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To the Chair Art Gallery Board

Opinion

I have audited the financial report of the Art Gallery Board for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Art Gallery Board as at 30 June 2022, 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 – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chair, the Director and the Chief Financial Officer.

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 Art Gallery Board. 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 Director and the members of the Art Gallery Board for the financial report

The 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 – Simplified Reporting Requirements, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Director is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Director is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the Art Gallery 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* and section 20(3) of the *Art Gallery Act 1939*, I have audited the financial report of the Art Gallery Board for the financial year ended 30 June 2022.

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 Art Gallery Board's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I communicate with the Director and the members of the Art Gallery Board 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.



Daniel O'Donohue
Assistant Auditor-General

26 September 2022


Art Gallery Board

Financial Statements

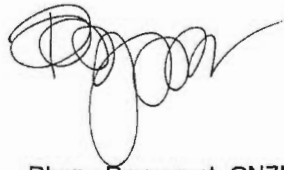
For the year ended 30 June 2022

We certify that the:

- financial statements of the Art Gallery Board:
 - are in accordance with the accounts and records of the Art Gallery Board;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Art Gallery Board at the end of financial year and the results of its operations and cash flows for the financial year.
- internal controls employed by the Art Gallery Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



Jason Karas
Chair
23 September 2022



Rhana Devenport ONZM
Director
23 September 2022



Lisa Lew
Chief Financial Officer
23 September 2022

Art Gallery Board
Statement of Comprehensive Income
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Grants	2.1	14 204	13 642
Fees and charges	2.2	131	856
Investment income	2.3	3 992	2 309
Rent and facilities hire		73	87
Resources received free of charge	2.5	9 875	6 913
Sale of goods	2.6	975	1 153
Other income		359	152
Total income		29 609	25 112
Expenses			
Staff benefits expenses	3.3	7 566	6 687
Supplies and services	4.1	8 846	7 631
Accommodation and facilities	4.2	2 836	3 189
Depreciation and amortisation	5.1	1 245	1 250
Total expenses		20 493	18 757
Net result		9 116	6 355
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in heritage collections asset revaluation surplus	5.4	20 623	-
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	2.4	(726)	2 227
Changes in fair value of investments classified as fair value through other comprehensive income	6.3	(4 635)	7 264
Total other comprehensive income		15 262	9 491
Total comprehensive result		24 378	15 846

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Art Gallery Board
Statement of Financial Position
as at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.1	8 521	9 969
Receivables	6.2	1 354	936
Inventories		410	370
Total current assets		10 285	11 275
Non-current assets			
Receivables	6.2	5	-
Property, plant and equipment	5.1	30 767	31 502
Intangible assets	5.3	178	178
Heritage collections	5.4	816 800	785 938
Investments	6.3	48 321	52 471
Total non-current assets		896 071	870 089
Total assets		906 356	881 364
Current liabilities			
Payables	7.1	1 667	1 108
Staff benefits	3.4	756	910
Provisions	7.2	68	15
Lease liabilities	7.3	7	8
Other liabilities		91	-
Total current liabilities		2 589	2 041
Non-current liabilities			
Payables	7.1	104	115
Staff benefits	3.4	1 087	1 217
Provisions	7.2	246	36
Lease liabilities	7.3	-	3
Total non-current liabilities		1 437	1 371
Total liabilities		4 026	3 412
Net assets		902 330	877 952
Equity			
Asset revaluation surplus	8.1	366 733	346 110
Investment reserve	8.1	2 170	6 805
Retained earnings		533 427	525 037
Total equity		902 330	877 952

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Art Gallery Board
Statement of Changes in Equity
for the year ended 30 June 2022

	Asset revaluation surplus \$'000	Investment reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2020	346 110	(459)	516 455	862 106
Net result for 2020-21	-	-	6 355	6 355
Gain on sale of investments classified as fair value through other comprehensive income	-	2 227	-	2 227
Transfer of revaluation loss on sale of investments from investment reserve to retained earnings	-	(2 227)	2 227	-
Fair value movement of investments classified as fair value through other comprehensive income	-	7 264	-	7 264
Total comprehensive result for 2020-21	-	7 264	8 582	15 846
Balance at 30 June 2021	346 110	6 805	525 037	877 952
Net result for 2021-22	-	-	9 116	9 116
Loss on sale of investments classified as fair value through other comprehensive income	-	(726)	-	(726)
Transfer of revaluation loss on sale of investments to investment reserve from retained earnings	-	726	(726)	-
Fair value movement of investments classified as fair value through other comprehensive income	-	(4 635)	-	(4 635)
Gain on revaluation of heritage collections during 2021-22	20 623	-	-	20 623
Total comprehensive result for 2021-22	20 623	(4 635)	8 390	24 378
Balance at 30 June 2022	366 733	2 170	533 427	902 330

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

Art Gallery Board
Statement of Cash Flows
for the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Cash inflows			
Grants		14 295	13 642
Fees and charges		131	856
Investment receipts		3 325	2 237
Rent and facilities hire		128	121
Resources received free of charge		2 485	3 731
Sale of goods		975	1 163
Other receipts		353	146
Cash generated from operations		21 692	21 896
Cash outflows			
Staff benefits payments		(7 617)	(6 871)
Payments for supplies and services		(7 743)	(5 806)
Payments for accommodation and facilities		(2 836)	(3 189)
Cash used in operations		(18 196)	(15 866)
Net cash provided by / (used in) operating activities		3 496	6 030
Cash flows from investing activities			
Cash inflows			
Proceeds from sales/maturities of investments		1 890	16 196
Cash generated from investing activities		1 890	16 196
Cash outflows			
Purchase of heritage collections		(3 357)	(2 523)
Purchase of investments		(2 966)	(15 822)
Purchase of property, plant and equipment		(504)	-
Cash used in investing activities		(6 827)	(18 345)
Net cash provided by / (used in) investing activities		(4 937)	(2 149)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(7)	(13)
Cash used in financing activities		(7)	(13)
Net cash provided by / (used in) financing activities		(7)	(13)
Net increase / (decrease) in cash and cash equivalents		(1 448)	3 868
Cash and cash equivalents at the beginning of the reporting period		9 969	6 101
Cash and cash equivalents at the end of the reporting period	6.1	8 521	9 969

The accompanying notes form part of these financial statements.

Art Gallery Board

Notes to and forming part of the financial statements

For the year ended 30 June 2022

1. About the Art Gallery Board

The Art Gallery Board (the Board) is a not-for-profit statutory authority of the State of South Australia, established pursuant to section 4 of the *Art Gallery Act 1939* (the Act). The Board is charged with the management of the Art Gallery of South Australia (AGSA) under the Act.

The financial statements include all controlled activities of the AGSA including the Art Gallery Foundation.

1.1 Basis of preparation

These financial statements are general purpose financial statements prepared in accordance 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, applying simplified disclosures.

These are the first financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the financial statements were prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There has been no impact on the recognition and measurement of amounts recognised in the statement of financial position, profit and loss and other comprehensive income and cash flows of the Board as a result of the change in the basis of preparation.

The financial statements have been prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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.

The Board is dependent on state government funding for its operations.

Significant accounting policies are set out throughout the notes.

The Board is not subject to Income Tax. The Board is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and Emergency Services Levy (ESL).

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.

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

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

1.2 Objectives and Programs

The objectives of the AGSA are to:

- collect heritage and contemporary works of art of aesthetic excellence and cultural or regional significance
- ensure the preservation and conservation of the Gallery's collections
- display the collections and to program temporary exhibitions
- research and evaluate the collections and to make the collections and documentation accessible to others for the purposes of research and as a basis for teaching and communications
- document the collections within a central cataloguing system
- provide interpretative information about collection displays and temporary exhibitions and other public programs
- promote the Gallery's collections and temporary exhibitions
- ensure that the Gallery's operations, resources and commercial programs are managed efficiently, responsibly and profitably
- advise the South Australian Government on the allocation of South Australian resources to works of art, art collections, art museums and art associations.

1.3 Impact of COVID-19 pandemic on the Board

The COVID-19 pandemic has impacted on the operations of the AGSA. The key impacts in 2021-22 were:

- ongoing and varying capacity restrictions surrounding visitation, events and public programs.
- increased cleaning expenses.
- associated costs with implementing Covid-19 requirements and standards.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2. Income

2.1. Grants

	2022	2021
	\$'000	\$'000
Recurrent operating grant	11 609	12 489
State Government grants	1 238	373
External grants	687	557
Commonwealth Government grants	670	223
Total grants	14 204	13 642

The AGSA receives an annual operating grant from DPC for the operations of the Gallery. This is recognised as revenue on receipt.

State Government grants are recognised as income on receipt. Other external grants are recognised when the performance obligations are satisfied. Where there are no sufficiently specific performance obligations linked to the grant, the income is recognised on receipt.

Commonwealth Government grants are recognised as income on receipt. Obligations for these grants are required to be met by the State of South Australia. For accounting purposes, the obligations under the funding arrangements do not sit with the AGSA. The Commonwealth has provided funding to the State for the Adelaide Biennial of Australian Art, Tarnanthi Art Fair and Kungka Kunpu (Strong Women).

2.2. Fees and charges

	2022	2021
	\$'000	\$'000
Fees for services	127	197
Admissions to temporary exhibitions	4	659
Total fees and charges	131	856

The AGSA recognises revenue from:

- Admission to temporary exhibitions: General entry to the art gallery is free however charges apply for some exhibitions. Revenue from entry is recognised at a point in time when the performance obligation is discharged, which is once entry is granted.
- Fees for services include image handling fees, usage fees for film/television/internet/publication, furnishing loans, public programs, workshops and seminars. Revenue from these services is recognised on a time and material basis as services are provided.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2.3. Investment income

	2022	2021
	\$'000	\$'000
Dividends	2 958	1 536
Dividend imputation credits	1 079	556
Interest income	154	101
(Loss) / gain on market value movement of investments	(202)	116
Other	3	-
Total investment income	3 992	2 309

The majority of the investment income is derived from investments acquired through bequests and donations which may have specific terms and conditions attached.

2.4. Net gain / (loss) from the disposal of non-current assets

	2022	2021
	\$'000	\$'000
Investments		
Proceeds from disposal	1 890	16 196
Less value on sale of investments classified as fair value through other comprehensive income	(2 616)	(13 969)
Net gain / (loss) from the disposal of investments	(726)	2 227

The net gain/ (loss) from the disposal of investments relates to equity instruments which are designated at fair value through other comprehensive income. On disposal of these equity instruments the gain / (loss) is recognised through other comprehensive income in the investment reserve.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

2.5. Resources received free of charge

	2022	2021
	\$'000	\$'000
Bequests	304	2 012
Donations	1 921	1 559
Donations of heritage assets	5 824	1 519
Cash sponsorships	260	160
In-kind sponsorships	158	219
Conservation services	1 178	1 075
Centralised IT and Telecommunication services by ICT and Digital Government (previously known as StateNet)	61	77
Services received free of charge - Shared Services SA	169	152
Donated property, plant and equipment	-	140
Total resources received free of charge	9 875	6 913

Bequests and donations can only be used in accordance with the terms and conditions attributable. Therefore, depending on the terms and conditions, this income is not available for the operating activities of the AGSA.

Cash sponsorships are recognised on receipt and in-kind sponsorships are recognised in the period in which the services are provided.

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 donated.

The Board receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge, Information technology and telecommunication from DPC free of charge, following Cabinet's approval to cease intra-government charging.

Under an arrangement with Artlab Australia, a division of DPC, Artlab Australia receives SA Government appropriation to perform conservation services on the Board's heritage collections. The value of this work performed is recognised as resources received free of charge in income and a corresponding amount has been included as conservation work expenditure in note 4.1 supplies and services.

Donated property, plant and equipment in 2020-21 includes a solar battery storage system installed at the AGSA and donated from the Department for Energy and Mining.

2.6. Sale of goods

	2022	2021
	\$'000	\$'000
Sale of goods	975	1 153
Total revenues from sale of goods	975	1 153

Revenue from the sale of goods related to store sales e.g. merchandise, cards, books, is recognised when the item is provided/delivered to the customer. Refunds would only be provided for faulty goods. Based on experience, no material refunds are expected to occur and therefore no related provision is made for any sale of goods.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3. Board, committees and staff

3.1. Key management personnel

Key management personnel of the AGSA during the year include the current Minister for the Arts, the former Premier of the State of South Australia, as the then responsible Minister for the Arts, the Chair and eight board members and the Director, Deputy Director and Assistant Director of the Art Gallery of South Australia, who have responsibility for the strategic direction and management of the AGSA.

Total compensation for the key management personnel was \$670 000 in 2021-22 and \$610 000 in 2020-21. This amount excludes salaries and other benefits the Minister for the Arts receives. The Minister for the Arts 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 (DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

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

3.2. Board and committee members

Members during the 2022 financial year were:

Art Gallery Board

JD Karas (Chair)
 S Armitage
 JD Fanning
 JE McGill (retired 31 May 2022)
 AP Nunn (appointed 2 December 2021)
 A Page (appointed 22 July 2021)
 KW Watkins (appointed 2 December 2021)
 JE Yuile

Board and committee remuneration

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

	2022	2021
\$0 - \$19 999	8	8
Total number of members	8	8

The total remuneration received or receivable by members was \$22 000 (2021:\$32 000). Remuneration of members reflects all costs of performing board/committee duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

In accordance with DPC No.016, government employees did not receive any remuneration for board and committee duties during the reporting period. 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.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.3. Staff benefits expenses

	2022	2021
	\$'000	\$'000
Salaries and wages	5 522	5 266
Annual leave	531	470
Employment on-costs - superannuation	612	561
Payroll tax	332	310
Long service leave	55	(78)
Other staff related expenses	89	40
Skills and experience retention leave	22	23
Workers compensation expenses	277	66
Board fees	20	29
Targeted voluntary separation payments	106	-
Total staff benefits expenses	7 566	6 687

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the AGSA's contributions to superannuation plans in respect of current services of current staff. DTF centrally recognises the superannuation liability in the whole of government financial statements.

Staff remuneration

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

	2022	2021
	No	No
\$177 001 to \$197 000	1	-
\$277 001 to \$297 000	-	1
\$297 001 to \$317 000	1	-
Total	2	1

The total remuneration received or receivable by those staff for the year was \$500 000 (2021: \$288 000).

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

Targeted voluntary separation packages (TVSPs)

The number of staff who received a TVSP during the reporting period was one (2021:nil).

	2022	2021
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	106	-
Leave paid to separated employees	69	-
	175	-
Recovery from the Department of Treasury and Finance	-	-
Net cost to AGSA	175	-

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

3.4. Staff benefits liability

	2022	2021
	\$'000	\$'000
Current		
Annual leave	632	588
Long service leave	86	84
Skills and experience retention leave	19	26
Accrued salaries and wages	19	212
Total current staff benefits	756	910
Non-current		
Long service leave	1 087	1 217
Total non-current staff benefits	1 087	1 217
Total staff benefits	1 843	2 127

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 staff benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

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

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

Salary inflation rate for annual leave, and skills, experience and retention leave liability changed to 1.5% (2%: 2021).

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 staff 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 staff up to the end of the reporting period using the projected unit credit method.

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

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of staff departures and periods of service. These assumptions are based on staff 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 changed from 1.25% (2021) to 3.5% (2022).

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 effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$178 000 and employee expense of \$178 000.

The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the DTF kept the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

4. Expenses

4.1. Supplies and services

	2022	2021
	\$'000	\$'000
Fees - exhibitions and publications	1 903	784
Marketing and promotion	1 335	1 449
Insurance & risk management	473	415
Contractors	618	678
Administration expenses	452	523
Minor equipment purchases and leasing	488	375
Information technology and communication charges	363	353
Freight, courier, postage	345	463
Travel and accommodation	248	92
Cost of goods sold	307	305
Conservation work	1 308	1 176
Materials	160	235
Catering	205	59
Audit fees *	52	50
Preservation activities	77	95
Maintenance	109	147
Storage	55	98
Motor vehicle expenses	21	12
Consultants	9	5
Business services charge	230	229
Inventory written-off	5	-
Doubtful debt	-	(1)
Other	83	89
Total supplies and services	8 846	7 631

* Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$52 000 (\$50 000). No other services were provided by the Auditor-General's Department.

4.2. Accommodation and facilities

	2022	2021
	\$'000	\$'000
Security	1 368	1 326
Facilities	684	893
Electricity and gas	516	590
Accommodation	268	380
Total accommodation and facilities	2 836	3 189

The accommodation mentioned above is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease set out in *AASB 16 Leases* and accordingly are expensed. Most of the Board's accommodation is owned.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

5. Non-financial assets

5.1. Property, plant and equipment

Reconciliation 2021-22

	Land	Buildings and improvements	Plant and equipment	Work in Progress	Computer equipment	Right of Use Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7 440	23 769	277	-	5	11	31 502
Additions	-	-	-	504	-	6	510
Depreciation and amortisation	-	(1 178)	(56)	-	(3)	(8)	(1 245)
Transfer to/(from) capital works in progress	-	504	-	(504)	-	-	-
Carrying amount at the end of the period	7 440	23 095	221	-	2	9	30 767
Gross carrying amount							
Gross carrying amount	7 440	65 950	945	-	12	20	74 367
Accumulated depreciation	-	(42 855)	(724)	-	(10)	(11)	(43 600)
Carrying amount at the end of the period	7 440	23 095	221	-	2	9	30 767

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5.1. Property, plant and equipment (continued)

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment is recorded at fair value. Details about the AGSA's approach to fair value is set out in note 10.1

Review of accounting estimates

Assets' residual values, useful lives and depreciation/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.

Useful Life

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

Class of asset	Useful life (years)
Buildings and improvements	20 to 100
Plant and equipment	3 to 20
Right-of-use vehicles	Lease term
Intangibles	5

5.2. Right of Use Vehicles

Right-of-use assets leased by the AGSA as lessee are measured at cost and there were no indications of impairment.

The AGSA has a limited number of leases:

- Three motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. The motor vehicle lease terms range from 12 months to 28 months and no variable lease payments are provided for in the lease agreements.

The lease liabilities related to the right-of-use assets are disclosed in note 7.3. The AGSA's maturity analysis of its lease liabilities is disclosed in note 10.2. Cash outflows related to leases are disclosed in note 7.3.

5.3. Intangible assets

Reconciliation 2021-22

	Computer software	Work in progress	Total
	\$'000	\$'000	\$'000
Gross carrying amount			
Gross carrying amount	40	178	218
Accumulated amortisation	(40)	-	(40)
Carrying amount at the end of the period	-	178	178

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.

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5.3. Intangible assets (continued)

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000. The work in progress amount represents website development for the digital strategy project.

5.4. Heritage collections

	2022			2021		
	At valuation \$'000	At cost \$'000	Total \$'000	At valuation \$'000	At cost \$'000	Total \$'000
Australian Art	237 919	-	237 919	278 154	16 710	294 864
Decorative Arts & Design	44 875	-	44 875	42 601	1 855	44 456
Asian Art	27 248	-	27 248	28 309	3 448	31 757
Aboriginal & Torres Strait Islander Art	28 142	-	28 142	-	-	-
Contemporary Art	47 652	-	47 652	-	-	-
International Art Pre-1980	360 468	-	360 468	339 455	2 569	342 024
Prints, drawings and photographs	54 540	-	54 540	54 125	4 478	58 603
Numismatics (coins)	11 620	-	11 620	10 450	-	10 450
Philatelic material (stamps)	1 007	-	1 007	791	-	791
Library	3 329	-	3 329	2 898	91	2 989
Archival Collection	-	-	-	4	-	4
Total heritage collections	816 800	-	816 800	756 787	29 151	785 938

Reconciliation of carrying amounts of heritage collections

2022	Opening balance \$'000	Additions \$'000	Revaluation / reclassification \$'000	Closing balance \$'000
Australian Art	294 864	7 184	(64 129)	237 919
Decorative Arts & Design	44 456	543	(124)	44 875
Asian Art	31 757	1 357	(5 866)	27 248
Aboriginal & Torres Strait Islander Art	-	-	28 142	28 142
Contemporary Art	-	-	47 652	47 652
International Art Pre-1980	342 024	651	17 793	360 468
Prints, drawings and photographs	58 603	470	(4 533)	54 540
Numismatics (coins)	10 450	-	1 170	11 620
Philatelic material (stamps)	791	-	216	1 007
Library	2 989	11	329	3 329
Archival Collection	4	23	(27)	-
Total as at 30 June 2022	785 938	10 239	20 623	816 800

Reclassification of heritage collections into additional categories

During 2021-22, some heritage collection items were reclassified into additional categories that were added to update and reflect the AGSA collection. Comparatives for 2020-21 for these additional categories have not been restated as it is impracticable to do so.

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5.4. Heritage collections (continued)

Heritage collections are not depreciated

Heritage collections are kept under special conditions to reduce physical deterioration, and they are anticipated to have very long and indeterminate useful lives. No amount for depreciation has been recognised, as their service potential has not, in any material sense, been consumed during the reporting period.

Valuation of heritage collections and 30 June 2022 revaluation

The heritage collections are large and diverse. They include many items for which valuations are complex, given considerations of market value and their uniqueness. The heritage collections are independently valued every six years. The collections were independently valued as at 30 June 2022.

Due to the size and nature of the art collection all high value assets (greater than \$350,000) were valued individually with the remainder of the art collection valued by establishing an average value through the random sampling of items in each collection. Two high valued items in the numismatic collection were valued individually. All other items were valued as a collection. The library collection and the Noye collection of photographic material were both valued as collections. Items in the philatelic collection were valued individually in 2016 and the value of the philatelic collection updated in 2022.

All valuers have experience in the category of assets being valued. The valuation was prepared on the basis of fair value. The valuation was carried out in accordance with the International Valuation Standards Framework and the relevant Australian Accounting Standards. The valuers also took into account the relevant guidelines set out in the Australian Framework for the Valuation of Public Sector Collections for General Purpose Financial Reporting issued in November 2018 by the Council of Australasian Museum Directors.

The fair values placed on the heritage items were an estimate of what those items would achieve if they were to be sold in a commercial secondary market environment. The resources used were both secondary market (auction) prices and retail prices (where a secondary market was not available) from within Australia and internationally. The Art Gallery provenance that is associated with each object was also taken into account, giving it greater appeal and validity to the commercial market. Inputs to the fair value measurement are considered level 2 in the fair value hierarchy as they have been observed from the market for similar but not identical items and the valuer has not used significant unobservable inputs.

Fair value measurement - non-financial assets

In determining fair value, the AGSA has taken into account the characteristic of the asset (for example, condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The AGSA's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the AGSA did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

Art Gallery Board
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6. Financial assets

6.1. Cash and cash equivalents

	2022	2021
	\$'000	\$'000
Deposits with banks	5 464	6 893
Deposits with the Treasurer	3 052	3 071
Cash on hand	5	5
Total cash and cash equivalents	8 521	9 969

Deposits with the Treasurer

Deposits with the Treasurer are a combination of funds held in the "Art Gallery Board Account", an account held with the Treasurer of South Australia pursuant to section 21 of the *Public Finance and Audit Act 1987* (PFAA), and funds held in the Arts South Australia Operating Account, an account held with the Treasurer of South Australia pursuant to section 8 of the PFAA.

Deposits with banks

Deposits with Macquarie Bank comprises cash related to the James and Diana Ramsay Bequest, which is managed by Knightsbridge Wealth Management, who are appointed by the James and Diana Ramsay Fund. Access is in accordance with the terms and conditions attributable to the bequest and is not available for the operating activities of the Board. Other deposits with the Bank of South Australia (Bank SA) are funds held in term deposit facilities. Depending on the terms and conditions of the bequests and donations, the cash is not available for the operating activities of the Board.

Interest rate risk

Interest is calculated based on the average daily balances of the interest-bearing funds. The interest-bearing funds of the Board are held in the section 21 interest bearing account titled the "Art Gallery Board Account" and the Macquarie and Bank SA accounts.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

6.2. Receivables

	2022	2021
	\$'000	\$'000
Current		
Trade receivables		
From government entities	-	73
From non-government entities	60	42
Less impairment loss on receivables	(1)	(1)
Total trade receivables	<u>59</u>	<u>114</u>
Statutory receivables		
Workers compensation recoveries	1	-
GST input tax recoverable	-	78
Total statutory receivables	<u>1</u>	<u>78</u>
Prepayments	40	19
Accrued income	1 254	725
Total current receivables	<u>1 354</u>	<u>936</u>
Non-current		
Statutory receivables		
Workers compensation recoveries	5	-
Total non-current receivables	<u>5</u>	<u>-</u>
Total receivables	<u>1 359</u>	<u>936</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 income are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Allowance for impairment loss on receivables

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	1	2
Increase/(decrease) in allowance recognised in profit or loss	-	(1)
Carrying amount at the end of the period	<u>1</u>	<u>1</u>

Impairment losses relate to contracts with customers that are external to SA Government.

Refer to note 10.2 for details regarding credit risk and the methodology for determining impairment.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2022

6.3. Investments

	2022	2021
	\$'000	\$'000
Investments classified as fair value through other comprehensive income		
Listed equity instruments designated at fair value through other comprehensive income	40 560	46 131
Investments classified as fair value through profit and loss		
Listed debt instruments mandatorily measured at fair value through profit and loss	7 761	6 340
Total non-current investments	48 321	52 471
Total investments	48 321	52 471

Equity instruments are designated at fair value through other comprehensive income (FV through OCI) with all changes in fair value being taken to the investment reserve. On disposal of these equity investments, any related balance within the investment reserve is reclassified to retained earnings. The debt instruments are designated at fair value through profit and loss (FV through P&L) with all changes in fair value going through profit or loss. On disposal of these debt instruments, any gains or losses are recognised in profit and loss.

Dividends arising from all investments are recognised in the statement of comprehensive income.

The majority of investments are acquired through bequests and donations which may have specific terms and conditions attached. Therefore, depending on the terms and conditions, the investments are not available for the operating activities of the AGSA.

Investment reconciliation

	2022	2021
	\$'000	\$'000
Shares and other direct investments in companies		
Carrying amount at the beginning of period	52 471	43 238
Additions at cost	3 303	15 822
Disposals at fair value	(2 616)	(13 969)
Revaluation of investments classified as FV through OCI	(4 635)	7 264
Revaluation of investments classified as FV through P&L	(202)	116
Total non-current investments	48 321	52 471
Total investments	48 321	52 471

Art Gallery Board
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7. Liabilities

7.1. Payables

	2022	2021
	\$'000	\$'000
Current		
Trade payables	1 552	974
Statutory payables		
Employment on-costs	115	134
Total current payables	<u>1 667</u>	<u>1 108</u>
Non-current		
Statutory payables		
Employment on-costs	104	115
Total non-current payables	<u>104</u>	<u>115</u>
Total payables	<u>1 771</u>	<u>1 223</u>

Payables are measured at nominal amounts.

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

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective staff benefits that they relate to is discharged.

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has remained the same at 42% and the average factor for the calculation of employer superannuation contribution on-costs has increased to 10.6% (10.1%). These rates are used in the employment on-cost calculation. The net financial effect of these changes in the current financial year is immaterial. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

7.2. Provisions

All provisions relate to workers compensation.

	2022	2021
	\$'000	\$'000
<i>Movement in provisions</i>		
Carrying amount at the beginning of the period	51	37
Additional provisions recognised	263	14
Carrying amount at the end of the period	<u>314</u>	<u>51</u>

Art Gallery Board
Notes to and forming part of the financial statements
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7.2. Provisions (continued)

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by average claim sizes and other economic and actuarial assumptions. The AGSA is responsible for the payment of workers compensation claims.

Measurement of the provision for worker's compensation as at 30 June 2022 includes the impacts of the decision of the Full Court of the Supreme Court of South Australia in Return to Work Corporation of South Australia vs Summerfield (Summerfield decision). The Summerfield decision increased the liabilities of the Return to Work Scheme (the Scheme) and the provision for workers compensation across government.

Legislation to reform the Return to Work Act 2014 was proclaimed in July 2022, with the reforms expected to reduce the overall liability of the Scheme. The impacts of these reforms on the provision for workers compensation across government will be considered when measuring the provision as at 30 June 2023.

7.3. Lease liabilities

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

The borrowing (interest) costs associated with these lease liabilities was less than \$1 000 for 2021-22 and 2020-21. The total cash outflows for leases in 2021-22 was \$7 000 (2021: \$13 000) which related to the repayment of leases.

Right-of-use assets are disclosed in note 5.2.

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	2022	2021
	\$'000	\$'000
Lease liabilities		
1 to 3 years	7	8
3 to 5 years	-	3
Total lease liabilities (undiscounted)	7	11

8. Other disclosures

8.1. Equity

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

Investment reserve

The investment reserve records all changes in fair value of investments classified as fair value through other comprehensive income.

Art Gallery Board
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9. Outlook

9.1. Unrecognised commitments

The AGSA's expenditure commitments are for agreements for:

- Security and cleaning
- Netley storage complex
- Cooling Tower capital works.

Contingent rental provisions within the security and cleaning contracts requires the minimum contract payments to be increased by variable operating costs and wage rises. Options exist to renew the contracts for another 12 months.

Expenditure commitments

	2022	2021
	\$'000	\$'000
Within one year	1 440	1 540
Later than one year but not longer than five years	652	1 127
Total expenditure commitments	2 092	2 667

Capital commitments

	2022	2021
	\$'000	\$'000
Within one year	568	-
Total capital commitments	568	-

Commitments include operating and outsourcing commitments arising from contractual sources and are disclosed at their nominal value.

9.2. 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 AGSA has been named as beneficiary in a number of testamentary bequests. By their nature it is not possible to accurately estimate the amount and timing of these bequests. Amounts paid to the AGSA as a result of these bequests will be recognised as revenue when revenue recognition criteria are met.

The AGSA is not aware of any contingent liabilities as at 30 June 2022.

Art Gallery Board
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10. Measurement and risk

10.1. Fair Value

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

Initial recognition

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

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

Revaluation

Property, plant and equipment, other than right of use assets, is subsequently measured at fair value after allowing for accumulated depreciation.

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

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

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

Land and buildings

An independent valuation of land and buildings owned by the AGSA was performed as at 30 June 2020 by a Certified Practising Valuer from Liquid Pacific Holdings Pty. Ltd.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

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

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

The fair value of land and buildings may be impacted by market changes due to the ongoing impact of COVID-19 however there was no market evidence to support the extent of any impact available at the time of preparing these financial statements.

Plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life of no less than three years have not been revalued in accordance with APS 116.D. The carrying value of these items is deemed to approximate fair value.

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10.1. Fair Value (continued)

Heritage assets

An independent valuation of heritage assets was performed as at 30 June 2022. These assets are classified in level 2. Refer note 5.4.

10.2. Financial instruments

Financial risk management

Risk management is managed by the AGSA's Audit and Risk Committee and the AGSA. Risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The AGSA's exposure to liquidity risk and credit risk is low due to the nature of the financial instruments held. The AGSA's exposure to market risk is significant given the investments balance of \$48.3 million (\$52.5 million). The investments are subject to price movements relating to market volatility. The investment portfolio is managed by experienced professionals. The Board Funds Management Committee monitors the investment program on a regular basis.

Impairment of financial assets

Impairment losses are based on past history of credit losses.

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 AGSA and a failure to make contractual payments for a period of greater than 90 days past due.

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.

The AGSA 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.

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.

Maturity analysis of financial instruments

The AGSA measures all financial instruments at amortised cost or fair value.

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10.2. Financial instruments (continued)

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2022 Contractual maturities*	
			Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	6.1	8 521	8 521	-
Fair value through profit and loss				
Receivables**	6.2	1 313	1 313	-
Listed equity instruments designated at fair value through other comprehensive income	6.3	40 560	-	40 560
Listed debt instruments mandatorily measured at fair value through profit and loss	6.3	7 761	-	7 761
Total financial assets		58 155	9 834	48 321
Financial liabilities				
Financial liabilities at amortised cost				
Payables**	7	1 500	1 500	-
Lease liabilities	7	7	7	-
Total financial liabilities		1 507	1 507	-

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2021 Contractual maturities*	
			Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	6.1	9 969	9 969	-
Fair value through profit and loss				
Receivables**	6.2	839	839	-
Listed equity instruments designated at fair value through other comprehensive income	6.3	46 131	-	46 131
Listed debt instruments mandatorily measured at fair value through profit and loss	6.3	6 340	-	6 340
Total financial assets		63 279	10 808	52 471
Financial liabilities				
Financial liabilities at amortised cost				
Payables**	7	919	919	-
Lease liabilities	7	11	8	3
Total financial liabilities		930	927	3

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10.2. Financial instruments (continued)

*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

**Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).