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**Government  
of South Australia**

# STATE OPERA SOUTH AUSTRALIA

## **2020-21 Annual Report**

STATE OPERA SOUTH AUSTRALIA

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2020-21 ANNUAL REPORT for STATE OPERA SOUTH AUSTRALIA

To:

The Honourable Steven Marshall MP  
Premier

This annual report will be presented to Parliament to meet the statutory reporting requirements of *State Opera of South Australia Act 1976* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

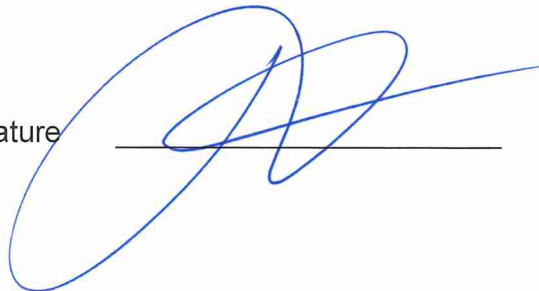
Submitted on behalf of the State Opera South Australia by:

John Irving

Chair

Date 29 . 9 . 21

Signature



## From the Executive Director

As one of the most renowned and lauded Major Performing Arts Companies in the country, State Opera South Australia has managed a relatively stable 12-month period despite the general pandemic volatility which continues to obstruct most of the performing arts industry. Like so many of our colleagues, we have not been immune to losses of programs, productions, staff, audiences, income and time, however we have managed to insulate the Company from irreparable damage by working cohesively and consistently to the following key principles:

1. **We treat our audiences with respect and honesty** meaning we do not hold onto box office income when a performance has been cancelled or indefinitely postponed, and we make immediate swift refunds. We have a deep understanding of our contract to deliver, and without this firmly in place we do not have a right to retain the money of our key stakeholders. We anticipate changes and complications, and we communicate directly, frequently and honestly. We always try to make sensible and pragmatic predictions about performance viability, and we tell it straight. Our audiences have come to expect a level of care from us that we are privileged to deliver; this level of care has protected us from what many thought would be a disaster for the business – the removal of a subscription program. In fact, our audiences appreciate that in these hesitant times, we do not hold onto significant amounts of their money for long periods of time when the possibility of change, disruption, postponement and cancellation has proven to be very real. The faith and admiration State Opera has received from our audiences was reflected in our recent End-of-Financial-Year Annual Appeal where the donation target was exceeded by over 10 per cent.
2. **Our artists are the foundation of our business**, and we recognise that without them, without *all of them*, we are thwarted in almost everything we aim to do. Therefore, wherever we have had to make a cancellation or postponement in the last 12-18 months, we have either fully paid out artist contracts, paid for time spent learning prior to contract commencement, made advance payments on work promised in the future, adjusted performance contracts to allow multiple instalments, and created developmental, commercial, education, recording and other ad hoc activities and programs to

be able to make payments to singers and creatives. Many of these activities have flown under the public radar and will have no key performance indicator outcome, but unless we ensure that our creative family, most especially those South Australian singers who are the backbone of State Opera, are thriving and active in the local arts scene we have little hope of delivering the large-scale work which will mark the end of the COVID era.

- 3. Capability and capacity have been the cornerstones of our decision-making** during a time when change and uncertainty has become the new normal. By understanding what we do best, and the unique way in which State Opera can create and present excellence, we have avoided many of the pitfalls which come from incorrect pivoting, overextension into unfamiliar territory, and a dilution of quality. When many companies were rushing to create digital content, we purposefully limited our online offerings to uniquely Australian content featuring arias, songs, and conversations which could not be found anywhere else on the world wide web. In November 2020, when we were finally able to take to the stage for the first time that year, we deliberately chose to present an exceptional Australian opera – *Summer of the Seventeenth Doll* by Richard Mills and Peter Goldsworthy – to make a clear statement about where we wanted our investment into royalties, licences, and artists to be placed. Our capability to deliver Australian opera content is unparalleled, and the future will only see this aspect of State Opera enhanced with an online legacy of Australian opera in a digital form. Much of the time throughout Q1 and Q2 of FY2021 was spent developing and refining our systems and online tools so that State Opera now leads the country in our use of online project management, scheduling, rostering and accounting tools, meaning that we are well-placed for a busy and prosperous next few years.

Despite a quiet end to 2020 when all performing arts companies around the country were understandably filled with trepidation about what the New Year might bring, we have been exceedingly fortunate that the first half of 2021 has seen us present all our artistic plans successfully. Commencing the year with two sold-out performances of *Carousel* in the Festival Theatre was a wonderful way to share much-loved music with Adelaide audiences who purchased all tickets in little more than nine hours, and this was followed by a very successful season of Sondheim's *Sweeney Todd* at Her Majesty's Theatre. Directed by Stuart Maunder, this sell-out hit showcased many

local singers and provided much-needed employment to a significant number of crew, wardrobe, hair, make-up and creative personnel. Finally, we transformed the food market area of Bowden Plant 4 into a warm and inviting venue for *Love Burns* by Adelaide composer Graeme Koehne.

The long-awaited national Opera Academy was postponed in February 2021 due to border closures, however swift decisions by the Company's Board and Artistic Director have meant that exposure from changes and cancellations to this and a few other small events has been limited. Fortunately for the Company, this year both State and Federal Government funding bodies recognised and acknowledged the Company's ongoing place in the performing arts landscape through a new agreement within the National Performing Arts Partnership Framework.

A few changes to the State Opera administration cohort has required the adjustment of roles and responsibilities for some staff, a challenge to which all have impressively risen. It is difficult to explain the feelings of trepidation and despair when long-planned artistic projects do not eventuate, and it would be naïve not to recognise the toll that COVID has taken on arts workers as a whole.

I am exceptionally grateful to work alongside a smart, committed and passionate team who continue to aspire to the full State Opera vision of *more opera for more people*, a vision that has seen us present live opera to close to 10,000 people in a year which has been reduced to almost half capacity. State Opera's remarkable endurance is due in large part to the exceptional work of the Board of Directors who have most ably guided the finances, governance and strategic direction of the business during a very complicated time. Inspired by the artistic conviction, insistence on quality, and dramatic energy of State Opera's Artistic Director Stuart Maunder, there is every reason to believe that the future for State Opera will be incredibly bright.



Yarmila Alfonzetti  
Executive Director  
State Opera South Australia

## Contents

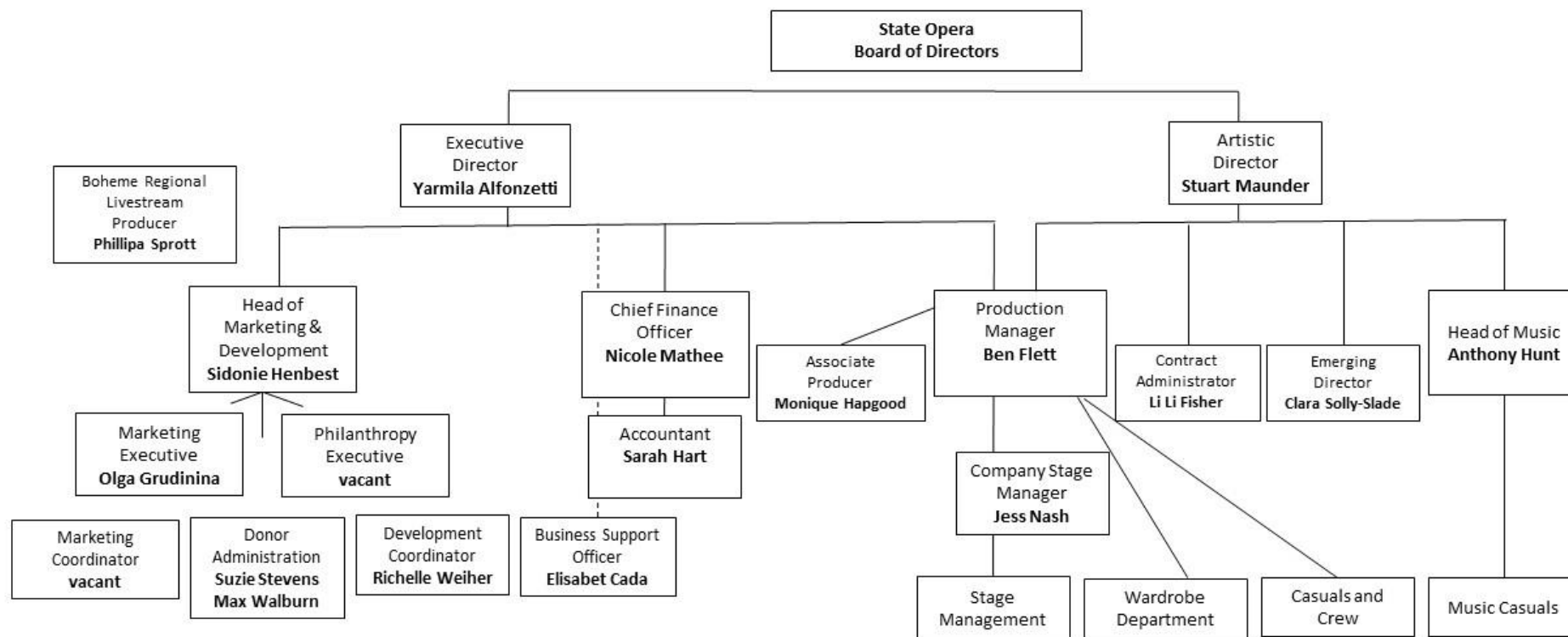
<b>Overview: about the agency</b> .....	<b>7</b>
Our strategic focus.....	7
Our organisational structure.....	8
Changes to the agency .....	9
Our Minister .....	9
Our Executive team .....	9
Legislation administered by the agency .....	9
<b>The agency's performance</b> .....	<b>10</b>
Performance at a glance.....	10
Agency contribution to whole of Government objectives.....	12
Agency specific objectives and performance .....	13
Corporate performance summary .....	17
Employment opportunity programs .....	18
Agency performance management and development systems.....	18
Work health, safety and return to work programs .....	19
<b>Financial performance</b> .....	<b>21</b>
Financial performance at a glance .....	21
Consultants disclosure.....	21
Contractors disclosure .....	22
<b>Risk management</b> .....	<b>23</b>
Risk and audit at a glance.....	23
Fraud detected in the agency.....	23
Strategies implemented to control and prevent fraud.....	24
Public interest disclosure .....	24
<b>Reporting required under any other act or regulation</b> .....	<b>24</b>
<b>Public complaints</b> .....	<b>25</b>
Number of public complaints reported .....	25
Additional Metrics.....	26
Service Improvements .....	27
Compliance Statement.....	27
<b>Appendix: Audited financial statements 2020-21</b> .....	<b>28</b>

## Overview: about the agency

### Our strategic focus

<b>Our Purpose</b>	To give everyone a chance to feel the visceral, physical and emotional power that only the combination of music, drama, movement and spectacle that is found in the all-encompassing artform of opera can deliver.
<b>Our Vision</b>	More opera. More people. More ways. More often.
<b>Our Mission</b>	By expanding the reach, relevance, impact and recognition of the operatic artform to new and diverse audiences, State Opera South Australia will be an exceptional cultural service to the State of South Australia.
<b>Our Values</b>	<ol style="list-style-type: none"> <li>1. Craftsmanship – the quality of the process reflects the outcome</li> <li>2. Integrity – in programming, with colleagues, and across the industry</li> <li>3. Nimbleness – staying small and aware</li> <li>4. Distinctiveness – hold onto our individuality</li> </ol>
<b>Our functions, objectives and deliverables</b>	<ol style="list-style-type: none"> <li>1. Support development of great art</li> <li>2. Creating pathways for artists and sector</li> <li>3. Engagement with audiences</li> <li>4. Contribution to vibrant society and culture</li> </ol>

## Our organisational structure





## **Changes to the agency**

During 2020-21 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

## **Our Minister**

The Hon Steven Marshall MP is the Premier of South Australia. The Premier oversees:

- Aboriginal Affairs and Reconciliation
- Defence and Space Industries
- Tourism
- the Arts
- Veterans' Affairs
- Multicultural Affairs.

## **Our Executive team**



Yarmila Alfonzetti is the Executive Director, responsible for the overall strategy and operations of the State Opera of South Australia (SOSA), particularly in the areas of finance, human resources, and development.



Stuart Maunder AM is the Artistic Director, responsible for the artistic curation of an annual program for SOSA, including directing several artistic productions each year.

## **Legislation administered by the agency**

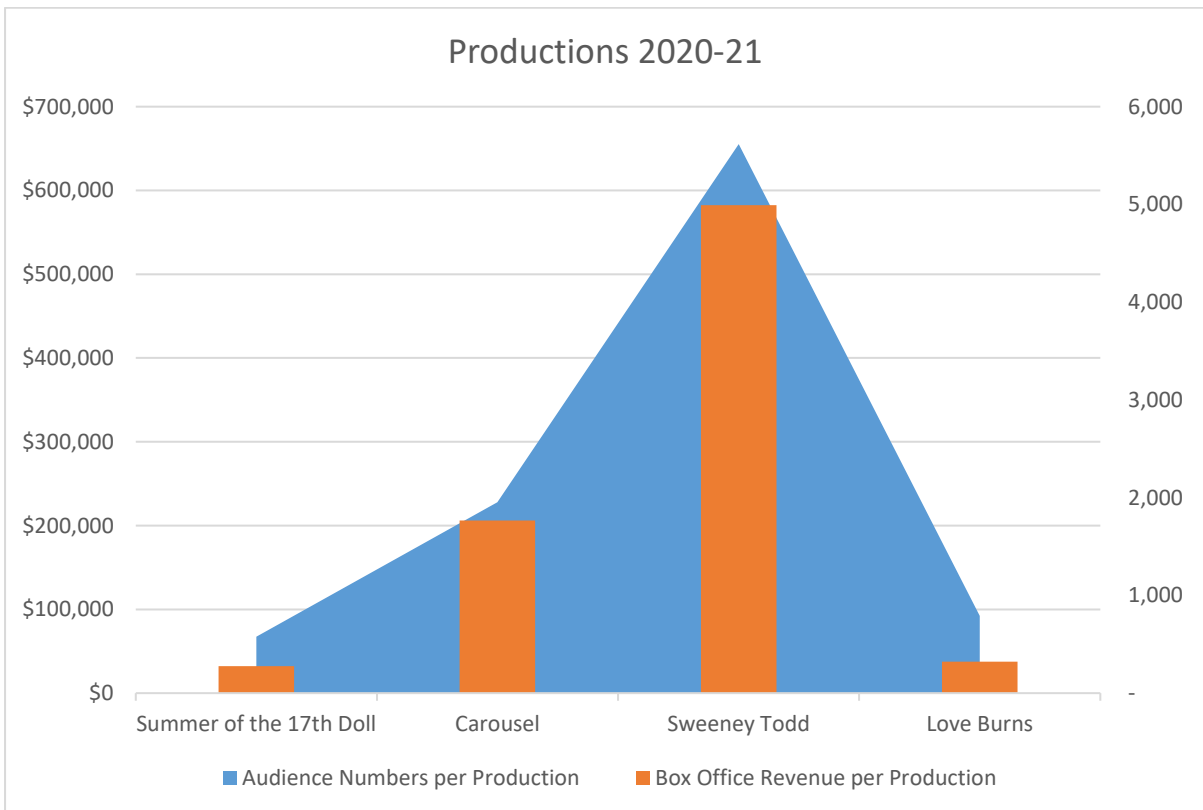
*State Opera of South Australia Act 1976*

## The agency’s performance

### Performance at a glance

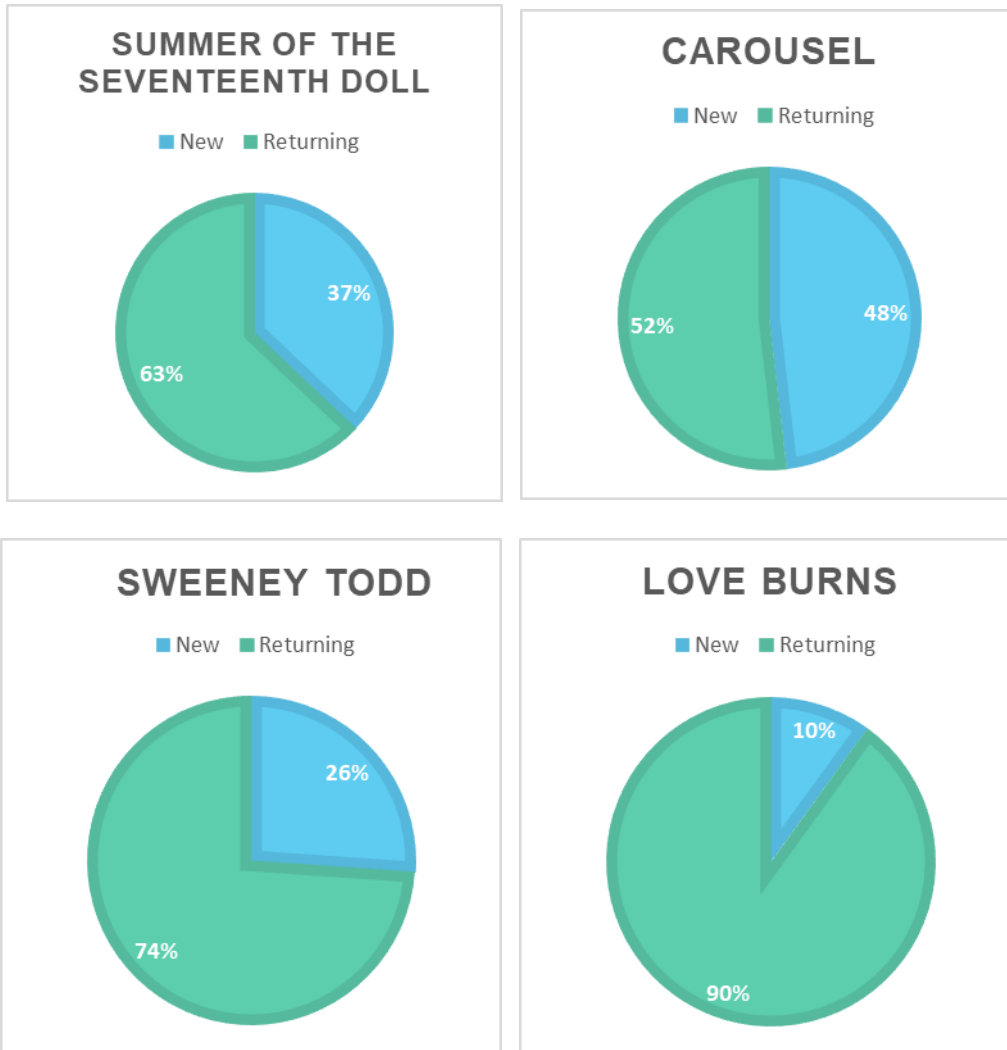
Driven by the State Opera values and an audience accepting of COVID-19 pandemic restrictions yet thirsty for cultural arts, the Company successfully presented numerous performances and workshops through the second half of FY2020-21.

Performance and Activity Indicators	2020-21 Target	2020-21 Actual
Amount of revenue received, external to State Government As a percentage of total revenue	\$2.7m 63%	\$3.0m 66%
Total no. of attendances achieved by:		
➤ Paid seats at performances	9,000	8,000
➤ Unpaid attendances	1,700	500
There is a notable shift towards selling better positioned (higher value) seats, therefore we are achieving \$\$ targets with the sale of fewer seats.		



The Company will post a surplus of \$704,000 mostly due to reduced costs, because of limited show offerings, and the recovery of share investment values. The Company has upheld the commitment to generating a surplus in FY2020-21 to re-establish reserves.

In line with the overall Company objective of “*more opera for more people*”, the season achieved successes regarding returning and new audiences as depicted in the following charts:



The volume of consumer engagement across the year reaped promising results and, coupled with excellent market reviews, State Opera is confident that the year ahead will achieve similar successes.

**Limelight – 5 stars** “*State Opera South Australia delivers yet another successful revival as part of its Lost Operas of Oz program.*”

### Agency contribution to whole of Government objectives

The Executive and Artistic Directors make ongoing contributions to fora, roundtables, discussion panels and requests for information from Live Performance Australia, Arts SA, the Australia Council, Media, Entertainment & Arts Alliance, Australian Major Performing Arts Group and many others contributing to whole of Government objectives.

Key objective	Agency's contribution
More jobs	<p>The State Opera Strategic Plan demonstrates sector leadership and grows the profile of Australian art and artists. By significantly increasing the volume of programming with both mainstage and niche repertoire, the employment of South Australians on the opera stage by SOSA has been widely acknowledged. SOSA is a major employer of creatives in this state, including directors, designers, lighting designers, and numerous backstage and artist support personnel. SOSA continues to engage additional services over and above the annual Service Level Agreement from its partner, the Adelaide Symphony Orchestra for which it pays a fee. SOSA is also contributing funds to support creative developments, new commissions, training opportunities (e.g. lessons and masterclasses) thereby also supporting performing arts teachers. The Company embraced flexible workplace practices so that staff can adjust their place of work in aid of a more balanced and supportive work life.</p>
Lower costs	<p>State Opera has streamlined systems and processes to deliver more opera for more people at a lower cost. This has been achieved by implementing a Customer Relationship Management System to track data and manage patron expenditure, switching from MYOB to Xero, utilising tools such as Airtable and Deputy, and scheduling analysis opportunities for overheads, revenue, etc. Further to this ongoing work, State Opera is actively investigating ways to reduce overheads over time, including the decommissioning of the Lonsdale storage facility and the divesting of stored set and production materials.</p>
Better Services	<p>In the last 12 months State Opera has significantly increased its capability in providing better service to customers and to our artists - maximising our use of BASS ticketing and box office services has created efficiencies for ticket buyers as well as clearer and more accurate online transactions. Artists are now provided with modern contracts which include clarity about their award entitlements, and contracts continue to be issued and managed electronically via DocuSign so that records and confidential finance information can be stored securely.</p>

**Agency specific objectives and performance**

*Note that as a national performing arts company, State Opera’s key goals and objectives are specified on a calendar year basis.*

Mechanism	Measure	2021	Status Comments
<b>Priority 1: Address diversity areas outlined in the Partnership Framework, with particular reference to artists, key creatives, programming &amp; audiences.</b>			
Create and honour the first Diversity and Inclusion Policy and Action Plan for State Opera.	100% of annual Action Plan items addressed each year.	All 2021 actions in the Action Plan delivered.	Externally reviewed in Q1 of CY2021 and then referenced with SA Govt policies. Ratified by State Opera Board in June 2021.
State Opera ARTIST selection and employment - State Opera employs artists based on quality and fit-for-role without bias to individual background.	100% of employed artists and Academy participant emerging artists will be aggregated to measure at least 5% artists from CALD backgrounds.	At least 5% of all singers employed are from CALD backgrounds.	Measure to be delivered by end CY2021.
State Opera KEY CREATIVES selection and employment - State Opera looks to diverse makers and storytellers for their perspective.	1. At least two (2) productions per annum feature at least one female creative. 2. At least one (1) production per annum features a creative from either a CALD or First Nations background.	At least 2 productions include at least 1 key creative from the identified groups.	Barber of Seville - Director Lindy Hume.  When the Rain Stops Falling - Designer Hossein Valamanesh (CALD).
State Opera has a diverse AUDIENCE.	At least 100 school students per annum see an opera.	At least 100 tickets for young audiences.	School program for Barber of Seville, Nov 2021.

<b>Priority 2: Commission, develop and present new Australian works that reflect contemporary Australia, within the context of a balanced artistic program.</b>			
State Opera <b>COMMISSIONS</b> new Australian work	Commission, or partner in a new commission, of at least one (1) new Australian work per annum.	At least 1 new Australian work.	George Duncan Project creative development with Adelaide Festival.
State Opera <b>DEVELOPS</b> new Australian work	Develop, and manage development workshops, of at least one (1) new Australian work per annum.	At least 1 workshop development.	<i>When the Rain Stops Falling</i> (in partnership with Brink Productions)
State Opera <b>PRESENTS</b> new Australian work	Present at least 1 new Australian work per annum.	At least 1 new Australian work.	<i>George Duncan Project</i> and <i>When the Rain Stops Falling</i> (TBD).
State Opera <b>SUPPORTS</b> Australian work	At least 30% of the annual performance program is Australian work (new and extant).	At least 4 Australian works presented.	8 productions in total / 3 Australian: <i>Love Burns</i> , <i>Tell-Tale Heart</i> , <i>Voss</i> (postponed to 2022).
State Opera will create and manage the new <b>DIGITAL LIBRARY OF AUSTRALIAN OPERA</b>	At least three (3) full production videos of Australian operas plus supporting material (incl. images, program notes, interviews, historic information, etc.) added to the Library per annum.	At least 3 productions added to Digital Library per annum.	<i>Summer of 17th Doll</i> , <i>Love Burns</i> , <i>Voss</i> , <i>Tell-Tale Heart</i> .

<b>Priority 3: Build capacity in the South Australian sector. Collaborate with Partnership organisations and those outside the Framework. Demonstrate leadership on sector specific concerns.</b>			
State Opera champions the employment of South Australian opera singers (CAPACITY BUILDING and SECTOR SPECIFIC ISSUE)	At least 50% of singers employed per annum in mainstage productions are South Australian.	At least 50%	Measure to be delivered by end CY2021.
State Opera partners with South Australian arts companies on new projects (PARTNERSHIPS)	At least one (1) project per annum in partnership.	At least 1	Adelaide Festival partnership for George Duncan Project
State Opera delivers significant engagement / employment of South Australian musicians (CAPACITY BUILDING)	1. At least three (3) productions per annum with the Adelaide Symphony Orchestra 2. At least two (2) productions per annum with South Australian freelance musicians.	At least 3 productions with ASO; at least 2 productions with freelance musicians.	ASO = Carousel, Voss (postponed to 2022) and Barber of Seville  Freelance = Sweeney Todd, Love Burns, Tell-Tale Heart
<b>Priority 4: Present work that increases access and broadens audiences through specialist repertoire.</b>			
Proactively offer product that will attract NEW AUDIENCES	At least 20% new ticket buyers (new audiences) to a State Opera production per annum.	At least 20%	<i>Carousel</i> (March 2021) - 45% new ticket buyers.
Embed Australian repertoire within the annual program offering (SPECIALIST REPERTOIRE)	Present at least two (2) Australian operatic works per annum	At least 2	<i>Love Burns</i> and <i>Tell-Tale Heart</i>

Create and deliver unique product that is appealing to intra- and inter-state tourists (BROADEN AUDIENCE)	At least one (1) occasion / opportunity per annum designed specifically for intra and/or interstate travellers.	At least 1	<i>Turn of the Screw and Voss (postponed to 2022)</i>
Program works outside the repertoire canon (SPECIALIST REPERTOIRE)	Program at least one (1) opera per annum which has not been seen for 10 years or more in Australia.	At least 1	Voss by Richard Meale
<b>Priority 5: Develop pathways for Australian opera singers to build sustainable careers.</b>			
Annual National Summer Opera Academy for pre-professional emerging artist training program (PATHWAYS)	At least 20% growth in applications per annum demonstrating improvement in training and work opportunities.	At least 50 applicants per annum; at least 10 accepted into program.	53 applications for the National Opera Academy (commencing August 2021)
Prioritise employment of Australian singers across all program areas (SUSTAINABLE CAREERS)	At least 20 different individual Australian singers employed per annum, and at least 80% of total cohort of employed singers per annum are Australian.	At least 20 individual Australian singers and at least 80% of overall singers employed by State Opera per annum are Australian.	Measure to be delivered by end CY2021 (as at August 2021, 100% of employed singers have been Australian).



## Corporate performance summary

**1. Investment in staff:** SOSA staff participated in several professional development programs throughout the year including staff team development sessions with Leed Consulting, attendance at conferences online (especially Development), and working with mentors. The Executive Director completed a Certified Practising Project Executive qualification with the national Project Management Institute supported by State Opera.

**2. Sustainable staff structure:** The Executive implemented several new roles, reporting lines, and work practices to ensure a high-performing, sustainable human resource function for the organisation.

**3. Staff policies:** A renewed focus was placed on ensuring the organisation had a suite of fit-for-purpose formal policies by categorising all policies within the Company's Airtable system, and several key policies were developed and/or adopted this year including a revised Risk Management Plan, Diversity and Inclusion Policy and Action Plan, and various Finance and Development Policies including a Bequest and Sponsorship Policy.

**4. State Opera Home:** The Board and Management of State Opera has commenced a search in earnest for a future home for the Company post June 2024 when the current lease on the Netley Opera Studio will expire. State Opera sees this as an exciting opportunity for an expansion of our remit into the possible management of a public performance space, and a renewed focus on brand and visibility by moving to a prominent location within Adelaide. In undertaking this work, staff have coordinated with management advisory services, strategic planning consultants, legal and government departments.

**5. Downgrading of Fair Notice:** In late 2017 State Opera was advised of a Fair Notice ruling imposed by both State and Federal funding bodies due to the Company's inability to meet certain essential Major Performing Arts classification criteria. In recent months that notice has been formally lifted with only a few minor caveats remaining in place around reporting requirements and visibility. This is an excellent outcome because of sustained efforts over the last three years to correct the course of the business and improve the relevant KPI status.

**6. Financial Management:** Following a long period of unsatisfactory financial management due to aging systems, limited online tools, personnel changes and insufficient record-keeping, the Company has delivered a turnaround in financial management practices ensuring probity and accuracy in the FY2021 accounts and associated audit.

**Employment opportunity programs**

<b>Program name</b>	<b>Performance</b>
Helpmann Emerging Director Fellowship	This two-year program supported by the James and Diana Ramsay Foundation was extended into the first half of 2021 due to COVID cancellations in 2020 resulting in little to no opportunities for the Emerging Director. Clara Solly-Slade will rejoin State Opera under this program towards the end of 2021 in the role of Assistant Director on Barber of Seville, working alongside Lindy Hume.
Secondary and Tertiary Work Experience and Internships	State Opera regularly accepts and incorporates secondary and tertiary students into the administration team offering exceptional firsthand opportunities to learn about the performing arts and an arts management career.
Surtitles Operators	State Opera has selected a few senior tertiary music students from the Elder Conservatorium to mentor and train as surtitles operators. These emerging professionals were given paid engagements for <i>Summer of 17<sup>th</sup> Doll</i> at Her Majesty's Theatre in November 2020.

**Agency performance management and development systems**

<b>Performance management and development system</b>	<b>Performance</b>
Biannual Performance Management and Development Sessions with all full-time, part-time, and casual staff	100% of applicable staff completed at least one Performance Management and Development review.
Annual Board review of Director KPIs	Reviewed in February 2021.

**Work health, safety and return to work programs**

<b>Program name</b>	<b>Performance</b>
Inductions for all new staff members	Inductions completed for all new office employees; volunteers; and artistic performers.
Online WHS training	100% completion rate of all mandatory WHS e-learning courses across the organisation.
COVID workplace management plan	Created and delivered to manage working from home, return to work, ergonomic assessments and mental health support.
Fire Warden training and evacuations	Fire wardens attended training. Whole-of-precinct fire evacuation drill successfully undertaken
Self-audit program	Self-audit undertaken on WHS risks in conjunction with DPC WHS Consultant. A few corrective actions closed out. Agency is on track to meet all items on WHS Activity Planner.
WHS & IM Management System	Developed and maintained by the Department of the Premier and Cabinet and used by agency.

<b>Workplace injury claims</b>	<b>Current year 2020-21</b>	<b>Past year 2019-20</b>	<b>% Change (+ / -)</b>
Total new workplace injury claims	1	2	-50%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

*\*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)*

<b>Work health and safety regulations</b>	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	1	1	0%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	0%

<b>Return to work costs**</b>	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$10,483	\$71,345	-85%
Income support payments – gross (\$)	\$0	\$0	0%

\*\*before third-party recovery

Data for previous years is available at: [State Opera South Australia WHS Reporting 2018-2020 - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/state-opera-south-australia-whs-reporting-2018-2020)

### Executive employment in the agency

<b>Executive classification</b>	<b>Number of executives</b>
Executive Director / CEO	1

Data for previous years is available at: [State Opera South Australia Executive Employment 2012-2020 - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/state-opera-south-australia-executive-employment-2012-2020)

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

## Financial performance

### Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2020-2021 are attached to this report.

Statement of Comprehensive Income	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	Past year 2019-20 Actual \$000s
Total Income	4,293	4,550	257	4,548
Total Expenses**	3,883	3,770	-37	4,573
<b>Net Result</b>	<b>410</b>	<b>780</b>	<b>294</b>	<b>(25)</b>
<b>Total Comprehensive Result</b>	<b>410</b>	<b>704</b>	<b>294</b>	<b>(363)</b>

Statement of Financial Position	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	Past year 2019-20 Actual \$000s
Current assets	2,890	3,317	427	2,521
Non-current assets**	80	704	624	675
<b>Total assets</b>	<b>2,970</b>	<b>4,021</b>	<b>1,051</b>	<b>3,196</b>
Current liabilities	194	1,500	-1,306	1,400
Non-current liabilities	1,218	21	1,197	0
<b>Total liabilities</b>	<b>1,412</b>	<b>1,521</b>	<b>-109</b>	<b>1,400</b>
<b>Net assets</b>	<b>1,558</b>	<b>2,500</b>	<b>942</b>	<b>1,796</b>
<b>Equity**</b>	<b>1,558</b>	<b>2,500</b>	<b>942</b>	<b>1,796</b>

\*\*prior year restated as disclosed in the notes to the financial statements

### Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

#### Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$19,730

**Consultancies with a contract value above \$10,000 each**

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Kenneth Watkins Philanthropy	Philanthropic expert advice	\$10,000
Richard Roberts	Creative concept direction	\$20,000
Simone Romaniuk	Creative concept direction	\$20,000
Tectvs	Creative architect solution	\$18,625
TMK Engineers	Engineering assessment	\$12,550
PWC	Investment logic mapping	\$10,000
	Total	\$81,175

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/state-opera-south-australia-consultants-from-2012-2020>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

**Contractors disclosure**

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

**Combined contractors with a contract value**

<b>Contractors</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
below \$10,000 each	Various	\$87,244
above \$10,000 each	Creative Artists/Performers	\$443,986
<b>Total Contractors</b>		<b>\$531,231</b>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/state-opera-south-australia-contractors-from-2020>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

## Risk management

### Risk and audit at a glance

The Risk and Performance Committee (R&P Committee), a sub-committee of the Board of State Opera, continues to meet regularly to assess whole-of-organisational risks, opportunities which require financial authority, and future strategies where an oversight of performance, human resources and WHS may be important. Key priorities for this group include the effective oversight of policies and procedures, management controls, risk management matrices and independent assurance. The Committee has an essential role in overseeing these activities and monitoring changes in the industry and community in which our organisation operates.

The operating principles of the R&P Committee include SOSA aligning to the following actions:

- Strive for excellence, prioritising the community it serves.
  - The Executive Team is responsible for effective management of SOSA, which involves ensuring the principles and objects of the *Public Sector Act 2009* and the Code of Ethics are advanced and observed in the management and day-to-day operations of the agency; this includes agency culture; and
  - The Executive Director and Artistic Director have a duty to manage risk as a key mechanism for ensuring good performance in delivering the agency’s strategic objectives.

The R&P Committee also establishes and monitors governance standards, including:

- That the Executive Director must establish and maintain effective policies, procedures and systems for the identification, assessment, monitoring, management and annual review of financial risks; and
- That broader drivers of risk need to be considered, namely performance, people and culture, and reputation.

### Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	Nil

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

### Strategies implemented to control and prevent fraud

No material new formal strategies were implemented to control and prevent fraud during 2020-2021.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/state-opera-south-australia-fraud-detected-from-2012-2020>

### Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/state-opera-south-australia-whistleblowers-disclosure-from-2012-2020>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

### Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil	Nil



## Public complaints

### Number of public complaints reported

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2020-21</b>
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	1
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2020-21</b>
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	1
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	1
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		<b>Total</b>	<b>3</b>

<b>Additional Metrics</b>	<b>Total</b>
Number of positive feedback comments	10
Number of negative feedback comments	3
Total number of feedback comments	13
% complaints resolved within policy timeframes	100

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/state-opera-south-australia-additional-metrics>

**Service Improvements**

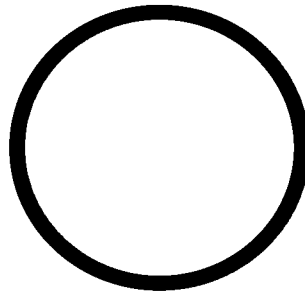
In line with PC039- *Complaint Management in the South Australian Public Sector*, State Opera continues to assess and monitor the performance of the Company's Complaint Management System. No changes were made for the year.

**Compliance Statement**

State Opera South Australia is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
State Opera South Australia has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees.	Y

**Appendix: Audited financial statements 2020-21**

OFFICIAL



STATE OPERA  
SOUTH AUSTRALIA

ABN 31 382 679 566

# THE STATE OPERA OF SOUTH AUSTRALIA

Financial Statements  
for the year ended  
30 June 2021

STATE OPERA OF SOUTH AUSTRALIA  
CONTENTS

	Page No.
Certification of the Financial Statements	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Cash Flows	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

**OFFICIAL**

**STATE OPERA OF SOUTH AUSTRALIA  
CERTIFICATION OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2021**

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 30 September 2021

Yarmila Alfonzetti  
Executive Director

John Irving  
Chair Board of Management

Nicole Mathee  
Head of Finance

## STATE OPERA OF SOUTH AUSTRALIA

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Revenues from SA Government	2.1	1,537	1,553
Commonwealth-sourced grants and funding	2.2	1,607	1,582
SA Government grants, subsidies and transfers	2.3	2	-
Sales of goods and services	2.4	874	989
Interest and dividends	2.5	19	44
Net changes in fair value of investments (FVTPL)		97	(60)
Resources received free of charge	2.6	5	39
Other income	2.7	409	401
<b>Total income</b>		<b>4,550</b>	<b>4,548</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	1,452	1,646
Supplies and services	4.1	2,288	2,898
Depreciation and amortisation	4.2	29	29
Other expenses	4.3	1	-
<b>Total expenses</b>		<b>3,770</b>	<b>4,573</b>
<b>Net result from operations</b>		<b>780</b>	<b>(25)</b>
Share of results of associates	4.4	(76)	(338)
<b>Net result for the period</b>		<b>704</b>	<b>(363)</b>
<b>Total comprehensive result</b>		<b>704</b>	<b>(363)</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 2021

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	2,783	2,248
Receivables	6.2	534	273
<b>Total current assets</b>		<b>3,317</b>	<b>2,521</b>
<b>Non-current assets</b>			
Other financial assets	6.3	454	356
Investments in associates	6.4	142	219
Property, plant and equipment	5.1	86	68
Intangible assets	5.2	22	32
<b>Total non-current assets</b>		<b>704</b>	<b>675</b>
<b>Total assets</b>		<b>4,021</b>	<b>3,196</b>
<b>Current liabilities</b>			
Payables	7.1	301	111
Contract liabilities	7.2	1,091	1,218
Employee benefits liabilities	3.4	105	71
Provisions	7.3	3	-
<b>Total current liabilities</b>		<b>1,500</b>	<b>1,400</b>
<b>Non-current liabilities</b>			
Employee benefits liabilities	3.4	14	-
Provisions	7.3	7	-
<b>Total non-current liabilities</b>		<b>21</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,521</b>	<b>1,400</b>
<b>Net Assets</b>		<b>2,500</b>	<b>1,796</b>
<b>Equity</b>			
Reserves	8.1	1,353	1,239
Retained earnings	8.1	1,147	557
<b>Total Equity</b>		<b>2,500</b>	<b>1,796</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 CASH FLOWS**

For the year ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
<b>Cash inflows</b>			
Revenues from SA Government		1,537	1,553
Commonwealth-sourced grants and funding		1,782	1,727
SA Government grants, subsidies and transfers		2	-
Box office and production		626	948
Sponsorship and donations		359	284
Interest received		4	21
Dividends received		15	23
GST recovered from the ATO	8.2	62	8
Other receipts		96	156
<b>Cash generated from operations</b>		<b>4,483</b>	<b>4,720</b>
<b>Cash outflows</b>			
Employee benefits payments		(1,395)	(1,727)
Payments for supplies and services		(2,511)	(3,706)
Other payments		-	-
<b>Cash used in operations</b>		<b>(3,906)</b>	<b>(5,433)</b>
<b>Net cash provided by/(used in) operating activities</b>		<b>577</b>	<b>(713)</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(42)	(2)
Contribution towards The Opera Conference		-	(296)
<b>Cash used in investing activities</b>		<b>(42)</b>	<b>(298)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>(42)</b>	<b>(298)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>535</b>	<b>(1,011)</b>
Cash and cash equivalents at the beginning of the period		2,248	3,259
<b>Cash and cash equivalents at the end of the period</b>	6.1	<b>2,783</b>	<b>2,248</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## STATE OPERA OF SOUTH AUSTRALIA

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2021

	Note	Future Productions Reserve	Reserves Incentive Scheme Funds Reserve	Trust Funds Reserves	Accumulated Surplus	Total
	No.	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2019		808	237	1,034	(181)	1,898
Error correction	9	-	-	-	261	261
Restated balance at 30 June 2019		<b>808</b>	<b>237</b>	<b>1,034</b>	<b>80</b>	<b>2,159</b>
Total comprehensive result for 2019-20		-	-	-	(363)	(363)
Transfer between equity components		(808)	-	(32)	840	-
<b>Balance at 30 June 2020</b>		<b>-</b>	<b>237</b>	<b>1,002</b>	<b>557</b>	<b>1,796</b>
Total comprehensive result for 2020-21		-	-	-	704	704
Transfer between equity components		-	-	114	(114)	-
<b>Balance at 30 June 2021</b>		<b>-</b>	<b>237</b>	<b>1,116</b>	<b>1,147</b>	<b>2,500</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

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**1 About the State Opera of South Australia**

The 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.

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 2021**1.3 Impact of COVID-19 pandemic on the Company**

The COVID-19 pandemic has impacted on the operations of the Company and the impacts are included under the relevant disclosure notes. The key impacts in 2020-21 were:

- In Q1 and Q2 of FY21 the Company experienced a continuation of the challenges wrought by the COVID-19 pandemic on the entire performing arts industry, including further cancellations, postponements, and a general halting of standard business operations.
- Ongoing uncertainty meant the end of an annual subscription series delivering significant advance box office sales income, as well as an inability to confidently program large-scale productions which require venues to operate at full capacity in order to become viable.
- The attempt to program and deliver a production in November 2020 at Her Majesty's Theatre – Summer of the 17th Doll – was lauded nationally, however an emergency lockdown resulted in the cancellation of performances following the opening night, and a subsequent insurance claim for additional costs incurred.
- Q3 and Q4 saw a return to aspirational programming, however the reduced capacity of venues (operating at either 50% or 75%) has meant that very successful productions (especially sold-out performances of Carousel and Sweeney Todd) were unable to reach their full potential at the box office.
- In addition, restrictions on travel, social distancing rules and the ongoing economic impact to individual patrons mean that the viability of the Company to deliver successful performances to the market remains at risk throughout 2021 and beyond.

**1.4 Going concern**

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

In June 2021, the Company entered into a Tripartite Funding Agreement 2021 to 2024 with Federal and State Governments, via the Australia Council for the Arts and Arts SA, confirming funding to the end of the 2024 calendar year. Due to the outbreak of COVID-19, the Australia Council for the Arts and Arts SA provided reporting and other grant condition relief, including removing requirements on meeting audience KPIs, varying the purposes and outcomes of funding and allowing funding to be repurposed to pay essential bills including salaries and wages, rent and utilities, which allowed funding to be retained to date.

The Company notes that uncertainty remains for the 2021 season and the 2022 financial year, including any potential further outbreaks of COVID-19, and fluctuating audience numbers allowed at performances. However, management and the board are confident that the dynamic management operating policies, business review measures implemented, and available cash are adequate to enable the Company to meet operating and financial commitments for at least the next 12 months should the operations be impacted by further COVID-19 disruptions.

For the above reasons, the directors have prepared the financial report on a going concern basis.

**1.5 Significant accounting judgments and estimates**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**1.6 Significant transactions with government related entities**

Significant transactions with the SA Government are identifiable throughout this financial report. In addition:

- all accommodation service payments relate to arrangements with the Department for Infrastructure and Transport. Expenses for these items are listed in note 4.1.

**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:

- 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
- 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**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenues from SA Government	1,537	1,553
<b>Total Revenues from SA Government</b>	<b>1,537</b>	<b>1,553</b>

Total revenues from SA Government consist of \$1,537,000 (\$1,553,000) 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.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**2.2 Commonwealth-sourced grants and funding**

	2021	2020
	\$'000	\$'000
Grants	1,607	1,582
<b>Total Commonwealth-sourced grants and funding</b>	<b>1,607</b>	<b>1,582</b>

**Accounted for under AASB 15**

Commonwealth funding is generally received from Australia Council for the Arts in the same calendar year that the funding was 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**

	2021	2020
	\$'000	\$'000
Grant for Confident Conductor Workshop	2	-
<b>Total SA Government grants, subsidies and transfers</b>	<b>2</b>	<b>-</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**

	2021	2020
	\$'000	\$'000
Summer of the Seventeenth Doll	32	-
Carousel	210	-
Sweeney Todd	594	-
Love Burns	38	-
2019-20 Productions	-	989
<b>Total Sales of goods and services</b>	<b>874</b>	<b>989</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**

	2021	2020
	\$'000	\$'000
Investment with SAFA	3	14
Cash and cash equivalents	1	7
Dividends	15	23
<b>Total Interest and dividends</b>	<b>19</b>	<b>44</b>

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021

<b>2.6 Resources received free of charge</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Goods received free of charge – Private enterprises	-	24
Services received free of charge – Private enterprises	-	15
Services received free of charge – Shared Services SA	5	-
<b>Total Resources received free of charge</b>	<b>5</b>	<b>39</b>

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

<b>2.7 Other income</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Sponsorship	10	53
Donations	267	254
Foundations	38	79
Insurance recovery	39	-
Sundry income	55	15
<b>Total Other income</b>	<b>409</b>	<b>401</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 the Thora & Frank Pearce Opera 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.



## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**3 Board, committees and employees****3.1 Key management personnel**

Key management personnel of the Company include the Premier, the Executive Director, the Artistic Director, and the Board. 2019-20 included a Chief Operations Officer, which is not a position in the current 2020-21 organisational structure.

Total compensation for key management personnel was \$349k in 2020-21 and \$454k in 2019-20.

The compensation disclosed in this note excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the consolidated account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

**Transactions with key management personnel and other related parties**

Other than the remuneration paid in 2020-21, 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 2021 financial year were:

**The State Opera of South Australia Board**

Mr John Irving (Chair)

Master Elizabeth Olsson

Mr Peter Michell

Dr Christine Rothauser (dep. Aug 2020)

Dr Beata Byok

Professor Brenda Wilson (dep. Oct 2020)

Ms Imelda Alexopoulos

Dr Thomas Millhouse

Mrs Polly Tembel (joined Jun 2021)

**Risk and Performance Committee**

Master Elizabeth Olsson (Chair)

Mr John Irving

Mr Peter Michell

Dr Beata Byok (joined Dec 2020)

Ms Imelda Alexopoulos

Dr Thomas Millhouse (joined May 2020)

**Fundraising Committee**

The Fundraising Committee was disbanded in November 2019, with all fundraising matters being incorporated into the general business of The State Opera of South Australia Board.

**Board and committee remuneration**

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

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021

<b>3.3 Employee benefits expenses</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	1,248	1,332
Long service leave	14	(3)
Annual leave	12	2
Employment on-costs - superannuation	167	196
Employment on-costs - other	-	48
Workers compensation	10	71
Other employee related expenses	1	-
<b>Total Employee benefits expenses</b>	<b>1,452</b>	<b>1,646</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. Due to reduced productions and corresponding lower levels of casual staff employed, the Company's payroll was below the payment threshold in 2020-21.

**Executive remuneration**

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

\$154 001 to \$174 000

\$174 001 to \$194 000

**Total**

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
	1	1
	1	1
<b>Total</b>	<b>2</b>	<b>2</b>

The total remuneration received by those employees for the year was \$349k in 2020-21 and \$350k in 2019-20.

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.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021

<b>3.4 Employee benefits liabilities</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	50	29
Annual leave	55	42
<b>Total Current Employee benefits liabilities</b>	<b>105</b>	<b>71</b>
<b>Non-current</b>		
Long service leave	14	-
<b>Total Non-current Employee benefits liabilities</b>	<b>14</b>	<b>-</b>
<b>Total Employee benefits liabilities</b>	<b>119</b>	<b>71</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.

**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 11.1.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**4 Expenses**

Employee benefits expenses are disclosed in note 3.3

<b>4.1 Supplies and services</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation	223	238
Advertising and marketing	225	329
Consultants	111	31
Contractors - performers, creatives, technical	531	778
External accounting and bookkeeping	4	4
Foreign Currency	-	3
General administration and consumables	247	267
Information technology expenses	88	44
Legal costs	6	43
Minor works, maintenance and equipment	4	2
Production expense	495	668
Telecommunications	10	10
Travel	59	151
Venue hire and expenses	285	330
<b>Total Supplies and services</b>	<b>2,288</b>	<b>2,898</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.

**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:

	<b>No</b>	<b>2021</b>	<b>No</b>	<b>2020</b>
		<b>\$'000</b>		<b>\$'000</b>
Below \$10 000	5	20	-	-
\$10 000 or above	6	91	2	31
<b>Total</b>	<b>11</b>	<b>111</b>	<b>2</b>	<b>31</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 \$31k (\$30k). No other services were provided by the Auditor General's Department.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021

<b>4.2 Depreciation and amortisation</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Production equipment	10	11
Furniture and equipment	3	4
Computer equipment	6	4
Intangible assets	10	10
<b>Total Depreciation and amortisation</b>	<b>29</b>	<b>29</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.

**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:

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

Depreciation and amortisation methods are reviewed annually.

**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.

<b>4.3 Other expenses</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Property, plant and equipment write-offs	1	-
<b>Total Other expenses</b>	<b>1</b>	<b>-</b>

<b>4.4 Share of results of associates</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Share of The Opera Conference losses	76	338
<b>Total Share of results of associates</b>	<b>76</b>	<b>338</b>

The loss represents the Company's 20% interest in The Opera Conference Partnership. For further information refer to Note 6.4 Investments in associates.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**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.

	2021 \$'000	2020 \$'000
<b>Production equipment</b>		
Production equipment at cost (deemed fair value)	217	243
Accumulated depreciation at the end of the period	(175)	(191)
<b>Total Production equipment</b>	<b>42</b>	<b>52</b>
<b>Furniture and equipment</b>		
Furniture and equipment at cost (deemed fair value)	49	48
Accumulated depreciation at the end of the period	(39)	(37)
<b>Total Furniture and equipment</b>	<b>10</b>	<b>11</b>
<b>Computer equipment</b>		
Computer equipment at cost (deemed fair value)	112	77
Accumulated depreciation at the end of the period	(78)	(72)
<b>Total Computer equipment</b>	<b>34</b>	<b>5</b>
<b>Total Property, plant and equipment</b>	<b>86</b>	<b>68</b>

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 2021.

**Reconciliation 2020-21**

	Production equipment \$'000	Furniture and equipment \$'000	Computer equipment \$'000	Total \$'000
Carrying amount at the beginning of year	52	11	5	68
Additions	-	3	35	38
Disposals (sales, write off's etc)	-	(1)	-	(1)
Depreciation expense	(10)	(3)	(6)	(19)
<b>Carrying amount at the end of the year</b>	<b>42</b>	<b>10</b>	<b>34</b>	<b>86</b>

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**5.2 Intangible assets**

	2021 \$'000	2020 \$'000
<b>Purchased computer software</b>		
Purchased computer software at cost (deemed fair value)	51	51
Accumulated amortisation at the end of the period	(29)	(19)
<b>Total Intangible assets</b>	<b>22</b>	<b>32</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.

**Reconciliation 2020-21**

	Purchased computer software \$'000	Total \$'000
Carrying amount at the beginning of year	32	32
Additions	-	-
Amortisation expense	(10)	(10)
<b>Carrying amount at the end of the year</b>	<b>22</b>	<b>22</b>

**6 Financial assets****6.1 Cash and cash equivalents**

	2021 \$'000	2020 \$'000
Short term deposits	2,516	1,930
Cash at bank	265	318
Cash on hand	2	-
<b>Total Cash and cash equivalents</b>	<b>2,783</b>	<b>2,248</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. The deposits include \$2.4m (\$1.8m) deposited with SAFA. All other accounts are 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 2021**6.2 Receivables**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
<b>Trade receivables</b>		
From government entities	-	-
From non-government entities	10	18
Less impairment loss on receivables	-	-
<b>Total Trade receivables</b>	<b>10</b>	<b>18</b>
Prepayments	450	255
Accrued revenues	74	-
<b>Total Current Receivables</b>	<b>534</b>	<b>273</b>

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

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

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.

***Allowance for impairment loss on receivables***

Due to the minimal level of receivables held 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.

**6.3 Other financial assets**

	2021	2020
	\$'000	\$'000
<b>Non-current</b>		
Shares and units held in listed entities	454	356
<b>Total Non-current Other financial assets</b>	<b>454</b>	<b>356</b>

For further information on risk management and the impact of AASB 9 refer to note 11.4.



## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021

## 6.4 Investments in associates

	2021	2020
	\$'000	\$'000
<b>Non-current</b>		
Investments in associates	142	219
<b>Total Non-current investments</b>	<b>142</b>	<b>219</b>

*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 prior years, this investment was not recognised and accounted for using the equity method and the Company classified the cash distribution as a recurrent grant expense. This expense has been reclassified, both in the current and comparative year, as an Investment in an Associates with the corresponding loss classified as other expenses (Refer to Note 4.3).

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:

	2021	2020
	\$'000	\$'000
Cash and cash equivalents	376	956
Receivables <sup>a</sup>	366	14
<b>Total assets</b>	<b>742</b>	<b>970</b>
Payables <sup>b</sup>	30	621
<b>Total net assets</b>	<b>712</b>	<b>349</b>
<b>Equity partner share (20%)</b>	<b>142</b>	<b>70</b>
Cash contribution (between partnership and company reporting dates)	-	149
<b>Investment in associate</b>	<b>142</b>	<b>219</b>

a Includes \$365k receivable from Opera Australia for tranche of funding in 2020-21.

b Payable to Opera Australia in 2019-20.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021

## 7 Liabilities

Employee benefits liabilities are disclosed in note 3.4.

## 7.1 Payables

	2021	2020
	\$'000	\$'000
<b>Current Payables</b>		
Trade payables	96	15
Credit cards payable	24	3
Accrued expenses	66	24
<b>Total Payables</b>	<b>186</b>	<b>42</b>
<b>Statutory Payables</b>		
Accrued expenses	31	32
GST payable	43	(5)
Employment on-costs	41	42
<b>Total Statutory Payables</b>	<b>115</b>	<b>69</b>
<b>Total Current Payables</b>	<b>301</b>	<b>111</b>

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

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 2020 rate (9.8%) to 10.5%. These rates are used in the employment on-costs calculation. The net financial effect of the changes in the current financial year is immaterial.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**7.2 Contract liabilities**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Advance box office	81	256
Advance sponsorship	37	27
Advance grants	885	872
Advance others	88	63
<b>Total Current Contract liabilities</b>	<b>1,091</b>	<b>1,218</b>

Box office income \$81k (\$256k) was deferred until the future periods in which the productions occur.

Sponsorship income \$37 (\$27k) was deferred until the following financial year to the period of the production per the sponsorship agreement.

Grant income \$885k (\$872k) that was received at the end of 2020-21 from the Australian Council for the Arts was provided to fund the Company's future programs.

Other unearned income of \$88k (\$63k) includes funding for the Helpmann Academy Fellowship, Artist Development Program, and other minor future program funds.

**7.3 Provisions**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Provision for workers compensation	3	-
<b>Total Current Provisions</b>	<b>3</b>	<b>-</b>
<b>Non-current</b>		
Provision for workers compensation	7	-
<b>Total Non-current Provisions</b>	<b>7</b>	<b>-</b>
<b>Total Provisions</b>	<b>10</b>	<b>-</b>
<b>Employment on-costs</b>		
Carrying amount at the beginning of year	-	60
Movement in provisions	10	(60)
<b>Carrying amount at the end of year</b>	<b>10</b>	<b>-</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 2021 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.

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 2021

## 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.

In applying prudence principles, no transfer has been made into the Future productions reserve as at 30 June 2021.

**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.

**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.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021

	2021 \$'000	2020 \$'000
<b><i>Thora and Frank Pearce Opera Foundation</i></b>		
Balance at the beginning of year	205	203
Interest revenue	-	2
<b>Total Thora and Frank Pearce Opera Foundation</b>	<b>205</b>	<b>205</b>
<i>Represented by:</i>		
Cash and cash equivalents	205	205
<b>Total Thora and Frank Pearce Opera Foundation</b>	<b>205</b>	<b>205</b>
<b><i>Diana Ramsay Fund</i></b>		
Balance at the beginning of year	797	831
Dividend income	15	23
Interest revenue	1	3
Changes in market value of investments	98	(60)
<b>Total Diana Ramsay Fund</b>	<b>911</b>	<b>797</b>
<i>Represented by:</i>		
Cash and cash equivalents	457	441
Other financial assets	454	356
<b>Total Diana Ramsay Fund</b>	<b>911</b>	<b>797</b>
<b>Total Trust funds</b>	<b>1,116</b>	<b>1,002</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 2021

## 9 Restatement of comparative balances

**AASB 128 Investments in associates using the equity method**

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

In prior years, this investment was not recognised and accounted for using the equity method and the Company classified the cash distribution as a recurrent grant expense. This prior period error resulted in misstatements in the Company's financial statements, arising from failure to use reliable information that could reasonably be expected to have been obtained and taken into account in the preparation and presentation of the financial statements.

This expense has been reclassified, both in the current and comparative year, as an Investment in an Associates with the corresponding loss classified as other expenses (Refer to Note 4.3).

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 (Refer to Note 6.4).

**AASB 15 Revenue from contracts with customers**

The Company has determined which individual revenue streams are recognised in terms of AASB 15. Where the timing of satisfaction of the performance obligations differs from the revenue received under AASB 15, a contract liability is recognised. In prior years, this was inadvertently reported as other liabilities. The liability has been reallocated in the current and comparative year as a contract liability.

	2020 Previously reported \$'000	Adjustment s \$'000	2020 Restated \$'000
<b>Statement of Comprehensive Income</b>			
<b>Expenses</b>			
Other expenses *	296	42	338
<b>Total comprehensive result</b>	<b>(321)</b>	<b>(42)</b>	<b>(363)</b>

\* Previously presented as Grants and Subsidies

	2020 Previously reported \$'000	Adjustment s \$'000	2020 Restated \$'000
<b>Statement of Financial Position</b>			
<b>Non-current assets</b>			
Investments in associates	-	219	219
<b>Total non-current assets</b>	<b>456</b>	<b>219</b>	<b>675</b>
<b>Total assets</b>	<b>2,977</b>	<b>219</b>	<b>3,196</b>
<b>Current liabilities</b>			
Contract liabilities	-	1,218	1,218
Other current liabilities	1,218	(1,218)	-
<b>Total current liabilities</b>	<b>1,400</b>	<b>-</b>	<b>1,400</b>
<b>Net Assets</b>	<b>1,577</b>	<b>219</b>	<b>1,796</b>

## 10 Outlook

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**10.1 Unrecognised commitments**

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

<i><b>Expenditure commitments</b></i>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	220	211
Later than one year but not longer than five years	455	650
<b>Total unrecognised Expenditure commitments</b>	<b>675</b>	<b>861</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.
- storage facilities to store its production sets, costumes and effects. As at July 2021, the storage facility lease terminates on 15 September 2021. Management are currently seeking alternative options.

<i><b>Production related commitments</b></i>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	443	102
<b>Total unrecognised Production related commitments</b>	<b>443</b>	<b>102</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.

Due to the Covid pandemic, contracts are only entered into with theatre proprietors when the performances go on sale.

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

**10.2 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.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**10.3 COVID-19 pandemic outlook for the Company**

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

- Sponsorship, philanthropy, trust and grant have been, and will continue to be, adversely affected as these sources of income are intrinsically linked to the public-facing activity of the Company. The Company is responding to this with an organisational restructure and further investment in our development team.
- In addition, restrictions on travel, social distancing rules and the ongoing economic impact to individual patrons mean that the viability of the Company to deliver successful performances to the market remains at risk.
- State Opera continues to operate in a flexible manner with additional artistic contingency and safety measures in place, ultimately allowing the Company to deliver programming and activity at accelerating levels, similar to those pre-COVID-19. While the past 6 months should not in any way be seen as an ongoing inevitability while COVID-19 continues to cause dramatic difficulties for the Company, there has been heightened interest and support of our operatic offerings with enthusiastic ticket sales closer to the performance dates.

**10.4 Events after the reporting period**

The Company has been notified of a bequest of \$200k, which will be received at the end of July 2021. There is an expectation that a further final distribution will be received later in the year, but the amount cannot be quantified at the time of reporting.

**11 Measurement and risk****11.1 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 2020 (0.75%) to 2021 (1.25%).

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

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

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.

**11.2 Fair value**

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



## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**Initial recognition**

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

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

**Revaluation**

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

The revaluation process is reviewed by the Head of Finance, Executive Director and Risk and Performance committee each year.

**11.3 Financial instruments****Financial risk management**

Risk management is managed by the Company's Head of Finance, Executive Director and Risk and Performance committee. The Company's risk management policies are in accordance with the SA Government Risk Management Guide and the principles established in the Australian Standard Risk Management Principles and Guidelines.

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

**Liquidity risk**

The Company is funded principally from revenues from the SA Government and grants from the Commonwealth Government as determined by the Multi-Partite Funding Agreement covering years 2021-2024 inclusive. The Company works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

**Credit risk**

The Company has low levels of receivables as the majority of revenue is received in advance, but does have 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 Company.

**Impairment of financial assets**

Due to the Company's low levels and frequency of receivables, collections are prompt and exposure to risk is minimal. 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 Company and a failure to make contractual payments for a period of greater than 90 days past due. No impairment losses were recognised in relation to contract assets and accrued revenue during the year.

## STATE OPERA OF SOUTH AUSTRALIA

NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**Cash and debt investments**

The Company 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.

The shares held by the Company as investments are in publicly listed entities, which are considered to have a low risk of default.

**Market risk**

The Company does not trade in foreign currency, nor enter into transactions for speculative purposes, nor for hedging. The Company 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*.

The Company has no interest bearing liabilities, therefore has no associated exposure risks. There is no exposure to foreign currency or other price risks.

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 Company measures all financial instruments at fair value through profit or loss.

Other financial assets represent equity holdings in publicly listed companies. These holdings are valued at market value with the movement in the market value of the investments being recognised in the Statement of Comprehensive Income during the period in which the movement occurs.

Category of financial asset and financial liability	Note	2021 Carrying amount / Fair value \$'000	2021 Contractual maturities	
			Within 1 year \$'000	1-5 years \$'000
<b>Financial assets</b>				
Cash and cash equivalents	6.1	2,783	2,783	-
Other financial assets	6.3	454	-	454
Receivables	6.2	84	84	-
<b>Total financial assets</b>		<b>3,321</b>	<b>2,867</b>	<b>454</b>
<b>Financial liabilities</b>				
Payables	7.1	186	186	-
<b>Total financial liabilities</b>		<b>186</b>	<b>186</b>	<b>-</b>

## STATE OPERA OF SOUTH AUSTRALIA

**NOTES TO & FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 June 2021**

Category of financial asset and financial liability	2020	2020 Contractual maturities	
	Carrying amount / Fair value	Within 1 year	1-5 years
	\$'000	\$'000	\$'000
<b>Financial assets</b>			
Cash and cash equivalents	2,248	2,248	-
Other financial assets	356	-	356
Receivables	18	18	-
<b>Total financial assets</b>	<b>2,622</b>	<b>2,266</b>	<b>356</b>
<b>Financial liabilities</b>			
Payables	35	35	-
<b>Total financial liabilities</b>	<b>35</b>	<b>35</b>	<b>-</b>

**Statutory receivables and payables**

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

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



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## To the Chair 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 2021.

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 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The consolidated financial report comprises:

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

### 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, 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 2021.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of 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 the 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.



Andrew Richardson

**Auditor-General**

28 September 2021