

StudyAdelaide

Financial report
for the year
ended 30 June
2021



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
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 Presiding Officer
StudyAdelaide**

Opinion

I have audited the financial report of StudyAdelaide for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of StudyAdelaide as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Presiding Officer and the Chief Executive.

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 StudyAdelaide. 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 Chief Executive and members of the Board for the financial report

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

In preparing the financial report, the Chief Executive 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 Chief Executive 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 Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of StudyAdelaide for the financial year ended 30 June 2021.

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.

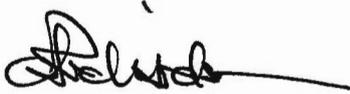
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 StudyAdelaide's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive'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 Chief Executive and members of the 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.



Andrew Richardson

Auditor-General

27 September 2021

StudyAdelaide Certification of the Financial Statements

We certify that the:

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



Karyn Kent
Chief Executive



Sean Keenihan
Presiding Officer

Date 22/9/2021

StudyAdelaide

Statement of Comprehensive Income

for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Contributions and memberships	2.2	1,465	1,455
Commonwealth grants and payments	2.3	100	150
Interest	2.4	2	10
Sponsorship Income		6	13
Other income		5	7
Revenues from SA Government	2.1	2,723	2,650
Total income		4,301	4,285
Expenses			
Employee benefits expenses	3.3	1,145	1,194
Supplies and services	4.1	2,714	2,328
Depreciation and amortisation	4.2	13	7
Other expenses	4.3	13	16
Total expenses		3,885	3,545
Net result		416	740
Total comprehensive result		416	740

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

StudyAdelaide

Statement of Financial Position

as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	2,016	1,468
Receivables	6.2	134	31
Total current assets		2,150	1,499
<u>Non-current assets</u>			
Plant and equipment	5.1	15	22
Total non-current assets		15	22
Total assets		2,165	1,521
<u>Current liabilities</u>			
Payables	7.1	452	209
Financial Liabilities	7.2	-	3
Employee benefits	3.4	78	92
Total current liabilities		530	304
<u>Non-current liabilities</u>			
Payables	7.1	14	11
Employee benefits	3.4	129	130
Total non-current liabilities		143	141
Total liabilities		673	445
Net Assets		1,492	1,076
<u>Equity</u>			
Retained earnings		1,492	1,076
Total Equity		1,492	1,076

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

StudyAdelaide

Statement of Changes in Equity

for the year ended 30 June 2021

	Note	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2019		336	336
Net result for 2019-20			
Total comprehensive result for 2019-20		740	740
Balance at 30 June 2020		1,076	1,076
Net result for 2020-21			
Total comprehensive result for 2020-21		416	416
Balance at 30 June 2021		1,492	1,492

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

StudyAdelaide

Statement of Cash Flows

for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Contributions	2.2	1,465	1,455
Receipts from Commonwealth	2.3	100	150
Interest received	2.4	2	10
GST recovered from the ATO (net)		168	138
Other receipts		140	102
Receipts from SA Government	2.1	2,723	2,650
Cash generated from operations		4,598	4,505
<i>Cash outflows</i>			
Employee benefits payments		(1,172)	(1,181)
Payments for supplies and services		(2,869)	(2,472)
Cash used in operations		(4,041)	(3,653)
Net cash provided by operating activities		557	852
Cash flows from investing activities			
<i>Cash outflows</i>			
Purchase of plant and equipment	5.2	(6)	(19)
Cash used in investing activities		(6)	(19)
Net cash used in investing activities		(6)	(19)
Cash flows from financing activities			
<i>Cash outflows</i>			
Repayment of principal portion of lease liabilities	8.1	(3)	(4)
Cash used in financing activities		(3)	(4)
Net cash used in financing activities		(3)	(4)
Net increase in cash and cash equivalents		548	829
Cash and cash equivalents at the beginning of the period		1,468	639
Cash and cash equivalents at the end of the period	6.1	2,016	1,468

The accompanying notes form part of these financial statements.

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1. About StudyAdelaide

StudyAdelaide is a Statutory Corporation of the State Government of South Australia and is a subsidiary of the Minister for Trade and Investment, established pursuant to the *Public Corporations Act 1993*.

The normal business activities of StudyAdelaide are dependent on the continuation of grants from the State Government, universities and other bodies. StudyAdelaide believes funding will continue in the foreseeable future. Accordingly, this financial report has been prepared on a going concern basis.

1.1 Basis of preparation

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

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

For the purposes of preparing the financial statements, StudyAdelaide is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

1.2 Objectives and programs

The functions of StudyAdelaide are limited to the following:

- engaging in marketing campaigns promoting Adelaide as a viable and attractive destination for international students (destination marketing);
- engaging in other high level marketing campaigns that support StudyAdelaide's destination marketing;
- fostering community support for international students in South Australia;
- communications management, as required from time to time, of any situation that may adversely affect South Australia's reputation as an education destination;
- acquisition and management of resources and services of StudyAdelaide in accordance with the laws of this jurisdiction and any other jurisdiction in which StudyAdelaide carries out its functions; and
- to carry out any other function (consistent with the StudyAdelaide's strategic direction) that is conferred on StudyAdelaide by the Minister.

1.3 Impact of COVID-19 pandemic

The COVID-19 pandemic has impacted on the operations of StudyAdelaide and the key impacts in 2020-21 were:

- Continued inability to travel limited StudyAdelaide's ability to deliver offshore marketing programs which resulted in a focus on digital marketing and paid search and display; as well as smaller digital campaigns promoting Adelaide to onshore students to support recruitment efforts of member education providers. Participated in virtual events to profile Adelaide as a study destination;
- Developed an 'Adelaide Connect' program designed to engage with offshore students who commenced study online to connect them to 'destination Adelaide', involving the delivery of a virtual student engagement program over 8 weeks which attracted participation from over 350 students. Also delivered a 'face to face' event in Guangzhou, China for around 100 participants, where enrolled students met fellow 'Adelaide' students and participated in development and social activity;
- Worked with education providers and other stakeholders to deliver a 'summer in Adelaide' program for international students who would normally return to their home countries over the Christmas break. Involved delivery and promotion of 220 events and activities for school and tertiary students, attracting 4,000 participants;
- Informed recommendations to government about ongoing financial support of international students based on International Student Support Package (ISSP) data, community engagement data and member insights;
- The rolling closure of interstate borders and no clear signals to offshore students on their ability to return to Australia has resulted in the following activities being cancelled or postponed:
 - did not proceed with an onshore agent familiarisation in March 2021;
 - cancellation of a Victorian education agent event in June 2021;
 - delayed and re-briefed the planning of a Global Destination campaign which aims to encourage students to commence studying with an Adelaide institution. While creative development commenced in June 2021 aligning with the Commonwealth approval of South Australia's International Student Arrival Plan (ISAP), the promotional element has been delayed to 2021-2022, subject to funding;
- The inability by some providers to recruit new students resulted in a reduction in education provider membership of StudyAdelaide;
- The general economic environment meant no corporate sponsorship was realised in 2020-21;
- StudyAdelaide will be seeking approval for a carryover of underspend to implement the Global Destination Campaign in 2021-22. This was not implemented in 2020-21 due to ongoing border closures and no ability for international students to commence their onshore study in Australia; neither has there been any clear signal of possible timing to allow international students to return. The recent announcement of the approval of ISAP has been the first indication that students may be able to return in 2021/2022.

2. Income

2.1 Revenues from SA Government

	2021 \$'000	2020 \$'000
Department for Trade and Investment	2,573	2,500
Department for Education (DE)	75	75
TAFE SA	75	75
Total revenues from SA Government	2,723	2,650

Revenue from SA Government is recognised on receipt.

2.2 Contributions and memberships

	2021 \$'000	2020 \$'000
Adelaide City Council	274	268
Flinders University	340	335
University of Adelaide	340	335
University of South Australia	340	335
Other Memberships	171	182
Total contributions and memberships	1,465	1,455

Contributions refer to income governed by a Funding Agreement between StudyAdelaide and the entity. Contributions are recognised as an asset and income when StudyAdelaide obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

Generally, StudyAdelaide has obtained control or the right to receive:

- contributions with unconditional stipulations – this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution (e.g. grant application) has been approved; agreement/contract is executed; and/or the contribution is received.
- Membership refers to funding from providers which is not covered by a funding agreement.

2.3 Commonwealth grants and payments

	2021 \$'000	2020 \$'000
Export Market Development Grants	100	150
Total Commonwealth grants and payments	100	150

All Commonwealth revenues received by StudyAdelaide have been contributions with unconditional stipulations attached and have been recognised as income upon receipt.

2.4 Interest

	2021 \$'000	2020 \$'000
Investment with SAFA – amortised cost	2	7
Cash and cash equivalents	-	3
Total interest revenues	2	10

3. Board, committees and employees

3.1 Key management personnel

Key management personnel of StudyAdelaide include the Minister, the Board, the Chief Executive and the other members of staff who have responsibility for the strategic direction and management of StudyAdelaide.

Total compensation for key management personnel was \$565,000 in 2020-21 and \$587,000 in 2019-20.

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

Transactions with key management personnel and other related parties

There were no significant transactions between any key management personnel and other related parties.

3.2 Board and committee members

Members during the 2021 financial year were:

Board of Directors

Sean Keenihan (Chair) ^
Henrik (Sebastian) Raneskold
Gabrielle Rolan
Simon Hou (term ended 31 December 2020)
Chirag Trivedi (term ended 31 December 2020)
John Kweh (term ended 31 December 2020)
Peta Smith *
Katina Jones
Priya Kamineni * (resigned 17 June 2021)
Taliessin Reaburn *
Ben Grindlay
Kimberly Goh (appointed 1 January 2021)
Alexander Hyde (appointed 1 April 2021)
Hinney Lo (appointed 1 January 2021)

Audit Committee

Rebecca Lang * (appointed 11 November 2020)
Peter Klar * (term ended 31 October 2020)
Chirag Trivedi (term ended 31 December 2020)
Tania Beard
Taliessin Reaburn *
Priya Kamineni * (appointed 7 April 2021 and resigned 17 June 2021)

^ The only Board member entitled to remuneration was Mr Sean Keenihan.

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

Board and committee remuneration

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

\$20 000 - \$39 999

Total number of members

	2021 No	2020 No
\$20 000 - \$39 999	1	1
Total number of members	1	1

The total remuneration received or receivable by members was \$24,000 (2019-20 \$24,000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

3.3 Employee benefits expenses

	2021 \$'000	2020 \$'000
Salaries and wages	1,023	1,022
Long service leave	1	12
Annual leave	(20)	21
Employment on-costs - superannuation	100	99
Board and committee fees	24	24
Workers' compensation	5	5
Other employee related expenses	12	11
Total employee benefits expenses	1,145	1,194

Employment on-costs - superannuation

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

Executive remuneration

	2021 No	2020 No
The number of employees whose remuneration received or receivable falls within the following bands:		
\$254,001 to \$274,000	1	-
\$274,001 to \$294,000	-	1
Total	1	1

The total remuneration received by those employees for the year was \$270,000 (2019-20 \$279,000).

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

3.4 Employee benefits liability

	2021 \$'000	2020 \$'000
<u>Current</u>		
Accrued salaries and wages	12	8
Annual leave	62	80
Long service leave	4	4
Total current employee benefits	78	92
<u>Non-current</u>		
Long service leave	129	130
Total non-current employee benefits	129	130
Total employee benefits	207	222

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

Salaries and wages, annual leave and sick leave

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

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

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided at note 10.

4. Expenses

Employee benefits expenses are disclosed in note 3.3.

4.1 Supplies and services

	2021 \$'000	2020 \$'000
Advertising, promotion and entertainment	2,238	1,796
Travel Expenses	6	124
Website development	61	69
Office accommodation	152	77
Office expenses	58	81
Couriers and freight	5	9
Printing	1	2
Low-value leases	3	3
Other	190	167
Total supplies and services	2,714	2,328

Office Accommodation

StudyAdelaide's accommodation is provided by the Department of Infrastructure and Transport under Memorandum of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of lease set out in AASB 16.

4.2 Depreciation and amortisation

	2021 \$'000	2020 \$'000
Plant and equipment	10	3
Right-of-use Asset	3	4
Total depreciation and amortisation	13	7

All non-current assets not held for sale with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful life

Depreciation and amortisation for plant and equipment are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Plant and equipment	5-10
Right-of-use Asset	Lease Term

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

During the year StudyAdelaide has reviewed the residual value, useful life and amortisation method of all assets and determined no reassessments were required.

4.3 Other expenses

	Note	2021 \$'000	2020 \$'000
Capital expenditure		13	14
Plant and equipment write-offs		-	2
Total other expenses		13	16

5. Non-financial assets

5.1 Plant and equipment by asset class

Plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

	2021 \$'000	2020 \$'000
Plant and equipment		
Plant and equipment at cost (deemed fair value)	25	19
Accumulated depreciation at the end of the period	(10)	-
Total plant and equipment	15	19
Right-of-use Asset		
Right-of-use Asset at cost	-	7
Accumulated depreciation at the end of the period	-	(4)
Total right-of-use Asset	-	3
Total Plant and equipment	15	22

5.2 Plant and equipment owned by StudyAdelaide

Plant and equipment owned by StudyAdelaide with a value equal to or in excess of \$5,000 is capitalised, otherwise it is expensed. Plant and equipment owned by StudyAdelaide is recorded at fair value. Detail about StudyAdelaide's approach to fair value is set out in note 10.2.

Impairment

Plant and equipment owned by StudyAdelaide has not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity.

Reconciliation 2020-21

	Plant and equipment \$'000	Total \$'000
Carrying amount at 1 July 2020	19	19
Acquisitions	6	6
Disposals	-	-
Depreciation	(10)	(10)
Carrying amount at 30 June 2021	15	15

5.3 Plant and equipment leased by StudyAdelaide

Right-of-use assets for plant and equipment leased by StudyAdelaide as lessee are measured at cost.

Short-term leases of 12 months or less and low value assets, where the underlying asset value is less than \$15,000, are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.

StudyAdelaide has a motor vehicle lease with the South Australian Government Financing Authority (SAFA). The motor vehicle lease is cancellable, with the rental payments monthly in advance. The motor vehicle lease term is for 3 years (60,000km). No variable lease payments are provided for in the lease agreements and no option exists to renew the lease at the end of its term.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4.1. Cash outflows related to leases are disclosed in note 8.1.

Impairment

Plant and equipment leased by StudyAdelaide has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

6. Financial assets

6.1 Cash and cash equivalents

	2021 \$'000	2020 \$'000
Short term deposits with SAFA	1,791	1,289
Cash on hand and at Bank	225	179
Total cash and cash equivalents	2,016	1,468

Deposits with SAFA

Short-term deposits are made for varying periods of between one day and three months. The deposits are lodged with the South Australian Government Financing Authority (SAFA) and earn interest at the respective short-term deposit rates.

6.2 Receivables

	2021 \$'000	2020 \$'000
Current		
Trade receivables		
From government entities	-	1
From non-government entities	1	1
Total trade receivables	1	2
Statutory receivables		
GST input tax recoverable	48	18
Total statutory receivables	48	18
Prepayments	85	11
Total current receivables	134	31

Trade 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.

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

The net amount of GST recoverable from the ATO is included as part of receivables.

Receivables and prepayments are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1 Payables

	2021 \$'000	2020 \$'000
<u>Current</u>		
Trade payables	289	125
Accrued expenses	33	26
Other payables	121	47
<u>Statutory payables</u>		
Employment on-costs	9	11
Total statutory payables	9	11
Total current payables	452	209
<u>Non-current</u>		
<u>Statutory payables</u>		
Employment on-costs	14	11
Total non-current payables	14	11
Total payables	466	220

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

Statutory payables do not arise from contracts.

The net amount of GST recoverable from the ATO is included as part of receivables. However, if a net GST payable arises then this amount would be disclosed in this Payables note.

Employment on-costs

Employment on-costs include ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged.

StudyAdelaide contributes 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 superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave remains at 42% and the average factor for the calculation of employer superannuation cost on-costs has changed from the 2020 rate (9.8%) to 10.1%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial.

7.2 Financial liabilities

	2021 \$'000	2020 \$'000
Current		
Lease liabilities	-	3
Total current financial liabilities	-	3
Total financial liabilities	-	3

StudyAdelaide measures financial liabilities including borrowings/debt at amortised cost.

8. Other disclosures

8.1 Cash flow

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

Leases

	2021 \$'000	2020 \$'000
Plant and equipment	(3)	(4)
Total cash outflows for leases	(3)	(4)

9. Outlook

9.1 Unrecognised commitments

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

Expenditure commitments

	2021 \$'000	2020 \$'000
Within one year	269	145
Later than one year but not longer than five years	242	390
Total expenditure commitments	511	535

StudyAdelaide's expenditure commitments are:

- memorandum of administrative arrangements with the Department of Infrastructure and Transport for accommodation
- rental agreement with Fuji Xerox Australia for the lease of a photocopier. The lease is for a term of five years with rental charges payable monthly in advance. Title of the equipment does not, at any time, pass to StudyAdelaide
- signed contracts committing to ongoing public marketing automation software from HubSpot
- delivery of public relations activities from Hughes Public Relations
- employability events with Time Makers Consulting

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.

StudyAdelaide is not aware of any contingent assets or liabilities.

9.3 COVID-19 pandemic outlook for StudyAdelaide

The COVID-19 pandemic will continue to impact the operations of StudyAdelaide in 2021-22. The key expected impacts are:

- Reduced income from education institution membership; in the absence of an international student pipeline, education providers have lost up to 80% of their business;
- Continued participation in virtual activities and focus on digital marketing to reach our offshore stakeholders, including prospective students;
- Opportunity to increase marketing spend when international students start returning to Australia which is a clear signal that Australia is accessible again; a regular review of the environment will inform timing of aggressive marketing activity.

Regular review of the business plan and budget will enable StudyAdelaide to adapt to changing circumstances and reallocate resources accordingly.

10. Measurement and risk

10.1 Long service leave liability – measurement

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

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

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2020 (0.75%) to 2021 (1.25%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an 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 \$23,000 and minimal to employee benefits expense. 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 Department of Treasury and Finance left the salary inflation rate at 2.5% for the long service leave liability. As a result, there is no net financial effect resulting for the changes in the salary inflation rate.

The portion of long service leave expected to be taken within 12 months of the reporting date is classified as current. The remaining portion of the long service leave provision is classified as non-current.

10.2 Fair value

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

Initial recognition

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

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

Revaluation

Plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

Plant and equipment

All items of plant and equipment owned by StudyAdelaide that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life of less than three years have not been revalued. The carrying value of these items are deemed to approximate fair value.

10.3 Financial instruments

Financial risk management

Risk management is managed by StudyAdelaide staff. The Corporation's 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*.

StudyAdelaide's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Cash and debt investments

StudyAdelaide 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.

All of StudyAdelaide's debt investments at amortised cost are considered to have low credit risk and the consideration of expected credit loss was limited to 12 months expected losses. 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.

Classification of financial instruments

StudyAdelaide measures all financial instruments at amortised cost.

Category of financial asset and financial liability	Note	2021 Carrying amount (\$'000)	2021 Contractual maturities*		
			Within 1 year (\$'000)	1-5 years (\$'000)	More than 5 years (\$'000)
Financial assets					
Cash and equivalent					
Cash and cash equivalent	6.1	2,016	n/a	n/a	n/a
Financial assets at amortised cost					
Receivables**	6.2	1	n/a	n/a	n/a
Total financial assets		2,017			
Financial liabilities					
Financial liabilities at amortised cost					
Payables**	7.1	399	399		
Finance lease liability	7.2	-	-		
Total financial liabilities		399	399		

10.3. Financial instruments continued ...

Category of financial asset and financial liability	Note	2020 Carrying amount \$'000
Financial assets		
Cash and equivalent		
Cash and cash equivalent	6.1	1,468
Financial assets at amortised cost		
Receivables**	6.2	2
Total financial assets		1,470
Financial liabilities		
Financial liabilities at amortised cost		
Payables**	7.1	141
Finance lease liability	7.2	3
Total financial liabilities		144

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

** Total amounts disclosed here exclude statutory amounts.

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 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).

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