



**Government
of South Australia**

State Theatre Company of South Australia

2019-20 Annual Report

State Theatre Company of South Australia
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ISSN: 2652-7731

Date presented to Minister: 30 September 2020

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:

Joe Thorp

Presiding Member

Date: 30 September 2020

Signature:

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a series of loops and a final flourish.

From the Executive Director

State Theatre Company of South Australia (STCSA) inspires and entertains South Australian audiences with bold, imaginative theatre. The Company reaches and includes as many people in the state as possible through our programs. STCSA represents SA culture on the national stage and leads the development of the local theatre industry.

In the 2019-20 financial year, STCSA successfully managed significant disruption caused by the COVID-19 pandemic. The Company also navigated major internal changes. These arose from the re-location of the production department, recruitment of a new Executive Director and Board renewal.

Despite these challenges, STCSA delivered artistic, education, regional touring and access programs to the high standard expected of South Australia's flagship professional theatre company. The Company quickly adapted to our inability to perform after March 2020. Alternative content and access opportunities were offered through our *Stay in with State* online program. Whether live or online, the Company showcased its commitment to new Australian, South Australian and First Nations-led work in 2019-20. STCSA also demonstrated dedication to sector leadership and collaboration and increasing diversity among artists and audiences.

The deficit recorded for the financial year is modest and manageable relative to those recorded by peers in the national major theatre and arts ecology in the wake of the COVID-19 shutdown. Our workforce and business systems continued to develop in spite of a disrupted 12 months.

The Company's achievements reflect the clear vision articulated in STCSA's 2019-2021 Strategic Plan. This vision is evident in the artistic programs of outgoing Artistic Director Geordie Brookman (2019) and incoming Artistic Director Mitchell Butel (2020). They demonstrate the solid financial and governance foundations of STCSA and the loyal following the Company enjoys in the community.

As a result, at the end of one of the most challenging 12 months in the 48 year-long history of STCSA, the organisation is well placed to manage a sustainable pathway to re-emergence from the COVID-19 shutdown and the transition to a new National Performing Arts Partnership framework from 2021.

COVID-19

The shutdown of live performance resulting from COVID-19 took effect in South Australia on 17 March 2020. STCSA and Belvoir's co-production of *Dance Nation* closed its Adelaide Festival season in the Scott Theatre on 7 March. The team then transferred to Sydney and managed to perform two previews there on 14 and 15 March. Sadly, the remainder of the season was cancelled as Belvoir took heed of public health advice in New South Wales. The cancellation of *Dance Nation* was a significant blow for the Company.

It soon became clear that the COVID-19 shutdown would last at least six months. As a result, STCSA cancelled its next five scheduled productions. The three productions

in the 2019-20 financial year were *The Gospel According to Paul* (24 March – 4 April), *Single Asian Female* (23 April – 9 May) and our annual education production *Euphoria* (21 – 30 May). The regional tour of *Euphoria* was also cancelled. The tour was scheduled to run from 30 April to 19 June with performances in 18 towns and cities. Tour locations ranged from the larger centres of Mt Gambier and Whyalla to smaller places, including Kingscote, Streaky Bay and Lameroo.

As a result of these cancellations, there were five productions in the 2019-20 financial year rather than eight. These included 89 performances rather than 132, and 30,232 attendances rather than a predicted 45,292.

Overall, the Company was forced to cancel five productions in the 2020 subscription season. In addition to those mentioned above, STCSA cancelled *The Seven Stages of Grieving* (25 June – 4 July) and *The Writer* (15 July – 1 August).

Artists and Artistic Output

STCSA is the primary agency for commissioning, professionally developing and presenting new Australian and South Australian theatre in the state.

The 2019 subscription season featured a South Australian premiere production of *Jasper Jones*. This is a poignant play about growing up in small-town Australia, adapted by Kate Mulvany from the celebrated novel by Craig Silvey. An audience favourite of the 2019 season was the presentation of *Black is the New White*. This smash-hit romantic comedy was written by a new star of the Australian stage, Nakkiah Lui. Both productions of these Australian plays surpassed their box office and audience targets. *Black is the New White* was particularly popular and reached 110% of its box office target.

Euphoria, by South Australian writer Emily Steel, was to enjoy its world premiere in the Space Theatre as part of the 2020 season. Commissioned by STCSA, *Euphoria* is a deft two-hander play about coming of age in country South Australia. The production and regional tour of this play was planned with the support of Flinders University and Country Arts South Australia.

The success of these productions demonstrates the desire of Adelaide and South Australian audiences to experience stories that are close to home. It shows the demand for plays that give insight to Australian life and contemporary First Nations experiences. STCSA is committed to continuing to commission, develop and present this work as a core part of our remit. In 2019-20, six new commissions were either in progress or initiated for STCSA. The commissioned playwrights for this time period include Elena Carapetis, Caleb Lewis, Finegan Kruckemeyer and Emily Steel.

Arts Sector Leadership

STCSA leads and develops the South Australian theatre sector through our work. The Company seeks to employ as many artists as possible through our program. Over the 2019-20 financial year, 75 artists were employed for a total of 435 weeks on our realised productions. The cancelled productions were due to employ 42 artists for another 213 weeks.

STCSA was fortunate to receive an Arts Organisations Collaboration Grant from the South Australian Government for *Decameron 2.0*. This online project was delivered in partnership with ActNow Theatre. Though *Decameron 2.0* was released in the 2020-21 financial year, by 30 June 2020 it had provided employment for 20 writers and 10 actors.

STCSA maintains a Resident Artist program that sees professional theatre artists employed within the company in one FTE position. In 2019-20 the Company employed two artists part-time, Resident Artist (Director) Anthony Nicola, a recent graduate from Flinders University, and Resident Artist (Writer/Director) Alexis West. Alexis is the first First Nations artist employed through the Resident Artist Program.

In 2019, STCSA supported independent production *Limit* at the Bakehouse Theatre. This show was supported through the 'State Umbrella' program, which included in-kind production and marketing support. Ladylike Theatre Collective were also resident with STCSA to develop their new work *Hang in There Baby*.

Audiences

Despite show cancellations, STCSA enjoyed healthy engagement from audiences in the 2019-20 year. There were an average 5,151 paid attendances to the five subscription season productions presented, with 9,295 subscription tickets and 16,458 single tickets sold.

After March 2020, STCSA quickly worked to produce an online program, *Stay in with State*. This program allowed the Company to maintain our engagement with audiences. *Stay in with State* featured online broadcasts of signature STCSA productions from recent years. The broadcasts of *Things I Know To Be True* by Andrew Bovell (2016), *The Gods of Strangers* (2018) and *Rumpelstiltskin* (2016) attracted over 3,000 viewers collectively. *The Gods of Strangers* broadcast included a Facebook live event with engagement from 685 people.

Stay in with State also featured original video content. Directors were filmed speaking about how they constructed theatrical scenes in recent productions (1,678 total views). Other videos profiled South Australian theatre artists (5,476 total views). Overall, the program presented 16 instances of new online content. The program helped STCSA remain connected with South Australians during a period of social isolation.

STCSA maintains a comprehensive set of access points for members of the community to enjoy our productions. Over 2019-20 this included audio description and enhancement, captioning and Auslan interpretation for select productions. Carers receive a complimentary Companion Ticket when attending with a patron requiring access support. STCSA offers a 'pay what you can' (\$5) option for select performances in each production season. Generous concessions are also offered for full-time students and Health Care Card holders.

Business and Operations

Over the course of 2019-20, STCSA continued to consolidate our production department operations, including rehearsals and stage management after relocating

to larger premises in May 2018. The increased space for set and costume manufacturing and storage has allowed for increased flexibility in those departments. This has opened opportunities to increase income streams from the production department into the future. It remains the ambition of the Company to reunite all of its back-of-house functions, including administration, together on one site. We are actively scoping the options to achieve that beyond the end of 2022 (the term of the Company's current lease). It is important that the staff and operations of the Company are united, working together to produce great theatre and serve the people of South Australia.

STCSA continued as the Resident Company of the Dunstan Playhouse and a Home Company of the Adelaide Festival Centre in the 2019-20 financial year. Four out of the five realised productions over this period were presented in either the Dunstan Playhouse or Space Theatre. *Dance Nation* was performed at the Scott Theatre as part of Adelaide Festival 2020. The three productions cancelled in the first half of 2020 were all scheduled to be performed in either the Dunstan Playhouse or Space Theatre.

Internally, STCSA has continued to pursue a program of business improvement identified in the Company's 2019-21 Strategic Plan. This saw the completion of the implementation phase of the Tessitura CRM and ticketing system in the 2019-20 financial year. The investment in this business software was a decade in-the-making. It puts STCSA among a large cohort of significant Australian arts companies as part of the Tessitura network. The implementation of the system has allowed the Company to consolidate and improve the security and efficiency of its data. It has enabled STCSA to plan for a high-level, independent relationship with patrons into the future.

Financially, STCSA saw a significant shortfall in expected income in 2019-20, largely resulting from the cancellation of five productions. While the Company was able to greatly reduce expenditure associated with the productions, STCSA is reporting a loss of \$261,000 for the financial year. This is an unwelcome result that sees reserves go from 17.4% at 30 June 2019 to 13.7% at 30 June 2020. However, the deficit is relatively small compared with the anticipated financial results from comparable theatre companies across the country. It is further expected that an insurance claim will be made for some losses arising from COVID-19 in the 2020-21 financial year. We thank Adelaide Festival Centre for working collaboratively with STCSA on managing cancellations with the least possible financial impact.

People

STCSA has continued the progressive improvement in Workplace Health and Safety (WHS) outcomes over recent years. In 2019-20 the Company saw only one new workplace injury claim and no notifiable incidents. This is due to the deep commitment of the Company's WHS Subcommittee. The Subcommittee meets quarterly, with guidance from the Department of Premier & Cabinet, to monitor and improve our performance in this area. Our work in this area is an internal source of pride for the Company.

There was significant turnover in the leadership of the organisation over 2019-20. Joe Thorp took over as Presiding Member of the Board in October 2019, replacing Justin Jamieson. Amanda Anderson and David O'Loughlin joined the Board, replacing outgoing members Simon Blewett, Terence Crawford and Anne Levy. The Company expresses deep gratitude to the outgoing members for their valuable contributions and welcomes the new members.

Former Executive Director Jodi Glass resigned from the Company in December 2019. Recruitment for the Executive Director position took place between January and March 2020. Artistic Director Mitchell Butel and Business Manager Natalie Loveridge acted as co-Executive Directors from December 2019 to May 2020. I was thrilled to be appointed to the position and commenced on 11 May.

Thank you

STCSA is supported through the long-term funding commitment from the SA Government and Federal Government through the Australia Council. The funding allows us to focus on creating new work and telling stories that explore our local and national culture. It also enables us to maintain a deep well of community support. This support is realised in corporate partnerships, private philanthropy and long-term audience loyalty. This, in turn, allows us to dream big and plan for the future. The Company is deeply appreciative of this investment.

The Company owes great thanks to its staff. They repeatedly show their dedication to delivering great theatre for the people of South Australia. STCSA staff have an unwavering commitment to excellence and service. This has been especially true through the disruptions to the business throughout 2020.

State Theatre Company of South Australia is a vital artistic leader in a state forging its future around values of innovation, inclusion and wellbeing. Our role is more vital than ever in the pursuit of these values.



Julian Hobba

Executive Director

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: *Be bold. Imagine. Respect.*

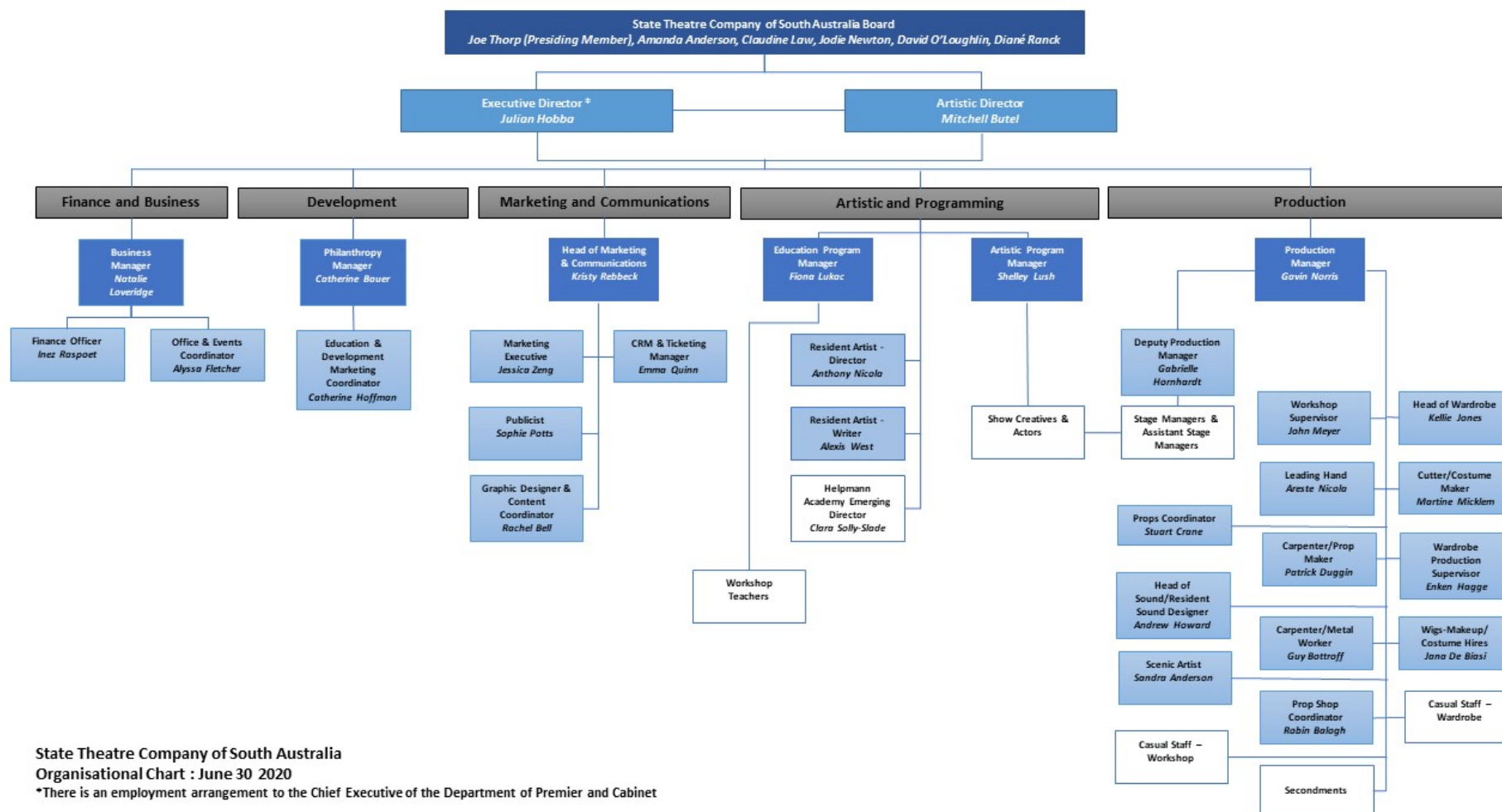
Our purpose, our vision and our values are fundamental to the theatre we make and the way we work.

With 48 years of history as a base, 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. We deliver 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



Changes to the agency

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

Our Minister

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

Our Executive team

Julian Hobba, Executive Director (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 2019-20 the Company engaged 75 freelance artists (including actors, directors, designers) and stage management, production and technical personnel for 435 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 2019-20, the Company's State annual operating grant was reduced by 2%, as a contribution to the State's budget savings target, 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. Any further reduction in funding will post challenges to the quality of future productions and the workforce. 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 from disadvantaged communities in the Company's programs.
Better Services	In 2019-20 the Company presented five mainstage Subscription productions of a planned eight, in a year severely impacted by enforced COVID-19 venue closures. 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

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 2019-20, State Theatre Company of South Australia presented 94 performances of five mainstage theatre productions in Adelaide across the 2019 and 2020 subscription seasons:</p> <p><i>A View From The Bridge</i> by Arthur Miller, directed by Kate Champion, Dunstan Playhouse, 23 performances, 6,272 total attendances (July - August 2019).</p> <p><i>Jasper Jones</i>, based on the novel by Craig Silvey and adapted by Kate Mulvany, directed by Nescha Jelk, Dunstan Playhouse, 25 performances, 8,421 total attendances (August-September 2019).</p> <p><i>The 39 Steps</i>, adapted by Patrick Barlow from the movie by Alfred Hitchcock and the novel by John Buchan, directed by Jon Halpin, Dunstan Playhouse, 11 performances, 5,262 total attendances (October 2019).</p> <p><i>Black is the New White</i> by Nakkiah Lui, directed by Paige Rattray, produced by Sydney Theatre Company, Dunstan Playhouse, 18 performances, 6,382 total attendances (November-December 2019).</p> <p><i>Dance Nation</i> by Clare Barron, directed by Imara Savage, co-produced with Belvoir in association with Adelaide Festival, Scott Theatre, 17 performances, 3,875 total attendances (February-March 2020).</p> <p>Total performances of five</p>

		<p>mainstage productions in Adelaide in 2019-20: 94</p> <p>Total attendances to five mainstage productions in Adelaide in 2019-20: 30,212.</p> <p>In 2019-20 the Company also presented more than 35 additional ticketed and non-ticketed events including Tangent, Subscriber Briefings, educational workshops for students and professional development workshops for teachers, with attendances of approximately 1,300.</p>
Education Program	<p>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>	<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"> • 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 (August 2019). • Summer School (December 2019). • 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 2019).

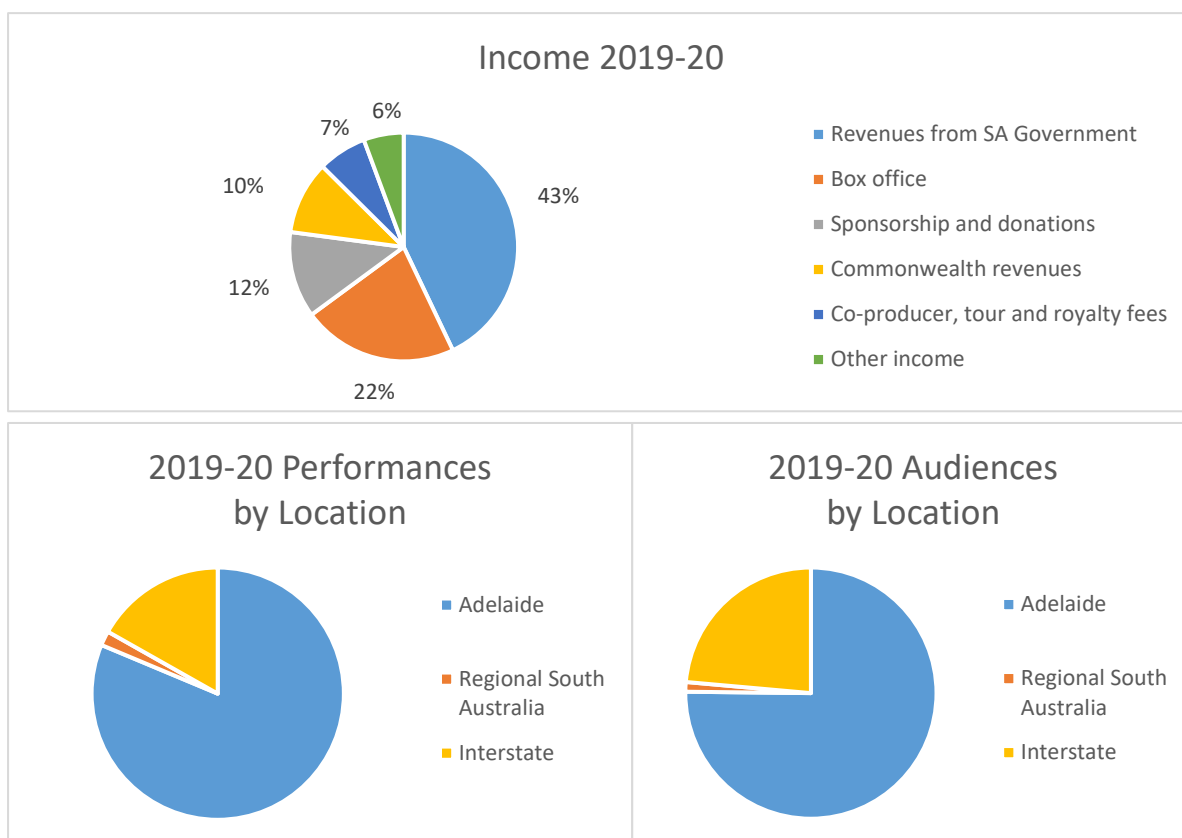
		<ul style="list-style-type: none"> • Young Achiever Awards recognising the efforts of secondary Drama and English students (November 2019). • Video documentary of <i>Euphoria</i> streamed to students after cancellation of performances and tour were cancelled.
Regional Theatre Strategy	South Australians, 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>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 2019-20 this included the tour of <i>The 39 Steps</i> to Mount Gambier for two performances and three workshops by the production's artists and touring crew.</p> <p>The planned regional tour of <i>Euphoria</i> in 2020 was postponed due to COVID-19 venue cancellations.</p> <p>Regional students were encouraged to join the Company's Work Experience and Summer School programs, with three students in attendance at each.</p> <p>Mentoring was provided by the Artistic Director at "The Writing Place" Young Playwrights Workshop in Whyalla, facilitated by Country Arts South Australia.</p>
Young People	Attracting young audiences to our productions and programs is critical to theatre thriving in South Australia.	The Company continues to provide discounted tickets to all performances to Under 30s and full-time students.
Access and Inclusion	South Australians living with disabilities and within modest	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

	means are entitled to participate in the arts.	<p>theatre by providing touch tours, audio described, captioned, audio enhanced and Auslan interpreted performances and free tickets to Companion Card holders.</p> <p>The Company worked in partnership with The Road Home to engage artists Jo Stone and Paulo Castro to lead a series of theatre-making workshops specifically for South Australian veterans living with Post Traumatic Stress Disorder. The program, <i>Theatre for Change</i>, was funded by the Office for Ageing Well, Wellbeing SA.</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	Audience development beyond seeing performances develops a richer appreciation for theatre and the creative process.	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.
Older people participating in the arts	Increasing participation of older people in the arts is fundamental to a positive, caring and aspirational community.	<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> <p>The Company has entered into an</p>

		agreement with the Health Department's Office for Ageing Well to develop and pilot <i>Date with State</i> , an audience engagement program to help older and socially isolated patrons continue their enjoyment of theatre, maintain existing social networks, while making new connections, despite changing life circumstances.
Commissioning program	The commissioning program creates a platform for creatives, contributing to the richness of the South Australian arts community.	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, Alexis West, Emily Steel, 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>Limit</i> by Sophia Simmons, 18 performances (October - November 2019). <p>State Resident program and other support:</p> <ul style="list-style-type: none"> • Financial and in-kind assistance provided to the following independent companies: Ladylike Theatre Collective, House of Sand, Brink Productions, Talk of Angels,

		Theatre Republic, Kinetic Collective, ActNow and Nikki Ashby.
Cultural diversity and Aboriginal arts	Cultural diversity on stage and off stage reaffirms the positive value of our diverse community.	<p>State Theatre Company of South Australia presented <i>Black is the New White</i>.</p> <p>Alexis West has been engaged as the Company's inaugural First Nations Resident Artist, which includes a play commission.</p> <p>Support of ActNow Theatre's Pathways program through provision of rehearsal spaces and tickets to participants.</p> <p>Commencement of Community Nights including tickets and access for First Nations audiences.</p>

Corporate performance summary



Employment opportunity programs

Program name	Performance
Work Experience Program 2019	15 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 2019. Summer School 2019 was led by Claire Glenn and featured performing arts industry leaders and provided participants with professionally led creative and practical workshops in theatre making.
Production Traineeships	The Company employed three trainees undertaking TAFE certificates to gain valuable experience in set construction for <i>The 39 Steps</i> , <i>Limit</i> and <i>Dance Nation</i> .
Emerging Director Fellowship	In partnership with the State Opera and the Helpmann Academy, and supported by the James and Diana Ramsay Foundation, the emerging director gains experience and mentorship across both major performing arts companies.
Tertiary Student Secondments	Tertiary students were seconded to the Company to assist and gain work experience in areas such as stage management and marketing.

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 77% of staff were undertaken during the reporting period.

Work health, safety and return to work programs

Program name	Performance
WHS Training for Officers	State Theatre Company of South Australia Board and Executive team members received WHS Training for Officers in August 2019. The training was delivered by a senior WHS consultant of the Department of Premier & Cabinet.
Safety Training	State Theatre Company of South Australia staff are provided 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.
COVID-19	In response to the COVID -19 pandemic in Australia and within South Australia, strict protocols were developed and implemented across the Company. These procedures were developed in conjunction with Government and SA Health advice and directives to cover the daily workings of the Lion office, scenery workshop, wardrobe department, prop and wardrobe hire and rehearsal room. The procedures outlined protocols that were to be followed in relation to COVID testing, social distancing, hygiene, contact tracing, enhanced cleaning practices, sharing of equipment, workspace layout, working from home where possible, room capacity, visitors to the site, blocking of performances and navigation around close contact. All staff were proactive in embracing these changes to their workplace and continue to do so.
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, Work Health Safety (WHS) for Workers, WHS Emergency Response Training, and Ergonomics 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 and Risk Register updated.
Cultural Awareness Training	Most State Theatre Company of South Australia's staff and members of its Board of Governors have attended a full day Cultural Awareness Training workshop.

Respectful Workplace Training	State Theatre Company of South Australia participate in Respectful Workplace workshops, presentations and interactive workshops run by Arts South Australia and Live Performance Australia, HR consultants and others.
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Workplace injury claims	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total new workplace injury claims	1	4	-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 2019-20	Past year 2018-19	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$1,633	\$1,031	+58%
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	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 2019-20 are attached to this report.

Statement of Comprehensive Income	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	Past year 2018-19 Actual \$000s
Total Income	6,703	6,169	(534)	6,367
Total Expenses	6,702	6,430	272	6,557
Net Result	1	(261)	(262)	(190)
Total Comprehensive Result	1	(261)	(262)	(190)

Statement of Financial Position	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	Past year 2018-19 Actual \$000s
Current assets	810	769	(41)	1,324
Non-current assets	1,103	1,659	556	1,021
Total assets	1,913	2,428	515	2,345
Current liabilities	650	886	236	1,062
Non-current liabilities	120	596	476	141
Total liabilities	770	1,482	712	1,203
Net assets	1,143	946	(197)	1,142
Equity	1,143	946	(197)	1,142

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		\$0

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

Consultancies	Purpose	\$ Actual payment
	Total	\$0

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
All contractors below \$10,000 each - combined	Various	\$91,777

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	\$141,677
Perks People Solution	Human Resources support	\$27,500
Soft Tread Productions	Theatre Production	\$16,000
La Boite Theatre	Theatre Production	\$40,199
Sydney Theatre Company	Theatre Productions	\$158,984
	Total	\$384,360

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](#).

Risk management

Fraud detected in the agency

Category/nature of fraud	Number of instances
No.of 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>

Public interest disclosure

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

Nil.

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/1d494197-302f-4b67-adf5-1ba085b776df>

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

Reporting required under any other act or regulation

Not applicable.

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 2019-20
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	1
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

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	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; show related feedback	8
		Total	9

Additional Metrics	Total
Number of positive feedback comments	5
Number of negative feedback comments	9
Total number of feedback comments	14
% 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 resulting from complaints or consumer suggestions over 2019-20 (current year)

None.

Appendix: Audited financial statements 2019-20



ABN 55 386 202 154

Financial Statements
for the year ended
30th June 2020

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 2020

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;
- 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 2020 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.



Joe Thorp
Presiding Member
State Theatre Company of
South Australia

Dated: 28/9/20



Julian Hobba
Executive Director
State Theatre Company of
South Australia

Dated: 28/9/20



Natalie Loveridge B.Comm CPA
Business Manager
State Theatre Company of
South Australia

Dated: 28/9/20

State Theatre Company of South Australia
Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Commonwealth revenues	4.1	636	626
Box office	4.2	1,354	1,913
Co-producer, tour and royalty fees	4.3	425	139
Revenues from SA Government	4.4	2,642	2,761
Sponsorship and donations	4.5	750	614
Interest revenues	4.6	13	32
Other income	4.7	349	282
Total income		6,169	6,367
Expenses			
Staff benefits expenses	2.3	3,114	2,926
Supplies and services	3.1	3,180	3,588
Depreciation and amortisation	3.2	132	43
Interest expense on lease liability		4	-
Total expenses		6,430	6,557
Net result		(261)	(190)
Total comprehensive result		(261)	(190)

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 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	6.1	694	1,000
Receivables	6.2	3	151
Prepayments		72	202
Total current assets		<u>769</u>	<u>1,353</u>
Non-current assets			
Other financial assets	6.3	783	775
Property, plant and equipment	5.1	647	71
Intangibles	5.4	229	175
Total non-current assets		<u>1,659</u>	<u>1,021</u>
Total assets		<u>2,428</u>	<u>2,374</u>
Current liabilities			
Payables	7.1	304	608
Financial liabilities	7.2	154	-
Contractual liabilities	7.3	188	290
Staff benefits	2.4	236	186
Provisions	7.4	4	7
Total current liabilities		<u>886</u>	<u>1,091</u>
Non-current liabilities			
Payables	7.1	13	12
Financial liabilities	7.2	434	-
Staff benefits	2.4	137	120
Provisions	7.4	12	9
Total non-current liabilities		<u>596</u>	<u>141</u>
Total liabilities		<u>1,482</u>	<u>1,232</u>
Net Assets		<u>946</u>	<u>1,142</u>
Equity			
Retained earnings		946	1,142
Total Equity		<u>946</u>	<u>1,142</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 2020

Retained Earnings

\$'000

Balance at 1 July 2018	1,332
Total comprehensive result for 2018-19	(190)
Balance at 30 June 2019	<u>1,142</u>
Changes in accounting policy on adoption of AASB 15,16 and 1058	65
Restated balance as at 30 June 2019	<u>1,207</u>
Total comprehensive result for 2019-20	(261)
Balance at 30 June 2020	<u><u>946</u></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 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		2,708	2,746
Receipts from Commonwealth		636	627
Box office and other receipts		2,746	2,626
Interest received		5	18
GST recovered from the ATO		186	175
Cash generated from operations		<u>6,281</u>	<u>6,192</u>
Cash outflows			
Staff benefits payments		(3,040)	(2,972)
Payment for supplies and services		(3,384)	(3,817)
Repayment of leases		(85)	0
Cash used in operations		<u>(6,509)</u>	<u>(6,789)</u>
Net cash provided by/(used in) operating activities		<u>(228)</u>	<u>(597)</u>
Cash flows from investing activities			
Cash outflows			
Purchase of plant and equipment and software		(74)	(140)
Cash used in investing activities		<u>(74)</u>	<u>(140)</u>
Net cash used in investing activities		<u>(74)</u>	<u>(140)</u>
Cash flows from financing activities			
Cash outflows			
Interest paid on lease liability		(4)	-
Cash used in financing activities		<u>(4)</u>	<u>-</u>
Net cash used in financing activities		<u>(4)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(306)	(737)
Cash and cash equivalents at the beginning of the period		1,000	1,737
Cash and cash equivalents at the end of the period	6.1	<u>694</u>	<u>1,000</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*;
- 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 requirements.

For the 2019-20 financial statements the Company adopted *AASB 15 – Revenue from Contracts with Customers*, *AASB 16 – Leases* and *AASB 1058 – Income of Not-for-Profit Entities*. 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.

1.2 Impact of COVID-19 pandemic on the Company

The COVID-19 pandemic has impacted on the operations of the Company and the impacts are included under the relevant disclosure notes. The key impacts in 2019-20 were:

- the cancellation of three productions scheduled for the period from March 2020 to June 2020, due to venue closures due to public health directions. This resulted in a loss of income through a reduction in box office sales and lower production expenses; and
- a reduction in hire income due to the closure of the Company's hire operations from April to June 2020.

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, 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 \$326,000 (\$344,000).

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*.

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

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 equal \$9,000 (\$5,000).

2.2. Board members

Members during the financial year were:

Mr Joe Thorp (appointed 12 September 2019)	Ms Amanda Anderson (appointed 7 May 2020)
Ms Claudine Law	Mr Simon Blewett (term ended 19 December 2019)
Ms Jodie Newton	Mr Terence Crawford* (resigned 31 December 2019)
Ms Diané Ranck	Hon. Anne Levy (term ended 30 December 2019)
Mr D O'Loughlin (appointed 20 December 2019)	Mr Justin Jamieson (resigned 29 November 2019)

Board fees were not paid to members in 2019-20 (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

	2020 \$'000	2019 \$'000
Salaries and wages	2,469	2,319
Long Service Leave	52	56
Annual Leave	175	171
Staff on-costs - superannuation	248	231
Staff on-costs - other	170	149
Total staff benefits expenses	3,114	2,926

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

	2020 No	2019 No
The number of staff whose remuneration received or receivable falls within the following bands:		
\$151,000 to \$154,000	N/A	1
Total number of staff	-	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 \$0 (\$152,000).

2.4. Staff benefits liability

	2020 \$'000	2019 \$'000
Current		
Annual and Other Leave	108	85
Long Service Leave	99	94
Accrued salaries and wages	29	7
	236	186
Non-current		
Long Service Leave	137	120
Total staff benefits liability	373	306

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

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

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.

3. Expenses

Staff benefit expenses are disclosed in note 2.3.

3.1 Supplies and services	2020 \$'000	2019 \$'000
Promotion and sponsorship expenses	764	664
Contractors fees	503	729
Property rental costs	217	322
Scenery, sound, lighting and special effects	175	206
Travel and accommodation	169	219
Royalties	171	192
Communications	30	28
Costume and props	37	53
Other production costs	107	95
Administration expenses	251	210
Theatre hire and charges	559	640
Ticket agency charges	169	203
Audit fees	28	27
Total supplies and services expense	3,180	3,588

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.

3.2 Depreciation and amortisation	2020 \$'000	2018 \$'000
Right-of-use accommodation	85	-
Plant and equipment	30	34
Intangible assets	17	9
Total depreciation and amortisation	132	43

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.

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

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

Class of Assets	Useful life (years)
Motor Vehicles	5
Equipment	3-10
Computer Equipment	3-7
Leasehold Improvements	3
Software	3-15
Right-of-use accommodation	Lease term

4. Income

4.1 Commonwealth Revenue

	2020 \$'000	2019 \$'000
Commonwealth revenues	636	626
Total Commonwealth revenues	636	626

A Multipartite 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 2019-20 were to contribute to operations for the 2019 calendar year.
- State Government operating grants received in 2019-20 were to contribute to operations for the 2019-20 financial year.

Commonwealth revenues are recognised on receipt.

4.2 Box office

	2020 \$'000	2019 \$'000
Box office	1,354	1,913
Total box office	1,354	1,913

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 contractual liabilities in line with the *Live Performance Australia Ticketing Code of Practice*.

There were five productions staged during 2019-20 (nine productions staged in 2018-19).

4.3 Co-producer, tour and royalty fees

	2020 \$'000	2019 \$'000
Co-producer, tour and royalty fees	425	139
Total co-producer, tour and royalty fees	425	139

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 contractual liabilities.

4.4 Revenues from SA Government

	2020 \$'000	2019 \$'000
Base funding	2,485	2,491
Tied grants funding	157	270
Total revenues from SA Government	2,642	2,761

Base funding is recognised upon receipt under AASB 1058. Tied grants funding is recognised under enforceable agreements when sufficient and specific performance obligations are met under AASB 15.

4.5 Sponsorship and donations

	2020 \$'000	2019 \$'000
Cash	447	432
In Kind	303	182
Total sponsorship and donations	750	614

Sponsorships are provided in cash and through resources provided free of charge. Sponsorship income is recognised when service obligations are met. Sponsorship received in advance of benefits paid is recorded as contractual liabilities.

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

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.

4.6 Interest

	2020 \$'000	2019 \$'000
Interest from SA Government	6	18
Interest - Reserves Incentive Funding Scheme (SAFA)	7	14
Total interest	13	32

4.7 Other income

	2020 \$'000	2019 \$'000
Prop Shop income	47	68
Company Service Fees	272	184
Miscellaneous revenue	30	30
Total other income	349	282

5. Non-financial assets

5.1 Property, plant and equipment by asset class

	2020 \$'000	2019 \$'000
Motor Vehicle - at cost	27	27
Accumulated depreciation	(27)	(27)
Total Motor Vehicle	-	-
Equipment - at cost	199	199
Accumulated depreciation	(158)	(138)
Total Equipment	41	61
Computer Equipment - at cost	134	141
Accumulated depreciation	(116)	(131)
Total Computer Equipment	18	10
Leasehold Improvements - at cost	5	-
Accumulated depreciation	(1)	-
Total Leasehold Improvements	4	-
Right-of-use accommodation	669	-
Accumulated depreciation	(85)	-
Total right-of-use accommodation	584	-
Total property, plant and equipment	647	71

5.2 Property, plant and equipment owned by the Company

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.

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

Reconciliation 2019-20

	Equipment \$'000	Computer Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Carrying amount at the beginning of the period	61	10	-	71
Additions	-	17	5	22
Depreciation expense	(20)	(9)	(1)	(30)
Carrying amount at the end of the period	41	18	4	63

There were no indications of impairment of plant and equipment assets at 30 June 2020.

5.3 Property, plant and equipment leased by the Company

Right-of-use accommodation leased by the Company is recorded at cost. Additions to leased property, plant and equipment during 2019-20 were \$669,000 (\$0).

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$1,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 3.1.

The Company leases facilities for its production facilities from Port Road Development Pty Ltd, which is due to expire in December 2023. 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 the Minister for the Arts, which is due to expire in October 2021. The lease is non-cancellable and has a right to renewal. Rent is paid in advance.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Company's maturity analysis of its lease liabilities is disclosed in note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 3. Cash outflows related to leases are disclosed in note 8.1.

Impairment

Accommodation leased by the Company has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4 Intangibles

	2020 \$'000	2019 \$'000
Software - Works In progress	-	166
Purchased computer software	28	49
Internally developed software	237	-
Accumulated amortisation	(36)	(40)
Total computer software	229	175

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.

	Software - Works in Progress \$'000	Internally Developed Software \$'000	Purchased Software \$'000	Total \$'000
Reconciliation 2019-20				
Carrying amount at the beginning of the period	166	-	9	175
Additions	71	-	-	71
Transfers between asset classes	(237)	237	-	-
Amortisation expense	-	(8)	(9)	(17)
Carrying amount at the end of the period	-	229	-	229

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

6. Financial assets

6.1 Cash and cash equivalents

	2020 \$'000	2019 \$'000
Short Term Deposits	532	914
Cash at Bank and on hand	162	86
Total cash and cash equivalents	<u>694</u>	<u>1,000</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

	2020 \$'000	2019 \$'000
Trade receivables from government entities	-	74
Trade receivables from non-government entities	3	49
GST input tax recoverable	-	29
Less impairment loss on receivables	-	(1)
Total current receivables	<u>3</u>	<u>151</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

	2020 \$'000	2019 \$'000
Carrying amount at the beginning of the period	1	13
Amounts recovered during the year	(1)	(13)
Increase in allowance recognised in profit or loss	-	1
Carrying amount at the end of the period	<u>-</u>	<u>1</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 2020 was \$783,000 (\$775,000).

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

7. Liabilities

Staff benefit liabilities are disclosed in note 2.4.

7.1 Payables

	2020 \$'000	2019 \$'000
Current		
Creditors	144	504
GST payable	66	-
Accruals	64	80
Staff Benefit On-costs	30	24
	<u>304</u>	<u>608</u>
Non-current		
Staff Benefit On-costs	13	12
	<u>13</u>	<u>12</u>
Total payables	<u>317</u>	<u>620</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.

The net amount of GST recoverable from the ATO is included in payables.

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 Financial liabilities

	2020 \$'000	2019 \$'000
Current		
Lease liabilities	154	-
Total current financial liabilities	<u>154</u>	<u>-</u>
Non-current		
Lease liabilities	434	-
Total non-current financial liabilities	<u>434</u>	<u>-</u>
Total financial liabilities	<u>588</u>	<u>-</u>

The Company measures financial liabilities including borrowings/debt at amortised cost.

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

7.3 Contractual liabilities

	2020 \$'000	2019* \$'000
Current		
Box office revenue	2	26
Tour, co-producer and production revenue	50	84
Sponsorship revenue	15	59
Grant revenue	121	121
	<u>188</u>	<u>290</u>

Refer to Notes 4.2 to 4.5 for further disclosures about income recognition criteria.

* 2019-20 comparatives were called "unearned revenue." Upon transition to AASB 15, these have been reclassified as contractual liabilities. Refer to further details in Note 9.4.

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

7.4 Provisions

	2020 \$'000	2019 \$'000
Current		
Provision for workers compensation	4	7
	<u>4</u>	<u>7</u>
Non-current		
Provision for workers compensation	12	9
	<u>12</u>	<u>9</u>
Total provisions	<u>16</u>	<u>16</u>
Movement in provision		
	2020 \$'000	2019 \$'000
Carrying amount at the beginning of the period	16	19
Change in provision	4	1
Less: Payments	<u>(4)</u>	<u>(4)</u>
Carrying amount at the end of the period	<u>16</u>	<u>16</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 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The 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.

	2020 \$'000	2019 \$'000
Leases		
Total cash outflow for leases	88	-
	<u>88</u>	<u>-</u>

9. Changes in accounting policy

9.1 AASB 16 Leases

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

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

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

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

Impact on retained earnings

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

	2020 \$'000
Closing retained earnings 30 June 2019 – AASB 117	946
Assets	
Accommodation	92
Liabilities	
Financial liabilities	(92)
Opening retained earnings 1 July 2019 – AASB 16	946

The Company disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$176,000 under AASB 117.

Accounting policies on transition

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

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining lease payments discounted using the relevant incremental borrowing published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 1.63%.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020.

Ongoing accounting policies

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

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

Significant accounting policies relate to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3.

9.2 AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from Contracts with Customers establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes *AASB 111 Construction contracts*, *AASB 118 Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

Impact on retained earnings

On adoption, there was no impact on retained earnings.

Accounting policies on transition

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

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

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

Ongoing accounting policies

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

- for non-intellectual property licences, low value licences (i.e. assets which have a value of \$15 000 or less) and short-term licences (i.e. being those with a licence term of 12 months or less) are exempt from AASB 15 revenue recognition requirements. The Company has elected to recognise revenue at the point in time the licence is issued.
- AASB 15 is applied to a portfolio contracts with similar characteristics.
- there is no adjustment to the promised amount of consideration for the effects of a significant financing component if the period between the transfer of goods/services and the payment date is one year or less.
- the incremental costs of obtaining a contract are expensed when incurred when the amortisation period of the asset that the department would have recognised is one year or less.
- for measuring progress towards satisfaction of performance obligations when the output method is applied, revenue is recognised in the amount to which there is a right to invoice corresponding directly to the value to the customers of the department's performance completed to date.
- there are no disclosures of certain information relating to remaining performance obligations if the original contract is expected to end within one year or when revenue is recognised in accordance with para. B16.

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

9.3 AASB 1058 Income of Not-for-Profit Entities

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

9.4 Effects on financial statements from AASB 15 and AASB 1058

The following tables show the effect of adopting AASB 15 and AASB 1058 on the Company's financial statements for the year ending 30 June 2020.

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

**Statement of Comprehensive Income
for the year ended 30 June 2020**

	Note	As reported	Adjustments AASB 15	Adjustments AASB 1058	Balances without adoption of AASB 15 & \$'000
		\$'000	\$'000	\$'000	
Income					
Revenues from SA Government	4.4	2,642	-	1	2,643

**Statement of Financial Position
for the year ended 30 June 2020**

	Note	As reported	Adjustments AASB 15	Adjustments AASB 1058	Balances without adoption of AASB 15 & AASB 1058
		\$'000	\$'000	\$'000	\$'000
Retained Earnings		946	-	(65)	881
Contractual liabilities	7.3	188	(188)		-
Unearned revenue	7.3	-	188	65	253

9.5 Presentation of Financial Statements

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

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

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:

	2020 \$'000	2019 \$'000
Within one year	12	145
Later than one year but not longer than five years	1	31
Total operating lease commitments	13	176
Representing:		
Cancellable operating leases	-	-
Non-cancellable operating leases	13	176
Total operating lease commitments	13	176

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

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

10.2 Contingent assets and liabilities

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

The Company is in discussions with SAICORP to lodge an business interruption insurance claim for losses caused by COVID-19 venue closures in line with public health directions. It is not possible to estimate the dollar effect of this claim at this time.

The Company is not aware of any contingent liabilities.

10.3 COVID-19 pandemic outlook for the Company

The COVID-19 pandemic will continue to impact the operations of the Company in 2020-21. The key expected impacts are:

- the cancellation of two productions scheduled for the period from July 2020 to August 2020, due to venue closures due to public health directions;
- loss of income through a reduction in box office sales due to venue capacity restrictions caused by social distancing requirements;
- loss of income through a reduction in box office sales due to worsened economic conditions caused by the COVID-19 pandemic; and
- additional expense incurred due to measures undertaken by the Company and venue suppliers to minimise the health risks of presenting live theatre to staff, ticketholders and the general public.

10.4 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 2019 (1.25%) to 2020 (0.5%). This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance changed the salary inflation rate from 4.0% (2019) to 2.5% (2020) for long service leave liability.

The net financial impact of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$10,000.

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.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. the Company uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, including forward-looking information.

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

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

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

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

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Company and a failure to make contractual payments for a period of greater than 90 days past due.

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

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

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.

State Theatre Company of South Australia
Financial Year Ended 30 June 2020
Notes to and forming part of the Financial Statements

Classification of financial instruments

The Company measures all financial instruments at amortised cost.

		2020	2020 Contractual Maturities		
Category	Note	Carrying/Fair Value \$'000	Within 1 year \$'000	1-5 Years \$'000	More than 5 Years \$'000
Financial Assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	694	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables	6.2	3	n/a	n/a	n/a
Other financial assets	6.3	783	n/a	n/a	n/a
Total financial assets		1,480			
Financial Liabilities					
Financial liabilities at amortised cost					
Payables	7.1	137	137	-	-
Lease liabilities	7.2	603	161	426	16
Total financial liabilities		740	298	426	16

		2019	2019 Contractual Maturities		
Category		Carrying/Fair Value \$'000	Within 1 year \$'000	1-5 Years \$'000	More than 5 Years \$'000
Financial Assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	1,000	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables	6.2	122	n/a	n/a	n/a
Other financial assets	6.3	775	n/a	n/a	n/a
Total financial assets		1,897			
Financial Liabilities					
Financial liabilities at amortised cost					
Payables	7.1	545	545	-	-
Lease liabilities	7.2	-	-	-	-
Total financial liabilities		545	545	-	-

For 2018-19 the lease liabilities reflect only finance leases recognised in accordance with AASB 117.

Receivables and payables

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

The receivables amount disclosed here excludes prepayments as they are not financial assets.



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To the Presiding Member State Theatre Company of South Australia

Opinion

I have audited the financial report of the State Theatre Company of South Australia for the financial year ended 30 June 2020.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the State Theatre Company of South Australia as at 30 June 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from Presiding Member, Executive Director 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* (including Independence Standards) have been met.

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

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the State Theatre Company of South Australia for the financial year ended 30 June 2020.

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

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



Andrew Richardson

Auditor-General

29 September 2020