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## To the Presiding Member South Australian Motor Sport Board

### Opinion

I have audited the financial report of the South Australian Motor Sport Board for the period 8 September 2022 to 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Motor Sport Board as at 30 June 2023, its financial performance and its cash flows for the period 8 September 2022 to 30 June 2023 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 period 8 September 2022 to 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the period 8 September 2022 to 30 June 2023
- a Statement of Cash Flows for the period 8 September 2022 to 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member, South Australian Motor Sport Board 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 South Australian Motor Sport 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 Chief Executive and the Members of the South Australian Motor Sport 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 – 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 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 South Australian Motor Sport 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 14(3) of the *South Australian Motor Sport Act 1984*, I have audited the financial report of the South Australian Motor Sport Board for the period 8 September 2022 to 30 June 2023.

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 South Australian Motor Sport Board'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 the Presiding Member 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 2023

# **South Australian Motor Sport Board**

## **Financial Statements**

For the period 8 September 2022 to 30 June 2023

**South Australian Motor Sport Board**  
**Certification of the Financial Statements**  
*for the period 8 September 2022 to 30 June 2023*

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We certify that the:

- financial statements of the South Australian Motor Sport Board:
  - are in accordance with the accounts and records of the South Australian Motor Sport 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 South Australian Motor Sport Board at the end of the financial year and the result of its operation and cash flows for the period.
- internal controls employed by the South Australian Motor Sport Board for the period over its financial reporting and its preparation of financial statements have been effective.



Andrew Daniels  
**Presiding Member**

27 September 2023



Mark Warren  
**Chief Executive**

27 September 2023

**South Australian Motor Sport Board**  
**Statement of Comprehensive Income**  
*for the period 8 September 2022 to 30 June 2023*

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|  | Note | 2023<br>\$'000 |
|--|------|----------------|
| <b>Income</b>  |      |                |
| Sales of goods and services                              | 2.1  | 12 942         |
| SA Government grants, subsidies and transfers            | 2.2  | 37 966         |
| Other income   | 2.3  | 4 626          |
| <b>Total income</b>                                      |      | <b>55 534</b>  |
| <b>Expenses</b>  |      |                |
| Employee benefits expenses                               | 3.3  | 1 771          |
| Supplies and services                                    | 4.1  | 46 923         |
| Grants and subsidies                                     | 4.2  | 880            |
| Depreciation   | 5.1  | 382            |
| Other expenses   |      | 284            |
| <b>Total expenses</b>                                    |      | <b>50 240</b>  |
| <b>Net result</b>  |      | <b>5 294</b>   |
| <b>Other comprehensive income</b>                        |      |                |
| <b>Items that will not be reclassified to net result</b> |      |                |
| Changes in asset revaluation surplus                     |      | 1 671          |
| <b>Total other comprehensive income</b>                  |      | <b>1 671</b>   |
| <b>Total comprehensive result</b>                        |      | <b>6 965</b>   |

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

**South Australian Motor Sport Board**  
**Statement of Financial Position**  
*as at 30 June 2023*

|                                      | Note | 2023<br>\$'000 |
|--------------------------------------|------|----------------|
| <b>Current assets</b>                |      |                |
| Cash                                 | 6.1  | 9 680          |
| Receivables                          | 6.2  | 999            |
| <b>Total current assets</b>          |      | <b>10 679</b>  |
| <b>Non-current assets</b>            |      |                |
| Property, plant and equipment        | 5.1  | 7 233          |
| <b>Total non-current assets</b>      |      | <b>7 233</b>   |
| <b>Total assets</b>                  |      | <b>17 912</b>  |
| <b>Current liabilities</b>           |      |                |
| Payables                             | 7.1  | 8 101          |
| Employee benefits                    | 3.4  | 141            |
| Contract liabilities                 | 7.2  | 1 061          |
| Provisions                           | 7.3  | 3              |
| <b>Total current liabilities</b>     |      | <b>9 306</b>   |
| <b>Non-current liabilities</b>       |      |                |
| Payables                             | 7.1  | 10             |
| Employee benefits                    | 3.4  | 90             |
| Provisions                           | 7.3  | 11             |
| <b>Total non-current liabilities</b> |      | <b>111</b>     |
| <b>Total liabilities</b>             |      | <b>9 417</b>   |
| <b>Net assets</b>                    |      | <b>8 495</b>   |
| <b>Equity</b>                        |      |                |
| Asset revaluation surplus            |      | 1 671          |
| Retained earnings                    |      | 6 824          |
| <b>Total equity</b>                  |      | <b>8 495</b>   |

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

**South Australian Motor Sport Board**  
**Statement of Changes in Equity**  
*for the period 8 September 2022 to 30 June 2023*

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|   | Asset<br>revaluation<br>surplus<br>\$'000 | Retained<br>earnings<br>\$'000 | Total<br>equity<br>\$'000 |
|---|---|--------------------------------|---------------------------|
| <b>Balance at 8 September 2022</b>                            | -   | -                              | -                         |
| Net assets received as a result of administrative restructure | -   | 1 530                          | 1 530                     |
| Net result for 2022-23  | -   | 5 294                          | 5 294                     |
| Gain on revaluation of assets during 2022-23                  | 1 671                                     | -                              | 1 671                     |
| <b>Total comprehensive result for 2022-23</b>                 | <b>1 671</b>                              | <b>6 824</b>                   | <b>8 495</b>              |
| <b>Balance at 30 June 2023</b>                                | <b>1 671</b>                              | <b>6 824</b>                   | <b>8 495</b>              |

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

**South Australian Motor Sport Board**  
**Statement of Cash Flows**  
*for the period 8 September 2022 to 30 June 2023*

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|  | 2023                    |
|--|-------------------------|
|  | Inflows<br>(Outflows)   |
| Note   | \$'000                  |
| <b>Cash flows from operating activities</b>              |                         |
| <b>Cash inflows</b>                                      |                         |
| Sales of goods and services                              | 11 937                  |
| SA Government grants, subsidies and transfers            | 37 966                  |
| Other receipts   | 3 779                   |
| <b>Cash generated from operating activities</b>          | <b>53 682</b>           |
| <b>Cash outflows</b>                                     |                         |
| Employee benefits payments                               | (1 583)                 |
| Payments for supplies and services                       | (39 132)                |
| Payments of grants and subsidies                         | (880)                   |
| <b>Cash used in operating activities</b>                 | <b>(41 595)</b>         |
| <b>Net cash provided by operating activities</b>         | <b>12 087</b>           |
| <b>Cash flows from investing activities</b>              |                         |
| <b>Cash outflows</b>                                     |                         |
| Purchase of property, plant and equipment                | (4 414)                 |
| <b>Cash used in investing activities</b>                 | <b>(4 414)</b>          |
| <b>Net cash (used in) investing activities</b>           | <b>(4 414)</b>          |
| <b>Cash flows from financing activities</b>              |                         |
| <b>Cash inflows</b>                                      |                         |
| Cash transferred as a result of restructuring activities | 1.3 <u>2 007</u>        |
| <b>Cash generated from financing activities</b>          | <b>2 007</b>            |
| <b>Net cash provided by financing activities</b>         | <b>2 007</b>            |
| <b>Net increase in cash</b>                              | <b>9 680</b>            |
| Cash at the beginning of the reporting period            | -                       |
| <b>Cash at the end of the reporting period</b>           | 6.1 <u><u>9 680</u></u> |

The accompanying notes form part of these financial statements.

# South Australian Motor Sport Board

## Notes to and forming part of the financial statements

for the period 8 September 2022 to 30 June 2023

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### 1 About the South Australian Motor Sport Board

South Australian Motor Sport Board (Board) is a statutory authority of the state of South Australia, established pursuant to the *South Australian Motor Sport Act 1984* (as enacted by the *South Australian Motor Sport (Miscellaneous) Amendment Act 2022*) to promote motor sport events in South Australia.

#### 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.

For the purposes of preparing the financial statements, the Board is a not-for-profit entity.

The financial statements have been prepared for the period 8 September 2022 to 30 June 2023 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.

Significant accounting policies are set out throughout the notes.

Cash flows are exclusive of Goods and Services Tax (GST). The GST component of cash flows which is recoverable from, or payable to, the Australian Taxation Office (ATO) is classified as part of operating cash flows of the Department of the Premier and Cabinet (DPC), not the Board.

#### 1.2 Objectives

The objectives of the Board include:

- Establishing a motor racing circuit and assuming the management and use of public roads and parklands on a temporary basis.
- Carrying out construction works and alterations including the removal of roads and other related infrastructure associated with motor sport events.
- Carrying on advertising and promotional activities, charging admission fees and selling merchandise associated with motor sport events.

**South Australian Motor Sport Board**  
**Notes to and forming part of the financial statements**  
*for the period 8 September 2022 to 30 June 2023*

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**1.3 Changes to the Board**

**Transfers in**

**South Australian Tourism Commission**

As a result of a proclamation outlined in the Government Gazette on 8 September 2022 the Board was re-established by the *South Australian Motor Sport (Miscellaneous) Amendment Act 2022*. In accordance with the *South Australian Motor Sport Act 1984*, assets and liabilities relating to the functions and powers of the Act transferred from the South Australian Tourism Commission to the Board on 8 September 2022. No income or expenses were incurred by the South Australian Tourism Commission relating to these functions and powers during 2022-23. The South Australian Tourism Commission also transferred motor sport infrastructure assets to the Board at a carrying amount of zero, which were then revalued to \$1.671 million. Refer note 5.1.

**Department of the Premier and Cabinet**

As a result of administrative arrangements outlined in the Chief Executive Agreement dated 30 June 2023, the Board received funding and responsibility relating to South Australian motorsport activities including the re-establishment of the Adelaide 500 event, the Adelaide Motorsport Festival and the South Australian Motorsport Board. Associated assets and liabilities were transferred from the Department of the Premier and Cabinet effective 8 September 2022.

Net income and expenses attributable to South Australian motorsport activities for 2022-23 were:

|   | Department<br>of the<br>Premier and<br>Cabinet<br>\$'000 | South<br>Australian<br>Motor Sport<br>Board<br>\$'000 | Total<br>\$'000 |
|---|--|---|-----------------|
| Appropriation                                 | 4 473  | -   | 4 473           |
| SA Government grants, subsidies and transfers | 135  | 37 966  | 38 101          |
| Sales of goods and services                   | -  | 12 942  | 12 942          |
| Other Income                                  | -  | 4 626   | 4 626           |
| <b>Total income</b>                           | <b>4 608</b>   | <b>55 534</b>   | <b>60 142</b>   |
| Employee benefits expenses                    | 179  | 1 771   | 1 950           |
| Supplies and services                         | 2 399  | 46 923  | 49 322          |
| Grants and subsidies                          | 500  | 880   | 1 380           |
| Depreciation                                  | -  | 382   | 382             |
| Other expenses                                | -  | 284   | 284             |
| <b>Total expenses</b>                         | <b>3 078</b>   | <b>50 240</b>   | <b>53 318</b>   |
| <b>Net result</b>                             | <b>1 530</b>   | <b>5 294</b>  | <b>6 824</b>    |

**South Australian Motor Sport Board**  
**Notes to and forming part of the financial statements**  
*for the period 8 September 2022 to 30 June 2023*

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**1.3 Changes to the Board (continued)**

The following assets and liabilities were transferred to the Board:

|                                     | Department<br>of the<br>Premier and<br>Cabinet<br>\$'000 | South<br>Australian<br>Tourism<br>Commission<br>\$'000 | Total<br>\$'000 |
|-------------------------------------|--|--|-----------------|
| Cash                                | 1 894  | 113  | 2 007           |
| Receivables                         | 21   | -  | 21              |
| Property, plant and equipment       | 1 530  | -  | 1 530           |
| <b>Total assets</b>                 | <b>3 445</b>   | <b>113</b>   | <b>3 558</b>    |
| Payables                            | 10   | -  | 10              |
| Employee benefits                   | 88   | -  | 88              |
| Contract liabilities                | 1 817  | 113  | 1 930           |
| <b>Total liabilities</b>            | <b>1 915</b>   | <b>113</b>   | <b>2 028</b>    |
| <b>Total net assets transferred</b> | <b>1 530</b>   | <b>-</b>   | <b>1 530</b>    |

Net assets assumed by the Board as a result of administrative restructures are the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to transfer. The net assets transferred were treated as contributions by the Government as owner.

**2. Income**

**2.1 Sales of goods and services**

|  | 2023<br>\$'000 |
|--|----------------|
| Ticket sales                             | 6 298          |
| Corporate sales                          | 4 434          |
| Other services                           | 2 210          |
| <b>Total sales of goods and services</b> | <b>12 942</b>  |

All revenue from sales of goods and services is recognised per AASB 15 *Revenue from Contracts with Customers*.

Income from ticket sales and service provision is recognised in the period when it occurs. Where cash is received for ticket sales or event entries (in other above) for future events, it is recognised in note 7.2 as contract liabilities.

# South Australian Motor Sport Board

## Notes to and forming part of the financial statements

for the period 8 September 2022 to 30 June 2023

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### 2.2 SA Government grants, subsidies and transfers

SA Government grants, subsidies and transfers are recognised as income on receipt per AASB 1058 *Income of Not-for-Profit Entities*.

SA Government grants, subsidies and transfers comprised funding of:

- \$30.718 million funding from DPC Administered Items
- \$4 million from the Major Events Fund
- \$3.248 million from South Australian Tourism Commission for promotional activities.

### 2.3 Other income

|  | 2023         |
|--|--------------|
|  | \$'000       |
| Sponsorships   | 3 633        |
| In kind revenue  | 712          |
| General recoveries                                     | 274          |
| Resources received free of charge - Shared Services SA | 7            |
| <b>Total other income</b>                              | <b>4 626</b> |

Other income is recognised under a combination of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* on completion of agreed deliverables and in compliance with all obligations under the agreement.

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

## 3. Board, committees and employees

### 3.1 Key management personnel

Key management personnel of the Board include the Premier, Chief Executive, the Presiding Member, the Deputy Presiding Member and the Board members who have responsibility for the strategic direction and management of the Board.

Total compensation paid by the Board for key management personnel was \$486 000.

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

See DPC's Financial Statements for disclosures of the Premier's remuneration paid and recovered from the Consolidated Account.

### ***Transaction with Key Management Personnel and other related parties***

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

**South Australian Motor Sport Board**  
**Notes to and forming part of the financial statements**  
*for the period 8 September 2022 to 30 June 2023*

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**3.2 Board and committee members**

Members during the period 8 September 2022 to 30 June 2023 were:

**South Australian Motor Sport Board** (all members appointed 8 September 2022)

Andrew Daniels (Presiding Member)

Carolyn Mitchell (Deputy Presiding Member)

Lisa Bishop

Ish Davies

Martin Haese

Anna Hurley

Michael Masi

Jamieson McClurg

Mark Phelps

**Finance, Risk and Audit Committee** (all members appointed 27 September 2022)

Lisa Bishop (Chair)

Martin Haese

Mark Phelps

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

***Board and committee remuneration***

| The number of members whose remuneration received or receivable falls within the following bands: | 2023<br>Number |
|---|----------------|
| \$20 000 - \$39 999   | 8              |
| \$40 000 - \$59 999   | 1              |
| <b>Total number of members</b>  | <b>9</b>       |

The total remuneration received or receivable by members was \$226 000. Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid.

**South Australian Motor Sport Board**  
**Notes to and forming part of the financial statements**  
*for the period 8 September 2022 to 30 June 2023*

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**3.3 Employee benefits expenses**

|   | <b>2023</b>   |
|---|---------------|
|   | <b>\$'000</b> |
| Salaries and wages                      | 1 106         |
| Board and committee fees                | 204           |
| Employment on-costs - superannuation    | 199           |
| Annual leave                            | 137           |
| Employment on-costs - other             | 66            |
| Long service leave                      | 42            |
| Workers compensation                    | 14            |
| Skills and experience retention leave   | 2             |
| Other employee related expenses         | 1             |
| <b>Total employee benefits expenses</b> | <b>1 771</b>  |

***Employment on-costs - superannuation***

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

***Employee remuneration***

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

|                                  | <b>2023</b>   |
|----------------------------------|---------------|
|                                  | <b>Number</b> |
| \$260 001 - \$280 000            | 1             |
| <b>Total number of employees</b> | <b>1</b>      |

The total remuneration received by those employees for the year was \$260 100.

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

**South Australian Motor Sport Board**  
**Notes to and forming part of the financial statements**  
*for the period 8 September 2022 to 30 June 2023*

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**3.4 Employee benefits liability**

|  | 2023<br>\$'000    |
|--|-------------------|
| <b>Current</b>                             |                   |
| Annual leave                               | 119               |
| Long service leave                         | 10                |
| Accrued salaries and wages                 | 8                 |
| Skills and experience retention leave      | 4                 |
| <b>Total current employee benefits</b>     | <u>141</u>        |
| <b>Non-current</b>                         |                   |
| Long service leave                         | 90                |
| <b>Total non-current employee benefits</b> | <u>90</u>         |
| <b>Total employee benefits</b>             | <u><u>231</u></u> |

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

***Salaries and wages, annual leave, 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.

The salary inflation rate applied to the annual leave and SERL liabilities is 2%.

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.

AASB 119 *Employee Benefits* contains the calculation methodology for the 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 employee departures and periods of service.

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 for 2023 is 4.0%.

The actuarial assessment performed by DTF applied a salary inflation rate of 3.5% for the long service leave liability.

The non-current portion of long service leave reflects the estimate of leave to be taken in greater than 12 months.

**South Australian Motor Sport Board**  
**Notes to and forming part of the financial statements**  
*for the period 8 September 2022 to 30 June 2023*

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**4. Expenses**

**4.1 Supplies and services**

|                                    | <b>2023</b>   |
|------------------------------------|---------------|
|                                    | <b>\$'000</b> |
| Circuit construction               | 20 824        |
| Venue and event operations         | 16 558        |
| Marketing and public relations     | 5 616         |
| General administration             | 2 097         |
| Cost of goods sold                 | 1 785         |
| Audit fees                         | 43            |
| <b>Total supplies and services</b> | <b>46 923</b> |

***Audit fees***

Audit fees paid/payable to the Auditor-General's Department relate to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

**4.2 Grants and subsidies**

Grants and subsidies expenditure (\$0.880 million) includes support for the Adelaide Motorsport Festival and the Adelaide Rally.

**South Australian Motor Sport Board**  
**Notes to and forming part of the financial statements**  
*for the period 8 September 2022 to 30 June 2023*

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**5. Non-Financial assets**

**5.1 Property, plant and equipment**

|   | Motorsport<br>infrastructure and<br>equipment<br>\$'000 | Work in<br>progress<br>\$'000 | Total<br>\$'000 |
|---|---|-------------------------------|-----------------|
| Carrying amount at the beginning of the period  | -   | -                             | -               |
| Transfer in                                     | -   | 1 530                         | 1 530           |
| Acquisitions                                    | -   | 4 414                         | 4 414           |
| Revaluation increment                           | 1 671   | -                             | 1 671           |
| Transfers to/(from) capital works in progress   | 5 944   | (5 944)                       | -               |
| Depreciation                                    | (382)   | -                             | (382)           |
| <b>Carrying amount at the end of the period</b> | <b>7 233</b>  | <b>-</b>                      | <b>7 233</b>    |
| <b>Gross carrying amount</b>                    |   |                               |                 |
| Gross carrying amount                           | 7 615   | -                             | 7 615           |
| Accumulated depreciation                        | (382)   | -                             | (382)           |
| <b>Carrying amount at the end of the period</b> | <b>7 233</b>  | <b>-</b>                      | <b>7 233</b>    |

Property, plant and equipment owned by the Board with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Board is recorded at the carrying amount, being historical cost less depreciation or if acquired at nil value, estimated historical cost less accumulated depreciation upon acquisition. The carrying amount of these items is deemed to approximate fair value.

**Depreciation**

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

**Useful life**

Depreciation is calculated on a straight-line basis over the infrastructure and equipment estimated useful life of 2-20 years.

**Review of accounting estimates**

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

**South Australian Motor Sport Board**  
**Notes to and forming part of the financial statements**  
*for the period 8 September 2022 to 30 June 2023*

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**6. Financial assets**

**6.1 Cash**

The Board has a non-interest bearing deposit account held with the Treasurer (\$9.680 million), which must be used in accordance with its approved purpose. Cash is measured at nominal amounts.

**6.2 Receivables**

|                                     | <b>2023</b>       |
|-------------------------------------|-------------------|
|                                     | <b>\$'000</b>     |
| <b>Current</b>                      |                   |
| Trade receivables                   | 997               |
| Less impairment loss on receivables | (4)               |
| Prepayments                         | 6                 |
| <b>Total receivables</b>            | <u><u>999</u></u> |

Receivables are normally settled within 30 days after the issue of an invoice. 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.

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

**South Australian Motor Sport Board**  
**Notes to and forming part of the financial statements**  
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**7. Liabilities**

**7.1 Payables**

|                                   | 2023<br>\$'000      |
|-----------------------------------|---------------------|
| <b>Current</b>                    |                     |
| Trade payables                    | 8 037               |
| Accrued expenses                  | 43                  |
| Employment on-costs               | 21                  |
| <b>Total current payables</b>     | <u>8 101</u>        |
| <b>Non-current</b>                |                     |
| Employment on-costs               | 10                  |
| <b>Total non-current payables</b> | <u>10</u>           |
| <b>Total payables</b>             | <u><u>8 111</u></u> |

Payables and accruals are raised for all amounts owing but unpaid. Trade 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, the ReturntoWorkSA premium and superannuation contributions that are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long-service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The Board 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 superannuation schemes.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is 43% and the average factor for the calculation of employer superannuation on-costs is 11.1%. These rates are used in the employment on-cost calculation.

**7.2 Contract liabilities**

Contract liabilities are for corporate sales received in advance of the 2023 Adelaide 500 (\$0.535 million) and event entries received in advance of the 2023 World Solar Challenge event (\$0.526 million). Revenue is recognised when the events have occurred, and all service obligations have been achieved per AASB 15 *Revenue from Contracts with Customers*.

**South Australian Motor Sport Board**  
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**7.3 Provisions**

All provisions relate to workers compensation.

|  | 2023<br>\$'000 |
|--|----------------|
| <b><i>Reconciliation of workers compensation</i></b> |                |
| Carrying amount at the beginning of the period       | -              |
| Additional provisions recognised                     | 14             |
| <b>Carrying amount at the end of the period</b>      | <b>14</b>      |

**Provision for workers compensation**

The Board is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Board is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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 Board claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

**South Australian Motor Sport Board**  
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## **8. Outlook**

### **8.1 Unrecognised contractual commitments**

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

#### **Other contractual commitments**

Expenditure contracted for at the reporting date but not yet recognised as liabilities in the financial report, are payable as follows:

|  | <b>2023</b>          |
|--|----------------------|
|  | <b>\$'000</b>        |
| Within one year                                    | 26 776               |
| Later than one year but not longer than five years | <u>26 408</u>        |
| <b>Total expenditure commitments</b>               | <b><u>53 184</u></b> |

Expenditure commitments relate to contracted expenditure for motorsport events per goods and services agreements.

### **8.2 Contingent assets and liabilities**

The Board is not aware of any contingent assets or liabilities as at 30 June 2023.

### **8.3 Events after the reporting period**

There were no events occurring after the end of the reporting period that had a material financial implication on these financial statements.