



State Theatre Company of South Australia 2016-17 Annual Report

State Theatre Company of South Australia

Fowlers Building (Lion Arts Centre)
Corner North Terrace and Morphett Street, Adelaide

<http://statetheatrecompany.com.au/>

Contact phone number +61 8 8415 5333

Contact email info@statetheatrecompany.com.au

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Date presented to Minister: 15 November 2017

To:
Hon Jay Wilson Weatherill, LLB, BEc, GDLP

Premier
Minister for The Arts
Member of the Executive Council

This annual report is presented to Parliament to meet the statutory reporting requirements of *State Theatre Company of South Australia Act, 1972* and meets 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:

Jodi Glass

Executive Director/Producer



Signature

15 November 2017

Date

Late submission of the report is due to the availability of audited financial statements being delayed until October 2017.

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Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

Agency purpose or role

As a major community and cultural resource for all South Australians, State Theatre Company of South Australia is vital to creative and cultural life in the state.

State Theatre Company of South Australia enriches the lives of people and encourages empathy and understanding of our world through the power of storytelling and production and presentation of the finest theatre imaginable.

The Company presents an annual season of diverse classic and contemporary Australian and international plays that entertain, delight, thrill, challenge and inspire our diverse audiences.

Objectives

The Company is committed to:

- presenting work of the highest quality and delivering a balanced program of re-invigorated classics, new Australian work and the very best new international work;
- adventurous and cohesive approaches to programming;
- being respected for and generating pride in our work through consistently excellent creative outcomes and our creative development, production, performance and touring practices;
- working with the very best South Australian and visiting artists;
- being a significant player on the national theatre scene;
- ensuring access to our work across the State through regional touring;
- nurturing potent relationships with theatre companies and presenters to share resources and extend performing opportunities;
- being strongly connected to local artists and independent arts companies and demonstrating leadership in development of the South Australia theatre sector;
- embracing cultural diversity both on and off stage;
- developing and presenting Aboriginal work;
- creating opportunities for learning and training of young people interested in producing, creating, presenting, performing and touring theatre;
- achieving gender parity in key creative roles over three-year programming cycles;
- exploiting one of Australia's best drama centres and the co-location of the Company's Rehearsal Room, Workshop and Wardrobe making facilities with Dunstan Playhouse and The Space Theatre at the Adelaide Festival Centre;
- maintaining an archive of sets, costumes, properties, scripts and materials from the Company's past and current productions to serve the public interest in theatre;
- building diverse income streams, supported by strong fiscal management;
- actively promoting public interest and participation in the arts and theatre;
- generating great responses from and attendances by our audiences.

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Make bold artistic choices and create ambitious theatrical productions that demonstrate excellence in all aspects of creative endeavour	Target 3. Cultural vibrancy – arts activities Increase the vibrancy of the South Australian arts industry by increasing attendance at selected arts activities by 150% by 2020
Actively encourage wide audience engagement through presentation of an annual season of plays in metropolitan Adelaide as well as touring widely	Target 3. Cultural engagement – institutions Increase the number of attendances at South Australia's cultural institutions by 20% by 2014 and maintain or improve thereafter
Make artistic choices to ensure our programs reflect our community's cultural diversity	Target 5. Multiculturalism: Maintain the high rate of South Australians who believe cultural diversity is a positive influence in the community
Make flexible working an integral part of the Company's operations	Target 13: Work-life balance Improve the quality of life of all South Australians through maintenance of a healthy work-life balance
Continue to proactively nominate women for appointment to the Company's Board of Governors	Target 30: Boards and committees Increase the number of women on all State Government boards and committees to 50% on average
Encourage women into creative, management, executive, and leadership roles	Target 52: Women Have women comprising half of the public sector employees in the executive levels (including Chief Executives)
Create and support opportunities for Aboriginal theatre makers, producing, technical, staging and creative staff	Target 53: Aboriginal employees Increase the participation of Aboriginal people in the South Australian public sector, spread across all classifications and agencies
Provide learning opportunities for students through their participation in and engagement with our work	Target 87: Reading, writing and numeracy By 2020, for reading, writing and numeracy, increase by five percentage points the proportion of South Australian students who achieve above the National Minimum Standard
Create international co-production, collaboration and touring opportunities	Economic Priority: International Connections

Key strategy	SA Government objective
Contribute to a vibrant city through annual program of theatre productions	Economic Priority: Vibrant Adelaide

Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Comments
Subscription program	<p>We presented 145 performances of 7 main stage productions in Adelaide across our annual calendar year subscription seasons:</p> <p><i>Straight White Men</i> by Young Jean Lee (July 2016, Space Theatre, co-produced with La Boite Theatre Company), 22 performances, total attendances 4,167.</p> <p><i>The 39 Steps</i> adapted by Patrick Barlow from the movie by Alfred Hitchcock and the novel by John Buchan (August-September 2016, Dunstan Playhouse), 26 performances, total attendances 12,348.</p> <p><i>Rumpelstiltskin</i> by Rosemary Myers and Julianne O'Brien based on the Brothers Grimm tale (October 2016, Dunstan Playhouse, co-produced with Windmill Theatre), 23 performances, total attendances 8,684.</p> <p><i>Tartuffe</i> by Molière adapted by Phillip Kavanagh (November 2016, Dunstan Playhouse, co-produced with Brink Productions), 16 performances, total attendances 5,215.</p> <p><i>The Secret River</i> by Kate Grenville an adaptation for the stage by Andrew Bovell (February-March 2017, Anstey Hill Quarry, co-presented with Sydney Theatre Company and Adelaide Festival), 18 performances, total attendances 14,497.</p>	The Company's subscription season of mainstage plays presented annually is the only such theatre subscription program for South Australian audiences.

Program name	Indicators of performance/effectiveness/efficiency	Comments
	<p><i>Mr Burns: A Post-Electric Play</i> by Anne Washburn (April-May 2017, Space Theatre, co-produced with Belvoir), 22 performances, total attendances 5,992.</p> <p><i>1984</i> by George Orwell, a new adaptation created by Robert Icke and Duncan MacMillian (May 2017, Her Majesty's Theatre, a Headlong Theatre, Nottingham Playhouse and Almeida Theatre production presented in association with Adelaide Festival Centre, Ambassador Theatre Group and GWB), 18 performances, total attendances 13,004.</p> <p>Total attendances to seven mainstage plays in Adelaide across 2016-17: 63,907.</p> <p>Total subscribers for Season 2017: 3,080.</p>	
State Ed Education Program	<p>State Theatre Company provided a range of opportunities for students and teachers to engage with theatre through the Company's education program. This included: State Ed production <i>Sista Girl</i> by Elena Carapetis and Alexis West (May-June 2017, Space Theatre and South Australian regional tour); Days With State school performances and post-show Q&As; Work Experience; Summer School; Student and Teacher Workshops including workshops on demand to meet the specific needs of schools; Flinders University Young Playwrights Award to encourage new writing; and Young Achiever Awards to recognise the efforts of drama and English students.</p> <p>7 performances of <i>Sista Girl</i> in Space Theatre (May 2017). Total attendances: 1,827.</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>Regional South Australia, National and International Touring</p>	<p>The Company's productions toured extensively in 2016-17:</p> <p><i>The Events</i> by David Grieg (June-July 2016, Melbourne season presented by Malthouse Theatre), 21 performances, total attendances 3,572.</p> <p><i>Straight White Men</i> by Young Jean Lee (July-August 2016, Brisbane season presented by La Boite Theatre Company), 18 performances, total attendances 2,981.</p> <p><i>Red Cross Letters</i> devised by Verity Laughton (August 2016, South Australian regional tour, presented by State Theatre Company in association with Country Arts SA), 7 performances, total attendances 495.</p> <p><i>Things I Know To Be True</i> by Andrew Bovell (September-November 2016, London and regional UK tour, produced by Frantic Assembly): London season: 30 performances, total attendances. UK regional tour: 42 performances, total attendances 19,247.</p> <p><i>The Popular Mechanicals</i> by Keith Robinson, William Shakespeare and Tony Taylor (April-May 2017, Sydney season presented by Sydney Theatre Company), 41 performances, total attendances 7,947.</p> <p><i>Sista Girl</i> by Elena Carapetis and Alexis West (May-June 2017, South Australian regional tour), 16 performances, total attendances 3,221.</p> <p><i>1984</i> by George Orwell (May-August 2017, Australian National tour with seasons in Melbourne (May 2017) and Brisbane (June 2017), produced by State Theatre Company in association with GWB and Ambassador Theatre Group). Melbourne: 15 performances, total attendances 11,783. Brisbane: 8 performances, total attendances 10,378.</p>	<p>Showcasing South Australian talent to Australia and the world extends the employment opportunities for South Australian artists, creatives and production personnel. Touring also consolidates State Theatre Company's reputation as a South Australian company of national and international significance.</p>
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Program name	Indicators of performance/effectiveness/efficiency	Comments
	<p>Metropolitan Adelaide seasons of all mainstage, State Ed, State Extra productions: 168 performances, total attendances 68,650.</p> <p>Regional and remote South Australian touring: 23 performances, total attendances 3,716.</p> <p>Interstate touring: 103 performances, total attendances 36,661.</p> <p>International touring: 72 performances, total attendances 31,225.</p> <p>Total performances 2016-17: 366 Total attendances 2016-17: 140,252</p>	
Regional Theatre Strategy	<p>The Regional Touring Strategy is delivered in conjunction with Country Arts SA to tour State Theatre Company productions to regional and remote communities and provide richer arts experiences through creative engagement opportunities for communities. This included South Australian tours of <i>Red Cross Letters</i> (August 2016) and <i>Sista Girl</i> (May-June 2017) and workshops in regional communities with State Theatre Company artists.</p>	<p>South Australians, no matter where they live, are entitled to access to professional theatre of the highest quality. Workshops provides young people in regional and remote communities with skills development and Company artists with employment.</p>
Young People	<p>Red Carpet (2016), rebranded Off Stage (2017), provided young adult audiences with opportunities to engage with theatre, some for the first time, through attending performances, behind-the-scenes experiences and post-show parties for select subscription shows.</p>	<p>Attracting young audiences to our productions and programs to critical to theatre artform thriving in South Australia.</p>
Access	<p>The Company is committed to providing access for visual and hearing impaired audiences through audio described performances, captioned performances and audio enhanced performances to select subscription shows.</p>	<p>South Australia's living with a disability and with modest means are entitled to participate in the arts.</p>

Program name	Indicators of performance/effectiveness/efficiency	Comments
	The Company also reduces financial barriers to seeing State Theatre Company performances through initiatives such as Pay-What-Your-Can for holders of Healthcare card to matinee and Wednesday evening performances and entitling holders of MEAA cards are entitled to purchase discounted tickets to Company productions.	
Audience engagement	The Company delivered a range of programs and events to bring audiences closer to the Company and its productions. These includes State Friends membership program, <i>Tangent</i> conversations in partnership with State Library South Australia, Subscriber briefings for our mainstage subscription and education plays.	Audience development beyond seeing performances develops richer appreciation for theatre and the arts.
Older people participating in the arts	The Company is committed to providing opportunities for older people to engage in the arts through employment and by providing programs that meet the needs of older Australians. Keith's Matinee Club includes post-show Q&A with artists after select matinee performances and select subscription plays are part of the Adelaide Festival Centre's Morning Melodies program.	Increasing participation of older people in the arts is fundamental to a positive, caring and aspirational community.
Commissioning program	<p>The Company's program of commissioning plays from new and established writers and nurturing the creative development of new scripts to production is one of the country's most successful.</p> <p>Writers currently under commission include Patricia Cornelius, Philip Kavanagh, Duncan Graham, Fleur Kilpatrick, Emily Steel and Elena Carapetis.</p>	To what extent has this program achieved a valuable outcome for the SA public?

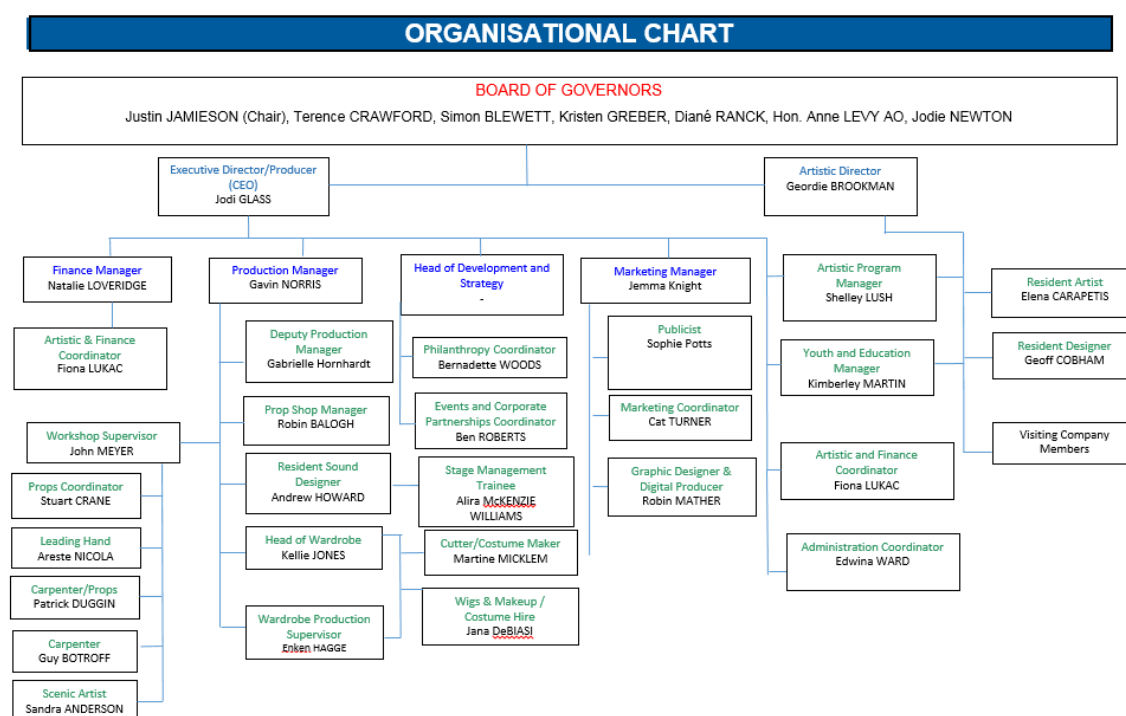
Program name	Indicators of performance/effectiveness/efficiency	Comments
Artist and Sector Development	<p>The Company actively supports small-to-medium theatre companies and independent artists to develop, produce and present their work with marketing (through inclusion in our Season program brochure), production and modest financial support and week-long creative development residencies in our rehearsal room.</p> <p>Badged as State Extra, State Umbrella, State Resident, and State R&D, in the productions 2016-17 included:</p> <p>State Extra:</p> <p><i>Red Cross Letters</i> (August 2016, Space Theatre, presented in association with State Theatre Company): 6 performances, total attendances 1,284.</p> <p><i>Long Tan</i> (March-April 2017, Space Theatre, produced and presented by Brink Productions in association with State Theatre Company and Adelaide Festival Centre): 10 performances, total attendances 1,401.</p> <p>State Umbrella:</p> <p><i>Red Sky Morning</i> (September 2016, Bakehouse Theatre).</p>	Development of new artists and their work is critical to a thriving and vibrant community in metropolitan Adelaide and regional South Australia.
Cultural diversity and Aboriginal arts	<p>For our 2017 and 2018 Subscription Seasons, the Company has employed Rashidi Edwards (one of the standout graduates from the ACArts acting course who migrated to Australia from Africa) as one of our six Ensemble of actors.</p> <p>Elena Carapetis, an established actor and upcoming playwright and director who is the daughter of Italian-Greek-Cypriot migrants, is employed as the Company's full-time Resident Artist.</p> <p>Aboriginal artist/producer Alexis West and Elena Carapetis were commissioned to co-write <i>Sista Girl</i> for the State Ed program.</p>	Cultural diversity on stage and off stage reaffirms the positive value of our diverse community.

Program name	Indicators of performance/effectiveness/efficiency	Comments
Philanthropy and Corporate Partnerships Program	The Company continues to foster private and corporate giving to enable the development and commissioning of new Australian works, broader touring reach, and more employment opportunities for South Australian artists, creatives and production personnel.	Private giving reaffirms the value of the arts and State Theatre Company and provides greater opportunities for artists and audiences.

Legislation administered by the agency

State Theatre Company of South Australia Act 1972

Organisation of the agency



<http://statetheatrecompany.com.au/board-staff/>

Other agencies related to this agency (within the Minister's area/s of responsibility)

N/A

Employment opportunity programs

Program name	Result of the program
ArtsReady Warumilang: Aboriginal & Torres Strait Islander Traineeship Program	Since January 2016, State Theatre Company of South Australia has employed a Production Trainee at national training wage rates. The Company provides on-the-job training while the Trainee gains formal qualifications through TAFESA.
Work Experience Program 2017	17 students from Year 10 and 11 participated in the four-day long Program. 21 staff who led practical workshops in programming, design, production, lighting, sound, staging, stage management, marketing, and producing, giving invaluable experience in a professional theatre company.
Summer School Program	For young people aged 15 years and up. Summer School 2016 was led by actor Ashton Malcolm and director Sarah Dunn who curated five days of intensive classes on devising theatre that left participants with new thinking about ways to craft theatre.
Secondments	The Company provides opportunities throughout the year for undergraduate and post-graduate students to undertake directing, administration, marketing, programming, production and technical placements.

Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
State Theatre Company is reviewing and updating its performance management and development systems	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 23% of staff were undertaken during the reporting period.

Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
Aboriginal Cultural Awareness Training	<ul style="list-style-type: none"> 98% of staff completed half day training, a cultural immersion experience that encourages participants to examine their views and attitudes towards Aboriginal Australia in a safe and non-judgmental environment. The training aims to safely and sensitively present facts and information to assist participants in adopting a healthier world-view of Aboriginal Australia.

Occupational health, safety and rehabilitation programs	Effectiveness
Safety Training	<ul style="list-style-type: none"> • Fire Warden Training undertaken for State Theatre Company in Adelaide Festival Centre. • First Aid Training completed in January 2017.
Staff Health and Wellbeing	<ul style="list-style-type: none"> • Flu Vaccination offered to all staff through Department of State Development (DSD).
Work Health and Safety E-Learning modules	<ul style="list-style-type: none"> • DSD online modules provide training in such areas as Duty of Care for Workers, General Evacuation Training, Office Ergonomics, Risk Management for Workers, Work Health and Safety Fundamentals.
Managing Safety and Wellbeing in the Workplace	<ul style="list-style-type: none"> • New streamline procedure of internal incident reports to incorporate a company and DSD level of Hazard Incident Reporting Module (HIRM) reporting, focusing on strengthening positive company culture.
Managing Hazards and Facilities	<ul style="list-style-type: none"> • All Safe Operating Procedures for plant and machinery in the Company's workshop and wardrobe reviewed and updated. • Risk Register updated. • Working Alone procedure created.

Fraud detected in the agency

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

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 of South Australia's Fraud Policy, which is reviewed on an annual basis by management and the Board of Governors.

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 approved Fraud Policy.

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/state-theatre-company-south-australia-fraud-detected-from-2012-2017>

Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 0

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/state-theatre-company-south-australia-whistle-blower-s-disclosure-2012-2017>

Executive employment in the agency

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

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/state-theatre-company-south-australia-executive-employment-from-2012-2017>

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

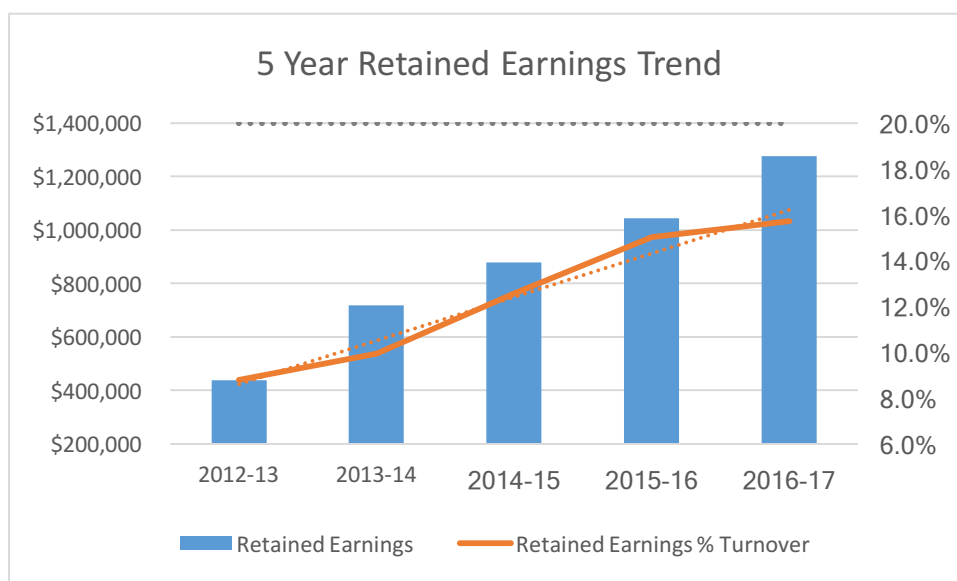
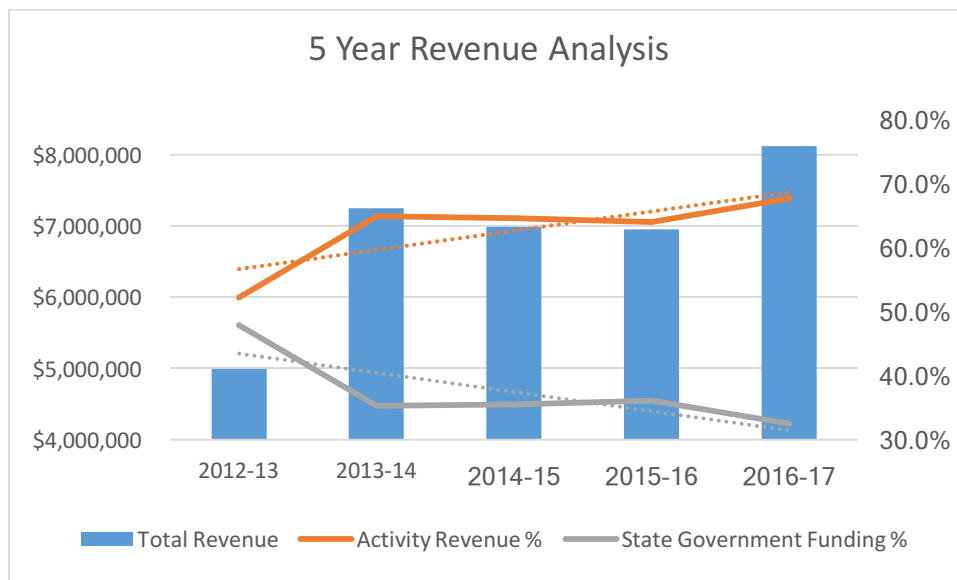
Consultants	Purpose	Value
All consultancies below \$10,000 each	Marketing Strategic Plan	\$2,910
Consultancies above \$10,000 each		
Sweet Reason	Executive Producer for 1984 National Tour	\$20,000
Total all consultancies		\$22,910

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/state-theatre-company-south-australia-external-consultancies-from-2012-2017>

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.



Other financial information

Nil.

Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions

Nil.

Section B: Reporting required under any other act or regulation

Name and date of act or regulation

N/A

Reporting required under the *Carers' Recognition Act 2005*

The *Carers' Recognition Act* is deemed applicable for the following: Department for Communities and Social Inclusion, Department for Education and Child Development, Department for Health and Ageing, Department of State Development, Department of Planning, Transport and Infrastructure, South Australia Police and TAFE SA.

Section 7: Compliance or non-compliance with section 6 of the Carers Recognition Act 2005 and (b) if a person or body provides relevant services under a contract with the organisation (other than a contract of employment), that person's or body's compliance or non-compliance with section 6.

Nil.

Section C: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

Public complaints received by State Theatre Company of South Australia	
Category of complaints by subject	Number of instances
Performance Components (content, sound, lighting, effects)	10
Service Procedures (pre-show warnings)	3
Performance Accessibility (seating)	1

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/state-theatre-company-south-australia-complaints-by-category-from-2012-2017>

Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Noise Levels	All complaints were directed to both the Executive Director/Producer and Artistic Director. The complaints were addressed and written responses were sent in reply by the appropriate person, either Artistic Director or Executive Director/Producer. In several instances the tickets were refunded to audience members. Feedback prompted a change in how shows are advertised. Warnings have now been put in place for shows in the 2018 season that may include higher than average noise levels.
Content/Warnings	All complaints were directed to our Marketing Manager. Complaints were addressed and written responses were sent in reply. All feedback has assisted in the design of our 2018 Season brochure. Warnings and recommendations have now been included in the 2018 season brochure to assist audiences in choosing which performances they wish to attend.
Smoke Effects	Complaints were directed either to our Marketing Manager or Education Manager, depending on the nature of the issue. The complaints were registered appropriately and warnings have now been implemented in the 2018 season brochure design to assist audiences in choosing a suitable performance.
Seat Allocation	All complaints were directed to our ticketing service provider BASS, who process all seating requests for subscribers, ticket buyers, and audience members with impairments, and access requirements.

Appendix: Audited financial statements 2016-17



ABN 55 386 202 154

Financial Statements
for the year ended
30th June 2017

State Theatre Company of South Australia

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State Theatre Company of South Australia
Statement of Comprehensive Income
for the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Expenses			
Staff benefits expenses	4	3,373	3,099
Supplies and services	5	4,458	3,643
Depreciation	9	52	40
Total expenses		<u>7,883</u>	<u>6,782</u>
Income			
Commonwealth revenues		760	600
Box office		2,064	1,816
Co-producer, tour and royalty fees		1,452	954
Sponsorship and donations	6	933	679
Interest revenues	6	50	49
Other income	6	224	342
Total income		<u>5,483</u>	<u>4,440</u>
Net cost of providing services		<u>2,400</u>	<u>2,342</u>
Revenues from SA Government			
Revenues from SA Government	6	<u>2,633</u>	<u>2,508</u>
Net result		<u>233</u>	<u>166</u>
Total comprehensive result		<u>233</u>	<u>166</u>

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

The above statement should be read in conjunction with the accompanying notes.

State Theatre Company of South Australia
Statement of Financial Position
as at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Current assets			
Cash and cash equivalents	7	1,547	1,760
Receivables	8	1,375	85
Prepayments		352	281
Total current assets		<u>3,274</u>	<u>2,126</u>
Non-current assets			
Other financial assets	2(k)	746	732
Plant and equipment	9	135	112
Total non-current assets		<u>881</u>	<u>844</u>
Total assets		<u>4,155</u>	<u>2,970</u>
Current liabilities			
Payables	10	1,202	511
Unearned revenue	11	1,194	936
Staff benefits	12	300	296
Provisions	13	5	10
Total current liabilities		<u>2,701</u>	<u>1,753</u>
Non-current liabilities			
Payables	10	14	13
Staff benefits	12	155	141
Provisions	13	8	19
Total non-current liabilities		<u>177</u>	<u>173</u>
Total liabilities		<u>2,878</u>	<u>1,926</u>
Net Assets		<u>1,277</u>	<u>1,044</u>
Equity			
Retained earnings	14	1,277	1,044
Total Equity		<u>1,277</u>	<u>1,044</u>

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments	16
Contingent assets and liabilities	17

The above statement should be read in conjunction with the accompanying notes.

State Theatre Company of South Australia
Statement of Changes In Equity
for the year ended 30 June 2017

	Note	Retained Earnings	
		2017 \$'000	2016 \$'000
Balance at 1 July		1,044	878
Total comprehensive result		233	166
Balance at 30 June	14	<u>1,277</u>	<u>1,044</u>

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

The above statement should be read in conjunction with the accompanying notes.

State Theatre Company of South Australia
Statement of Cash Flows
for the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Cash flows from operating activities			
Cash outflows			
Staff benefits payments		(3,367)	(3,062)
Payment for supplies and services		(3,798)	(3,740)
Cash used in operations		<u>(7,165)</u>	<u>(6,802)</u>
Cash inflows			
Receipts from Commonwealth		857	751
Box office and other receipts		3,444	3,835
Interest received		36	32
GST recovered from the ATO		89	115
Cash generated from operations		<u>4,426</u>	<u>4,733</u>
Cash flows from SA Government			
Receipts from SA Government		2,601	2,528
Cash generated from SA Government		<u>2,601</u>	<u>2,528</u>
Net cash provided by/(used in) operating activities		<u>(138)</u>	<u>459</u>
Cash flows from investing activities			
Cash outflows			
Purchase of plant and equipment		(75)	(39)
Cash used in investing activities		<u>(75)</u>	<u>(39)</u>
Net cash used in investing activities		<u>(75)</u>	<u>(39)</u>
Net increase/(decrease) in cash and cash equivalents		(213)	420
Cash and cash equivalents at the beginning of the period		1,760	1,340
Cash and cash equivalents at the end of the period	7	<u>1,547</u>	<u>1,760</u>

The above statement should be read in conjunction with the accompanying notes.

State Theatre Company of South Australia
Financial Year Ended 30 June 2017
Notes to and forming part of the Financial Statements

1. Objectives of 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 great theatre that is stunning, entertaining and challenging. Our vision is to:

- Create productions which are sought after locally, nationally and internationally
- Present exciting and innovative work
- Be accessible and inviting to local audiences and be a frequently chosen entertainment option
- Reflect Australia's cultural diversity
- Have the capacity to employ artists from expert backgrounds both locally and nationally
- Continue to be an employer of choice for artists and support staff who see the Company as a place where they can learn and grow
- Be respected as a benchmark for excellent production and performance practices
- Have excellent government support; and
- Have outstanding private sector support.

2. Significant accounting policies

a) Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Company has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Company is a not-for-profit entity.

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this report:

- a) expenses incurred as a result of engaging consultants.
- b) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those staff. The Company had one staff member who received remuneration equal to or greater than the base executive remuneration level during the year.
- c) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Company's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

The Company does not control any other entity and has no interests in unconsolidated structured entities. The Company has not entered into any contractual arrangements which involves the sharing of control or significant influence over another entity.

State Theatre Company of South Australia
Financial Year Ended 30 June 2017
Notes to and forming part of the Financial Statements

c) Reporting entity

The Company is a statutory authority, established pursuant to the *State Theatre Company of South Australia Act 1972*.

The financial statements and accompanying notes include all the controlled activities of the Company.

d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding period.

e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

f) Taxation

The Company is not subject to income tax. The Company is liable for payroll tax, fringe benefits tax, goods and services tax (GST), emergency services levy, land tax equivalents and local government rates.

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

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

h) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Company will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

The following are specific recognition criteria:

Commonwealth Revenue

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

- Australian Government operating grants received in 2016-17 were to contribute to operations for the 2017 calendar year.
- State Government operating grants received in 2016-17 were to contribute to operations for the 2016-17 financial year.

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

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

State Theatre Company of South Australia
Financial Year Ended 30 June 2017
Notes to and forming part of the Financial Statements

Box office

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

There were seven mainstage productions staged during the year (seven mainstage productions staged in 2015-16).

Co-producer, tour and royalty fees

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

i) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Company will occur and can be reliably measured.

Expenses have been aggregated according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

j) Current and non-current classification

Assets and liabilities that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

k) Non-current assets

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

Revaluation of non-current assets

All non-current tangible assets are valued at fair value and revaluation of noncurrent assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Impairment

The Company holds its property, plant and equipment and intangible assets for their service potential (value in use). All non-current tangible assets are valued at fair value.

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 2017 was \$746,000 (\$732,000).

l) Liabilities

Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. The straight-line basis is representative of the pattern of benefits derived from the leased assets.

Staff Benefits

These benefits accrue for staff 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 staff benefits are measured at nominal amounts.

Salaries and wages, annual leave and sick leave

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

The annual leave liability 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 of sick leave.

Long service leave

The liability for long service leave is measured at 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.

The estimated liability for long service leave is based on actuarial assumptions over 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. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with duration that match, as closely as possible, the estimated future cash flows.

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 the reporting date. The unconditional portion of long service leave relates to unconditional legal entitlement to payment arising after 10 years of service.

m) Unrecognised contractual commitments and contingent assets and liabilities

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

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.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

3. New and revised accounting standards and policies

The Company did not voluntarily change any of its accounting policies during 2016-17.

State Theatre Company of South Australia
Financial Year Ended 30 June 2017
Notes to and forming part of the Financial Statements

4. STAFF BENEFITS EXPENSES

	2017 \$'000	2016 \$'000
Salaries and wages	2,772	2,455
Long Service Leave	19	68
Annual Leave	171	161
Staff on-costs - superannuation	263	245
Staff on-costs - other	148	170
Total staff benefits expenses	3,373	3,099

Staff benefits expenses includes all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

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

	2017 No	2016 No
The number of staff whose remuneration received or receivable falls		
\$157,001 to \$167,000	1	1
\$187,001 to \$197,000	-	1
Total number of staff	1	2

The table includes all staff who received remuneration of \$145,000 or more 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 \$157,000 (\$351,000).

5. SUPPLIES AND SERVICES

	2017 \$'000	2016 \$'000
Transactions with Non SA Government Entities		
Promotion and sponsorship expenses	764	825
Contractors fees	611	557
Consultants fees	23	5
Rent	233	246
Scenery, sound, lighting and special effects	554	250
Travel and accommodation	410	231
Royalties	341	320
Communications	40	30
Costume and props	113	80
Other production costs	210	116
Administration expenses	237	155
Theatre hire and charges	754	702
Ticket agency charges	138	97
Audit fees	30	29
Total supplies and services expense	4,458	3,643

There were 2 consultancies paid in 2016-17 (1). The amount of consultancy fees paid is \$23,000 (\$5,000).

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 as expenditure at their fair value, and in the expense line items to which they relate.

State Theatre Company of South Australia
Financial Year Ended 30 June 2017
Notes to and forming part of the Financial Statements

6. REVENUES	2017 \$'000	2016 \$'000
Sponsorship and Donations		
Cash	582	360
In Kind	351	319
Total Sponsorship and Donations	<u>933</u>	<u>679</u>

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

Resources provided 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.

Interest

Interest from SA Government	36	32
Interest - Reserves Incentive Funding Scheme (SAFA)	14	17
	<u>50</u>	<u>49</u>

Other

Prop Shop income	108	133
Company Service Fees	86	177
Shared Office Recovery	-	2
Miscellaneous revenue	30	30
Total Other	<u>224</u>	<u>342</u>

Revenues from SA Government

Revenues from SA Government	2,633	2,508
Total Revenues from SA Government	<u>2,633</u>	<u>2,508</u>

Grants for program funding are recognised as revenues when the Company obtains control over the assets.

7. CASH AND CASH EQUIVALENTS	2017 \$'000	2016 \$'000
Short Term Deposits	1,342	1,462
Cash at Bank and on hand	205	298
	<u>1,547</u>	<u>1,760</u>

Short term deposits include deposits at call with the South Australian Government Financing Authority and are recorded at cost.

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

Cash is measured at nominal value.

8. RECEIVABLES	2017 \$'000	2016 \$'000
Trade receivables	1,392	89
Allowance for doubtful debts	(17)	(4)
	<u>1,375</u>	<u>85</u>

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

Collectability of trade receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified.

State Theatre Company of South Australia
Financial Year Ended 30 June 2017
Notes to and forming part of the Financial Statements

The following table shows the movement in doubtful debts

Carrying amount at the beginning of the period	4	5
Amounts written off	-	(4)
Amounts recovered during the year	(4)	-
Change in allowance recognised in profit or loss	17	3
Carrying amount at the end of the period	17	4

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. An allowance for impairment loss has been recognised in 'administration expenses' in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

Receivables overdue but not impaired is \$45,000 (\$10,000).

9. PLANT AND EQUIPMENT	2017 \$'000	2016 \$'000
Motor Vehicle - at cost	27	27
Accumulated depreciation	(27)	(27)
	-	-
Equipment - at cost	187	155
Accumulated depreciation	(95)	(89)
	92	66
Computer Equipment - at cost	125	126
Accumulated depreciation	(103)	(88)
	22	38
Software - at cost	43	21
Accumulated depreciation	(22)	(13)
	21	8
Total plant and equipment	135	112

Plant and equipment is initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

All plant and equipment with a value equal to or in excess of \$1,000 are capitalised and are tested for indication of impairment at each reporting date. There were no indications of impairment of plant and equipment as at 30 June 2017.

All items of plant and equipment had a fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years, and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These asset are classified in level 3 in the fair value measurement hierarchy described in AASB13-Fair Value Measurement as there has been no subsequent adjustments to their value, except for management assumptions about the assets condition and remaining useful life.

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the financial year are as follows:

2016-2017	Equipment \$'000	Computer Equipment \$'000	Software \$'000	Total \$'000
Carrying amount at the beginning of the period	66	38	8	112
Additions	47	5	23	75
Depreciation expense	(21)	(21)	(10)	(52)
Carrying amount at the end of the period	92	22	21	135

State Theatre Company of South Australia
Financial Year Ended 30 June 2017
Notes to and forming part of the Financial Statements

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 and depreciation methods are reviewed and adjusted if appropriate, on an annual basis.

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

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

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

10. PAYABLES	2017 \$'000	2016 \$'000
Current		
Creditors	871	342
Accruals and advances	298	140
Staff Benefit On-costs	33	29
	<u>1,202</u>	<u>511</u>
Non-current		
Staff Benefit On-costs	14	13
	<u>14</u>	<u>13</u>
Total payables	<u>1,216</u>	<u>524</u>

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Company.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

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.

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.

11. UNEARNED REVENUE	2017 \$'000	2016 \$'000
Current		
Advance box office revenue	598	537
Unearned tour and co-producer revenue	193	74
Unearned sponsorship revenue	98	85
Unearned grant revenue	305	240
	<u>1,194</u>	<u>936</u>

State Theatre Company of South Australia
Financial Year Ended 30 June 2017
Notes to and forming part of the Financial Statements

12. STAFF BENEFITS	2017 \$'000	2016 \$'000
Current		
Annual Leave	123	107
Long Service Leave	106	122
Accrued salaries and wages	71	67
	<u>300</u>	<u>296</u>
Non-current		
Long Service Leave	<u>155</u>	<u>141</u>
Total staff benefits	<u>455</u>	<u>437</u>

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability. This year, an actuarial assessment performed by the Department of Treasury and Finance was used to calculate the liability rather than using a short hand measurement technique for the calculation of the liability.

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 increased from 2016 (2.0%) to 2017 (2.5%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The net financial impact of the change in rate is \$0 (\$19,000).

The salary inflation rate remained unchanged at 4%. The salary inflation rate applied to annual leave has remained unchanged at 3%. The resulting financial effect of the change is nil.

13. PROVISIONS	2017 \$'000	2016 \$'000
Current		
Provision for workers compensation	5	10
	<u>5</u>	<u>10</u>
Non-current		
Provision for workers compensation	8	19
	<u>8</u>	<u>19</u>
Total provisions	<u>13</u>	<u>29</u>
Movement in Provision	2017 \$'000	2016 \$'000
Carrying amount at the beginning of the period	29	29
Change in provision	(15)	18
Less: Payments	(2)	(3)
Carrying amount at the end of the period	<u>12</u>	<u>44</u>

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The provision for workers compensation is an actuarial estimate of the outstanding liability as at 30 June 2017, as provided by a consulting actuary engaged through the Office for the Public Sector. The provision is for the estimated costs of ongoing payment to employees as required under current legislation.

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

14. EQUITY	2017 \$'000	2016 \$'000
Accumulated surplus	1,277	1,044
Total equity	<u>1,277</u>	<u>1,044</u>

State Theatre Company of South Australia
Financial Year Ended 30 June 2017
Notes to and forming part of the Financial Statements

15. REMUNERATION OF BOARD MEMBERS

Members that were entitled to receive remuneration for membership during the year were:

Mr John Irving	Ms Kristen Greber	Ms Diane Ranck
Ms Anne Levy	Mr Justin Jamieson	Mr Simon Blewett
Ms Christine Guille	Ms Jodi Glass	
Mr Terence Crawford*	Ms Jodie Newton	

Board fees were not paid to members in 2016-17 (\$0).

*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.

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

16. UNRECOGNISED CONTRACTUAL COMMITMENTS

Operating Leases

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

	2017 \$'000	2016 \$'000
Not later than one year	202	180
Later than one year but not later than five years	259	371
	<u>461</u>	<u>551</u>

The Company leases two photocopiers from Fuji Xerox, which are due to expire in May 2019 and October 2021.

The Company leases facilities for property, scenery and costume storage and hire from N.T.C Pty Ltd, which is due to expire in June 2018.

The Company leases the Drama Centre (workshop, wardrobe, rehearsal space and offices) from the Adelaide Festival Centre Trust which is due to expire in June 2020.

The Company leases the first floor of the Fowlers Building, Lion Arts Centre from Arts South Australia, which is due to expire in October 2021.

17. CONTINGENT ASSETS AND LIABILITIES

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

18. RELATED PARTY TRANSACTIONS

The Company is a statutory authority established pursuant to the State Theatre Company of South Australia Act 1972 and is a wholly owned and controlled entity of the Crown.

Related parties of the Company include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Key Management Personnel

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

Total compensation for the board's key management personnel was \$432,000 (\$398,000). 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 2017
Notes to and forming part of the Financial Statements

Transactions with Key Management Personnel and other related parties

The former Executive Director/Producer's son has a controlling interest in GWB Entertainment Pty Ltd. The Company has entered into a co-production agreement with GWB Entertainment under commercial terms and conditions for a national tour of 1984. Amounts paid to GWB Entertainment Pty Ltd for royalties, fees and reimbursements equal \$47,000 (\$0).

19. FINANCIAL RISK MANAGEMENT/FINANCIAL INSTRUMENTS

Categorisation of financial instruments			2017 \$'000	2016 \$'000
Category	Statement of Financial Position line item	Note	Carrying/Fair Value	Carrying/Fair Value
Financial Assets				
Cash at bank and on hand	Cash and cash equivalents	7	205	298
Short term deposits	Cash and cash equivalents	7	1,342	1,462
Receivables	Receivables (i)	8	1,358	78
Reserves Incentive Scheme investments	Other financial assets	2 (k)	746	732
Financial Liabilities				
Financial Liabilities at cost	Payables (i)	10	987	304

(i) Receivable and payables amounts disclosed here exclude amounts relating to statutory receivables and payables.

Credit Risk

Credit risk arises when there is the possibility of the Company's debtors defaulting on their contractual obligations resulting in financial loss to the Company. The Company measures credit risk on a fair value basis and monitors risk on a regular basis.

The Company has minimal concentration of credit risk. The Company has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

Refer to Note 8 for further information on credit risk for receivables.

Liquidity Risk

The Company is funded principally by grants by the SA Government. The Company settles undisputed accounts within 30 days. In event of a dispute, payment is made within 30 days from resolution.

The Company's exposure to liquidity risk is insignificant based on past experience and current assessment of risk. The carrying amount of financial liabilities recorded in this note represent the Company's maximum exposure to financial liabilities.

Market risk

Market risk for the Company is primarily through interest rate risk for short term deposits and Reserves Incentive Scheme investments, which are managed by the South Australian Government Financing Authority.

Sensitivity Disclosure Analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Company as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

20. 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.


State Theatre Company of South Australia
Certification of the Financial Statements for the year ended 30 June 2017

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 Company; and
- present a true and fair view of the financial position of the State Theatre Company of South Australia as at 30 June 2017 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.

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



Justin Jamieson
Board Chair
State Theatre Company of SA

Dated: 26/9/17



Jodi Glass
Executive Director/Producer
State Theatre Company of SA

Dated: 26/09/2017



Natalie Loveridge
Finance Manager
State Theatre Company of SA

Dated: 26/9/2017



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Board Chair State Theatre Company of South Australia

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and the *State Theatre Company of South Australia Act 1972* I have audited the financial report of the State Theatre Company of South Australia for the financial year ended 30 June 2017.

Opinion

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 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated 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 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Board Chair, Executive Director/Producer and the Finance Manager.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the State Theatre Company of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

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

The Executive Director/Producer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated 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 is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

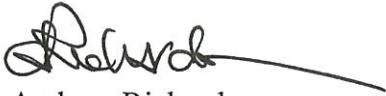
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Director/Producer
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Executive Director/Producer regarding, 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.

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

Andrew Richardson

Auditor-General

27 September 2017