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Government
of South Australia

COUNTRY ARTS SA

2020-21 Annual Report

COUNTRY ARTS SA

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To:

The Honourable Steven Marshall MP
Premier of South Australia

This annual report will be presented to Parliament to meet the statutory reporting requirements of *South Australian Country Arts Trust Act 1992* 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 Country Arts SA by:

Anthony Peluso
Chief Executive

Date 30 September 2021

Signature



From the Chief Executive



220,199 people enjoyed new arts and cultural experiences that were supported, produced, developed, presented, and shared by Country Arts SA in 2020-21.

Following the Covid-19 lockdown directives from March 2020, our programming resumed statewide on 1 August, with events at our arts centres including screenings from our Arts on

Screen program of captured live ballet and opera from international companies, together with new release movies.

7,758 people performed on our stages with a further 1,179 people backstage and we were able to present 1,786 events across the state during 2020-21. This is despite many events being postponed, moved to alternative dates or cancelled entirely. We radically altered our programming strategies so that the organisation could invest time and resources into new approaches, including a multi-year Arts Activation strategy, Local and Live program and online platform *Venue 6*.

Our support of First Nations artists and their work provided many of our highlight events in the 2020-21 year, including:

- *Kunyi June Anne McInerney: My Paintings Speak For Me* presented at Walkway Gallery, Bordertown, Burra Regional Art Gallery, Kapunda Community Gallery, Moonta Gallery and Riddoch Art Gallery, Mount Gambier.
- Juanella McKenzie supported to develop a new body of work for exhibition as part of her Breaking Ground Award, including a mentorship with curator Jessica Clarke for presentation in August 2021 as part of SALA.
- During NAIDOC Week, which had been postponed until November 2020, and Reconciliation Week in May 2021, we presented Nunga Screen – a program of films created by First Nations artists. These free screenings for children and families attracted a total of 4,541 people to 73 screenings and workshops in 25 sites across the state, including the Adelaide CBD, Marion, Noarlunga, Flinders University, Adelaide Hills, Victor Harbor, Yankalilla, Goolwa, Tailem Bend, Raukkan, Naracoorte, Mount Gambier, Renmark, Burra, Hawker, Oodnadatta, Leigh Creek, Roxby Downs, Port Augusta, Port Lincoln, Ceduna, Whyalla, Port Pirie, Kadina, Gawler.

We continued to present great new South Australian made work on our arts centres' stages and in small halls across the state.

Of particular note was the premier tour of *Euphoria* by Emily Steel – a work which Country Arts SA had been developing with regional communities and those with lived experiences of mental health since 2017. The work toured to 18 locations with 41 performances and 35 engagement sessions to high school audiences and general public of 6,560 people in partnership with State Theatre Company of South Australia.

Euphoria authentically reflected the lives of regional people, resulting in audiences and critics acclaiming the relevance and power of the work. The tour incorporated a mental health practitioner who chaired the Q&A sessions following every regional performance. This gave anyone with a lived experience with mental health an opportunity to share their story. The organisation is particularly proud that almost everyone in the creative team had strong regional South Australian connections. The play has now been filmed so that it is ready for online broadcast and cinema screenings. Plans are underway for a national tour of the live work and film in 2022.

Following cancellation in early 2020, we were pleased to tour Michaela Burger's biographic cabaret *A Migrant's Son* to five communities, including a special celebration in Coober Pedy where she grew up.

In addition, Country Arts SA supported the development and presentation of Limestone Coast choreographer Lewis Major's new dance works *S/words* and *Unfolding* in Mount Gambier and at the Adelaide Festival of Arts; *Impersonal Space* by Company AT in Port Pirie; *When the Mirror Bird Sings* by The PaperBoats to children across the state and *Vaudeville* by Brink Productions in Naracoorte.

Our commitment to supporting the career development of South Australian artists included Dave Brown, Sally Chance, Lewis Major, Sera Waters, Michaela Burger, Kunyi June Anne McInerney, Sarah Brokensha. A new initiative called *Catharsis* supported nine artists develop their practice digitally, including First Nations' photographer Lavene Ngatokorua, First Nations comedian Kevin Kropinyeri, visual artist Kerry Youde, digital artist CJ Taylor, choreographer Lewis Major, theatre maker Sarah Brokensha, digital artist Luke Pellen, and Jakob Logos with digital dramaturgs Sam Haren and Dan Korner.

Two visual artists undertook four-week regional residencies:

- Laura Wills at Palace of Production, Emu Bay on Kangaroo Island, and
- Edwina Cooper at Grindell's Hut, Vulkathunha-Gammon Ranges National Park in the Northern Flinders Ranges on Adnyamathanha country.

With the communities we work with still reeling from the 2020 bushfires and the impacts of lockdown due to Covid-19, Country Arts SA began developing new program outcomes that supported artists to sustain their careers and communities searching for ways to engage with each other and supporting their wellbeing.

Arts Activation supports communities across the state build engagement in the arts and develops artists as they create new work. The Adelaide Symphony Orchestra was supported through this program as part of SALT Festival in Port Lincoln, presenting four performances, including a special family's performance of *Are we there yet?* to a total of 1,442 people in addition to workshops and masterclasses. This was the first tour of the orchestra in over 50 years. We continue to work with Gravity and Other Myths to make a new work entitled *Kits'n'Flips* with young First Nations children from Port Augusta, Whyalla and the Eyre Peninsula. This new work will tour later in 2021. The program also supports engagement with Restless Dance Company in Port Pirie and the Riverland, State Theatre Company South Australia and Lewis Major Projects in Mount Gambier.

A new program *Local and Live* was borne from the restrictions of Covid-19. We presented local artists in our regional arts centres, with some performances live streamed, including bands Chelsea Manor and Higgs Field, and musicians Mel & Me, Hey Jude, Missing Link Duo and Eric Cook.

We invested in growing our digital presence in 2020-21 creating a new platform called *Venue 6*. We engaged Sandpit and Lightbulb Digital to work with us to build *Venue 6*. It will align with all our programming by offering ways to build engagement with artists and communities across the state through the performing arts, visual arts and community engaged projects. The site will be ready in 2022.

Our Arts on Screen program continued to deliver screenings of theatre and dance captured live. In 2021, the program was augmented by four special live streams of work in partnership with Adelaide Festival of Arts, including *Medea* by Internationaal Theater Amsterdam direct from Amsterdam and Igor Levitt performing Beethoven's *Diabelli Variations* live from Berlin to audiences in Mount Gambier and direct broadcasts of the Festival opera, Britten's *A Midsummer Night's Dream* from the Adelaide Festival Theatre stage to audiences in all four regional arts centres in Mount Gambier, Renmark, Port Pirie and Whyalla.

We have been developing master plans of Country Arts SA's four regional arts centres in support of the State's Arts Plan Recommendation 1.6. Develop a five-year revitalisation plan of regional arts centres as creative hubs within their respective communities.

In 2020-21, funding was secured to complete the fire safety works at the Chaffey Theatre in Renmark as well as the addition of a passenger lift to increase access for mobility impaired patrons. The Varco Foundry in Mount Gambier will be upgraded into an artists' making and performance hub which will underpin the development of new work, enable local artists to present music, theatre, dance, cabaret and comedy as part of Local and Live as well as the Mount Gambier Fringe.

Throughout the year the Country Arts SA board meet regionally. In 2020-21, meetings were held in Maitland, Whyalla, Port Adelaide, Port Pirie, Loxton and Naracoorte. The First Nations Advisory Committee met at Point Pearce, Port Adelaide and in Berri.

Artist Olivia White stepped off the Board in August 2020 to focus on her artistic career. Rebekah Danzic joined the Board that same month, replacing Olivia as the Board's Eyre and Western representative. Ella Winnall joined the Board in October 2020 as our new representative for the Murray, Mallee and Riverland.

During a difficult year, the Board continued to govern the organisation ably with Chair Michael Luchich; Victoria MacKirdy as Chair, Governance and Finance Committee; and Andrew Birtwistle-Smith, Chair, First Nations Advisory Committee.

Development of the new Country Arts Foundation included the completion of all legal requirements and giving status. Chair Rod Jones was joined by Directors Paula Murray, Michael Luchich and me (both ex-officio). With official Deductible Gift Recipient status the Foundation's first donations for the endowment were received prior to the end of June.

Country Arts SA acknowledges the ongoing financial support of the South Australian Government through the Department of the Premier and Cabinet, particularly through the Premier's Arts Recovery Fund.

We also acknowledge Commonwealth Government support through the Australia Council for the Arts organisational funding and Playing Australia, and through the Department of Communications and the Arts for the Regional Arts Fund, and Catalyst for our four-year Regional Theatre Strategy which finished in June.

The work of Country Arts SA would not be possible without the backing of our committed corporate and program partners and donors.

We particularly appreciate the ongoing support of our Principal Corporate Partner, SA Power Networks which now exceeds 23 consecutive years.

As regional businesses navigate their own pressures, we extended commitments with our 19 Community Circle local business partners, profiling them on our social channels.

Our partnerships with 12 regional local governments continue to connect communities to our work and provide greater local employment.

This support has kept our staff engaged and able to support regional artists and communities during the most significant challenge many have ever faced.



Anthony Peluso

Chief Executive/Executive Director and RAP Champion

Country Arts SA

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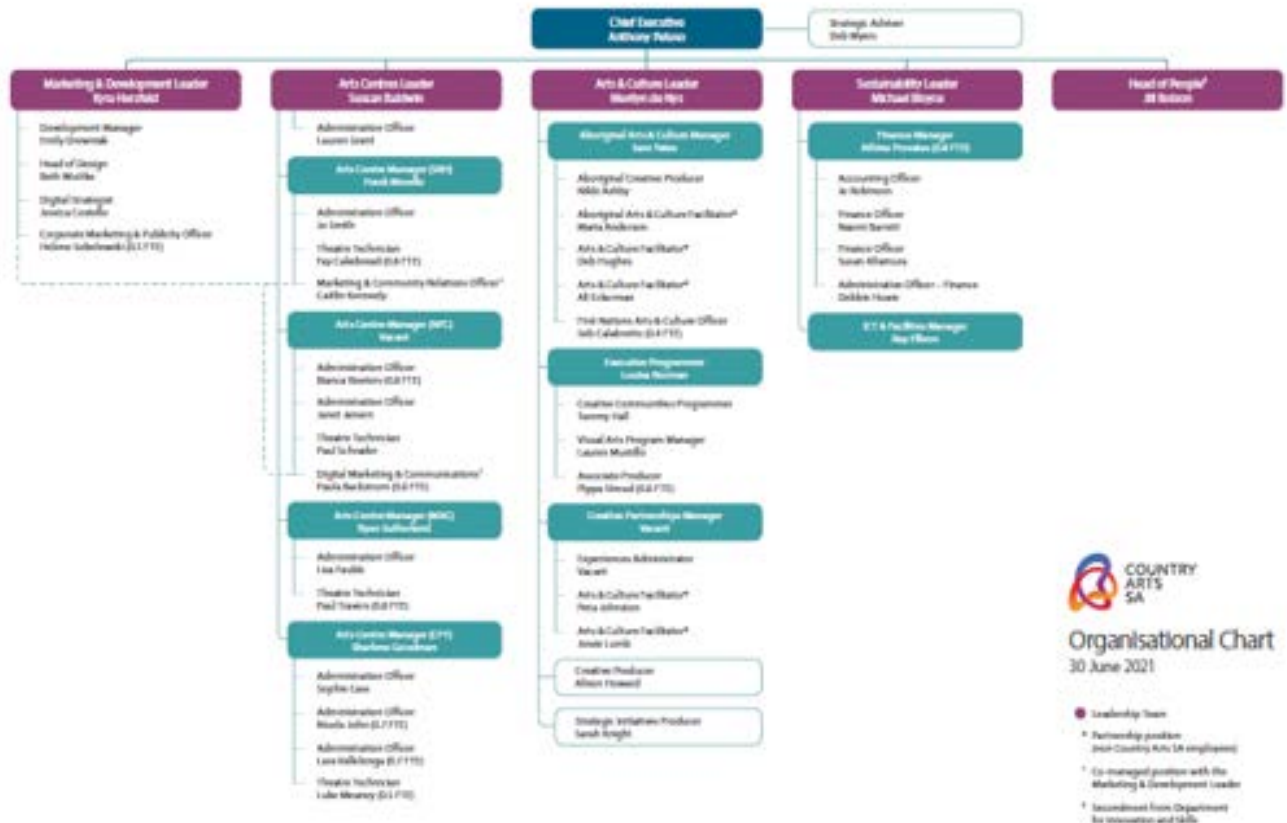
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Overview: about the agency

Our strategic focus

Our Purpose	<p>Country Arts SA's unique state-wide, multi-artform remit and 25+ years' experience puts us in a singular position to make art and tell stories that can't be made anywhere else in the world, and to contribute to a national cultural identity that embraces the regional communities at its heart.</p> <p>The arts are a leading contributor to the strength of our regional communities. They shape our culture, identity and economy, contribute to employment, tourism and education, and support good health, wellbeing and community cohesion.</p> <p>Opportunities to experience, participate in and benefit from the arts should be available to all South Australians.</p>
Our Vision	<p>Our vision is for artists and communities of regional South Australia to thrive through engagement with the arts and be recognised as valued contributors to the nation's cultural voice.</p> <p>Country Arts SA aims to transform the way the arts are made and engaged with in regional South Australia.</p>
Our Values	Place, Impact, Inclusion, Creativity, Respect
Our functions, objectives and deliverables	<p>Country Arts SA increases access to the arts for regional South Australian communities and shares unique stories through extraordinary arts experiences.</p> <p>We listen, respond and collaborate.</p> <p>We produce ambitious and accessible arts experiences.</p> <p>We present work for people of all ages and interests.</p> <p>We empower regional communities to create and interact with the arts as audiences, participants, artists and leaders.</p>

Our organisational structure



Changes to the agency

During 2020-21 there were the following changes to the agency's structure.

For the Experiences team:

- The Arts and Cultural Facilitator role in partnership with Naracoorte Lucindale Council was filled.
- The Arts and Cultural Facilitator role in partnership with Regional Council of Goyder based in Burra was filled with a First Nations person.
- Youth Creative Producer in partnership with Carclew ended with the cessation of Federal funding.

For the Arts Centres team:

- A new Digital Marketing and Communications (0.6FTE) position commenced at Northern Festival Centre, Port Pirie.

Our Minister

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

- Aboriginal Affairs and Reconciliation

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

Our Leadership Team

Anthony Peluso is the Chief Executive/Executive Director and RAP Champion, responsible for leading the organisation.

Michael Bloyce is the Sustainability Leader, responsible for the development of strategy and leading the Finance, ICT and Facilities team.

Merilyn de Nys is the Arts and Culture Leader, responsible for leading the Arts and Cultural teams and providing regional representation.

Sussan Baldwin is the Arts Centres Leader, responsible for leading the Arts Centres teams.

Kyra Herzfeld is the Marketing and Development Leader, responsible for leading the marketing, publicity, digital, design and development team.

Jill Bolzon is our Head of People, responsible for Human Resources.

Legislation administered by the agency

South Australian Country Arts Trust Act 1992

Other related agencies (within the Minister's area/s of responsibility)

N/A

The agency's performance

Performance at a glance

In 2020-21, Country Arts SA delivered 1,786 performances, exhibitions, events, workshops and other activities in our five arts centres, online and other spaces across South Australia and nationally, attracting 220,199 people.

2020-2021	Arts Centres	Performing Arts	Visual Arts	Cultural Programming	Grant Funding	TOTAL
Far West and North	15,248	4,893	2,175	19,819	13,150	55,285
Yorke and Mid North	11,551	2,632	9,995	446	24,610	49,234
Adelaide Hills, Barossa, Fleurieu and Kangaroo Island	0	1,512	12,048	2,266	11,864	27,690
Murphylands and Riverland	12,472	2,309	4,611	1,208	11,088	31,688
Limestone Coast	8,455	4,106	2,358	2,491	1,751	19,161
Adelaide	25,157	6,849	0	19	3,220	35,245
National	0	0	0	1,896	0	1,896
TOTAL	72,883	22,301	31,187	28,145	65,683	220,199

Total number of performances, exhibitions & events	1,369	227	18	90	82	1,786
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Agency response to COVID-19

The following processes were in place as part of Country Arts SA's continuing response to COVID-19:

The Art Centres put COVID-19 safe mitigation strategies in place, which included:

- training in COVID-19 safety practices
- installing hand sanitising stations
- switching to cashless box offices and bars with contactless payments facilities for all ticket and refreshment purchases
- increased cleaning

- implementing social distancing measures in the foyer and auditorium including installing signage and floor markings to make it easier for patrons to stay 1.5 metres apart
- marketing that encourages ticket purchases online in advance, with the option to print tickets at home or show them on their mobile device
- introducing a ticket refund policy for any patrons who are feeling unwell on the day of their scheduled visit, so they can stay home.

All staff were supported to work from the office if required. Any staff considered to be vulnerable worked from home. Staff undertook COVID-19 Marshall training for our licensed and public venues.

The Crisis Management team met regularly to review our response to restrictions, policies and discuss any changes from the South Australian Government.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	1,115 artists and arts workers were employed across our activities. This equates to 24.03FTE, with 14.25FTE or 683 regional South Australians and 3.71FTE or 201 First Nations people being employed.
Lower costs	Ticket prices to Country Arts SA performances remained static supporting better access. Staff worked from home for a good majority of the year in line with Government advice. Provided concessional community hire rates to ensure our arts centres remained accessible to all.
Better Services	Produced 8 new works of art and presented 22 new works across the state and nationally of dance, theatre, music, opera, film, visual art, digital art and live art. Commenced a new program supporting local artists called <i>Local and Live</i> . Developed a new online platform called <i>Venue 6</i> to build greater access. Installed a new accounting system which will provide improved payroll, finance and accounts payable operations across the organisation.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Support and empower artists, arts workers and organisations in regional South Australia to develop their practice, produce extraordinary arts experiences and share their unique stories.	<p>Employment opportunities provided</p> <p>New work produced</p> <p>New work presented</p>	<p>24.03 FTE achieved (target >25 FTE)</p> <p>8 new works produced: 3 First Nations</p> <p>22 new works presented: 6 First Nations</p>
Listen and respond to the diverse communities of regional South Australia and create opportunities for engagement in the arts at every level.	<p>Average capacity at live events at Country Arts SA arts centres</p> <p>Average capacity at film screenings at Country Arts SA arts centres</p> <p>Total other audiences</p>	<p>Average capacity for live events decreased 15% (target increase 5%)</p> <p>Average capacity for film screening decreased 2% (target increase 5%)</p> <p>Total other audiences reached 136,425 (increase 20% on 2019-20)</p>
Activate our Art Centres and a range of other spaces to produce or present work in regional South Australia, and support them to become viable, accessible and fit-for purpose.	Utilisation of Country Arts SA arts centres	44% achieved (increase 5% on 2019-20)

We will work together to create a strong, viable and values-driven organisation that is committed to continual improvement and that supports and inspires our team to strive and thrive.	Grow business development income	\$5,206,051 achieved (target \$2,208,168)
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Corporate performance summary

The 2020-21 year was a difficult one for Country Arts SA in corporate performance terms. The COVID-19 pandemic and the disruption it caused to normal performance and attendance patterns significantly compromised the agency's results.

Our financial position was largely salvaged through a reliance on pandemic insurance claims and payouts. The end net result achieved was \$1.161m.

During the year the change process that was commenced in 2019-20, aimed at ensuring the organisation's sustainability in the long term, was bedded down and completed.

Further, diversification of income sources (e.g., through the establishment of a new Country Arts Foundation) and an increased level of investment in more efficient systems and internal processes (e.g., through the introduction of a new accounting and finance system) have both been advanced.

The corporate workforce benefited through two trial periods of more flexible working arrangements; across both hours of work and options to work from home. These measures have been warmly received and the arrangements are likely to be solidified through a more permanent change in organisational policy during the next financial year.

A major review of the organisation's policies and procedures was commenced towards the end of the financial year. The resultant consolidation and/or updating of policies, directives, procedures and frameworks will stand the agency in good stead going forward.

A major focus during the past year has been the rollout of continued master planning of regional theatre refurbishments, particularly for the Northern Festival Centre and the Sir Robert Helpmann Theatre in Mount Gambier.

The condition of the capital infrastructure of our regional theatres and also the fitness for purpose of Country Arts SA's premises at Port Adelaide continue to be a source of concern, both in terms of Country Arts SA's ability to fulfil its legislative charter

through the provision of facilities, and in terms of their need for major capital expenditure, given the age and condition of the various venues concerned.

Completing the master plans will provide a solid basis for a realistic assessment of the agency's capital needs for facility refurbishment and renewal into the future. The ability of Country Arts SA to effectively carry out its functions and to meet the objectives of the State's Arts Plan in terms of providing vibrant community hubs hinges very much on the premises it manages being flexible and fit for contemporary arts presentation and community purposes.

Employment opportunity programs

Program name	Performance
Aboriginal Employment Strategy 2018 - 2020	<p>Program aimed to employ a minimum of 10% Aboriginal and Torres Strait Islanders employees by the end of 2020 (as at 30 June 2021 it was 2.29%)</p> <p>Program not assessed. It is planned to evaluate the effectiveness of this program over time, with a view to developing a new Aboriginal Employment Strategy.</p>

Agency performance management and development systems

Performance management and development system	Performance
A Performance Management and Development system is in place at Country Arts SA	95% of Country Arts SA's 48 FTE employees with ongoing or term contracts completed Staff Development Reviews with their immediate line managers to 30 June 2021.

Work health, safety and return to work programs

Program name	Performance
Country Arts SA is included in the Department of Premier and Cabinet (DPC) reporting, measuring and evaluation systems.	DPC provided assistance to senior management on a fee for service basis. During the year Country Arts SA WHS system continued to incorporate elements of the DPC system such as standard policies and procedures, on-line training and the on-line reporting system – My Safety.
WHS Committee	Country Arts SA's WHS Committee meets quarterly and each work site has elected Health Safety Representatives that are required to inform the WHS Committee of issues and incidents.

Workplace injury claims	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total new workplace injury claims	2	0	200%
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)*

Work health and safety regulations	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	1	-100%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$45,285.85	\$351.00	12,902%
Income support payments – gross (\$)	\$31,773.17	0	100%

**before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/country-arts-sa-annual-report-regulatory-data>

Executive employment in the agency

Executive classification	Number of executives
Executive Level – B	1

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/country-arts-sa-annual-report-regulatory-data>

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. Financial statements for 2020-2021 are attached to this report.

Statement of Comprehensive Income	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	2019-20 Actual \$000s
Income	8,269	10,883	2,614	8,732
Expenses	8,829	9,722	893	10,540
Net result	(560)	1,161	1,721	(1,808)
Total Comprehensive Result	(560)	1,290	1,850	(1,808)

Statement of Financial Position	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	2019-20 Actual \$000s
Current assets	2,784	7,745	4,961	3,862
Non-current assets	39,224	36,098	(3,126)	37,885
Total assets	42,008	43,843	1,835	41,747
Current liabilities	2,280	3,077	(797)	2,276
Non-current liabilities	560	614	(54)	611
Total liabilities	2,840	3,691	(851)	2,887
Net assets	39,168	40,151	984	38,860
Equity	39,168	40,151	984	38,860

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	10,923.00

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

Consultancies	Purpose	\$ Actual payment
Grieve Gillett Andersen Pty Ltd	Architectural masterplans for Theatres: Sir Robert Helpmann Theatre, Chaffey Theatre and the Northern Festival Centre	24,800
	Total	\$ 24,800

Data for previous years is available at <https://data.sa.gov.au/data/dataset/country-arts-sa-annual-report-regulatory-data>

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.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	383,577.71

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Auspicious Arts Projects	Artists / Arts Workers	23,000.00
Beacon Studios	Artists / Arts Workers	10,000.00
Brink Productions	Artists / Arts Workers	33,000.00
City of Mount Gambier	Maintenance	14,902.04

Contractors	Purpose	\$ Actual payment
Cluster Arts Pty Ltd	Artists / Arts Workers	15,000.00
David Reimers	Maintenance	28,530.45
Djuki Mala Pty Ltd	Artists / Arts Workers	11,750.00
Far and Away Productions	Artists / Arts Workers	15,000.00
Guildhouse Incorporated	Artists / Arts Workers	10,000.00
Hallweld Bennett Pty Ltd	Maintenance	28,170.00
Hoyts Corporation Pty Limited	Maintenance	19,509.09
Insite Arts International Pty Ltd	Artists / Arts Workers	27,000.00
John Devilee Refrigeration Pty Ltd	Maintenance	14,237.54
Kevin Kropinyeri	Artists / Arts Workers	11,545.45
Lewis Major Projects	Artists / Arts Workers	44,000.00
Maize Wallin	Artists / Arts Workers	13,500.00
McArthur Pty Ltd	Artists / Arts Workers	73,774.89
Melbourne Int. Comedy Festival	Artists / Arts Workers	15,000.00
Priority Management Australia	Maintenance	23,800.00
Promac Productions Australia Pty Ltd	Artists / Arts Workers	22,500.00
RNW Fire Services Pty Ltd	Maintenance	60,418.00
Sandpit Media Pty Ltd	Artists / Arts Workers	44,580.00
Solutions Plus Partnership Pty Ltd	Maintenance	25,180.00
Southern Eyre Arts Inc	Artists / Arts Workers	15,000.00

Contractors	Purpose	\$ Actual payment
Tutti Arts Inc.	Artists / Arts Workers	20,000.00
Ward Building and Construction	Maintenance	20,300.00
Westside Services (SA) P/L	Maintenance	17,653.42
	Total	\$657,350.88

Other financial information

The COVID-19 pandemic continues to impact the operations of the Trust and its mission to provide arts and cultural experiences to regional South Australia.

The forced closure of our regional theatres and cancellation of performances due to the restrictions imposed from mid-March 2020 as a direct result of the pandemic adversely affected results for both the 2019-20 and 2020-21 financial years.

Financial losses for 2019-20 and to a large extent 2020-21 were recovered via an ongoing Business Interruption insurance claim with SAicorp.

Going forward, further interruptions, changes and cancellations to performance schedules, together with restrictions and limitations on venue capacities and public gatherings may well create significant adverse financial impacts on the Agency's operations, compromising its balance sheet and its ability to deliver upon its budgeted projections.

Other information

N/A

Risk management

Risk and audit at a glance

Risk management is reviewed every six months by Country Arts SA's Governance and Finance Committee, a sub-committee of the Board.

Fraud detected in the agency

Category/nature of fraud	Number of instances
During the 2020-21 financial year there were no instances of fraudulent behaviour	0

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

Strategies implemented to control and prevent fraud

Country Arts SA has well documented internal controls and procedures that are designed to efficiently detect any possibility of fraud occurring within the organisation.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/country-arts-sa-annual-report-regulatory-data>

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/country-arts-sa-annual-report-regulatory-data>

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	

Reporting required under the *Carers' Recognition Act 2005*

Not applicable

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	2
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	2
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	1
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	4
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	1
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy	0

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
		unreasonable or disadvantages customer	
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	0
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	2
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	5
		Total	17

Additional Metrics	Total
Number of positive feedback comments	3
Number of negative feedback comments	17
Total number of feedback comments	20
% complaints resolved within policy timeframes	100%

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/country-arts-sa-annual-report-regulatory-data>

Service Improvements

All customer complaints were dealt with courteously by speaking directly to the customer and explaining the best way to resolve the issue.

Compliance Statement

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

Appendix: Audited financial statements 2020-21

The financial statements are appended to this Report.



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To the Chairperson, Board of Trustees South Australian Country Arts Trust

Opinion

I have audited the financial report of the South Australian Country Arts Trust 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 South Australian Country Arts Trust as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

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

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 South Australian Country Arts Trust. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive and the Board of Trustees for the financial report

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

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

The Board of Trustees are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 15(3) of the *South Australian Country Arts Trust Act 1992*, I have audited the financial report of the South Australian Country Arts Trust 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 South Australian Country Arts Trust's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and Board of Trustees 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

29 September 2021

South Australian Country Arts Trust

Annual Financial Statements

For The Year Ended 30 June 2021

COUNTRY ARTS SA

2 McLaren Parade, Port Adelaide, SA 5015

www.countryarts.org.au

Contact phone number: (08) 8444 0400

South Australian Country Arts Trust

Certification of the Financial Statements

We certify that the attached General Purpose Financial Statements for the South Australian Country Arts Trust:

- ☐ comply with relevant Treasurer's Instructions issued under Section 41 of the *Public Finance and Audit Act 1987*, and relevant *Australian Accounting Standards*;
- ☐ are in accordance with the accounts and records of the Trust; and
comply with relevant accounting standards; and
- ☐ present a true and fair view of the financial position of the South Australian Country Arts Trust as at 30 June 2021 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the South Australian Country Arts Trust for the financial year over its financial reporting and its preparation of the General Purpose Financial Statements have been effective throughout the reporting period.



Anthony Peluso
Chief Executive

Date: 29 September 2021



Athina Provatas CPA
Finance Manager

Date: 29 September 2021



Michael Luchich
Chairperson, Board of Trustees

Date: 29 September 2021

South Australian Country Arts Trust

Statement of Comprehensive Income
For The Year Ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Income			
SA Government grants, subsidies and transfers	12	7 585	4 903
Revenues from fees and charges	8	1 357	2 159
Commonwealth-sourced grants and funding	9	307	626
Grants and subsidies revenue	10	373	252
Interest revenues		2	30
Donated Works of Art		56	23
Other income	11	1 203	739
Total income		10 883	8 732
Expenses			
Employee benefits expenses	3	4 650	4 600
Program expenses	5	1 087	1 529
Infrastructure expenses	5	1 117	1 247
Administration expenses	5	600	763
Grants and subsidies expense	6	138	243
Depreciation and amortisation expense	7	2 130	2 063
Net loss (gain) from disposal of non-current assets		-	93
Other expenses		-	2
Total Expenses		9 722	10 540
Net result		1 161	(1 808)
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		129	-
Total other comprehensive income		129	-
Total comprehensive result		1 290	(1 808)

The net result and total comprehensive result are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

South Australian Country Arts Trust

Statement of Financial Position as at 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	13	7 456	3 117
Receivables	14	245	706
Inventories		44	39
Total current assets		7 745	3 862
Non-current assets			
Property, plant and equipment	15	35 756	37 728
Works of art	15	342	157
Total non-current assets		36 098	37 885
Total assets		43 843	41 747
Current liabilities			
Payables	16	1 279	598
Employee benefits	17	947	879
Provisions	18	10	10
Other liabilities	19	841	789
Total current liabilities		3 077	2 276
Non-current liabilities			
Payables	16	51	51
Employee benefits	17	548	545
Provisions	18	15	15
Total non-current liabilities		614	611
Total liabilities		3 691	2 887
Net assets		40 152	38 860
Equity			
Asset revaluation surplus	20	44 426	44 297
Retained earnings	20	(4 275)	(5 437)
Total equity		40 151	38 860
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitments	21		
Contingent assets and liabilities	22		

The above statement should be read in conjunction with the accompanying notes.

South Australian Country Arts Trust

Statement of Changes in Equity For The Year Ended 30 June 2021

		Asset revaluation surplus	Retained earnings	Total
	Note No.	\$'000	\$'000	\$'000
Balance as at 30 June 2019		44 297	(3 017)	41 280
Impact of adopting AASB 15 and AASB 1058		-	(612)	(612)
Adjusted balance at 1 July 2019		-	(3 629)	(3 629)
Net result for 2019-20		-	(1 808)	(1 808)
Total comprehensive result for 2019-20		-	(1 808)	(1 808)
Balance at 30 June 2020		44 297	(5 437)	38 860
Net result for 2020-21		-	1 161	1 161
Net increment on asset revaluation		129	-	129
Total comprehensive result for 2020-21	20	44 426	(4 276)	40 150

All changes in equity are attributable to the SA Government as owner.

The above statement should be read in conjunction with the accompanying notes.

South Australian Country Arts Trust

Statement of Cash Flows
For The Year Ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash inflows			
SA Government grants, subsidies and transfers		7 553	4 942
Fees and charges		1 891	2 425
Receipts from Commonwealth-sourced funds		225	411
Receipts from grants and subsidies		391	484
Interest received		2	36
GST recovered from the Australian Taxation Office		-	173
Other receipts		2 610	276
Cash generated from operations		12 672	8 747
Cash outflows			
Employee benefit payments		(4 561)	(4 946)
Payments for supplies and services		(3 305)	(3 965)
Payments for grants and subsidies		(142)	(358)
GST paid to the Australian Taxation Office		(167)	-
Cash used in operations		(8 175)	(9 269)
Net cash provided by operating activities		4 497	(522)
Cash flows from investing activities			
Cash inflows			
Proceeds from the sale of property, plant and equipment		17	43
Cash generated from investing activities		17	43
Cash outflows			
Purchase of property, plant and equipment		(175)	(2 393)
Cash used in investing activities		(175)	(2 393)
Net cash used in investing activities		(158)	(2 350)
Net (decrease)/ increase in cash and cash equivalents		4 339	(2 872)
Cash and cash equivalents at the beginning of the financial year		3 117	5 989
Cash and cash equivalents at the end of the financial year	13	7 456	3 117

The above statement should be read in conjunction with the accompanying notes.

South Australian Country Arts Trust

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Note 1. Objectives of the South Australian Country Arts Trust

The South Australian Country Arts Trust (the Trust) has wide ranging responsibilities for the development of the arts in country South Australia and is the principal provider of arts programs to country South Australians.

The Trust delivers arts programs through:

- managing and operating Arts Centres in Whyalla, Port Pirie, Renmark, Mount Gambier and Noarlunga;
- developing performing arts touring programs for the theatres and for touring to other regional centres;
- developing and managing visual arts touring programs and visual arts display spaces;
- managing a number of arts development and community artist funding programs;
- the provision of policy advice to the Premier;
- advocating for the continuing development of the arts in country South Australia; and
- the provision of an arts information and advisory service to country South Australians.

1.1 Impact of COVID-19 pandemic on the Trust

The COVID-19 pandemic has impacted on the operations of the Trust.

The key impact in 2020-21 was the forced closure of our regional arts centres and cancellation of performances due to the restrictions imposed from mid-March 2020 as a direct result of the pandemic. The Arts Centres reopened 1 August 2020 and have since followed changing health advice, reducing capacities to 50% and 75% and closing as directed. Additionally, border closures has meant a number of tours continue to be postponed or cancelled out right. Theatre and film income (including bar and food sales) and the hire of venues had the greatest impact. Expenses of the Trust have also increased as a result with increased cleaning requirements, and also measures to transition the workforce to work from home.

Note 2. Significant accounting policies

2.1 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
- Australian Accounting Standards (Reduced Disclosure Requirements) that are applicable to not-for-profit entities, as the Trust is a not-for-profit entity.

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

Assets and liabilities have been characterised as either current or non-current in nature. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Inventories include goods held for sale in the ordinary course of business. Inventories are maintained for theatre catering purposes and are measured at the lower of cost or their net realisable value.

2.2 Reporting entity

Established in 1993, the Trust is a South Australian Government statutory authority, which trades as Country Arts SA. The Trust was established pursuant to the *South Australian Country Arts Trust Act 1992*.

The financial statements and accompanying notes include all the controlled activities of the Trust.

The Trust does not control any other entity and has no interests in unconsolidated structured entities. The Trust has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

2.3 Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

The restated comparative amounts do not replace the original financial statements for the preceding period.

2.4 Rounding

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

2.5 Taxation

The Trust is not subject to income tax. The Trust is liable for payroll tax, fringe benefits tax, goods and services tax, emergency services levy, and local government rates.

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

- the amount of GST incurred by the Trust as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of the cost of acquisition of an asset or as part of an item of expense and;
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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.

2.6 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provide information about conditions at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the event relates to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

Note 3. Employee benefits expenses

Employee Benefits Expenses	2021 \$'000	2020 \$'000
Salaries and wages	3 654	3 417
Long service leave	(25)	(19)
Annual leave	281	289
Skills and experience retention leave	9	16
Employment on-costs - superannuation*	463	581
Employment on-costs - other	237	197
Board and committees fees	23	21
Other employment related expenses	8	98
Total employee benefits expenses	4 650	4 600

Employee benefits expenses includes all costs related to employment including salaries and wages, non-monetary benefits and leave entitlements. These are recognised when incurred.

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

Key Management Personnel

Key management personnel of the Trust include the Minister for the Arts, Board of Trustees and the Chief Executive Officer who have responsible for the strategic direction and management of the Trust.

Total compensation for the Trust's key management personnel in 2020-21 was \$276,000 (2019-20 \$534,000). Salaries and other benefits the Premier receives are excluded from this total. The Premier's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

Transactions with Key Management Personnel and other related parties

There were no material related party transactions between the Trust and key management personnel and their close family members.

Remuneration of employees

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

	2021 No	2020 No
\$174,001 to \$194,000	-	1
\$234,001 to \$254,000	-	-
\$254,001 to \$274,000	1	-
\$314,001 to \$334,000	-	1
Total number of employees	1	2

The table includes all employees who received remuneration 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. The total remuneration received by these employees for the year was \$264,000 (\$520,000).

Note 4. Remuneration of board and committee members

The Trust has a governing Board and specialist committees and panels where members received or were entitled to receive remuneration for their membership. Members that were entitled to receive remuneration for membership during 2020-21 were:

Board of Trustees

Michael Luchich Chair	Ruth Stephenson ⁽¹⁾
Christabel Anthoney	Stephanie Toole
Andrew Birtwistle-Smith	Erika Vickery OAM
Rebekah Danzic (from 20 August 2020)	Olivia White (until 7 August 2020)
Victoria MacKirdy	Ella Winnall (from 8 October 2020)

Committee Members**Grants Assessment Panel**

Christabel Anthoney, Chair	Maz McGann (from 27 August 2020)
Sonya Altschwager	Lucia Pichler (from 22 October 2020)
Thomas Davidson	Jennifer Silver
Cindy Durant	Kathie Stove (until 31 August 2020)
Danielle Edwards (First Nations Committee member)	Jordan Sumner
Michael Harris (First Nations Committee member)	Antonina Vorenas
Sarah Kemp (from 27 August 2020)	Debra Tregilas ⁽¹⁾

4 Remuneration of board and committee members (cont.)

Governance and Finance Committee

Victoria MacKirdy, Chair
Michael Luchich
Stephanie Toole

Ruth Stephenson ⁽¹⁾
Erika Victory

Aboriginal Advisory Committee

Andrew Birtwistle-Smith, Chair
Lee-Ann Buckskin
Danielle Edwards
Michael Harris

Isaac Lindsay
Jared Thomas

Board of Trustees

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

	2021	2020
	No of	No of
\$0 - \$19 999	10	9
Total numbers of members	10	9

Remuneration of Board of Trustee members reflects all costs of performing board member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$8,000 (\$9,000).

Committee Members

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

	2021	2020
	No of	No of
\$0 - \$19 999	21	22
Total numbers of members	21	22

Remuneration of committee members reflects all costs of performing committee member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$17,000 (\$14,000).

Any travel allowance paid to Board or Committee members has not been included as remuneration as it is considered to be a reimbursement of direct out of pocket expenses incurred by the relevant members.

⁽¹⁾ In accordance with the Department of the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board or committee duties during the financial year.

Note 5. Supplies and services

	2021	2020
	\$'000	\$'000
Program expenses		
Live touring expenses	660	806
Marketing	118	163
Cost of goods sold	79	125
Film distributor payments	116	256
Other	114	179
Total program expenses	1 087	1 529
Infrastructure expenses		
Repairs and maintenance	400	599
Information technology and communication	343	203
Utilities	229	248
Consultants	36	41
Insurance	95	140
Other	16	16
Total infrastructure expenses	1 117	1 247

South Australian Country Arts Trust

5 Supplies and services (cont.)

Administration expenses

Travel	104	90
Printing and stationery	31	31
Motor vehicle expenses	31	44
Freight	32	111
Board meeting travel and expenses	25	23
Staff development	38	40
Contractors and Temporary staff	279	351
Audit fees	47	46
Other	13	27
Total administration expenses	600	763

Note 6. Grants and subsidies expense

	2021	2020
	\$'000	\$'000
*Grants	138	243
Total grants and subsidies expense	138	243

Grants and subsidies paid by the Trust are for arts related assistance and project purposes and are predominantly recurrent in nature. Entities receiving these grants and subsidies include Non-Government Organisations and the general public. The grants and subsidies given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation. For contributions payable, the contribution will be recognised as a liability and expense when the Trust has a present obligation to pay

* Grants and subsidies expenses include Regional Arts Fund payments as well as payments to various other artists.

Note 7. Depreciation and amortisation expense

	2021	2020
	\$'000	\$'000
Depreciation and Amortisation		
Buildings and improvements	1 904	1 849
Plant and equipment	226	214
Total depreciation and amortisation expense	2 130	2 063

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets, while depreciation is applied to physical assets such as property, plant and equipment.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis.

The value of leasehold improvements is amortised over the estimated useful life of each improvement or the unexpired period of the relevant lease, whichever is shorter.

Land and non-current assets held for sale are not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets:

Class of Asset	Useful Life (Years)
Buildings and improvements	7 to 70
Leasehold Improvements	10 to 40
Plant and Equipment	3 to 15

Works of Art controlled by the Trust are anticipated to have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. Consequently, no amount for depreciation has been recognised for this class of asset.

Note 8. Revenues from fees and charges

	2021	2020
	\$'000	\$'000
Box office- programmed performances	115	174
Box office- films	260	525
Ticket booking fees	164	252
Venue hire	333	386
Candy bar sales	182	317
Recovery of theatre costs	103	212
Sponsorship	74	24
National Touring	16	101
Artwork sales	-	4
Other	110	164
Total fees and charges	1 357	2 159

Revenue from fees and charges is derived from goods and services provided to other SA Government agencies and to the public.

Per AASB 15 the revenue is recognised upon delivery of the service to the clients or by reference to the stage of completion.

Note 9. Commonwealth-sourced grants and funding

	2021	2020
	\$'000	\$'000
Specific Purpose grant	307	626
Total Commonwealth-sourced grants and funding	307	626
Commonwealth grants consist of the following:	2021	2020
	\$'000	\$'000
Department of Infrastructure, Transport, Regional Development and Communications	26	-
Australia Council for the Arts - Regional Theatre Strategy	76	172
Australia Council for the Arts - Multi year funding	205	454
Total Commonwealth-sourced grants and funding	307	626

Commonwealth-sourced grants and funding are recognised under a combination of AASB 15 and AASB 1058 on completion of agreed deliverables and in compliance with all obligations under the agreement.

Note 10. Grants and Subsidies revenue

	2021	2020
	\$'000	\$'000
Grants and subsidies received/receivable from entities within SA Government		
Specific purpose grant	273	157
Total grants and subsidies revenue - SA Government entities	273	157
Grants and subsidies received/receivable from entities external to the SA Government		
Specific purpose grant	100	95
Total grants and subsidies revenue - Non SA Government entities	100	95
Total grants and subsidies revenue	373	252

These grants are received by the Trust for specific purposes from SA Government and non SA Government entities. As per AASB 15 revenue is recognised as and when the performance obligations of the grant are met.

Note 11. Other income

	2021	2020
	\$'000	\$'000
Salary recoveries	308	162
Business interruption insurance recovery	876	473
Other	19	104
Total other income	1 203	739

The business interruption insurance recovery relates to the business interruption insurance claim for loss of revenue due to COVID-19. Other income is recognised on receipt of AASB 1058.

Note 12. SA Government grants, subsidies and transfers

	2021	2020
	\$'000	\$'000
SA Government grants, subsidies and transfers		
Arts South Australia grants	7 585	4 903
Total SA Government grants, subsidies and transfers	7 585	4 903

The Trust receives an annual recurrent operating grant from Arts South Australia, a division of the Department of the Premier and Cabinet to undertake agreed programs. The operating grant falls under AASB 1058 and is recognised income on receipt, as there are no specific performance obligations attached.

Note 13. Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Deposits with the Treasurer	7 447	3 108
Imprest account/cash on hand	9	9
Total cash and cash equivalents	7 456	3 117

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash represents fair value. The interest bearing funds of the Trust are held in the Deposit Account titled the "South Australian Country Arts Trust".

Cash and cash equivalents include cash at bank, and cash on hand. Cash is measured at nominal value.

Note 14. Receivables

	2021	2020
	\$'000	\$'000
Current		
Trade receivables	196	91
Prepayments	47	83
Tax receivable from the ATO	2	59
Insurance receivable	-	473
Total receivables	245	706

Receivables comprise amounts receivable from goods and services, Insurance recoverables, GST input tax credits recoverable and prepayments.

Impairment of Receivables

An allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired. As at 30 June 2021 the Trust had no allowance for doubtful debts.

Note 15. Property, plant and equipment**Valuations of land and buildings**

Valuations of Trust land, buildings and improvements were determined as at 30 June 2019 by a Certified Practising Valuer from Valcorp Australia Pty Ltd. Refer below for details relating to the revaluation of the Trust's land, buildings and improvements.

Valuations of Works of Art

The valuation of the Works of Art controlled by the Trust was performed by Simon Storey from Simon Storey Valuers as at 30 June 2021. Simon Storey is an approved valuer under the Cultural Gifts Program in the valuation of Works of Art held in the collection. Refer to note below for details relating to the revaluation of the Trust's Works of Art collections.

All other non-current assets controlled by the Trust have been deemed to be held at fair value.

Impairment

There were no indications of impairment of property, plant and equipment at 30 June 2021

	2021 \$'000	2020 \$'000
Land, buildings and improvements		
Land at fair value	3 690	3 690
Buildings & improvements at fair value	33 937	33 937
Accumulated depreciation	(3 745)	(1 841)
Total land, buildings and improvements	33 882	35 786
Plant and equipment		
Plant and equipment at cost (deemed fair value)	3 057	2 997
Accumulated depreciation and impairment losses	(1 211)	(1 055)
Total plant and equipment	1 846	1 942
Work in progress		
Capital work in progress at cost	28	-
Total Work in progress	28	-
Total property, plant and equipment	35 756	37 728
Works of art		
Works of art at fair value	342	157
Total works of art	342	157

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

The following table shows the movement of property, plant and equipment during 2020-21

	Land, buildings and improvements \$'000	Works in progress (WIP) \$'000	Plant and equipment \$'000	Works of art \$'000	Total assets \$'000
Carrying amount as at 30 June 2020	35 786	-	1 942	157	37 885
Acquisitions	-	28	147	56	231
Revaluation Increment	-	-	-	129	129
Disposals	-	-	(17)	-	(17)
Depreciation/ amortisation expense	(1 904)	-	(226)	-	(2 130)
Carrying amount as at 30 June 2021	33 882	28	1 846	342	36 098

Non-current asset acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation.

Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position.

All non-current tangible assets with a value equal to or in excess of \$1000 for works of art and \$5000 for all other tangible assets are capitalised.

Revaluation of non-current assets

All non-current physical assets are valued at written down current cost (a proxy for fair value). Revaluation of non-current assets or groups of assets is only performed when its fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than 3 years.

Every six years, the Trust revalues its land and buildings and works of art via an independent Certified Practising Valuer. However, if at any time management considers that the carrying amount of the asset materially differs from the fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current physical assets that are acquired between revaluations are held at cost until the next valuation, where they are re-valued to fair value.

15 Property, plant and equipment (cont.)

Any revaluation increment is credited to the asset revaluation surplus except to the extent that it reverses a revaluation decrement of the same asset class previously recognised as an expense, in which case the increment is recognised as income. Any revaluation decrement is recognised as an expense, except to the extent that it reverses a revaluation increment for the same asset class, in which case the decrement is debited directly to the asset revaluation surplus to the extent of the credit balance existing in the asset revaluation surplus for that class of asset.

For building and improvement (Theatre) assets that have been subject to an independent revaluation, both the replacement cost and the associated accumulated depreciation have been presented on a net basis. Any accumulated depreciation is eliminated against the gross carrying amount of the assets and the net amounts restated to the revalued amounts of the assets.

Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

The Trust's land, buildings and improvements were revalued as at 30 June 2019. The valuation was undertaken by Valcorp Australia Pty Ltd. The fair values were determined as follows:

Land

The fair value was determined using a direct comparison approach with recent market transactions in the area.

Buildings and improvements- Theatres

The fair value was estimated based on the written down modern equivalent replacement cost. The estimated modern equivalent replacement cost was determined by the Valuer with reference to Rawlinson's Australian Construction Handbook Edition 36 and Riders Digest (2019) - Australian Edition. Additional costs were included for country location, planning approvals, preliminaries, contingencies and complexity of the theatres, having regard to the extent of non theatre functions.

Buildings and improvements- Other

The fair value was determined using a direct comparison approach with recent market transactions in the area.

The Trust's Works of Art collections were revalued as at 30 June 2021.

The valuation of the Works of Art collections controlled by the Trust was performed by Simon Storey from Simon Storey Valuers as at 30 June 2021. Simon Storey is an approved valuer under the Cultural Gifts Program in the valuation of the Works of Art held in the Collections. The valuer used the fair value approach by careful assessment of the condition, authenticity and where necessary research of individual art work. The final values stated by the valuer were regarded as close as it is possible to market value, in an unpredictable art market, to current commercial or replacement values as at 30 June 2021.

Impairment of assets

All non-current tangible assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of an assets fair value less cost of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, a fair value assessment is performed each year.

Note 16. Payables

	2021 \$'000	2020 \$'000
Current		
Creditors and accruals	1 153	489
Employment on-costs	126	109
Total current payables	1 279	598
Non-current		
Employment on-costs	51	51
Total non-current payables	51	51
Total payables	1 330	649

All current payables are expected to be settled within twelve months after reporting date.

Payables include creditors, accrued expenses and employment on-costs. A significant portion of creditors balance relates to the grants payable from the Regional Arts Fund which the Trust manages on behalf of the Commonwealth Government's Department of Communications and the Arts. For additional disclosure of the fund, refer to Note 26.

Employment on-costs

An actuarial assessment performed by the Department of Treasury and Finance determined that the percentage of the proportion of long service leave taken as leave has remained at 42% and the average factor for the calculation of employer superannuation on-cost has changed from 9.8% (2020) to 10.1% in 2021. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current year is immaterial.

Note 17. Employee benefits

	2021	2020
	\$'000	\$'000
Current		
Accrued salaries and wages	232	150
Annual leave	275	234
Skills and experience retention leave	36	36
Long service leave	404	459
Total current employee benefits	947	879
Non-current		
Long service leave	548	545
Total non-current employee benefits	548	545
Total employee benefits	1 495	1 424

Employee benefits accrue for employees as a result of services provided up to the reporting date but yet to be paid. Long-term employee benefits are measured at the present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, SERL and sick leave

Liabilities for salaries and wages are recognised, and are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

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

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

Employment on-costs

Employment on-costs (payroll tax and superannuation contributions) are recognised separately under payables in Note 16.

Long service leave

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

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

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

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

The actuarial assessment performed by the Department of Treasury and Finance remained the same with the salary inflation rate at 2.5% (2020: 2.5%) for long service leave liability and 2% (2020: 2%) for annual leave, and skills, experience and retention leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$117k. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographic and financial assumptions – including the long-term discount rate.

The long service liability has been allocated between current and non-current based on historical usage patterns and expected payments in 2020-21.

Note 18. Provisions

	2021	2020
	\$'000	\$'000
Current		
Provision for workers compensation	10	10
Total provisions	10	10
Non-current		
Provision for workers compensation	15	15
Total non-current provisions	15	15
Total provisions	25	25
Provision movement:		
Carrying amount at the beginning of the period	25	25
Additional provisions	-	-
Reductions resulting from re-measurement or settlement without cost	-	-
Carrying amount at the end of the period	25	25

Provisions are recognised when the Trust has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Trust expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability.

Workers compensation claims

A liability 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 for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

Note 19. Other liabilities

	2021	2020
	\$'000	\$'000
Current		
Unearned revenue	450	253
Contract liabilities	391	536
Total other liabilities	841	789

Unearned revenue predominantly relates to box office ticket sales taken in advance of the performance. Contract liabilities represent obligations that need to be met in regards to grant contracts, revenue will be recognised under AASB15 when the performance obligations are fulfilled.

Note 20. Equity

	2021	2020
	\$'000	\$'000
Current		
Retained earnings	(4 275)	(5 437)
Asset revaluation surplus	44 426	44 297
Total equity	40 151	38 860

The asset revaluation surplus is used to record the increments and decrements in the fair value of land, buildings and improvements and works of art to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

Note 21. Unrecognised contractual commitments**Capital commitments**

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

	2021	2020
	\$'000	\$'000
Within one year	1 724	10
Total capital commitments	1 724	10
Other commitments	2021	2020
	\$'000	\$'000
Within one year	810	463
Later than one year but not longer than five years	500	411
Total other commitments	1 310	874

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

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

The Trust's Capital commitments in 2021 relate to planned capital work upgrades at regional Art Centres, which are expected to be completed within 12 months. The Trust's other commitments mainly relate to grant, service and live tour/national performance agreements, and software licencing agreements.

Note 22. Contingent assets and liabilities

The Trust is not aware of any contingent assets or liabilities as at 30 June 2021.

Note 23. Financial instruments**Financial Risk Management**

Risk management is managed by the Trust's Sustainability Leader and risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the *Australian Standard Risk Management Principles and Guidelines*.

The Trust's exposure to financial risk (liquidity, credit and market) is insignificant based on past experience and managements' current assessment of risk.

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

The Trust is funded principally from grants by the SA Government.

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 individual notes above.

23 Financial Instruments (cont.)

The carrying amounts of each of the following categories of financial assets and liabilities measured at cost are detailed below:

	Statement of Financial Position line item	Note No.	Carrying Amount/ fair value 2021 \$'000	Carrying Amount/ fair value 2020 \$'000
Financial assets				
Cash and cash equivalents	Cash and cash equivalents	13	7 456	3 117
Loans and receivables	Receivables ⁽¹⁾⁽²⁾	14	196	91
Financial liabilities				
Financial liabilities - at cost	Payables ⁽¹⁾	16	71	431

⁽¹⁾ Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (eg Commonwealth, State and Local Govt taxes, fees and charges; Auditor- General's Department audit fees). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents, etc. they would be excluded from the disclosure. The accounting standards define contracts as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

⁽²⁾ Receivable amounts disclosed here excludes prepayments. Prepayments are not financial assets as defined in AASB 132, as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

Note 24. Covid-19 pandemic outlook for the Trust

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

- The ongoing effects will see audiences reduced at theatres due to social distancing requirements, as well as changing consumer confidence in regards to large gatherings.
- Continued expenditure on cleaning, personal protective equipment, and making the arts centres COVID safe.
- Reduction in revenue from fees and charges, due to reduced audience capacities, shows being postponed or cancelled, and the reduction in the availability of new film content from distributors.

The Trust is not expecting there to be any significant credit losses, grant agreements that cannot be satisfied, or any significant increase of risks in the internal control environment due to the COVID-19 pandemic.

Refer to Note 1.1 for COVID-19 impacts in 2020-21.

Note 25. Events after balance date

There are no events after 30 June 2021 that require disclosure.

Note 26. Regional Arts Fund

The Trust manages the South Australian component of the Regional Arts Fund on behalf of the Commonwealth Government's Department of Communications and the Arts. The Regional Arts Fund is a Commonwealth program that supports artistic cultural development in regional and remote communities throughout Australia. The grant received from the Commonwealth for the Regional Arts Fund includes a component to reimburse Country Arts SA for administration costs.

The Trust received and manages a one off payment to be disbursed over 3 years of the South Australian component of a Recovery Boost. This fund is to help regional artists and organisations develop new work and explore new delivery models in light of the impacts of Covid-19 and bushfires.

Funds available during the year and expenditure incurred from the Fund were as follows:

	2021	2020
	\$'000	\$'000
Funds from prior year recommitted	23	25
Annual regional arts fund allocation	1 614	418
Grant funds returned by applicants	-	15
Interest earned	-	1
Total funds available	1 637	459
Expenditure and grant commitments approved during the year	1 482	435
Funds carried forward	155	24