



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

To the Chief Executive Office for Recreation, Sport and Racing

Opinion

I have audited the financial report of the Office for Recreation, Sport and Racing for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Office for Recreation, Sport and Racing as at 30 June 2025, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy and other explanatory information
- a Certificate from the Chief Executive and the Director, Corporate Strategy and Investment.

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 Office for Recreation, Sport and Racing. 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 for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Office for Recreation, Sport and Racing for the financial year ended 30 June 2025.

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 Office for Recreation, Sport and Racing'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 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
Deputy Auditor-General

30 September 2025

Office for Recreation, Sport and Racing

Financial Statements

For the year ended 30 June 2025

Office for Recreation, Sport and Racing
Certification of the Financial Statements
for the year ended 30 June 2025

We certify that the:

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



Kylie Taylor
Chief Executive
29 September 2025



Tim Nicholas
Director, Corporate Strategy and Investment
29 September 2025

Office for Recreation, Sport and Racing
Statement of Comprehensive Income
for the year ended 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Income			
Appropriation	3.1	74 296	138 728
Fees and charges	3.2	1 303	1 170
Grants and subsidies	3.3	1 358	2 856
Intra-government transfers	3.4	15 071	5 981
Resources received free of charge	3.5	988	325
Net gain from disposal of non-current assets	3.6	1 285	3 138
Other income	3.7	2 203	1 980
Total income		96 504	154 178
Expenses			
Employee related expenses	4.1	10 436	9 503
Supplies and services	4.2	9 259	7 638
Grants and subsidies	4.4	67 664	51 137
Borrowing costs	6.3	4	6
Depreciation and amortisation	5.6, 5.7	21 488	16 188
Transfers to Consolidated Account	4.5	20 500	23 139
Other expenses	4.6	595	533
Total expenses		129 946	108 144
Net result		(33 442)	46 034
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in asset revaluation surplus		-	70 497
Total other comprehensive income		-	70 497
Total comprehensive result		(33 442)	116 531

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

Office for Recreation, Sport and Racing
Statement of Financial Position
as at 30 June 2025

		2025	2024
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	5.2	27 549	60 044
Receivables	5.3	3 147	5 248
Inventories	5.4	9	-
Non-current assets classified as held for sale	5.5	-	6 100
Total current assets		30 705	71 392
Non-current assets			
Receivables	5.3	4	4
Property, plant and equipment	5.6	509 252	503 039
Intangible assets	5.7	404	367
Total non-current assets		509 660	503 410
Total assets		540 365	574 802
Current liabilities			
Payables	6.2	10 293	28 787
Other financial liabilities	6.3	32	121
Contract liabilities	6.4	865	170
Employee related liabilities	6.5	1 128	1 123
Provisions	6.6	37	62
Other non-financial liabilities	6.7	472	11
Total current liabilities		12 827	30 274
Non-current liabilities			
Other financial liabilities	6.3	60	123
Employee related liabilities	6.5	1 116	1 149
Provisions	6.6	158	198
Other non-financial liabilities	6.7	16 588	-
Total non-current liabilities		17 922	1 470
Total liabilities		30 749	31 744
Net assets		509 616	543 058
Equity			
Asset revaluation surplus	7.1	133 495	133 495
Retained earnings	7.1	376 121	409 563
Total equity		509 616	543 058

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

Office for Recreation, Sport and Racing
Statement of Changes in Equity
for the year ended 30 June 2025

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2023	62 998	363 529	426 527
Net result for 2023-24	-	46 034	46 034
Gain on revaluation of plant and equipment	70 497	-	70 497
Total comprehensive result for 2023-24	70 497	46 034	116 531
Balance at 30 June 2024	133 495	409 563	543 058
Net result for 2024-25	-	(33 442)	(33 442)
Total comprehensive result for 2024-25	-	(33 442)	(33 442)
Balance at 30 June 2025	133 495	376 121	509 616

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

Office for Recreation, Sport and Racing
Statement of Cash Flows
for the year ended 30 June 2025

		2025	2024
		\$'000	\$'000
Cash flows from operating activities	Note		
Cash inflows			
Appropriation		98 962	139 454
Fees and charges		19 006	1 243
Grants and subsidies		1 578	6 955
Intra-government transfers		16 093	1 073
GST recovered from the ATO		6 880	3 177
Other receipts		2 787	2 040
Cash generated from operations		145 306	153 942
Cash outflows			
Employee related payments		(10 583)	(9 207)
Payments for supplies and services		(25 502)	(9 350)
Payments of grants and subsidies		(72 830)	(49 444)
Transfers to Consolidated Account		(45 166)	(23 865)
Purchases of inventories		(254)	-
Other payments		(110)	(127)
Cash used in operations		(154 445)	(91 993)
Net cash provided by / (used in) operating activities	7.2	(9 139)	61 949
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		8 261	14 410
Cash generated from investing activities		8 261	14 410
Cash outflows			
Purchase of property, plant and equipment		(31 504)	(60 141)
Cash used in investing activities		(31 504)	(60 141)
Net cash (used in) / provided by investing activities		(23 243)	(45 731)
Cash outflows			
Repayment of leases		(113)	(98)
Cash used in financing activities		(113)	(98)
Net cash used in financing activities		(113)	(98)
Net increase / (decrease) in cash and cash equivalents		(32 495)	16 120
Cash and cash equivalents at the beginning of the reporting period		60 044	43 924
Cash and cash equivalents at the end of the reporting period	5.2	27 549	60 044

The accompanying notes form part of these financial statements.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

1. About the Office for Recreation, Sport and Racing

The Office for Recreation, Sport and Racing (the Office) is a not-for-profit administrative unit established pursuant to the *Public Sector Act 2009*. The Office became an attached office to the Department for Infrastructure and Transport (DIT) on 29 July 2020.

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

The Office has administered items and they are presented separately and disclosed in note 10. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting policies as for the Office transactions.

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.

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

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

Assets that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the Office has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

The Office is subject to fringe benefits tax. The Office is not subject to income tax.

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, 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.

1.2 Objectives

The Office is the lead agency for the SA Government's policy on sport and active recreation. The Office supports sport and recreation through the development of policy, programs and resources, the provision of funding, recreation and sport planning, infrastructure development, elite sport pathways and the promotion of physical activity.

The Office also provides strategic policy advice to the Minister for Recreation Sport and Racing (the Minister) on matters relating to the South Australian Racing Industry.

The Office has administrative responsibility for the Recreation and Sport Fund and the Sport and Recreation Fund.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

2. Board and committees

2.1 Key management personnel

Key management personnel of the Office include the Minister, the Chief Executive and four members (2024: four) of the Executive Leadership Team. Total compensation for key management personnel was \$1.02 million in 2024-25 and \$1.04 million in 2023-24.

The compensation detailed below 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 of the *Parliamentary Remuneration Act 1990*.

	2025	2024
Compensation	\$'000	\$'000
Salaries and other short-term employee benefits	915	941
Post-employment benefits	105	103
Total compensation	1 020	1 044

Transactions with key management personnel and other related parties

The Office did not enter into any transactions with key management personnel or their close family members during the reporting period that were not consistent with normal procurement arrangements.

2.2 Board and committee members

Members during the 2025 financial year were:

Women In Sports Taskforce

Hon Emily Bourke MP (Minister for ORSR) (Chair) from 29 January 2025

Hon Katrina Hildyard MP (Minister for ORSR) (Chair) to 29 January 2025

Catherine Hutchesson MP (Vice- Chair)

Dr Amber Halliday^

Bronwyn Brooks

Craig Scott^

Eleni Tee

Prof. Murray Drummond

Anthony Elleston

Jade Wilson*

Jenny Williams

Kylie Taylor* (ex officio)

Risk, Audit and Performance Committee

Nicolle Rantanen Reynolds (Chair)

Steve Olech (resigned 14 May 2025)

Russell D'Costa

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

^ Indicates a member that has received an exemption from the Premier and Cabinet Circular No. 016 requirement that government employees are not remunerated for board and committee membership. The appointment has no connection to their employment within Public Sector. The member is entitled to remuneration and has elected to receive payment.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

2.3 Board and committee members (continued)

Board and committee remuneration

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

	2025	2024
\$0	6	7
\$1 - \$19 999	9	9
Total number of members	15	16

The total remuneration received or receivable by members was \$5 505 (2024: \$5 186). Remuneration of members reflects all costs of performing committee duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid.

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

3. Income

3.1 Appropriation

	2025 \$'000	2024 \$'000
Appropriation from Consolidated Account	74 296	138 728
Total appropriation	74 296	138 728

This table does not show appropriations in the form of a loan or an equity contribution.

Appropriations are recognised on receipt. Appropriation pursuant to the *Appropriation Act* consist of \$71.1 million (2024: \$63.5 million) for net operational funding and \$3.2 million (2024: \$75.2 million) for net capital projects. Money appropriated for the Office's purposes which was issued to special deposit accounts or deposit accounts of other public authorities is not reflected here.

The original amount appropriated to the Office was \$99.0 million (2024: \$139.5 million) with \$24.7 million (2024: \$0.7 million) returned to the Consolidated Account.

No additional funds were received from the Treasurer via the Governor's Appropriation Fund.

3.2 Fees and charges

	2025 \$'000	2024 \$'000
Fees and charges		
Rental income	730	507
Short-term facility and equipment hire	498	565
Other fees and charges	56	70
Registration fees	19	28
Total fees and charges	1 303	1 170

Regarding rental income, refer to note 5.6 for details on the Office's leasing arrangements as lessor.

In relation to revenue from short-term hire of sporting facilities, and associated support services, customers are invoiced at the conclusion of the hire arrangement. At this point in time, satisfaction of performance obligations are considered complete and revenue is recognised.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

3.2 Fees and charges (continued)

Transaction prices reflect the fixed amounts agreed with customers prior to the service being rendered, and once invoiced, amounts receivable are subject to standard 30-day payment terms. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

Registration fees consist of registrations for boxing and martial arts. The Office has applied the recognition exemptions for licences where the transaction price is of low value and accordingly recognises registration income at a point in time.

3.3 Grants and subsidies

	2025 \$'000	2024 \$'000
Commonwealth-sourced grants		
Commonwealth revenue - multi-year asset construction	10	1 739
Commonwealth revenue - other	428	57
Total commonwealth-sourced grants	438	1 796
Other grants and subsidies		
Private industry grants	919	921
Private industry grants - multi-year asset construction	1	139
Total other grants and subsidies	920	1 060
Total grants and subsidies	1 358	2 856

Commonwealth-sourced grants

Grants received are usually subject to terms and conditions set out in contracts, correspondence or legislation.

The Office received grants from Commonwealth Government entities for the purposes of constructing and upgrading sporting infrastructure. The Office recognised \$10 000 as income using the percentage of completion method (2024: \$1.739 million). These grant funds have now fully been recognised as income, the upgrade works are completed. Additional detail is included at note 6.7.

Other grants

Other grants largely relate to private industry grants for sport programs and income is recognised upon receipt.

The Office received a grant for the purposes of constructing and upgrading sporting infrastructure. The Office recognised \$1,000 as income using the percentage of completion method (2024: \$139 000). These grant funds have now fully been recognised as income, the upgrade works are completed. Additional detail is included at note 6.7.

3.4 Intra-government transfers

	2025 \$'000	2024 \$'000
Transfers received from other SA Government entities		
Intra-government transfers - Sport and Recreation Fund	4 671	4 583
Intra-government transfers - other	4 400	1 385
Contingency funding provided by the Department of Treasury and Finance	6 000	13
Total intra-government transfers	15 071	5 981

Intra-government transfers largely relate to funds transferred from the Sport and Recreation Fund. The Sport and Recreation Fund is an administered item of the Office (note 10).

Other intra-government transfers largely relate to \$1.3 million of funds transferred from the Department of Premier and Cabinet (2024: \$1.3 million) and \$3.1 million from the Planning and Development Fund (2024: nil).

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

3.5 Resources received free of charge

	2025	2024
	\$'000	\$'000
Services received free of charge - SA Government entities	420	278
Donations	568	47
Total resources received free of charge	988	325

Contribution of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

The Office receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA, Information, Communication and Technology services and media monitoring services from Department of Premier and Cabinet (DPC) and Audit services from the Audit Office of SA free of charge. The corresponding expenses are disclosed in Other Expenses (note 4.6).

Plant and equipment were donated by a facility Operator during the year. The assets are located at one of the Office's aquatic centers. Under the operations and maintenance agreement with the Operator, the Operator is responsible for maintaining and servicing these assets for public use.

3.6 Net gain / (loss) from the disposal of property, plant and equipment

	2025	2024
	\$'000	\$'000
Land, buildings and improvements		
Net proceeds from disposal	-	7 850
Less carrying amount of assets disposed	(67)	(6 528)
Net gain from disposal of land and buildings	(67)	1 322
Plant and equipment		
Net proceeds from disposal	2	-
Less carrying amount of assets disposed	(51)	-
Net loss from disposal of plant and equipment	(49)	-
Right of use motor vehicles		
Net proceeds from disposal	1	-
Less carrying amount of assets disposed	-	-
Net loss from disposal of motor vehicle	1	-
Non-Current Asset Held for Sale - Land		
Net proceeds from disposal	7 500	6 500
Less carrying amount of assets disposed	(6 100)	(4 684)
Net gain from disposal of non-current assets held for sale	1 400	1 816
Total assets:		
Net proceeds from disposal of non-current assets	7 503	14 350
Less carrying amount of assets disposed	(6 218)	(11 212)
Net gain / (loss) from disposal of non-current assets	1 285	3 138

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

3.7 Other income

	2025	2024
	\$'000	\$'000
Recoveries	585	734
Sale of goods	345	-
Refunds	302	35
Sponsorship	-	10
Other	971	1 201
Total other income	2 203	1 980

Other income includes \$0.142 million related to profit share agreements with one of the two Office's leased facilities (2024: \$0.542 million). Refer to note 5.6 for details on the Office's leasing arrangements as lessor.

Refunds relate to the return of grant funds to the Office. Income is recognised in line with the Office's acceptance of a grantee's acquittal.

Sale of goods consists of food and beverages sold at the canteen in the SA Athletics Stadium.

4. Expenses

4.1 Employee related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages	7 858	7 077
Superannuation	1 031	921
Annual leave	731	671
Long service leave	202	221
Workers compensation	(60)	118
Other employee related expenses	541	468
Skills and experience retention leave	19	24
Committee fees	3	3
Targeted voluntary separation payments	111	-
Total employee related expenses	10 436	9 503

Office employees are employed under Part 7 of the *Public Sector Act*.

The superannuation employment on-cost charge represents the Office'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:

	2025	2024
\$166 001 - \$171 000*	n/a	1
\$191 001 - \$211 000	2	1
\$211 001 - \$231 000	1	2
\$271 001 - \$291 000	-	1
\$291 001 - \$311 000	1	-
Total number of employees	4	5

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

4.1 Employee related expenses (continued)

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2023-24.

The total remuneration received by these employees for the year was \$0.931 million (2024: \$1.081 million).

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

Targeted Voluntary Separation Packages (TVSPs)

One employee received one TVSP during the current reporting period (2023-24: nil).

	2025	2024
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	111	-
Leave paid to separated employees	58	-
Net cost to the Office	169	-

4.2 Supplies and services

	2025	2024
	\$'000	\$'000
Contractors	1 711	1 493
General administration and consumables	1 280	648
Corporate Services SLA	1 159	1 029
Repairs, maintenance and minor equipment purchases	965	929
Utilities	924	600
Facility management	743	696
Travel	549	639
Information technology and communication charges	391	282
Insurance fees	281	186
Cost of goods sold	225	-
Consultants	208	565
Staff development and recruitment	164	86
Other supplies and services	659	485
Total supplies and services	9 259	7 638

4.3 Expenditure – SA business and Non-SA business

The following table includes all expenditure in relation to contracts above \$55,000 (GST inclusive) resulting from a procurement as defined in Treasurer's Instructions 18 – Procurement (TI 18). Arrangements between public authorities and arrangements with other governments are not included.

Expenditure is inclusive of non-recoverable GST.

	2025	Proportion SA
	\$'000	and non-SA businesses
Total expenditure with South Australian businesses	5 219	89%
Total expenditure with non-South Australian businesses	664	11%
	5 883	100%

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

4.3 Expenditure – SA business and Non-SA business (continued)

Classification of SA business or non-SA business is based on circumstances as at the time of entering into a contract. For contracts entered into before 20 February 2023, where sufficient evidence of an assessment made under previous procurement requirements is known to the Office, this was used to determine classification. For contracts where such evidence of prior assessment is not available and for all other contracts, classification is based on the definition of an SA business provided in TI 18.

TI 18 defines a business as being South Australian where it operates in South Australia and more than 50% of the workforce delivering the contract resulting from the procurement on behalf of the business are South Australian residents.

The disclosure for expenditure with SA businesses reflects the total spent on contracts within the TI 18 definition and in some instances includes the cost of goods sourced from outside South Australia.

In many cases, the determination has been made on the basis of representations made by suppliers at a point in time which has not been subject to independent verification.

4.4 Grants and subsidies

	2025	2024
	\$'000	\$'000
Sports Vouchers Subsidies	15 850	9 442
Racing Industry Fund	12 291	16 761
Other Grants	7 604	4 264
Local Sporting Club Facility Grants	7 500	1 400
Community Recreation and Sport Facilities Program	5 664	5 575
The Power of Her - Infrastructure and Participation Program	5 393	2 250
Active Club Program	3 125	1 290
Active State Collaboration Program	2 926	2 979
State Sport and Recreation Development Program	2 719	2 654
Community Football Facilities	1 333	1 333
Subsidies – SA Aquatic and Leisure Centre	1 275	1 244
Performance Pathways Program	735	718
Connected and Active Communities	519	506
Subsidies – Parks Community Centre	395	445
Subsidies – Adelaide Aquatic Centre	183	-
SASI Individual Athlete Program	152	150
Partnerships Program	-	126
Total grants and subsidies	67 664	51 137

4.5 Transfers to Consolidated Account

	2025	2024
	\$'000	\$'000
Return of surplus cash pursuant to cash alignment policy	9 900	19 139
Other payments to the Consolidated Account*	10 600	4 000
Total transfers to consolidated account	20 500	23 139

* Other payments relate to proceeds from the sale of land to the South Australian Police in 2024-25 and funds received from the Planning and Development Fund.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

4.6 Other expenses

	2025	2024
	\$'000	\$'000
Other expenses	378	349
Rates and levies	106	106
Audit services	110	79
Expected credit loss	1	(1)
Total other expenses	595	533

Audit services received from the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* were \$79 000 (2024: \$79 000). No other services were provided by the Audit Office of South Australia.

5. Assets

5.1 Financial assets

	2025	2024
	Carrying amount	Carrying amount
	\$'000	\$'000
Financial assets measured at amortised cost		
Cash and cash equivalents	27 549	60 044
Contractual receivables	1 765	588
Total financial assets	29 314	60 632

5.2 Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Deposits with the Treasurer		
Office for Recreation, Sport and Racing Operating Account	27 548	60 044
Other cash and deposits	1	-
Total cash and cash equivalents in the Statement of Financial Position	27 549	60 044
Total cash and cash equivalents in the Statement of Cash Flows	27 549	60 044

Cash is measured at nominal amounts. The SA Government has a policy to align agency cash balances with appropriation and expenditure authority (cash alignment policy).

The Office does not earn interest on its deposits with the Treasurer.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

5.3 Receivables

	2025	2024
	\$'000	\$'000
Current receivables		
Contractual receivables		
Receivables from sale of goods and services	1 763	586
Less: impairment loss on receivables	(2)	(1)
Total contractual receivables	1 761	585
Statutory receivables		
GST receivable	1 335	2 881
Total statutory receivables	1 335	2 881
Prepayments	51	1 782
Total current receivables	3 147	5 248
Non-current receivables		
Contractual receivables	4	3
Total contractual receivables	4	3
Prepayments	-	1
Total non-current receivables	4	4
Total receivables	3 151	5 252

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk. Refer to note 9.2 for further information on risk management.

Prepayments in 2024 relating to the transfer of \$45 million to Adelaide Venue Management Corporation for delivery of upgrade works at Hindmarsh Stadium, a venue owned by the Office, have been fully amortised.

The Office has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment allowance.

Allowance for impairment loss on receivables

	2025	2024
	\$'000	\$'000
Carrying amount at the beginning of the period	1	2
Increase/(decrease) in the allowance	1	(1)
Carrying amount at the end of the period	2	1

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 9.2 for details regarding credit risk and the methodology for determining impairment.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

5.4 Inventories

	2025 \$'000	2024 \$'000
Inventories - held for sale (food and beverages)	9	-
Total inventories	9	-

Inventories held for sale are measured at the lower of cost and their net realisable value. Cost is measured on the basis of the first in-first out method.

5.5 Non-current assets classified as held for sale

	2025 \$'000	2024 \$'000
Land	-	6 100
Total non-current assets classified as held for sale	-	6 100

Land classified as held for sale was sold to the South Australian Police.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

5.6 Property, plant and equipment

Reconciliation 2024-25

	Land, buildings and improvements \$'000	Land, buildings and improvements Plant and equipment \$'000	Land, buildings and improvements - leased \$'000	Plant and equipment - leased \$'000	Work in progress \$'000	ROU Buildings \$'000	ROU Equipment \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	132 436	699	287 802	756	81 072	205	8	61	503 039
Acquisitions	-	-	-	-	27 252	5	-	-	27 252
Donated assets received	-	-	-	555	-	-	-	-	555
Disposals	-	(49)	(67)	(2)	-	-	-	-	(118)
Depreciation	(7 103)	(129)	(13 864)	(244)	-	(72)	(8)	(23)	(21 443)
Transfer from works in progress	92 483	67	6 396	149	(99 095)	-	-	-	-
Asset derecognition	-	-	-	-	-	-	-	(38)	(38)
Carrying amount at the end of the period	217 816	588	280 267	1 214	9 229	138	-	-	509 252
Carrying amount									
Gross carrying amount	289 585	2 347	494 101	2 902	9 229	507	37	-	798 708
Accumulated depreciation	(71 769)	(1 759)	(213 834)	(1 688)	-	(369)	(37)	-	(289 456)
Carrying amount at the end of the period	217 816	588	280 267	1 214	9 229	138	-	-	509 252

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Land is capitalised regardless of value. Property, plant and equipment is recorded at fair value. Details about the Office's approach to fair value is set out in note 9.1.

The Office has nil other movements included in transfers between classes for buildings where the Office is lessor (2024: nil).

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

5.6 Property, plant and equipment (continued)

Reconciliation 2023-24

	Land, buildings and improvements \$'000	Land, buildings and improvements \$'000	Land, buildings and improvements - leased \$'000	Plant and equipment - leased \$'000	Work in progress \$'000	ROU Buildings \$'000	ROU Equipment \$'000	ROU Vehicles \$'000	Total \$'000
Carrying amount at the beginning of the period	112 436	746	255 536	956	16 452	351	21	53	386 551
Acquisitions	-	-	-	-	74 708	78	-	37	74 823
Disposals	(6 528)	-	-	-	-	(60)	-	-	(6 588)
Depreciation	(3 599)	(138)	(11 980)	(221)	-	(164)	(13)	(29)	(16 144)
Transfer from works in progress	9 128	91	848	21	(10 088)	-	-	-	-
Revaluation increment/(decrement)	27 099	-	43 398	-	-	-	-	-	70 497
Assets transferred to held for sale	(6 100)	-	-	-	-	-	-	-	(6 100)
Carrying amount at the end of the period	132 436	699	287 802	756	81 072	205	8	61	503 039
Carrying amount									
Gross carrying amount	197 222	2 662	490 156	2 209	81 072	502	37	110	773 970
Accumulated depreciation	(64 786)	(1 963)	(202 354)	(1 453)	-	(297)	(29)	(49)	(270 931)
Carrying amount at the end of the period	132 436	699	287 802	756	81 072	205	8	61	503 039

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

5.6 Property, plant and equipment (continued)

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted through the stocktake process on an annual basis and also through a periodic asset revaluation process. 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.

Useful life

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

Class of asset	Useful life (years)
Buildings and Improvements	2 - 70
Plant and equipment	2 - 30
Right-of-use buildings	Life of lease
Right-of use equipment	Life of lease

Property, plant and equipment leased by the Office as lessor

Leases are classified as operating leases, as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The majority of leases are typically made for terms of 5 years or less.

As lessor, the Office has the following lease arrangements:

- The SA Aquatic and Leisure Centre at Oaklands Park, and the Parks Recreation and Sports Centre at Angle Park are subject to operation and management agreements. The Office recognises an expense for amounts paid under the agreement and recognises income when facility operating profits exceed a specified benchmark. Refer to note 3.2 for further detail.
- An operations and management agreement at Hindmarsh Stadium.
- Tenancy and management agreements at the SA Athletics Stadium, State Shooting Park, Heini Becker Park, Monarto Shooting Park, Hindmarsh Heritage Precinct, Women's Memorial Playing Fields and Adelaide SuperDrome.
- A number of tenancy and management agreements made on concessional terms to sporting organisations located at the State Hockey Centre, Netball SA Stadium, the Parks, the Southern Sports Complex, the State Centre of Football and the A.M Ramsay Regatta Course at West Lakes.
- A colocation arrangement with UniSA at the South Australian Sports Institute at Mile End. The prepaid lease payments will be recognised on a per annum basis over the term of the lease (note 6.7).

Refer to note 3.2 for operating lease income.

Property, plant and equipment leased by the Office as lessee

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

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.2.

The lease liabilities and interest expense related to the right-of-use assets are disclosed in note 6.3. Depreciation expenses related to leases are disclosed in note 5.6. Cash outflows related to leases are disclosed in note 7.2.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

5.6 Property, plant and equipment (continued)

The Office has several leases:

- Effective 1 April 2025, motor vehicle lease contractual arrangements with SAFA Fleet are no longer accounted for under AASB 16 Leases. From 1 April 2025, SAFA Fleet motor vehicle lease payments were recorded directly in the Income Statement. All related right-of-use assets (ROU) and liabilities up to 31 March 2025 were derecognised in accordance with the changes.
- Lease for Kidman Park office which ended in September 2024. The Lease was initially held on a peppercorn basis, with monthly lease payments commencing during the extended term.
- A prepaid lease for rowing-related storage and other spaces. This ends in January 2031.
- Two leases for rowing-related storage and other spaces. Lease payments are paid annually, with the leases ending in early 2028.

Concessional leases

The Office also has concessional leases, which are measured at cost in accordance with Treasurer's Instructions (Accounting Policy Statements):

- Recreational Walking Trails: The Office has been granted access to sections of privately owned land, over which walking trails have been established. The trails are for use by members of the public for recreational purposes. The leases are for 5-year terms, with only a single nominal payment to be made (\$1.10), if required by the landowner.

These arrangements allow the Office to further its objectives, and without the agreements being made on concessionary terms, additional costs may be incurred.

5.7 Intangible Assets

	2025 \$'000	2024 \$'000
Software		
Computer software	426	426
Accumulated amortisation	(104)	(59)
Work in Progress	82	-
Total computer software	404	367
Total intangibles	404	367

Reconciliation 2024-25

	Computer software \$'000	Work in Progress - Computer software \$'000	Total \$'000
Carrying amount at 1 July 2024	367	-	367
Additions	-	82	82
Amortisation	(45)	-	(45)
Carrying amount at the end of the period	322	82	404

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

5.7 Intangible Assets (continued)

Reconciliation 2023-24

	Computer software	Work in Progress - Computer software	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2023	122	264	386
Additions	-	25	25
Capitalisation	289	(289)	-
Amortisation	(44)	-	(44)
Carrying amount at 30 June 2024	367	-	367

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

The acquisition of computer software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Where subsequent expenditure on intangible assets cannot be attributed to existing intangible assets, the expenditure is not capitalised but is classified as expenditure.

Computer software relates to the Office's Sports Vouchers system database and purchased software. The Sports Voucher system has a remaining useful life of 7 years.

6. Liabilities

6.1 Financial liabilities

	2025	2024
	\$'000	\$'000
Financial liabilities measured at amortised cost		
Contractual payables	10 293	28 787
Lease liabilities	92	244
Total financial liabilities	10 385	29 031

6.2 Payables

	2025	2024
	\$'000	\$'000
Current		
Contractual payables	10 293	28 787
Total current payables	10 293	28 787
Total payables	10 293	28 787

Payables are measured at nominal amounts.

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 15 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

6.3 Other financial liabilities

All other financial liabilities relate to leases.

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. Financing costs associated with leasing activities was \$3 678 (2024: \$5 648). There were no defaults or breaches on any of the above liabilities throughout the year. All material cash outflows are reflected in the lease liabilities disclosed below.

	2025 \$'000	2024 \$'000
Current		
Lease liabilities	32	121
Total current other financial liabilities	32	121
Non-current		
Lease liabilities	60	123
Total non-current other financial liabilities	60	123
Total other financial liabilities	92	244

Maturity Analysis

The below maturity analysis is based on undiscounted gross cash flows and therefore may not be equal to the carrying amount or fair value.

	2025 \$'000	2024 \$'000
Lease liabilities		
Within one year	35	137
Later than one year but not later than five years	61	126
Total lease liabilities	96	263

6.4 Contract liabilities

	2025 \$'000	2024 \$'000
Current		
Contract liabilities	865	170
Total current contract liabilities	865	170

The Office receives grant funding for research & other projects for which a contract liability is recognised.

The single performance obligation for each contract is satisfied over time as the project work is conducted and the customer receives and uses simultaneously, the resulting intellectual property benefits. The Office recognises revenue on an input basis, as the Office expends the granted amount on allowable expenses under the agreement as the project work is progressed. Unexpended amounts are returned to the customer at the conclusion of the project.

The Office recognised \$161 000 as income (2024: \$55 000). No revenue related to adjustments to prices for performance obligations satisfied or partially satisfied in prior periods was recorded.

Expected realisation of contract liabilities as revenue in 2025-26 is \$0.865 million.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

6.5 Employee related liabilities

	2025	2024
	\$'000	\$'000
Current		
Annual leave	725	746
Employment on-costs	196	186
Long service leave	151	147
Skills and experience retention leave	34	43
Accrued salaries and wages	22	1
Total current employee related liabilities	1 128	1 123
Non-current		
Long service leave	1 010	1 042
Employment on-costs	106	107
Total non-current employee related liabilities	1 116	1 149
Total employee related liabilities	2 244	2 272

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

Salary 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, using remuneration rates current at the reporting date.

The salary inflation rate for annual leave and skills, experience and retention leave liability has increased from 2.4% (2024) to 3.2% (2025).

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.

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 long service leave liability.

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions of expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data across government.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of long service leave liability. The yield on long-term Commonwealth Government bonds remains unchanged at 4.25% (2024: 4.25%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The actuarial assessment performed by the Department of Treasury and Finance used a salary inflation rate of 3.5% (2024: 3.5%) for the long service leave liability.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

6.5 Employee related liabilities (continued)

The net financial effect of the changes to actuarial assumptions to long service leave liability and employee related expense in the current financial year is nil. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using several demographical and financial assumptions – including the long-term discount rate.

The current portion of long service leave reflects the Office's experience of long service leave use which is expected to continue in future.

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 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 Office makes contributions to several SA 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 the reporting date relates to any contributions due but not yet paid to the superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained unchanged at 44% (2024: 44%). The average factor for the calculation of employer superannuation cost on-costs has increased to 12% (2024: 11.5%). These rates are used in the employment on-cost calculation. The impact on 2025 is immaterial and cannot be reliably estimated for future years.

6.6 Provisions

All provisions relate to workers compensation.

	2025	2024
	\$'000	\$'000
Current		
Provision for workers compensation	37	62
Total current provisions	37	62
Non-current		
Provision for workers compensation	158	198
Total non-current provisions	158	198
Total provisions	195	260
	2025	2024
	\$'000	\$'000
Workers' compensation:		
Reconciliation of workers compensation		
Carrying amount at the beginning of the period	260	140
Additional provisions recognised	52	62
Payments for accidents	(3)	-
Remeasurement	(114)	58
Carrying amount at the end of the period	195	260

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

6.6 Provisions (continued)

Provision for workers compensation

The Office is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Office 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 2025 provided by a consulting actuary engaged through the Office of the Commissioner of 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 nonserious 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. The liability is impacted by agency 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.

6.7 Other non-financial liabilities

	2025 \$'000	2024 \$'000
Unearned income received to construct non-financial assets		
Opening balance	11	1 890
Amounts recognised as income	(11)	(1 879)
Closing balance	-	11
Unearned lease income		
Opening balance (1 January 2025)	17 296	-
Amounts recognised as income	(236)	-
Closing balance	17 060	-
Total other non-financial liabilities	17 060	11

Unearned income relating to grants that were received from the Commonwealth Government and a national sporting organisation for capital upgrades at one of the Office's sporting facilities has been recognised on the percentage of completion basis, as the upgrades are delivered (refer to note 3.3). A total of \$2.7 million in cash was granted to the Office.

Unearned income relating to funds received from UniSA under the colocation arrangement at the South Australian Sport Institute at Mile End will be recognised on a per annum basis over the term of the arrangement.

7. Other disclosures

7.1 Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

7.2 Cash flow reconciliation

	2025	2024
	\$'000	\$'000
Reconciliation of net cash provided by operating activities to net result		
Net cash provided by / (used in) operating activities	(9 139)	61 949
Add / (less) non-cash items		
Depreciation and amortisation expense	(21 488)	(16 188)
Resources received free of charge	988	325
Bad and doubtful debts expense	(1)	1
Other expenses	(354)	(325)
Gain in disposal of property, plant and equipment	1 285	3 138
Movement in assets and liabilities		
Increase / (decrease) in receivables	(5 443)	1 070
Increase / (decrease) in inventories	9	-
(Increase) / decrease in payables	18 141	(5 444)
(Increase) / decrease in employee related liabilities	75	(173)
(Increase) / decrease in provisions	65	(120)
(Increase) / decrease in contract liabilities	(695)	(103)
(Increase) / decrease in other non-financial liabilities	(16 588)	-
Increase in financial liabilities	164	-
Decrease in other liabilities	(461)	1 904
Net result	(33 442)	46 034

Total cash outflows for leases was \$100 181 (2024: \$104 736).

8. Outlook

8.1 Unrecognised commitments

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

Contractual commitments to acquire property, plant and equipment

	2025	2024
	\$'000	\$'000
Within one year	34 674	30 448
Later than one year but not later than five years	79 481	140
Total capital commitments	114 155	30 588

Capital commitments predominantly relate to upgrade works at several of the Office's major sporting facilities.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

8.1 Unrecognised commitments (continued)

Other contractual commitments

	2025	2024
	\$'000	\$'000
Within one year	16 049	11 314
Later than one year but not later than five years	8 988	15 647
Later than five years	279	240
Total expenditure commitments	25 316	27 201

Other contractual commitments predominantly relate to multiyear funding agreements for grant programs such as the State Sport and Recreation Development Program, Racing Industry Fund, management of the SA Aquatic & Leisure Centre, and contracts for services at the Office's facilities.

8.2 Expected rental income

	2025	2024
	\$'000	\$'000
Within one year	412	354
Later than one year but not longer than two years	369	117
Later than two year but not longer than three years	296	103
Later than three years but not longer than four years	75	103
Later than four years but not longer than five years	77	92
Later than five years	58	501
Total operating lease income	1 287	1 270

The above table sets out a maturity analysis of operating lease payments receivable, showing the undiscounted lease payments to be received after the reporting date. The amounts are not recognised as assets.

See note 5.6 for information about land, buildings and property, plant and equipment the Office leases out under operating leases.

8.3 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 following are contingent assets of the Office:

- Pending Legal Action: The Office is involved in a pending legal action seeking compensation from the manufacturer of building materials for cost of replacement which may result in a settlement. The financial impact is not able to be reliably estimated.
- Pending Insurance Claim: A venue suffered damage to the engineered timber flooring which requires replacement. The Office has submitted a claim against its insurance to repair the damage. The financial impact is not able to be reliably estimated.
- Leasehold improvements: Improvements made by lessees become property of the Office upon termination or expiry of a lease, as is typical of such arrangements. The financial impact is not able to be reliably estimated, and is dependent on factors including lease renewals, and condition of leasehold improvements on transfer to the Office.
- Returned grant funds: The Office issues grants to a range of recipients for the purposes of supporting sport and recreation outcomes. Typically, an amount of grant funds are returned to the Office each year, reflecting instances where a grant has not been fully acquitted, or where grantees are unable to comply with the conditions of the grant agreement. The financial impact is not able to be reliably estimated.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

8.3 Contingent assets and liabilities (continued)

The following are contingent liabilities of the Office:

- Insurance claim: A patron was injured at one of the Office's facilities. A possible obligation has been identified which will be confirmed by future legal proceedings. The financial impact is not able to be reliably estimated.
- Insurance claim: A former athlete has submitted a claim seeking compensation from the Office. The financial impact is not able to be reliably estimated.
- Insurance claims: Three venue participants have submitted independent claims seeking compensation from the Office. The financial impact is not able to be reliably estimated.
- Underwrite: The Office has committed to compensating potential operating losses over a period of 3 years for a State Sporting Organisation as a result of facilities relocation. The financial impact is not able to be reliably estimated.
- Insurance claim: A trail user was injured in a fall from an unauthorised bridge constructed over a walking trail (on private land) and is seeking compensation from the Office. The financial impact is not able to be reliably estimated.

8.4 Impacts of standards and statements not yet effective

The Office has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet effective and does not expect these to have a material impact on the Office's statements.

8.5 Events after the reporting period

The Office is not aware of any after balance date events.

9. Measurement and risk

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

9.1 Fair value

Initial recognition

Non-current owned tangible assets are initially recorded on a cost basis and subsequently measured at fair value. Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. Where assets are acquired as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Revaluation of non-current assets or a group of assets is only performed when the owned assets fair value at the time of acquisition is greater than \$1.5 million and estimated useful life exceeds three years.

Revaluation is undertaken on a six year cycle. The last external valuation by a Certified Practising Valuer was completed effective 1 July 2021.

In June 2024 the Office undertook an assessment of land and buildings and determined that valuation was required. As a result, an unscheduled valuation was completed effective 30 June 2024.

If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

When assets are revalued, the carrying amount is adjusted to the revalued amount. At the date of the revaluation the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

9.1 Fair value (continued)

The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

As a result of the latest revaluation, the increase in the carrying amount of the Office's land and building assets is recognised on a net basis in other comprehensive income and accumulated in equity under the heading of revaluation surplus.

Fair value hierarchy

The Office classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The Office's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

The Office had no valuations categorised into Level 1 and there were no transfers of assets between Level 1 and Level 2 categories.

Fair value classification – non-financial assets at 30 June 2025

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land, buildings and improvements	5.6	173 206	324 877	498 083
Plant and equipment	5.6	-	1 802	1 802
Total recurring fair value measurements		173 206	326 679	499 885
Total fair value measurements		173 206	326 679	499 885

Fair value classification – non-financial assets at 30 June 2024

	Note	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements				
Land, buildings and improvements	5.6	173 206	247 032	420 238
Plant and equipment	5.6	-	1 455	1 455
Total recurring fair value measurements		173 206	248 487	421 693
Total fair value measurements		173 206	248 487	421 693

Land and buildings

A desktop valuation of land and buildings owned by the Office was completed effective 30 June 2024. Fair value of land assets was determined independently by the Office of the Valuer-General. An internal valuation was completed for building and improvement assets.

Fair value of land has been determined using the market approach. The valuation was based on the change in the South Australian Integrated Land Information System (SAILIS) site values for each land asset from the last independent valuation and includes adjustment for factors specific to the land.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

9.1 Fair value (continued)

Fair value of buildings has been determined using current replacement cost, due to there not being an active market. The valuation was based on a combination of internal records, specialised facilities knowledge, Australian Bureau of Statistics Producer Price Indices, and acquisition costs. The cost considered the specialised nature and restricted use of the assets, their size, condition, age, location and obsolescence.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life between two years and thirty years. Plant and equipment have not been revalued in accordance with Treasurer's Instructions (Accounting Policy Statements) 116.D. The carrying value of these items are deemed to approximate fair value.

Reconciliation of Level 3 recurring fair value measurements at 30 June 2025

	Land, buildings and improvements \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	247 032	1 455	248 487
Acquisitions	-	-	-
Donated assets received	-	555	555
Disposals	(67)	(51)	(118)
Transfer from works in progress	98 879	216	99 095
Gains/(losses) for the period recognised in net result:			
Depreciation	(20 967)	(373)	(21 340)
Total losses recognised in net result	(20 967)	(373)	(21 340)
Carrying amount at the end of the period	324 877	1 802	326 679

Reconciliation of Level 3 recurring fair value measurements at 30 June 2024

	Land, buildings and improvements \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at the beginning of the period	226 046	1 702	227 748
Disposals	(139)	-	(139)
Transfer from works in progress	9 976	112	10 088
Other movements	26 728	-	26 728
Gains/(losses) for the period recognised in net result:			
Depreciation	(15 579)	(359)	(15 938)
Total losses recognised in net result	(15 579)	(359)	(15 938)
Carrying amount at the end of the period	247 032	1 455	248 487

9.2 Financial instruments

Financial risk management

Risk management is managed by the Office's corporate services section. Risk management policies are in accordance with the *SA Government Risk Management Guide* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

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

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

9.3 Financial instruments (continued)

Liquidity risk

The Office is funded principally from recurring funds provided by the SA Government. The Office works with DTF to determine the cash flows associated with the SA Government's approved program of work, and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Credit risk

The Office has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

No collateral is held as security and no credit enhancements relate to financial assets held by the Office.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The Office uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which typically comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Office considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Office's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Office is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

The following table provides information about the exposure to credit risk and ECL for non-government debtors.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
2024-25			
Current (not past due)	42	0.16%	-
1 - 30 days past due	161	0.43%	1
31 - 60 days past due	32	1.12%	-
61 - 90 days past due	1	2.06%	-
More than 90 days past due	42	2.81%	1
Total	278		2

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the Office's view of the forecast economic conditions over the expected life of the receivables.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Office and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

9.4 Financial instruments (continued)

The Office considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

Market risk

The Office does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The Office does not undertake any hedging in relation to interest or foreign currency risk and manages its risk as per the government's risk management strategy articulated in *TI 23 Management of Foreign Currency Exposures*.

Exposure to interest rate risk may arise through its interest-bearing liabilities.

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification of financial instruments

The Office measures all financial instruments at amortised cost.

Office for Recreation, Sport and Racing
Notes to and forming part of the financial statements
For the year ended 30 June 2025

10. Administered items

The Office has administrative responsibility for the Sport and Recreation Fund and the Recreation and Sport Fund.

Sport and Recreation Fund

The Sport and Recreation Fund was established under section 73A (1) of the *Gaming Machines Act 1992* (the Act). The use of the Fund is governed by section 73A (3) of the Act, which states the funds must be used for recreation and sport purposes. Funds are transferred to the Office to fund grant programs consistent with Act requirements.

Recreation and Sport Fund

The Recreation and Sport Fund was established by section 17 of the *Soccer Football Pools Act 1981*. This Act has since been repealed. The continued existence of the Recreation and Sport Fund is attributable to section 16A (1) of the *State Lotteries Act 1966*. The use of the Recreation and Sport Fund is governed by 16A (2) of the *State Lotteries Act 1966*, which states the funds must be used for recreation and sport purposes. Amounts received into the Recreation and Sport Fund was based on a percentage share of the "Pools" lotto game. The "Pools" was discontinued after the final draw on 25 June 2018.

	2025	2024
	\$'000	\$'000
Administered Income		
Advances and grants - Sport and Recreation Fund	4 671	4 583
Total administered income	4 671	4 583
Administered Expenses		
Intra government transfer - Sport and Recreation Fund	4 671	4 583
Total administered expenses	4 671	4 583
Net result	-	-
Administered Current Assets		
Cash and cash equivalents		
Sport and Recreation Fund	3 322	3 322
Recreation and Sport Fund	1 544	1 544
Total current assets	4 866	4 866
Total assets	4 866	4 866
Net assets	4 866	4 866
Administered Equity		
Retained earnings		
Sport and Recreation Fund	3 322	3 322
Recreation and Sport Fund	1 544	1 544
Total equity	4 866	4 866