 performances, total attendances 990 (May 2019).</p> <p><i>Rumpelstiltskin</i> written by Rosemary Myers and Julianne O'Brien, directed by Rosemary Myers, co-produced by Windmill Performing Arts and State Theatre Company of South Australia, international tour: Queen Elizabeth Hall, Southbank Centre London, 29 performances, total attendances 17,875 (December 2018-January 2019).</p> <p>Total outer metropolitan Adelaide and regional South Australian touring: 21 performances, total attendances 3,301.</p> <p>Total Interstate touring: 13 performances, total attendances 1,929.</p> <p>Total International touring: 29 performances, total attendances 17,875.</p>
Education Program	The Company's education program is highly regarded nationally and locally as critical to young people's engagement in and appreciation of the arts.	<p>State Theatre Company of South Australia provided a range of opportunities for students and teachers to engage with theatre through our comprehensive Education Program. This included:</p> <ul style="list-style-type: none"> performances of <i>Animal Farm</i> by George Orwell with post-show Q&A in the Space Theatre and across the regional South Australia tour (March-April 2019). schools performances of mainstage productions with post-show Q&A sessions (throughout the year). Study Guides for Students and teachers to accompany each production and to support learning outcomes. Work Experience Week (September 2018).

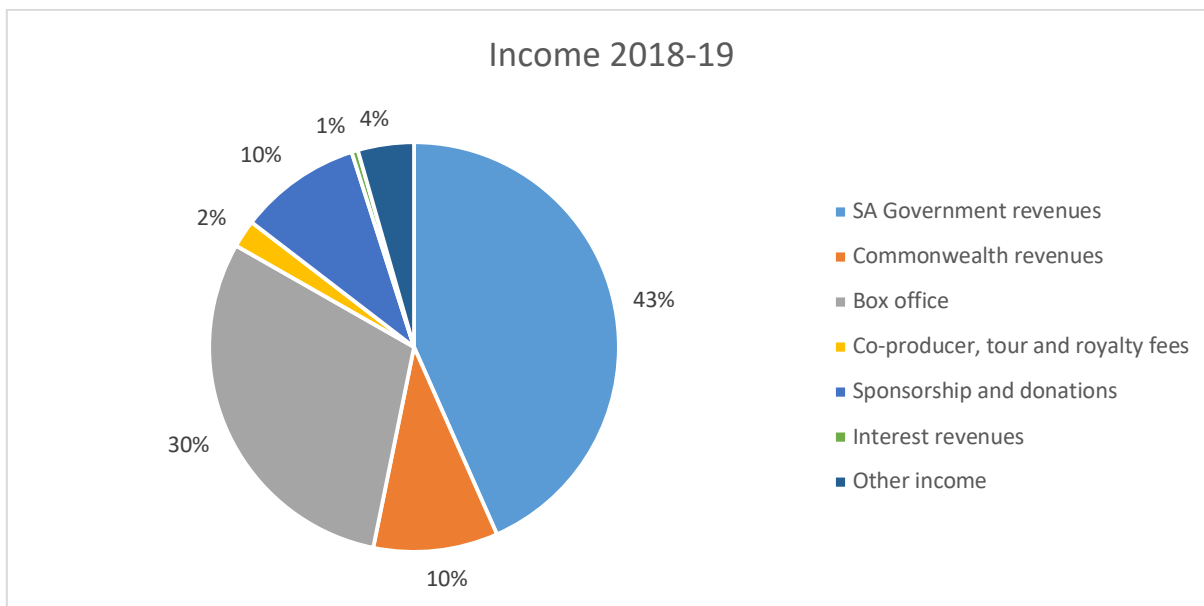
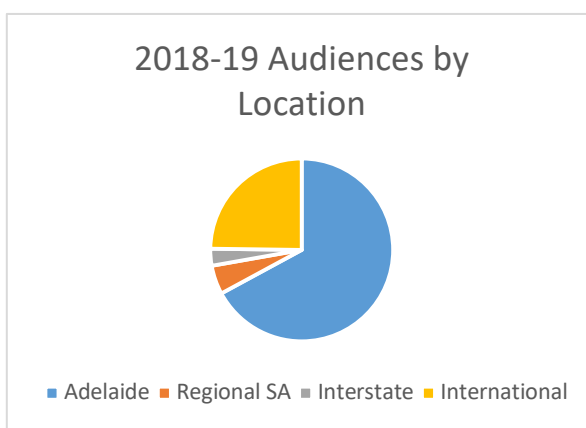
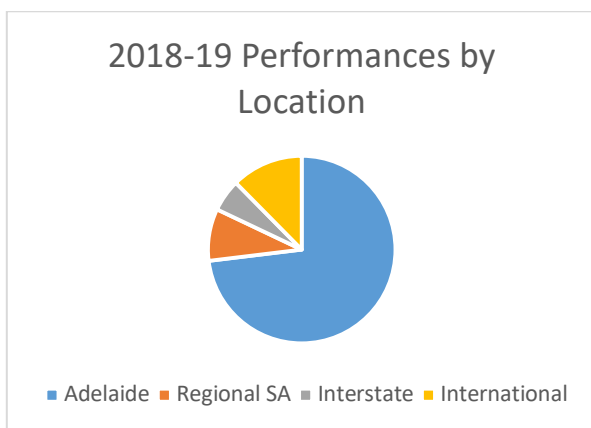
		<ul style="list-style-type: none"> • Summer School (December 2018). • Student and Teacher Workshops on demand to meet the specific needs of schools (throughout the year). • Flinders University Young Playwrights Award to encourage young, new and emerging writers with performance and award presentation (July 2018). • Young Achiever Awards recognising the efforts of secondary Drama and English students (November 2018).
Regional Theatre Strategy	<p>South Australians, no matter where they live, are entitled to access professional theatre of the highest quality. Workshops provide young people in regional and remote communities with skills development and Company artists with employment.</p>	<p>The Company's Regional Theatre Strategy is delivered in partnership with Country Arts SA to provide rich arts experiences and new opportunities for regional communities across South Australia. In 2018-19 this included tours of two productions, one of which was specifically commissioned as part of the Regional Theatre Strategy:</p> <ul style="list-style-type: none"> • World Premiere in Port Pirie of <i>The Gods of Strangers</i> by Elena Carapetis (November 2018), which the Company commissioned and shared stories of Greek and Italian migrants who settled in Port Pirie following World War II. • Professional development technical and production workshops delivered by the Company's production management team and artists for emerging stage and technical managers living in Port Pirie. • <i>Animal Farm</i> by George Orwell (March-April 2019) and workshops in regional centres by the production's artists and touring crew.
Young People	<p>Attracting young audiences to our productions and programs is critical to</p>	<p>With State Theatre Company of South Australia's <i>Off Stage</i> program young adults attended theatre performances, some for the first time, and behind-the-</p>

	<p>theatre thriving in South Australia.</p>	<p>scenes experiences and post-show parties for four subscription plays.</p> <p>The <i>9On9</i> youth ticketing program is designed to encourage participation by allowing holders of valid student ID cards to attend performances of the Company's productions for \$9.</p>
Access and Inclusion	<p>South Australian's living with disabilities and within modest means are entitled to participate in the arts.</p>	<p>State Theatre Company of South Australia is committed to reducing barriers to the arts. The Company ensured visually and hearing impaired audiences have access to theatre by providing audio described, captioned, audio enhanced and Auslan interpreted performances and free tickets to Companion Card holders.</p> <p>The Company reduces the financial barriers to seeing State Theatre Company performances through initiatives such as <i>Pay-What-You-Can</i> for holders of Healthcare cards to all matinee and Wednesday evening performances.</p> <p>Holders of Media Entertainment Artist Alliance cards are entitled to purchase tickets at a discounted price to the Company's productions.</p>
Audience engagement	<p>Audience development beyond seeing performances develops a richer appreciation for theatre and the creative process.</p>	<p>State Theatre Company of South Australia delivered various programs and events to deepen audience engagement, which included <i>Tangent</i> panel discussions and <i>Subscriber Briefings</i> for our mainstage subscription and education productions.</p>
Older people participating in the arts	<p>Increasing participation of older people in the arts is fundamental to a positive, caring and aspirational community.</p>	<p>State Theatre Company of South Australia embraces ageing well and opportunities for older people to engage in the arts through programs that meet the needs of older Australians. <i>Matinee Club</i> includes a post-show Q&A with artists for matinee performances throughout the year.</p>

Commissioning program		State Theatre Company of South Australia's program of commissioning new plays from emerging, mid-career and established writers and nurturing the creative development of new scripts to production is one of the nation's most successful. Writers under commission include Elena Carapetis, Samuel Adamson and Caleb Lewis.
Artist and Sector Development	Development of new artists and their work is critical to a thriving and vibrant community in metropolitan Adelaide and regional South Australia.	<p>State Theatre Company of South Australia actively supports small-to-medium theatre companies and independent artists to develop, produce and present their work with marketing, production and financial support, free or discounted hires of rehearsal room and equipment, free or heavily discounted set and costumes builds through two key programs:</p> <p>State Umbrella program:</p> <ul style="list-style-type: none"> • <i>Welcome The Bright World</i> by Stephen Sewell, 18 performances, 912 total attendances (September-October 2018). <p>State Resident program:</p> <ul style="list-style-type: none"> • Emma Beech <i>In Conversation With An Audience</i> • Ladylike Theatre Collective <i>Hang In There Baby</i> • Sally Hardy creative development
Cultural diversity and Aboriginal arts	Cultural diversity on stage and off stage reaffirms the positive value of our diverse community.	State Theatre Company of South Australia commissioned new play inspired by the oral histories of Greek, Cypriot and Italian migrants to regional South Australia. <i>The Gods of Strangers</i> is a historical fiction set in Port Pirie that explores the untold struggles of belonging, identity and family in post-World War II Australia. This multicultural drama was performed in Greek, Italian and English with English surtitles. It was written by the Company's full-time

		<p>Resident Artist, Elena Carapetis, an established actor and emerging playwright and director and the daughter of Italian-Greek-Cypriot migrants.</p> <p>From 2016 to 2018 Alira McKenzie-Williams was engaged as our inaugural Production/ Stage Management Trainee. In 2018-19 Alira was Assistant Stage Manager on <i>Brother's Wreck</i> and <i>That Eye, The Sky</i>.</p>
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Corporate performance summary



Employment opportunity programs

Program name	Performance
ArtsReady Warumilang: Aboriginal & Torres Strait Islander Traineeship Program	From January 2016 to August 2018, State Theatre Company of South Australia employed a Production/Stage Management Trainee at national training wage rates through the ArtsReady/SportsReady program. The Company provided on-the-job training while the Trainee gained formal qualifications through TafeSA.
Work Experience Program 2018	14 students from Years 10 and 11 participated in a four-day Work Experience program led by State Theatre Company of South Australia staff and artists. The Work Experience program included practical workshops in programming, design, theatre production, lighting, sound, directing, stage management, marketing and producing, giving students high quality experience in a professional theatre company.
Summer School Program	A week-long program for 13 young people aged 15 years and over was held in December 2018. Summer School 2018 was led by Dan Aubin and featured performing arts industry leaders and provided participants with professionally led creative and practical workshops in theatre making.

Agency performance management and development systems

Performance management and development system	Performance
State Theatre Company of South Australia continues to invest in, refine and update its performance management and development systems	State Theatre Company of South Australia engaged Perks People Solutions to provide human resource support as part of the Company's commitment to excellence in people and culture. The Company invests in improvements in organisational and personal effectiveness, new opportunities for professional learning, training and development for permanent, contract and casual staff.
Staff Performance Reviews	Performance reviews of 50% of staff were undertaken during the reporting period.

Work health, safety and return to work programs

Program name	Performance
Safety Training	State Theatre Company of South Australia administration staff based at the Fowlers Building (Lion Arts Centre) completed Emergency Response Training and Fire Warden Training, including use and operation of fire extinguishers and response to emergencies, delivered by Bob May Workplace Emergency Training.
Emergency Evacuation Plan	Bob May Workplace Emergency Training completed a full review and new and fully updated emergency response plans for State Theatre Company of South Australia administration offices and rehearsal room at the Fowlers Building (Lion Arts Centre) and Production Facilities (production staff, set construction workshop, wardrobe department, store of costumes, props, furniture and sets, and main rehearsal room) at Wigg & Son Building.
Work Health and Safety iLearn modules	State Theatre Company of South Australia executive team, senior managers and staff undertook and completed various training through <i>iLearn</i> , the mandatory online training platform of the Department of Premier & Cabinet, including WHS Injury Management for Managers, Work Health Safety (WHS) for Managers, Work Health Safety (WHS) for Officers, WHS Emergency Response Training, Ergonomics Checklist and Hazardous Manual Tasks Checklist.
Managing Safety and Wellbeing in the Workplace	Streamlined procedure of internal incident reports, focusing on continuing the positive Company culture.
Managing Hazards and Facilities	Safe Operating Procedures reviewed and updated. Corrective Actions Register Risk Register updated.
Cultural Awareness Training	State Theatre Company of South Australia's staff and members of its Board of Governors and Foundation Directors attended a full day Cultural Awareness Training workshop. This is the third Cultural Awareness workshop organised by the Company for its staff.
Respectful Workplace Training	State Theatre Company of South Australia participated in Respectful Workplace workshops, presentations and interactive workshops run by Arts South Australia and Live Performance Australia, HR consultants and others.

#SafeTheatres	State Theatre Company of South Australia's Executive Director and Resident Artist were invited participants to the second <i>#SafeTheatres Forum</i> in Melbourne. The Company also provided a financial support to the Forum. State Theatre Company of South Australia is steadfast in its commitment to create a workplace free from harassment and bullying and ensure workplaces are safe, where policies and procedures are clearly communicated and understood, where avenues for complaint and redress are available which respect the rights of all parties involved.
Standardised Respectful Workplace Policies and Procedures	Over the past 12 months the Confederation of Australian State Theatre (CAST) companies have collaborated to produce standardised Respectful Workplace Policy suite and Reporting Unacceptable Behaviour and grievance procedures. These were finalised in 2018-19 and endorsed for use from July 2019.

Workplace injury claims	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total new workplace injury claims	4	1 (rejected)	+300%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

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

Work health and safety regulations	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	1	0	+100 %
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$1,031	\$2,178	-52%
Income support payments – gross (\$)	0	0	0%

**before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/e635251e-27ce-4ef8-b1bb-215583f94701>

Executive employment in the agency

Executive classification	Number of executives
Executive Director/Producer	1
Artistic Director	1

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/c0f9e3c9-9594-479a-b493-32b3ad5f44dc>

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

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2018-19 are attached to this report.

Statement of Comprehensive Income	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	2017-18 Actual \$000s
Expenses	6,355	6,557	(202)	8,157
Revenues	3,588	3,606	18	5,580
Net cost of providing services	2,767	2,951	(184)	2,577
Net Revenue from SA Government	2,745	2,761	16	2,632
Net result	(22)	(190)	(168)	55
Total Comprehensive Result	(22)	(190)	(168)	55

Statement of Financial Position	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	2017-18 Actual \$000s
Current assets	2,060	1,324	(736)	2,414
Non-current assets	900	1,021	121	880
Total assets	2,960	2,345	(615)	3,294
Current liabilities	1,486	1,062	424	1,792
Non-current liabilities	164	141	23	170
Total liabilities	1,650	1,203	448	1,962
Net assets	1,310	1,142	(168)	1,332
Equity	1,310	1,142	(168)	1,332

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 below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined		Nil

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
None		Nil
	Total	Nil

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/146e4c9a-6a7f-4181-90e2-7c9bd6605d56>

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

Contractors disclosure

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

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
Perks People Solutions	HR Support	\$2,200
Hender Consulting	Administration Support	\$2,109
All creative contractors (combined)	Directing, acting, set, lighting, costume and sound designing, composing for productions and facilitating workshops	\$81,802
	Total	\$ 86,111

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
All creative contractors (combined)	Directing, acting, set, lighting, costume and sound designing, composing for productions and facilitating workshops	\$102,803
Malthouse Theatre	Theatre Co-Production	\$152,597
Queensland Theatre	Theatre Co-Production	\$172,364
Company B	Theatre Production	\$146,000

Contractors	Purpose	\$ Actual payment
Insite Arts	Theatre Production	\$49,097
Windmill Performing Arts	Theatre Production	\$20,000
	Total	\$ 642,861

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/c2731ec2-fa18-4077-bcb2-e7a877e91718>

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](#).

Other information

Not applicable.

Risk management

Fraud detected in the agency

Category/nature of fraud	Number of instances
No instances of fraud detected in the period.	Nil

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

Strategies implemented to control and prevent fraud

In areas where fraud may occur, an appropriate level of control has been established to ensure probity, safeguard money, stores and property and maintain accurate and consistent accounting records. This has also required the establishment of relevant reporting, accounting, and fraud control procedures. These are outlined in State Theatre Company's Fraud Policy, which is reviewed on an annual basis by management and the Board. The Company's process for identifying and responding to the risk of fraud, and the classes of transactions at particular risk of fraud, are also identified in the Fraud Policy.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/bb3a483d-0c10-4809-9da7-a5fd0f689508>

Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993*:

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/1d494197-302f-4b67-adf5-1ba085b776df>

_Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil.	Nil.

Reporting required under the *Carers' Recognition Act 2005*

Not applicable.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
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	0

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	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	1
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	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	1

Additional Metrics	Total
Number of positive feedback comments	40
Number of negative feedback comments	5
Total number of feedback comments	45
% complaints resolved within policy timeframes	*100%

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/21b00e47-6f0f-41ed-84b9-10ee75404fce>

Service improvements for period

Service improvements that responded to customer complaints or feedback

Investment in a new customer relationship management system and database to enable State Theatre Company of South Australia to directly manage customer information, data, updates and requests instead of a third party (BASS). As a result we have been able to reduce the number of duplicate and triplicate deliveries which is a cost saving, has improved patron communication and satisfaction through reduced complaints and increased productivity. We have been able to communicate promptly and directly with patrons as well as more quickly, economically and effectively record information and feedback. This includes noting telephone calls made by State Theatre Company of South Australia's CEO, Artistic Director and Chairman to personally thank donors for their gifts, actions taken such as sending correspondence to patrons to acknowledge milestones or respond to feedback both positive and negative from artists and patrons regarding our productions, making arrangements for patrons such as backstage tours or directing complaints regarding BASS and Adelaide Festival Centre customer service experiences to the relevant personnel in those organisations.

Appendix: Audited financial statements 2018-19



ABN 55 386 202 154

Financial Statements
for the year ended
30th June 2019

State Theatre Company of South Australia

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State Theatre Company of South Australia
Certification of the Financial Statements for the year ended 30 June 2019

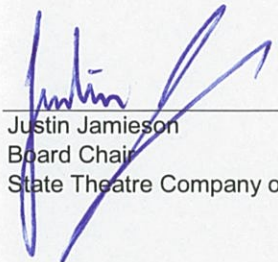
We certify that the attached general purpose financial statements for the State Theatre Company of South Australia:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- comply with Division 60 of the *Australian Securities and Charities and Not-for-profits Commission Regulation 2013*;
are in accordance with the accounts and records of the State Theatre Company of
- South Australia; and
- present a true and fair view of the financial position of the State Theatre Company of South Australia as at 30 June 2019 and the results of its operation and cash flows for the financial year.

We certify that:


- the internal controls employed by the State Theatre Company of South Australia for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period; and
- at the time of signing of this statement, there are reasonable grounds to believe that the State Theatre Company of South Australia will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of the State Theatre Company of South Australia.



Justin Jamieson
Board Chair
State Theatre Company of SA

Dated: 26/9/19



Jodi Glass
Executive Director/Producer
State Theatre Company of SA

Dated: 26.9.2019



Natalie Loveridge
Business Manager
State Theatre Company of SA

Dated: 26.9.2019

State Theatre Company of South Australia
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Expenses			
Staff benefits expenses	2.3	2,926	3,640
Supplies and services	3.1	3,588	4,470
Depreciation and amortisation	3.2	43	47
Total expenses		<u>6,557</u>	<u>8,157</u>
Income			
Commonwealth revenues	4.1	626	886
Box office	4.2	1,913	2,009
Co-producer, tour and royalty fees	4.3	139	1,825
Sponsorship and donations	4.5	614	555
Interest revenues	4.6	32	47
Other income	4.7	282	258
Total income		<u>3,606</u>	<u>5,580</u>
Net cost of providing services		<u>2,951</u>	<u>2,577</u>
Revenues from SA Government			
Revenues from SA Government	4.4	<u>2,761</u>	<u>2,632</u>
Net result		<u>(190)</u>	<u>55</u>
Total comprehensive result		<u>(190)</u>	<u>55</u>

The accompanying notes form part of these financial statements.

The net result and total comprehensive result are attributable to the SA Government as owner.

State Theatre Company of South Australia
Statement of Financial Position
as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Current assets			
Cash and cash equivalents	6.1	1,000	1,737
Receivables	6.2	122	363
Prepayments		202	314
Total current assets		<u>1,324</u>	<u>2,414</u>
Non-current assets			
Other financial assets	6.3	775	760
Plant and equipment	5.1	71	102
Intangibles	5.2	175	18
Total non-current assets		<u>1,021</u>	<u>880</u>
Total assets		<u>2,345</u>	<u>3,294</u>
Current liabilities			
Payables	7.1	579	754
Unearned revenue	7.2	290	840
Staff benefits	2.4	186	190
Provisions	7.3	7	8
Total current liabilities		<u>1,062</u>	<u>1,792</u>
Non-current liabilities			
Payables	7.1	12	13
Staff benefits	2.4	120	146
Provisions	7.3	9	11
Total non-current liabilities		<u>141</u>	<u>170</u>
Total liabilities		<u>1,203</u>	<u>1,962</u>
Net Assets		<u>1,142</u>	<u>1,332</u>
Equity			
Retained earnings		1,142	1,332
Total Equity		<u>1,142</u>	<u>1,332</u>

The accompanying notes form part of these financial statements.

The net result and total comprehensive result are attributable to the SA Government as owner.

State Theatre Company of South Australia
Statement of Changes In Equity
for the year ended 30 June 2019

	Retained Earnings	
	2019 \$'000	2018 \$'000
Balance at 1 July 2018	1,332	1,277
Total comprehensive result for 2018-19	(190)	55
Balance at 30 June 2019	<u>1,142</u>	<u>1,332</u>

The accompanying notes form part of these financial statements.

All changes in equity are attributable to the SA Government as owner.

State Theatre Company of South Australia
Statement of Cash Flows
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Cash outflows			
Staff benefits payments		(2,972)	(3,750)
Payment for supplies and services		(3,817)	(5,018)
Cash used in operations		<u>(6,789)</u>	<u>(8,768)</u>
Cash inflows			
Receipts from Commonwealth		627	618
Box office and other receipts		2,626	5,603
Interest received		18	33
GST recovered from the ATO		175	2
Cash generated from operations		<u>3,446</u>	<u>6,256</u>
Cash flows from SA Government			
Receipts from SA Government		2,746	2,734
Cash generated from SA Government		<u>2,746</u>	<u>2,734</u>
Net cash provided by/(used in) operating activities		<u>(597)</u>	<u>222</u>
Cash flows from investing activities			
Cash outflows			
Purchase of plant and equipment and software		(140)	(32)
Cash used in investing activities		<u>(140)</u>	<u>(32)</u>
Net cash used in investing activities		<u>(140)</u>	<u>(32)</u>
Net increase/(decrease) in cash and cash equivalents		(737)	190
Cash and cash equivalents at the beginning of the period		1,737	1,547
Cash and cash equivalents at the end of the period	6.1	<u>1,000</u>	<u>1,737</u>

The accompanying notes form part of these financial statements.

1. About the State Theatre Company of South Australia

The State Theatre Company of South Australia (the Company) was established under the *State Theatre Company of South Australia Act 1972* and exists to create extraordinary experiences through theatre. Our vision is to be Australia's pre-eminent storyteller, which sees the Company as a bold and ambitious theatre company with a sustainable platform for growth and ongoing success.

The Company has the following high level goals:

- Deliver programs of exceptional quality
- Reach a broad audience and ensure diversity of artists, audiences, programs and stories
- Enrich our support for the South Australian Arts community of theatre makers
- Strengthen relationships with industry, community, and the corporate sector and maintain a strong and sustainable infrastructure for the Company

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* and the *Australian Charities and Not-for-profits Commission Act 2012*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirement that are applicable to not-for-profit entities, as the Company is a not-for-profit entity.

For the 2018-19 financial statements the Company adopted *AASB 9 Financial Instruments* and is required to comply with new Treasurer's Instructions (Accounting Policy Statements) issued on 22 March 2019. Further information is provided in note 9.

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; and
- receivables and payables, which are stated with the amount of GST included.

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.

2. Board and staff

2.1 Key management personnel

Key management personnel of the Company include the Minister, the Board of Governors, the Executive Director/Producer, and the Artistic Director who have responsibility for the strategic direction and management of the Company.

Total compensation for the board's key management personnel was \$344,000 (\$336,000).

Salaries and other benefits the Minister receives are excluded from this total. 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 the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

A Board member's husband is an actor. The Company entered into an agreement via his agent to perform as part of its 2019 season. Amounts paid as fees and superannuation contributions, and treated as a prepayment equal \$5,000 (Nil).

2.2. Board members

Members during the financial year were:

Mr Justin Jamieson	Ms Diané Ranck
Ms Anne Levy	Mr Simon Blewett
Mr Terence Crawford*	Ms Kristen Raison (retired August 2018)
Ms Jodie Newton	Ms Claudine Law (appointed March 2019)

Board fees were not paid to members in 2018-19 (Nil).

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

2.3 Staff benefits expense

	2019 \$'000	2018 \$'000
Salaries and wages	2,319	2,990
Long Service Leave	56	20
Annual Leave	171	137
Staff on-costs - superannuation	231	293
Staff on-costs - other	149	200
Total staff benefits expenses	2,926	3,640

The superannuation on-cost charge represents the Company's contributions to various superannuation plans in respect of current services of current staff.

Remuneration of staff

	2019 No	2018 No
The number of staff whose remuneration received or receivable falls within the following bands:		
\$151,001 to \$171,000	1	1
Total number of staff	1	1

The table includes all staff who received remuneration equal to or greater than the base remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, superannuation, fringe benefit tax and any other salary sacrifice benefits. The total remuneration received by staff was \$152,000 (\$171,000).

State Theatre Company of South Australia
Financial Year Ended 30 June 2019
Notes to and forming part of the Financial Statements

2.4. Staff benefits liability

	2019 \$'000	2018 \$'000
Current		
Annual Leave	85	94
Long Service Leave	94	94
Accrued salaries and wages	7	2
	<u>186</u>	<u>190</u>
	2019 \$'000	2018 \$'000
Non-current		
Long Service Leave	<u>120</u>	<u>146</u>
Total staff benefits liability	<u><u>306</u></u>	<u><u>336</u></u>

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.

Salaries and wages, annual leave 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 Skills and Experience Retention Leave 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 long service leave liability is provided as note 11.1.

State Theatre Company of South Australia
Financial Year Ended 30 June 2019
Notes to and forming part of the Financial Statements

3. Expenses

Staff benefit expenses are disclosed in note 2.3.

3.1 Supplies and services	2019 \$'000	2018 \$'000
Promotion and sponsorship expenses	664	820
Contractors fees	729	539
Consultants fees	-	61
Rent	322	202
Scenery, sound, lighting and special effects	206	375
Travel and accommodation	219	276
Royalties	192	662
Communications	28	29
Costume and props	53	101
Other production costs	95	236
Administration expenses	210	187
Theatre hire and charges	640	791
Ticket agency charges	203	161
Audit fees	27	30
Total supplies and services expense	3,588	4,470

Expenses for productions are recognised when a production has concluded. Production costs for future productions and productions in progress at reporting date are recorded as prepayments.

Resources provided free of charge are recorded at fair value, in the expense line items to which they relate.

Consultants

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

	2019 No. \$'000	2018 No. \$'000
Below \$10,000	- -	- -
Above \$10,000	- -	4 61
Total paid/payable to the consultants engaged	- -	4 61

3.2 Depreciation and amortisation	2019 \$'000	2018 \$'000
Plant and equipment	34	38
Intangible assets	9	9
Total depreciation and amortisation	43	47

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

Assets' residual values, useful lives, amortisation periods and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

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

Class of Assets	Useful life (years)
Motor Vehicles	5
Equipment	3-10
Computer Equipment	3-7
Software	3-5

State Theatre Company of South Australia
Financial Year Ended 30 June 2019
Notes to and forming part of the Financial Statements

4. Income

4.1 Commonwealth Revenue

	2019 \$'000	2018 \$'000
Commonwealth revenues	<u>626</u>	<u>886</u>
Total Commonwealth revenues	<u>626</u>	<u>886</u>

A Tripartite Funding Agreement between the State Government, Australian Government and the Company provides operating grants for the Company. The funding arrangements for these Governments are intended to cover the different operating periods. In particular:

- Australian Government operating grants received in 2018-19 were to contribute to operations for the 2019 calendar year.
- State Government operating grants received in 2018-19 were to contribute to operations for the 2018-19 financial year.

In accordance with the Australian Accounting Standards operating grants are recognised as revenue when the Company obtains control over the assets. Control over operating grants is normally obtained upon receipt because the grants are a non-reciprocal transaction and there is no present obligation to repay the monies.

The Company has also received Commonwealth grants related to specific programs to be undertaken in future years.

4.2 Box office

	2019 \$'000	2018 \$'000
Box office	<u>1,913</u>	<u>2,009</u>
Total box office	<u>1,913</u>	<u>2,009</u>

Box office revenues for productions are recognised when a production has concluded. Ticket sales for future productions and productions in progress at reporting date are recorded as unearned revenue - advance box office revenue.

There were nine productions staged during 2018-19 (eight productions staged in 2017-18).

4.3 Co-producer, tour and royalty fees

	2019 \$'000	2018 \$'000
Co-producer, tour and royalty fees	<u>139</u>	<u>1,825</u>
Total co-producer, tour and royalty fees	<u>139</u>	<u>1,825</u>

Co-production, tour and royalty fee revenues for productions are recognised when a production or tour has concluded. Fees for future productions and productions in progress at reporting date are recorded as unearned revenue - tour and co-producer revenue.

4.4 Revenues from SA Government

	2019 \$'000	2018 \$'000
Revenues from SA Government	<u>2,761</u>	<u>2,632</u>
Total revenues from SA Government	<u>2,761</u>	<u>2,632</u>

Grants for program funding received from Arts South Australia are recognised as revenues when the Company obtains control over the assets and income recognition criteria are met.

Grants received in advance are recorded as unearned grant revenue.

4.5 Sponsorship and donations

	2019 \$'000	2018 \$'000
Cash	432	333
In Kind	<u>182</u>	<u>222</u>
Total sponsorship and donations	<u>614</u>	<u>555</u>

Sponsorships are provided in cash and through resources provided free of charge. Sponsorship income is recognised according to the pattern of benefits exchanged. Sponsorship received in advance of benefits paid is recorded as unearned revenue.

Resources received free of charge are recorded at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been provided.

State Theatre Company of South Australia
Financial Year Ended 30 June 2019
Notes to and forming part of the Financial Statements

4.6 Interest

	2019	2018
	\$'000	\$'000
Interest from SA Government	18	33
Interest - Reserves Incentive Funding Scheme (SAFA)	14	14
Total interest	<u>32</u>	<u>47</u>

4.7 Other income

	2019	2018
	\$'000	\$'000
Prop Shop income	68	95
Company Service Fees	184	133
Miscellaneous revenue	30	30
Total other income	<u>282</u>	<u>258</u>

5. Non-financial assets

5.1 Plant and equipment

	2019 \$'000	2018 \$'000
Motor Vehicle - at cost	27	27
Accumulated depreciation	(27)	(27)
Total Motor Vehicle	-	-
Equipment - at cost	199	197
Accumulated depreciation	(138)	(116)
Total Equipment	61	81
Computer Equipment - at cost	141	140
Accumulated depreciation	(131)	(119)
Total Computer Equipment	10	21
Total plant and equipment	71	102

Acquisition and recognition

Plant and equipment is initially recorded at fair value. Detail about the Company's approach to fair value is set out in Note 11.2.

All plant and equipment with a value equal to or in excess of \$1,000 are capitalised, otherwise it is expensed.

Impairment

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity.

Reconciliation 2018-19

	Equipment \$'000	Computer Equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	81	21	102
Additions	2	1	3
Depreciation expense	(22)	(12)	(34)
Carrying amount at the end of the period	61	10	71

There were no indications of impairment of plant and equipment assets at 30 June 2019.

5.2 Intangibles

	2019 \$'000	2018 \$'000
Purchased computer software	49	49
Internally developed software	166	-
Accumulated amortisation	(40)	(31)
Total computer software	175	18

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

The acquisition of software is capitalised only when the expenditure meets the definition and recognition criteria.

The internally developed computer software relates to the Company's customer management system database.

State Theatre Company of South Australia
Financial Year Ended 30 June 2019
Notes to and forming part of the Financial Statements

Reconciliation 2018-19	Software - Works in Progress \$'000	Purchased Software \$'000	Total \$'000
Carrying amount at the beginning of the period	-	18	18
Additions	166	-	166
Amortisation expense	-	(9)	(9)
Carrying amount at the end of the period	166	9	175

State Theatre Company of South Australia
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6. Financial assets

6.1 Cash and cash equivalents

	2019 \$'000	2018 \$'000
Short Term Deposits	914	1,630
Cash at Bank and on hand	86	107
Total cash and cash equivalents	<u>1,000</u>	<u>1,737</u>

Short term deposits include deposits at call with the South Australian Government Financing Authority (SAFA) and are recorded at cost. Short term deposits are made for varying periods between one day and three months. The deposits that are lodged with SAFA at the respective short term deposit rates.

Cash at Bank and on hand includes deposits with Bank SA and amounts held on Company premises.

6.2 Receivables

	2019 \$'000	2018 \$'000
Trade receivables from government entities	74	38
Trade receivables from non-government entities	49	338
Allowance for doubtful debts	(1)	(13)
Total current receivables	<u>122</u>	<u>363</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.

The net amount of GST payable to the ATO is included as part of receivables.

Impairment of receivables

	2019 \$'000	2018 \$'000
Balance at 30 June 2018 under AASB 139	13	17
Adjustments on initial adoption of AASB 9	-	-
Carrying amount at the beginning of the period	<u>13</u>	<u>17</u>
Amounts recovered during the year	(13)	(6)
Increase in allowance recognised in profit or loss	1	2
Carrying amount at the end of the period	<u>1</u>	<u>13</u>

6.3 Other financial assets

The Company entered into an agreement, known as the Reserves Incentive Funding Scheme Agreement, with the Australia Council and Arts SA during 2003-04. The Scheme is designed to encourage and assist the Major Performing Arts companies to strengthen their Statement of Financial Position by building reserves to a level that is sufficient to underpin their financial health.

The funds received under the Agreement must be placed in escrow and can only be released under certain circumstances, which are set out in the Agreement, which includes the Company making a formal submission, signed by the Board Chair, to Arts South Australia and the Australia Council.

Funds received under the Scheme have not been used to secure any liabilities of the Company.

These funds are long term deposits which are held with the South Australian Government Financing Authority and are recorded at cost. The balance of the fund as at 30 June 2019 was \$775,000 (\$760,000).

State Theatre Company of South Australia
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7. Liabilities

Staff benefit liabilities are disclosed in note 2.4.

7.1 Payables

	2019 \$'000	2018 \$'000
Current		
Creditors	475	536
Accruals	80	183
Staff Benefit On-costs	24	35
	<u>579</u>	<u>754</u>
Non-current		
Staff Benefit On-costs	12	13
	<u>12</u>	<u>13</u>
Total payables	<u>591</u>	<u>767</u>

Payables and accruals are raised for all amounts owing but unpaid. Creditors 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.

Staff benefit on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave and annual leave and are settled when the respective employee benefits that they relate to is discharged.

The Company makes contributions to several 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.

7.2 Unearned revenue

	2019 \$'000	2018 \$'000
Current		
Advance box office revenue	26	599
Unearned tour, co-producer and production revenue	84	10
Unearned sponsorship revenue	59	95
Unearned grant revenue	121	136
	<u>290</u>	<u>840</u>

7.3 Provisions

	2019 \$'000	2018 \$'000
Current		
Provision for workers compensation	7	8
	<u>7</u>	<u>8</u>
Non-current		
Provision for workers compensation	9	11
	<u>9</u>	<u>11</u>
Total provisions	<u>16</u>	<u>19</u>

Movement in provision

	2019 \$'000	2018 \$'000
Carrying amount at the beginning of the period	19	13
Change in provision	1	7
Less: Payments	(4)	(1)
Carrying amount at the end of the period	<u>16</u>	<u>19</u>

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 2019 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 Company is responsible for the payment of workers compensation claims.

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 activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

9. Changes in accounting policy

9.1 Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the Treasurer's Instructions (Accounting Policy Statements) 2019 were issued by the Treasurer under the Public Finance and Audit Act 1987. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- increasing the bands from \$10,000 to \$20,000 for employee and board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective.

9.2 AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, the Department adopted consequential amendments to other accounting standards and the Treasurer's Instructions (Accounting Policy Statements) arising from the issue of AASB 9 as follows:

- *AASB 101 Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. In prior year, this information was presented as part of other expenses.
- *AASB 7 Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, *AASB 9 Financial Instruments* was adopted without restating comparative information for classification and measurement requirements.

The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

On 1 July 2018, the Company has assessed the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset and determined its financial assets and financial liabilities do not require reclassification. Refer to Note 11.3.

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the department are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of goods and services
- long term deposits

This model generally results in earlier recognition of credit losses than the previous one.

Trade receivables

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Company has adopted the simplified approach under *AASB 9 Financial Instruments* and measured lifetime expected credit losses on all trade receivables on an individual basis. This resulted in no change to the loss allowance on 1 July 2018 for trade receivables external to Government.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the Government's high quality credit risk.

Trade and other receivables that were classified as receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

10. Outlook

10.1 Unrecognised contractual commitments

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

Operating leases

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

	2019 \$'000	2018 \$'000
Within one year	145	81
Later than one year but not longer than five years	31	151
Total operating lease commitments	176	232
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	176	232
Total operating lease commitments	176	232

The Company does not exercise any purchase options on equipment operating leases.

The Company leases a photocopier from Fuji Xerox, which is due to expire in October 2021.

The Company leases a forklift from Crown Lift Trucks, which is due to expire in May 2021.

The Company leases facilities for its production facilities from Port Road Developments Pty Ltd, which is due to expire in December 2019. There is no right of renewal and rent is paid in advance.

The Company leases the Drama Centre (workshop, wardrobe, rehearsal space and offices) from the Adelaide Festival Centre Trust which is due to expire in June 2020. There is no right of renewal and rent is paid in advance.

The Company leases the first floor of the Fowlers Building, Lion Arts Centre from Arts South Australia, which is due to expire in October 2021. The lease is non-cancellable and has a right to renewal. Rent is paid in advance.

10.2 Contingent assets and liabilities

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

10.3 Events after the reporting period

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

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 over SA Government entities.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has decreased from 2018 (2.5%) to 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 net financial impact of the change in rate is \$16,000 (\$9,000).

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The unconditional portion of the long service leave provision is classified as current as the Company 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.

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.

11.3. Financial instruments

Financial risk management

Risk management is managed by the Company's Board and senior management. 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 Company'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 Company is funded principally by grants from the SA Government. Refer to Note 4.4 for further information.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Held-to-maturity investments
- Receivables
- Financial liabilities measured at cost

State Theatre Company of South Australia
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Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Company measures all financial instruments at amortised cost.

Category	Statement of Financial Position line item	Note	2019 \$'000 Carrying/Fair Value	2018 \$'000 Carrying/Fair Value
Financial Assets				
Cash at bank and on hand	Cash and cash equivalents	6.1	86	107
Short term deposits	Cash and cash equivalents	6.1	914	1,630
Receivables	Receivables	6.2	122	350
Reserves Incentive Scheme investments	Other financial assets	6.3	775	760
Financial Liabilities				
Financial Liabilities at cost	Payables	7.1	480	634

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.



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To the Board Chair State Theatre Company of South Australia

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and the *State Theatre Company of South Australia Act 1972*, I have audited the financial report of State Theatre Company of South Australia for the financial year ended 30 June 2019.

Opinion

In my opinion the financial report has been prepared in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards, including:

- a) giving a true and fair view of the financial position of the State Theatre Company of South Australia as at 30 June 2018, its financial performance and its cash flows for the year then ended, and
- b) complying with Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Board Chair, Executive Director/Producer and the Business Manager.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my

report. I am independent of the State Theatre Company of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants* have been met.

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

Responsibilities of the Executive Director/Producer and the Board for the financial report

The Executive Director/Producer is responsible for the preparation of the financial report that gives 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 Charities and Not for-profits Commission Act 2012* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

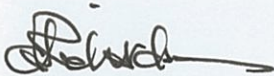
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State Theatre Company of South Australia's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Director/Producer
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson

Auditor-General

27 September 2019