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## To the Chair, Board of Management State Opera of South Australia

### Opinion

I have audited the financial report of the State Opera of South Australia for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the State Opera of South Australia as at 30 June 2023, 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 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Executive Director, Chair, Board of Management 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 State Opera of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

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

The Executive Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – 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 Executive 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 Executive 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 Board is 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 18(3) of the *State Opera of South Australia Act 1976*, I have audited the financial report of the State Opera of South Australia for the financial year ended 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 State Opera of South Australia's internal control

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

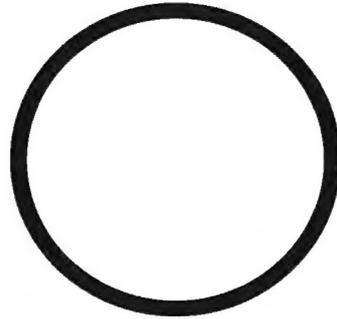
I communicate with the Executive Director and Chair, Board of Management about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue  
**Assistant Auditor-General (Financial Audit)**

31 August 2023

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STATE OPERA  
SOUTH AUSTRALIA

ABN 31 382 679 566

# STATE OPERA OF SOUTH AUSTRALIA

**Financial Statements  
for the year ended  
30 June 2023**

OFFICIAL

STATE OPERA OF SOUTH AUSTRALIA  
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STATE OPERA OF SOUTH AUSTRALIA  
CERTIFICATION OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2023

We certify that the financial statements for the State Opera of South Australia :

- are in accordance with the accounts and records of the Company;
- comply with relevant Treasurer's Instructions issued,
- comply with relevant accounting standards; and
- present a true and fair view of the financial position of the Company at the end of the financial year and the result of its operations and cash flows for the financial year.

We certify that the internal controls employed by the State Opera of South Australia for the financial year over its financial reporting and its preparation of financial statements have been effective.

Date 28 August 2023



Mark Taylor  
Executive Director



Elizabeth Olsson  
Chair Board of Management



Nicole Mathee CA  
Chief Financial Officer

## STATE OPERA OF SOUTH AUSTRALIA

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Income</b>			
Revenues from SA Government	2.1	1,531	1,535
Commonwealth-sourced grants and funding	2.2	2,370	2,072
SA Government grants, subsidies and transfers	2.3	162	5
Sales of goods and services	2.4	1,800	1,419
Interest and dividends	2.5	101	33
Net changes in fair value of investments (FVTPL)		19	(26)
Resources received free of charge	2.6	5	5
Other income	2.7	341	988
<b>Total income</b>		<b>6,329</b>	<b>6,031</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	2,208	1,962
Supplies and services	4.1	3,205	4,277
Depreciation and amortisation	4.2	35	34
Other expenses	4.3	1	-
<b>Total expenses</b>		<b>5,449</b>	<b>6,273</b>
<b>Net result from operations</b>		<b>880</b>	<b>(242)</b>
Share of results of associates	4.4	(86)	(79)
<b>Net result for the period</b>		<b>794</b>	<b>(321)</b>
<b>Total comprehensive result</b>		<b>794</b>	<b>(321)</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.

## STATE OPERA OF SOUTH AUSTRALIA

**STATEMENT OF FINANCIAL POSITION**

as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.2	3,250	2,926
Receivables	6.3	516	626
<b>Total current assets</b>		<b>3,766</b>	<b>3,552</b>
<b>Non-current assets</b>			
Other financial assets	6.4	451	432
Investments in associates	6.5	129	215
Property, plant and equipment	5.1	51	69
Intangible assets	5.2	61	72
Receivables	6.3	64	189
<b>Total non-current assets</b>		<b>756</b>	<b>977</b>
<b>Total assets</b>		<b>4,522</b>	<b>4,529</b>
<b>Current liabilities</b>			
Payables	7.2	186	180
Contract liabilities	7.3	1,143	1,959
Employee benefits liabilities	3.4	82	103
Provisions	7.4	30	24
<b>Total current liabilities</b>		<b>1,441</b>	<b>2,266</b>
<b>Non-current liabilities</b>			
Employee benefits liabilities	3.4	10	14
Provisions	7.4	98	70
<b>Total non-current liabilities</b>		<b>108</b>	<b>84</b>
<b>Total liabilities</b>		<b>1,549</b>	<b>2,350</b>
<b>Net Assets</b>		<b>2,973</b>	<b>2,179</b>
<b>Equity</b>			
Reserves	8.1	1,675	1,639
Retained earnings	8.1	1,298	540
<b>Total Equity</b>		<b>2,973</b>	<b>2,179</b>

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

## STATE OPERA OF SOUTH AUSTRALIA

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2023

	Reserves Incentive Scheme Funds Reserve	Trust Funds Reserves	Future Productions Reserve	Significant Bequests Reserve	Accumulated Surplus	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2021	237	1,116	-	-	1,147	2,500
Total comprehensive result for 2021-22	-	-	-	-	(321)	(321)
Transfer between equity components	76	(66)	-	276	(286)	-
<b>Balance at 30 June 2022</b>	<b>313</b>	<b>1,050</b>	<b>-</b>	<b>276</b>	<b>540</b>	<b>2,179</b>
Total comprehensive result for 2022-23	-	-	-	-	794	794
Transfer between equity components	9	27	-	-	(36)	-
<b>Balance at 30 June 2023</b>	<b>322</b>	<b>1,077</b>	<b>-</b>	<b>276</b>	<b>1,298</b>	<b>2,973</b>

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

## STATE OPERA OF SOUTH AUSTRALIA

**STATEMENT OF CASH FLOWS**

For the year ended 30 June 2023

	Note No.	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Revenues from SA Government		1,531	1,635
Commonwealth-sourced grants and funding		1,879	2,920
SA Government grants, subsidies and transfers		178	5
Box office and production		1,816	1,420
Sponsorship and donations		345	796
Interest received		80	5
Dividends received		21	23
GST recovered from the ATO	8.2	35	166
Other receipts		17	78
<b>Cash generated from operations</b>		<b>5,902</b>	<b>7,048</b>
<b>Cash outflows</b>			
Employee benefits payments		(2,208)	(1,881)
Payments for supplies and services		(3,363)	(4,828)
Other payments		-	-
<b>Cash used in operations</b>		<b>(5,571)</b>	<b>(6,709)</b>
<b>Net cash provided by/(used in) operating activities</b>		<b>331</b>	<b>339</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(7)	(8)
Purchase of intangibles		-	(37)
Contribution towards The Opera Conference		-	(151)
<b>Cash used in investing activities</b>		<b>(7)</b>	<b>(196)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>(7)</b>	<b>(196)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>324</b>	<b>143</b>
Cash and cash equivalents at the beginning of the period		2,926	2,783
<b>Cash and cash equivalents at the end of the period</b>	6.2	<b>3,250</b>	<b>2,926</b>

The accompanying notes form part of these financial statements.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023

## 1 About the State Opera of South Australia

State Opera of South Australia (the Company) is a not-for-profit entity in the State of South Australia. The Company is a statutory authority established pursuant to the *State Opera of South Australia Act 1976* and acts on behalf of the Crown.

The Company does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all the controlled activities of the Company.

**1.1 Basis of preparation**

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

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

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

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

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**

The objective of the Company is to serve the Government and the people of South Australia by achieving excellence in the provision of operatic productions to the general public. The Company's main objectives are to:

- Present, produce, manage and conduct theatrical and operatic performances of any kind as may in its opinion tend to promote the art of the opera and related theatrical arts;
- Promote the training of all persons concerned in the production, presentation or performance of operatic or other related theatrical presentations;
- Assist financially or otherwise in the presentation, production, management or conduct of any theatrical or operatic production in this State;
- Promote public interest and participation in the art of the opera and related theatrical arts;
- Promote or commission the scoring and writing of operas and other theatrical works for operatic or theatrical performance; and
- Establish and conduct schools, courses, lectures, seminars and discussions on the art of the opera and related theatrical arts.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023**2 Income**

The Company is jointly funded through the Multi-Partite Funding Agreement with the SA Government (Arts South Australia) and the Australian Federal Government (Australia Council for the Arts). In addition, the Company raises income from its performances, sponsorship, donations and investments.

Where there is an enforceable agreement with sufficiently specific performance obligations, revenue is recognised under AASB 15 which requires recognition when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration.

AASB 1058 establishes principles for not-for-profit entities that apply to revenue streams which are either not enforceable or do not have sufficiently specific performance obligations to fall within AASB 15. AASB 1058 also applies to:

- a) transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and
- b) the receipt of volunteer services.

If the consideration provided to acquire an asset, including cash, is significantly less than the fair value of that asset, or if no consideration was provided, and the difference is principally to enable the entity to further its objectives, such a transaction is within the scope of AASB 1058.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed are net of goods and services tax (GST).

**2.1 Revenues from SA Government**

	2023	2022
	\$'000	\$'000
Revenues from SA Government	1,531	1,535
<b>Total Revenues from SA Government</b>	<b>1,531</b>	<b>1,535</b>

Total revenues from SA Government consist of \$1,531k (\$1,535k) allocated to the Company, is for operational funding.

**Accounted for under AASB 1058**

The revenue received from the State Government of South Australia, through Arts SA, is allocated and paid within a financial year and recognised upon receipt.

**2.2 Commonwealth-sourced grants and funding**

	2023	2022
	\$'000	\$'000
Recurrent Grant	1,655	1,628
Grant for La Boheme production (ABC Broadcast)	-	369
Grant for When the Rain Stops Falling commissioning	-	75
Grant for Love Burns Tour	345	-
Grant for Gilbert & Sullivan Opera Festival	370	-
<b>Total Commonwealth-sourced grants and funding</b>	<b>2,370</b>	<b>2,072</b>

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023**Accounted for under AASB 15**

Commonwealth funding is generally received from Australia Council for the Arts in the same calendar year that the funding is intended to relate to under the terms of the agreement. The funding bodies have the right to request unspent funds to be returned until such time as they are spent in accordance with the agreement. Where funding payments are received in advance, a financial liability will be recognised, representing the Company's contractual obligation to deliver cash in the event the funding bodies request it. The financial liability is derecognised and revenue is recognised as the funds are subsequently spent. The artistic program delivered by the Company is evenly spread throughout the season and funding is recognised in alignment with the delivery of the program.

**2.3 SA Government grants, subsidies and transfers**

	2023	2022
	\$'000	\$'000
Grant for Confident Conductor workshop	-	5
Grant for Love Burns Tour	100	-
Grant for Gilbert & Sullivan Opera Festival	62	-
<b>Total SA Government grants, subsidies and transfers</b>	<b>162</b>	<b>5</b>

**Accounted for under AASB 15**

Grant revenue is allocated to each specific performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for completing each specific performance, program or activity.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

**2.4 Sales of goods and services**

	2023	2022
	\$'000	\$'000
Ukaria Traviata Recital	13	-
La Traviata	696	-
Bright Lights and Big Dreams	144	-
Love Burns Tour	4	-
Adelaide Festival Requiem	47	-
Gilbert and Sullivan Festival	896	-
2021-22 Productions	-	1,419
<b>Total Sales of goods and services</b>	<b>1,800</b>	<b>1,419</b>

**Accounted for under AASB 15**

The Company fulfils its performance obligation in relation to sales of goods and services at the point in time that the relevant production is performed. The transaction price is equal to the ticket sale price and is allocated entirely to the single performance obligation of completing the production. In most cases the ticket price is paid by the customer at the time of purchase.

**2.5 Interest and dividends**

	2023	2022
	\$'000	\$'000
Investment with SAFA	73	3
Cash and cash equivalents	7	2
Dividends	21	28
<b>Total Interest and dividends</b>	<b>101</b>	<b>33</b>

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023

2.6 Resources received free of charge	2023	2022
	\$'000	\$'000
Services received free of charge – Shared Services SA	5	5
<b>Total Resources received free of charge</b>	<b>5</b>	<b>5</b>

Resources received free of charge were subsequently expensed as supplies and services in Note 4.1, at fair value when consumed/used.

2.7 Other income	2023	2022
	\$'000	\$'000
Sponsorship	89	219
Donations and Bequests	235	619
Foundations	-	75
Insurance recovery	-	1
Sundry income	17	74
<b>Total Other income</b>	<b>341</b>	<b>988</b>

**Accounted for under AASB 15 - Sponsorship**

Typically, sponsorship agreements require the Company to provide specific benefits to the sponsor, such as the provision of concert tickets or acknowledgement of the sponsor in season materials, over a specified time period. This will be allocated to each specific performance obligation in an amount that depicts the amount of consideration to which the entity expects to be entitled in exchange for completing each specific performance, program or activity. The transaction price is considered to be the value of the sponsorship as specified in the agreement.

**Accounted for under AASB 15 - Foundations**

Foundation revenue is received from the James and Diana Ramsay Foundation and relates to expenditure incurred for specific agreed program deliverables. The revenue is recognised as income over the periods necessary to match the foundation revenue to the costs for which they are compensating.

**Accounted for under AASB 1058 - Donations/Bequests**

Revenue from donations are generally recognised under AASB 1058 as cash payments or assets are received. An exception to this is where the Group receives a restricted legacy which is enforceable and sufficiently specific. In these cases, revenue is recognised under AASB 15 as the conditions are satisfied.

**3 Board, committees and employees****3.1 Key management personnel**

Key management personnel of the Company include the Minister, the Executive Director, the Artistic Director, the Chief Financial Officer and the Board. Total compensation for key management personnel was \$459k in 2022-23 and \$456k in 2021-22.

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 (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*."

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023**Transactions with key management personnel and other related parties**

Other than the remuneration paid in 2022-23, there were no other transactions with key management personnel and other related parties during the year.

**3.2 Board and committee members**

Members during the 2023 financial year were:

**The State Opera of South Australia Board**

Master Elizabeth Olsson (Chair - appointed Dec 2022)

Mr John Irving (Chair - departed Nov 2022)

Mr Peter Michell (departed Aug 2022)

Dr Beata Byok

Dr Peter Goldsworthy (joined Dec 2022)

Ms Imelda Alexopoulos

Dr Thomas Millhouse

Mrs Polly Tembel

Mrs Jane Doyle

Ms Philippa Williams (joined Dec 2022)

**Risk and Performance Committee**

Dr Thomas Millhouse (Chair - appointed Dec 2022)

Master Elizabeth Olsson (Chair - stepped down Dec 2022)

Mr John Irving (departed Nov 2022)

Dr Beata Byok

Ms Imelda Alexopoulos

Ms Philippa Williams (joined Dec 2022)

**Board and committee remuneration**

The board and committee members stated they would not accept a stipend for sitting on the Company's board.

**3.3 Employee benefits expenses**

	2023	2022
	\$'000	\$'000
Salaries and wages	1,911	1,651
Long service leave	(4)	(1)
Annual leave	(34)	13
Employment on-costs - superannuation	195	155
Employment on-costs - other	74	60
Workers compensation	34	84
Other employee related expenses	32	-
<b>Total Employee benefits expenses</b>	<b>2,208</b>	<b>1,962</b>

**Employment on-costs - superannuation**

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

**Employment on-costs - other**

The other employment on-cost charge represents the Company's payroll tax expense.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023**Workers compensation**

As the Crown is self-insured, the liability for workers compensation is borne by the Company, as an instrumentality of the Crown. The provision is based on an actuarial assessment performed by the scheme actuary, PricewaterhouseCoopers (PwC), with apportionment modelled on factors such as claims experience, comparative size, and risk factors.

During 2021-22, ReturnToWorkSA (RTWSA) exhausted all avenues to challenge a decision of the Supreme Court of SA regarding the Summerfield decision, which has resulted in many more injured workers gaining access to higher than anticipated workers compensation entitlements. The flow on effect of the Summerfield decision is that there is a predicted material increase in liability from higher than projected seriously injured workers and lump sum payments under the Return To Work Act 2014.

The net impact on the valuation results in workers compensation expense decreasing from \$84k (2021-22), being the first year of applying the new case law, to \$34k (2022-23) as a provision for potential claims.

**Executive remuneration**

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

\$157 001 to \$180 000

\$180 001 to \$200 000

**Total**

	2023 No.	2022 No.
	-	1
	1	1
<b>Total</b>	<b>1</b>	<b>2</b>

The total remuneration received by those employees for the year was \$181k in 2022-23 and 356k in 2021-22.

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 as well as any termination benefits for employees who have left the Company.

**3.4 Employee benefits liabilities****Current**

Accrued salaries and wages

Annual leave

**Total Current Employee benefits liabilities**

**Non-current**

Long service leave

**Total Non-current Employee benefits liabilities**

**Total Employee benefits liabilities**

	2023 \$'000	2022 \$'000
	49	36
	33	67
<b>Total Current Employee benefits liabilities</b>	<b>82</b>	<b>103</b>
	10	14
<b>Total Non-current Employee benefits liabilities</b>	<b>10</b>	<b>14</b>
<b>Total Employee benefits liabilities</b>	<b>92</b>	<b>117</b>

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.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023**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 in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

**Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 10.1.

**4 Expenses**

Employee benefits expenses are disclosed in note 3.3.

**4.1 Supplies and services**

	2023	2022
	\$'000	\$'000
Accommodation	236	232
Advertising and marketing	235	321
Consultants	52	55
Contractors - performers, creatives, technical	702	886
General administration and consumables	191	248
Information technology expenses	61	65
Legal costs	-	2
Minor works, maintenance and equipment	7	6
Production expense	736	1,262
Telecommunications	12	10
Travel	226	144
Venue hire and expenses	747	1,046
<b>Total Supplies and services</b>	<b>3,205</b>	<b>4,277</b>

**Accommodation**

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

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023**Consultants**

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	No	2023 \$'000	No	2022 \$'000
Below \$10 000	1	4	1	7
\$10 000 or above	2	48	3	48
<b>Total</b>	<b>3</b>	<b>52</b>	<b>4</b>	<b>55</b>

**General administration and consumables**

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 were \$27k (\$26k). No other services were provided by the Auditor General's Department.

**4.2 Depreciation and amortisation**

	2023 \$'000	2022 \$'000
Production equipment	8	9
Furniture and equipment	2	2
Computer equipment	14	13
Intangible assets	11	10
<b>Total Depreciation and amortisation</b>	<b>35</b>	<b>34</b>

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.

The Company assessed the Australian Opera Digital Library (AODL), an intangible asset created in 2021-22, as having an indefinite useful life, and has therefore not been amortised. Its useful life will be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite will be accounted for as a change in an accounting estimate.

**Useful life**

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Production equipment	5-20
Furniture and equipment	5-10
Computer equipment	3
Intangible assets	5

Depreciation and amortisation methods are reviewed annually.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023**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.

**4.3 Other expenses**

	2023	2022
	\$'000	\$'000
Property, plant and equipment write-offs	1	-
<b>Total Other expenses</b>	<b>1</b>	<b>-</b>

**4.4 Share of results of associates**

	2023	2022
	\$'000	\$'000
Share of The Opera Conference losses	86	79
<b>Total Share of results of associates</b>	<b>86</b>	<b>79</b>

The loss represents the Company's 20% interest in The Opera Conference Partnership. For further information refer to Note 6.5 Investments in associates.

**5 Non-financial assets**

The Company holds sufficient assets to deliver and administer its program of performances.

**5.1 Property, plant and equipment**

Property, 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.

	2023	2022
	\$'000	\$'000
<b>Production equipment</b>		
Production equipment at cost (deemed fair value)	220	217
Accumulated depreciation at the end of the period	(192)	(184)
<b>Total Production equipment</b>	<b>28</b>	<b>33</b>
<b>Furniture and equipment</b>		
Furniture and equipment at cost (deemed fair value)	50	50
Accumulated depreciation at the end of the period	(43)	(41)
<b>Total Furniture and equipment</b>	<b>7</b>	<b>9</b>
<b>Computer equipment</b>		
Computer equipment at cost (deemed fair value)	116	114
Accumulated depreciation at the end of the period	(100)	(87)
<b>Total Computer equipment</b>	<b>16</b>	<b>27</b>
<b>Total Property, plant and equipment</b>	<b>51</b>	<b>69</b>

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023

Plant and equipment with a value equal to, or in excess of, \$1k is capitalised, otherwise it is expensed. Plant and equipment owned by the Company is recorded at fair value.

**Impairment**

There are no indicators of impairment at 30 June 2023.

**Reconciliation 2022-23**

	Production equipment \$'000	Furniture and equipment \$'000	Computer equipment \$'000	Total \$'000
Carrying amount at the beginning of year	33	9	27	69
Additions	3	-	4	7
Disposals (sales, write offs etc)	-	-	(1)	(1)
Depreciation expense	(8)	(2)	(14)	(24)
<b>Carrying amount at the end of the year</b>	<b>28</b>	<b>7</b>	<b>16</b>	<b>51</b>

Computer equipment, with an original cost of \$2k and net book value of less than \$1k, was written off in 2022-23.

**5.2 Intangible assets**

	2023 \$'000	2022 \$'000
<b>Purchased computer software</b>		
Purchased computer software at cost (deemed fair value)	51	51
Accumulated amortisation at the end of the period	(50)	(39)
<b>Total Purchased computer software</b>	<b>1</b>	<b>12</b>
<b>Australian Opera Digital Library at cost (deemed fair value)</b>	<b>60</b>	<b>60</b>
<b>Total Intangible assets</b>	<b>61</b>	<b>72</b>

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of, 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 \$5k.

The carrying value of the Australian Opera Digital Library (AODL), an intangible asset created in 2021-22, is \$60k and is included in the total intangible assets. The company has assessed the AODL as having an indefinite useful life due to its intrinsic value not being lost over time as a piece of operatic history and educational resource, and has therefore not been amortised. Its useful life will be reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite will be accounted for as a change in an accounting estimate.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023**Reconciliation 2022-23**

	Purchased computer software \$'000	Australian Opera Digital Library \$'000	Total \$'000
Carrying amount at the beginning of year	12	60	72
Additions	-	-	-
Amortisation expense	(11)	-	(11)
<b>Carrying amount at the end of the year</b>	<b>1</b>	<b>60</b>	<b>61</b>

**6 Financial assets****6.1 Categorisation of financial assets**

	2023 Carrying amount \$'000	2022 Carrying amount \$'000
<b>Financial assets</b>		
<b>Cash and equivalents</b>		
Cash and cash equivalents	3,250	2,926
<b>Financial assets at amortised cost</b>		
Receivables	162	289
Other financial assets	451	432
<b>Total Financial assets</b>	<b>3,863</b>	<b>3,647</b>

Receivables as disclosed in this note does not include statutory amounts as these are not financial instruments.

**6.2 Cash and cash equivalents**

	2023 \$'000	2022 \$'000
Short term deposits	3,192	2,605
Cash at bank	58	321
<b>Total Cash and cash equivalents</b>	<b>3,250</b>	<b>2,926</b>

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 and private sector financial institutions and earn interest at the respective short-term deposit rates. As at the 2023 reporting date, all deposits were held with SAFA. In 2022, \$2.5m was held with SAFA, with all other accounts deposited with private sector financial institutions.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023

## 6.3 Receivables

	2023	2022
	\$'000	\$'000
<b>Current</b>		
<b>Contractual receivables</b>		
From non-government entities	29	14
<b>Total Contractual receivables</b>	<b>29</b>	<b>14</b>
Prepayments	354	337
Accrued revenues	133	275
<b>Total Current Receivables</b>	<b>516</b>	<b>626</b>
<b>Non-current</b>		
Prepayments	64	189
<b>Total Non-current Receivables</b>	<b>64</b>	<b>189</b>
<b>Total Receivables</b>	<b>580</b>	<b>815</b>

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

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

There are no Statutory Receivables at the reporting dates.

**Allowance for impairment loss on receivables**

Due to the minimal level of receivables held, from non-government entities, and timely basis in which they are settled, it has been determined that there is no impairment of receivables. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

## 6.4 Other financial assets

	2023	2022
	\$'000	\$'000
<b>Non-current</b>		
Shares and units held in listed entities	451	432
<b>Total Non-current Other financial assets</b>	<b>451</b>	<b>432</b>

## 6.5 Investments in associates

	2023	2022
	\$'000	\$'000
<b>Non-current</b>		
Investments in associates	129	215
<b>Total Non-current investments</b>	<b>129</b>	<b>215</b>

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023**Investments in associates**

Under the Multi-Partite Funding Agreement with Australia Council for the Arts, the Company is awarded additional funding to be invested in an arrangement with Opera Australia, Opera Queensland and Western Australian Opera (known as The Opera Conference) to contribute towards local artist development. This funding is treated as partners' capital in the partnership financial statements and the losses are allocated to each partner.

The Company has a 20% financial interest in The Opera Conference Partnership and is considered to have significant influence over its operations.

In accordance with AASB 128, this investment has been accounted for using the equity method and has been tested for indications of impairment at the reporting date.

The audited financial statements of The Opera Conference Partnership have been relied upon to account for this investment in associates. Due to the impacts of COVID-19, the partnership ceased the majority of operations and therefore have no significant transaction or events to record.

Summarised financial information for The Opera Conference is set out below:

	2023 \$'000	2022 \$'000
Cash and cash equivalents	653	1,527
Receivables	42	45
<b>Total assets</b>	<b>695</b>	<b>1,572</b>
Payables <sup>a</sup>	50	499
<b>Total net assets</b>	<b>645</b>	<b>1,073</b>
<b>Equity partner share (20%)</b>	<b>129</b>	<b>215</b>
Cash contribution (between partnership and company reporting dates)	-	-
<b>Investment in associate</b>	<b>129</b>	<b>215</b>

a Includes \$487k payable to Opera Australia in 2021-22.

**7 Liabilities**

Employee benefits liabilities are disclosed in note 3.4.

**7.1 Categorisation of financial liabilities**

	2023 Carrying amount \$'000	2022 Carrying amount \$'000
<b>Financial liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Payables	25	19
<b>Total Financial liabilities</b>	<b>25</b>	<b>19</b>

Payables as disclosed in this note does not include statutory amounts as these are not financial instruments.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023

## 7.2 Payables

<b>Current</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contractual Payables</b>		
Trade payables	14	13
Credit cards payable	11	6
Accrued expenses	25	7
<b>Total Contractual Payables</b>	<b>50</b>	<b>26</b>
<b>Statutory Payables</b>		
Accrued expenses	30	32
GST payable	75	82
Employment on-costs	31	40
<b>Total Statutory Payables</b>	<b>136</b>	<b>154</b>
<b>Total Current Payables</b>	<b>186</b>	<b>180</b>

Payables and accruals are raised for all amounts owing but unpaid. Contractual 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 accrued expenses arise from audit fees payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987.

The net amount of GST payable to the ATO is included as part of payables.

**Employment on-costs**

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

The Company 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 the South Australian Superannuation Board or other superannuation schemes.

The Company has no staff who are entitled to long-service leave or pro-rata thereof, and the only provision in relation to long service leave takes into account the probability of payment in these particular circumstances. The average factor for the calculation of employer superannuation cost on-costs has changed from the 2022 rate of 10.6% to 11.1%. These rates are used in the employment on-costs calculation. The net financial effect of the changes in the current financial year is immaterial.

## 7.3 Contract liabilities

<b>Current</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Advance box office	147	304
Advance sponsorship	38	2
Advance grants	947	1,653
Advance others	11	-
<b>Total Current Contract liabilities</b>	<b>1,143</b>	<b>1,959</b>

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023

Box office income of \$147k (\$304k) was deferred until the future periods in which the productions occur.

Sponsorship income of \$38k (\$2k) was deferred until the following financial year to the period of the production per the sponsorship agreement.

Grant income of \$947k (\$1,653k) received at the end of 2022-23, from the Australian Council for the Arts, Arts SA and the Department of Education, was deferred to support the Company's future programs.

Other unearned income of \$11k at the end of 2022-23 includes membership services to be provided to Opening Night Circle subscribers.

**7.4 Provisions**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	30	24
<b>Total Current Provisions</b>	<b>30</b>	<b>24</b>
<b>Non-current</b>		
Provision for workers compensation	98	70
<b>Total Non-current Provisions</b>	<b>98</b>	<b>70</b>
<b>Total Provisions</b>	<b>128</b>	<b>94</b>
<b>Employment on-costs</b>		
Carrying amount at the beginning of year	94	10
Movement in provisions	34	84
<b>Carrying amount at the end of year</b>	<b>128</b>	<b>94</b>

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation. Refer to Note 3.3 for further explanation regarding the current year provision.

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

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023

## 8 Other disclosures

## 8.1 Equity

Equity consists of accumulated surpluses from the ordinary business operations of the Company and restricted reserves.

***Future productions reserve***

In line with the Company's Reserves and Investment Policy, the future productions reserve ringfences surpluses over and above 20% unrestricted reserves which are to be maintained in accordance with the Multi-Partite Funding Agreement with the SA Government (Arts South Australia) and the Australian Federal Government (Australia Council for the Arts).

These funds are allocated at the end of each financial year, based on the greater of actual expenses in the current year and budgeted expenses for the year ahead, and are to be used on the commissioning, creation and/or delivery of an operatic production in subsequent years, rather than for general use.

***Significant bequests reserve***

In line with the Company's bequest management policy, the Significant Bequests Reserve ringfences unrestricted receipts in excess of \$10,000 for asset investment purposes.

Accumulated bequest gifts are to be used for the specific purpose of financing the creation, development, improvement, purchase and maintenance of assets with a lifespan of at least 10 years belonging to the Company.

***Reserves Incentive Scheme funds reserve***

The Company entered into an agreement, known as the *Reserves Incentive Scheme Funding Agreement*, with the Australia Council and Arts SA during 2009-10. The Scheme is designed to encourage and assist the Major Performing Arts companies to strengthen their Statement of Financial Position by building reserves to a level that is sufficient to underpin their financial health.

The funds received under the Agreement must be placed in escrow and can only be released under certain circumstances, which are set out in the Agreement, which includes the Company making a formal submission, signed by the Board Chair, to Arts SA and the Australia Council.

These funds are short term deposits which are held with the South Australian Government Financing Authority (SAFA).

***Trust funds reserve***

*Diana Ramsay Fund and the Thora and Frank Pearce Opera Foundation* reflect Trust funds held and controlled by the Company.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023**Trust funds**

The State Opera of South Australia holds funds in a trustee capacity. These funds are included in the financial statements as cash and investments as they are effectively controlled by the Company.

The State Opera administers the *Thora and Frank Pearce Opera Foundation*, established in August 1999, and the *Diana Ramsay Fund*, established in November 2001. The Foundation and the Fund are both financed by public donations. All funds are to be used exclusively for cultural purposes associated with opera.

	2023 \$'000	2022 \$'000
<b><i>Thora and Frank Pearce Opera Foundation</i></b>		
Balance at the beginning of year	205	205
Interest revenue	5	-
<b>Total Thora and Frank Pearce Opera Foundation</b>	<b>210</b>	<b>205</b>
<i>Represented by:</i>		
Cash and cash equivalents	210	205
<b>Total Thora and Frank Pearce Opera Foundation</b>	<b>210</b>	<b>205</b>
<b><i>Diana Ramsay Fund</i></b>		
Balance at the beginning of year	845	911
Dividend income	21	28
Interest revenue	13	1
Distribution for surtitles/training young singers	(31)	(69)
Changes in market value of investments	19	(26)
<b>Total Diana Ramsay Fund</b>	<b>867</b>	<b>845</b>
<i>Represented by:</i>		
Cash and cash equivalents	416	413
Other financial assets	451	432
<b>Total Diana Ramsay Fund</b>	<b>867</b>	<b>845</b>
<b>Total Trust funds</b>	<b>1,077</b>	<b>1,050</b>

**8.2 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.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2023

## 9 Outlook

**9.1 Unrecognised commitments**

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value and inclusive of non-recoverable GST.

**Expenditure commitments**

	2023 \$'000	2022 \$'000
Within one year	231	224
Later than one year but not longer than five years	-	231
<b>Total unrecognised Expenditure commitments</b>	<b>231</b>	<b>455</b>

The Company's expenditure commitments are for agreements for:

- Memoranda of administrative arrangements with the Department for Infrastructure and Transport for accommodation at the Netley Opera Studio, which is used primarily as the business centre and rehearsal studio, as well as occasional performances and storage. This lease terminates on 11 June 2024.

**Production related commitments**

	2023 \$'000	2022 \$'000
Within one year	550	496
Later than one year but not longer than five years	21	32
<b>Total unrecognised Production related commitments</b>	<b>571</b>	<b>528</b>

The Company, by the nature of its operations, has entered into contracts with artists for performances scheduled to take place subsequent to the year end. The terms and conditions of the contracts may also place a liability on the Company to pay some or all of these amounts should the artist not be engaged, hired scenery, or costumes not used.

These commitments have been made on the basis that ongoing funding will continue from the State and Federal Governments at an appropriate level.

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

**9.3 Events after the reporting period**

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

# STATE OPERA OF SOUTH AUSTRALIA

## NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 June 2023

### 10 Measurement and risk

#### 10.1 Long Service Leave Liability - Measurement

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability and 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 2022 (3.5%) to 2023 (4.0%). This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an immaterial increase in the reported long service leave liability.

The salary inflation rate increased from 2022 (2.5%) to 2023 (3.5%). The result is an immaterial increase in the reported long service leave liability.

The probability of payments are based on the realistic expectation of staff reaching entitlement date based on current staff turnover, age and other commercial factors as advised by an external consultant in Public Practice.

The Company has no current unconditional portion of long service leave provision as it relates to an unconditional legal entitlement to payment arising after 10 years of service.