AGSA – Art Gallery South Australia

2018-19 Annual Report

AGSA

North Terrace, ADELAIDE S.A. 5000

www.agsa.sa.gov.au

Contact phone number: 8207 7002

Contact email: devenport.rhana@artgallery.sa.gov.au

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Date presented to Minister: 30 September 2019

To:

Hon Steven Marshall MP

Premier of South Australia

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Art Gallery Act 1939, version 12.5.2011 and Art Gallery Regulations 2002 under the Art Gallery Act 1939, version 1.9.2002* 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 Art Gallery of South Australia (AGSA) by:

Rhana Devenport ONZM

Director

Signature

Date 30.09.19

From the Director

In October 2018 I was very pleased to be appointed as the sixteenth Director of the Art Gallery of South Australia (AGSA). The financial year opened with the final month of *Colours of Impressionism: Masterpieces from the Musée d'Orsay* and concluded with the introduction of AGSA Strategic Plan 2019-2022 which articulates AGSA's ambitious vision for the future. AGSA presented public programs, exhibitions, and added to the State's heritage art collection, strongly supported by sponsorship, philanthropy and fundraising. The Gallery launched its Reconciliation Action Plan 2019-2021, the first state art museum in the country to do so.

AGSA welcomed 730,872 visitors to the North Terrace site including attendances at public programs such as The Studio, Start, First Fridays and Neo, and 56,302 to AGSA's offsite national and international exhibitions. Seven temporary exhibitions were presented: *Chiharu Shiota: Embodied & Internal*; *John Mawurndjul: I am the old and the new*; *Picasso: The Vollard Suite*; *To Have and to Hold: The Daalder Collection of Contemporary Jewellery*; *Quilty*; *Ways of Seeing: Recent acquisitions from the collection*; and the *Ramsay Art Prize 2019*.

The Elder Wing of Australian Art was re-hung featuring art across all collecting areas. Exhibition displays included *Desert Colour*; *In Good Company: The drawings of Geoff Wilson*; *Isle of the Gods: The art of Bali*; *Export Empire: Japan and the Modern World*; *Tarryn Gill: Guardians*; *Mortimer Menpes: Impressions of Brittany*; *Love From Damascus: The art of devotion in Islam*; *The Enchanted Forest: Nature and devotion in Indian art*; and *Femmage*.

Touring exhibitions include *John Mawurndjul: I am the old and the new* which continues on its eight-venue national tour, and *Robyn Stacey: Ray of Light* in partnership with Country Arts SA and the Regional Galleries Association. AGSA was the official promoter of *Living Rocks: A Fragment of the Universe*, by James Darling and Lesley Forwood, in collaboration with Jumpgate and the Australian String Quartet, at Biennale Arte in Venice.

A total of 502 works were added to the State's cultural heritage collection fully funded through gifts, fundraising and philanthropy. Significant works acquired by Australian artists including Harold Cazneaux, Maude Baillie, Ethel Carrick Fox, Dorrit Black, Gareth Sansom, Ronnie Tjampitjinpa, Tracey Moffatt and Ben Quilty. International artists whose work was acquired include Olafur Eliasson, Lynette Yiadom-Boakye, Jitish Kallat and Tracey Emin, and new acquisitions to the Asian art collection include a gift of 30 textiles, garments and objects, and a miniature painting *Akbar Enthroned*.

A major bequest was received from the estates of James Ramsay AO and Diana Ramsay AO for the acquisition of works of art for the benefit of all South Australians.

A report on the international architectural design competition was presented to Government by the winning team Diller Scofidio + Renfro and Woods Bagot and infrastructure options continue to be explored to accommodate AGSA's growth in visitors, exhibitions, public programs and collection.

A 762 sq metre storage facility was developed with DPC and became operational to accommodate urgent collection storage needs, 462 works were successfully relocated and are now held in the storage facility.

Rhana Devenport ONZM
Director
Art Gallery of South Australia

Contents

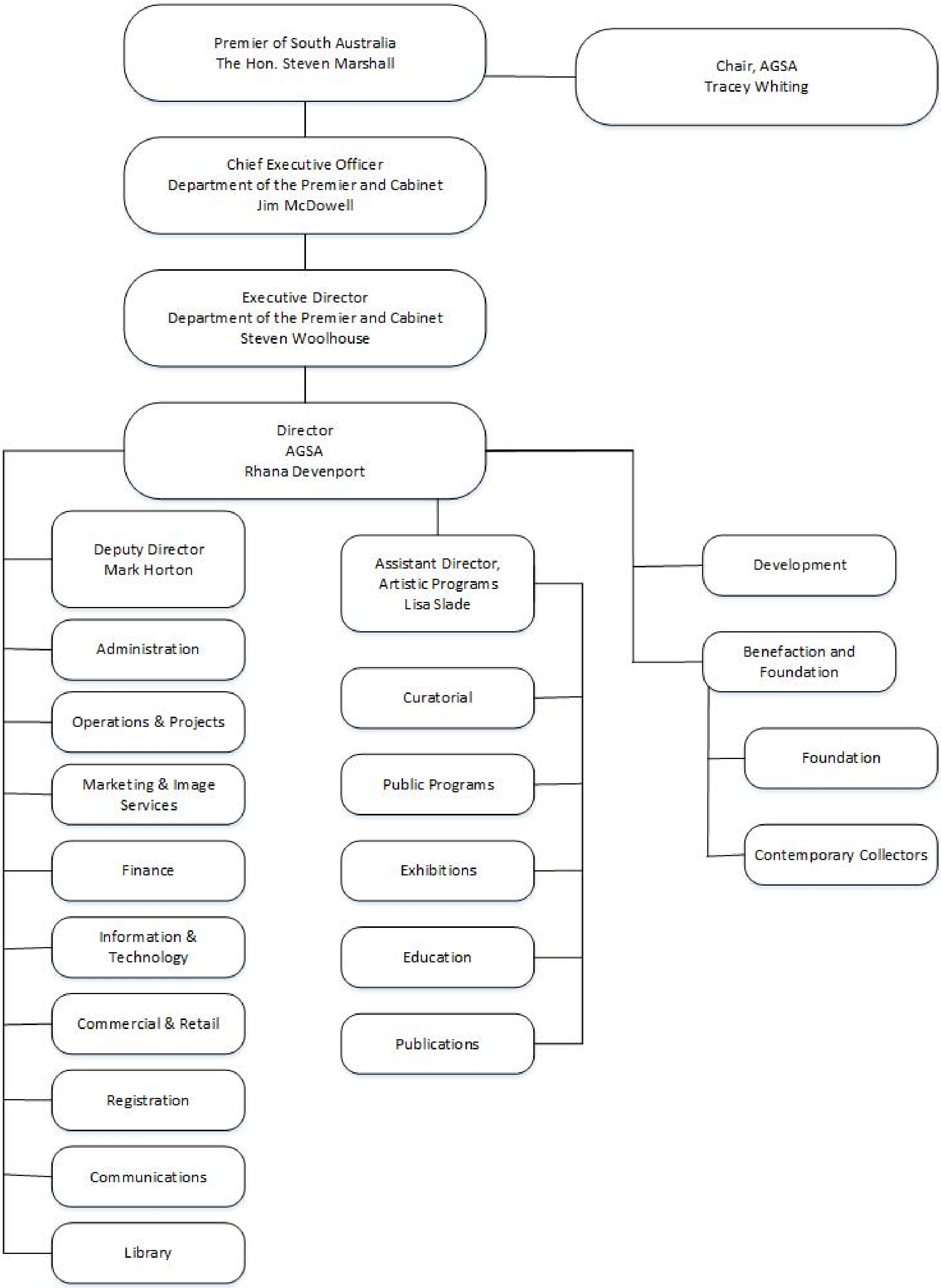
Overview: about the agency

Our strategic focus

Our Purpose	The mission of the Art Gallery of South Australia (AGSA), is to serve the South Australian and wider communities by providing access to original works of art of the highest quality. The Gallery seeks to foster, promote and enhance understanding and enjoyment of the visual arts through its collections, temporary exhibitions and other public programs. - AGSA offers a distinctive connection to place and a dynamic curatorial agenda that creates meaningful art experiences for all - The exceptional AGSA Collection exists for our audiences – to comprehend the past, to navigate the present, and as a potent avenue to imagine the future - Placing art, artists and audiences at the very heart of who we are guide AGSA's artistic and public programs - AGSA contributes positively to cultural cohesion, social wellbeing, creativity, engaged citizenship and economic life in South Australia
Our Vision	Our vision is to be the inspirational leader for visual arts in South Australia and contribute powerfully to culture in Australia and beyond.
Our Values	AGSA aligns with the *South Australian Public Sector Values and Behaviours framework,* which embraces: • Service • Professionalism • Trust • Respect • Collaboration and Engagement • Honesty and Integrity • Courage and Tenacity • Sustainability
Our functions, objectives and deliverables	**Our six key goals are to:** • Deliver an exceptional and distinctive artistic program (Grow Art) • Drive collection excellence and difference (Grow Collection)

	• Lead in audience engagement, digital experience and thought leadership (Grow Audience) • Transform infrastructure and facilities (Grow Destination) • Achieve major financial growth (Grow Financial Support) • Foster an innovative and high-performance workplace (Grow Internal Culture)

Our organisational structure as at 30 June 2019



Changes to the agency

During 2018-19 there were the following changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

- As at 1 July 2018, in line with machinery of government changes, AGSA transferred from Department of State Development to the Department of the Premier and Cabinet
- The Art Gallery of South Australia underwent re-branding process
- One highlight from the release of the Reconciliation Action Plan (RAP) was the establishment of the AGSA Cultural Advisory Committee, a transition from the Tarnanthi Cultural Advisory Group established in 2013, to a whole of Gallery Cultural Advisory Committee reporting to the Art Gallery Board.

Our Minister

The Hon Steven Marshall MP, Premier and Minister for the Arts, is a passionate advocate for art and culture. He is deeply familiar with the Gallery's collection and regularly opens our exhibitions. The Premier often stages major diplomatic events and hosts special visitors to the State at the Art Gallery of South Australia.

Our Executive team

Rhana Devenport as Director represents and provides artistic leadership and management of the Art Gallery of South Australia ensuring that the highest standards of artistic and art-historical judgement are adopted by the Gallery. The Director also contributes to corporate decision-making, policy formulation and the implementation of management strategies in the achievement of Departmental objectives.

Rhana Devenport is strongly supported by the AGSA senior management team.

Mark Horton as Deputy Director is accountable for the organisation and management of the Art Gallery of South Australia's operations; for the development of policy and the determination of objectives and strategies to ensure exceptional services; for the leadership of major corporate logistics, initiatives, and projects. The Deputy Director has direct oversight of Operations, Registration, Communications, Marketing, Information Technology, Gallery Store, Image Services, Finance, Library, Membership, HR and Administration.

Dr Lisa Slade is the Assistant Director, Artistic Programs, and accountable for the strategic leadership and development of the artistic programs at the Art Gallery of South Australia. She has overall management of Curatorial, Exhibitions, Public Programs, Education and Publications to steward a high level of collaboration and teamwork. The Assistant Director also curates and manages exhibitions of national and/or international significance.

Legislation administered by the agency

Regulations under the Art Gallery Act 1939

The agency's performance

Performance at a glance

The first month of the financial year saw the conclusion of the Art Gallery's most successful exhibition in its long history, *Colours of Impressionism: Masterpieces from the Musée d'Orsay.* Nearly 160, 000 visitors enjoyed this acclaimed exhibition, including over 14,000 school students.

Total visitation to the Art Gallery exceeded 730,000 visitors, which is an exceptional number in a year that does not feature the Adelaide Biennial of Australian Art, or City-wide Tarnanthi program, and only one month of a ticketed exhibition. The vibrant and diverse artistic program which included the Ramsay Art Prize, Tarnanthi (at AGSA), SALA, and a raft of temporary exhibitions ensured that AGSA remained a vital and exciting offering to its community, both locally and more broadly.

The financial year also featured an extremely generous and substantial gift from the estates of James and Diana Ramsay. AGSA had long been supported in many ways by these extraordinarily passionate and generous donors, and is now the recipient of a bequest that will profoundly benefit the development of the Art Gallery's collection. The James and Diana Ramsay bequest has been gifted to AGSA for the acquisition of works of art, in perpetuity.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	Major ticketed AGSA exhibitions have been shown to have a multiplier effect in terms of Government investment and the resultant economic impact. This was certainly true of *Colours of Impressionism: Masterpieces from the Musée d'Orsay,* which generated $24.8M of economic expenditure. This underscores the importance of ongoing, major exhibition funding to stable and/or increasing Art Gallery visitation, and substantial increases in positive economic impact to the South Australian economy.
Lower costs	AGSA management constantly review systems, service delivery methods and approaches to resourcing in order to increase operational efficiencies across the Art Gallery.
Better Services	The Art Gallery receives consistently positive feedback through formal collection methods, and through informal means in relation to its programs and services.

Agency specific objectives and performance

Agency Objective	Indicators	Performance
To be a major attraction for interstate and international visitors, thereby contributing to the State's economic development and tourism by providing a focus for experiencing the unique cultural identity of South Australia.	During the 2018/2019 financial year AGSA attracted local, national and international visitors to experience changing collection displays, temporary and public programs such as The Studio, Start, First Fridays and Neo.	During this financial year the Gallery recorded 730,872 visitors to its exhibitions and associated events. This represents a decrease from the 2017-2018 year due to the absence of a ticketed exhibition during this financial year and fewer visitations to offsite venues due to programming as Tarnanthi and Biennial occur only every two years (outside of AGSA). 56,302 to AGSA's offsite national and international exhibitions.
	Seven temporary exhibitions were presented: *Chiharu Shiota: Embodied & Internal*; *John Mawurndjul: I am the old and the new*; *Picasso: The Vollard Suite*; *To Have and to Hold: The Daalder Collection of Contemporary Jewellery*; *Quilty*; *Ways of Seeing: Recent acquisitions from the collection*; and the *Ramsay Art Prize 2019*. Developed in partnership with the South Australian Tourism Commission and Art Exhibitions Australia to advance the Gallery's contribution to the economic impact of cultural and tourism activity of the State, *Colours of Impressionism*,	More than 10,545 people attended First Fridays, 1876 teens attended Neo, and 13502 children and parents attended Start. Colours *of Impressionism: Masterpieces from the Musée d'Orsay* closed on Sunday 29 July 2018 with a record attendance of 159,442. This number included 14,385 school visitors. 35,449 of the total number were visitors from outside of South

	broke every attendance record in the Gallery's history.	Australia, this equates to 25.1% of overall attendances and has delivered significant economic benefit to the State.
	SALA displays throughout the Gallery celebrated the breadth and depth of South Australian art.	SALA displays included a selection of works by 2018 SALA artist and Wakefield Press Monograph recipient, Clare Belfrage, an exhibition of work by nonagenarian Geoff Wilson, photographs and a publication on Ian North, transformation of The Studio by jeweller Lauren Simeoni in the 'Sunnyside Up' Studio and a selection of works by South Australian artists in *To Have and to Hold: The Daalder Collection of Contemporary Jewellery.*
	The Art Gallery of South Australia's touring exhibition *Robyn Stacey: Ray of Light* is now showing at the Murray Bridge Regional Art Gallery.	The exhibition is touring to fourteen regional South Australian galleries from 2018 to 2020.
To develop and deliver projects that reflect the Gallery's unique position in Australia on the edge of the desert and in close proximity to Aboriginal Australia. The Gallery plans to increase the prominence of Aboriginal art across all platforms.	Over the course of 2018-2019 Gallery staff have been engaged in developing and delivering the Gallery's first Reconciliation Action Plan (RAP)	The Art Gallery of South Australia is the first state art gallery in Australia and the first South Australian cultural institution to develop a RAP.

	In 2018-2019 Tarnanthi focussed on the exhibition *John Mawurndjul: I am the old and the new*	John *Mawurndjul: I am the old and the new* achieved more than 130,000 visitors at AGSA and the Museum of Contemporary Art in Sydney before commencing its eight-venue national tour to the end of 2020.
	The Tarnanthi Art Fair will be held at Tandanya on Friday 26, Saturday 27 and Sunday 28 October.	The Tarnanthi Art Fair attracted 5,682 visitors, an increase of 81% from 2017, and generated over $900,000 in art sales. Art production is a key source of income for Aboriginal and Torres Strait Islander communities and this year, the Art Fair welcomed 10 new participant art centres and showcased over 200 artists from 30 art centres from across the country.
	A re-presentation of the Australian collection and a renewed focus on the role of Aboriginal art in the making of Australian art and history.	In 2018-2019 AGSA relaunched the Elder Wing of Australian art and with it several significant new displays of Aboriginal and Torres Strait Islander art, including a number of loans from the South Australian Museum.
To grow intergenerational and culturally diverse participation in art and culture for all ages. By embedding targeted learning in the Gallery's artistic program, the Gallery is positioned as an educational hub within South Australia.	Supported in perpetuity by the James and Diana Ramsay Foundation, the Ramsay Art Prize attracts culturally diverse artists from across Australia under 40.	Ramsay Art Prize attracted 350 entries from artists under 40 from across Australia. Judging by the international judging panel: Russell Storer, Deputy Director (Curatorial and Research), National Gallery of Singapore, Richard Lewer, contemporary artist, and Dr Lisa Slade, Assistant Director, Artistic

		Programs, AGSA resulted in the selection of 23 finalists.
	In 2018-2019 the Gallery continued to strengthen its offerings for teens through Neo, supported by the Balnaves Foundation.	More than 1,876 attendances across six exclusive events, this a 44% increase on 2017-18.
	Education audiences continued to diversify and grow, with the expansion of cross curricular offerings.	School visits increased to 49,203 per year and the Education team produced 23 education resources. 13.5% were country schools and 30% were category 1 to 3 schools. 320 educators from across the state, with selected national participation, completed the one-day workshop *How to teach Aboriginal Art*. 1,525 attended Professional Development at AGSA.
To grow the Gallery's economic and cultural capacity by increasing benefaction, sponsorship and membership.	AGSA expanded opportunities for membership and benefaction, specifically in the realm of private philanthropy and partnerships.	This financial year saw an increase in all enrolments Membership: 3,376 Active members, 715 new members Foundation: 420 Active members, 12 new members Contemporary Collectors: 173 Active members, 43 new members With the Gallery, Guildhouse (formerly Craft South) have launched a new fellowship for mid-career South Australian artists. Funded by the James and Diana Ramsay Foundation to the value of

	The state's billion-dollar asset continued to grow through gifts, fundraising and philanthropy.	$50,000 per year for three years. A total of 502 works were added to the AGSA collection including significant works acquired by Australian artists including Harold Cazneaux, Maude Baillie, Ethel Carrick Fox, Dorrit Black, Gareth Sansom, Ronnie Tjampitjinpa, Tracey Moffatt and Ben Quilty. International artists whose work was acquired include Olafur Eliasson, Lynette Yiadom-Boakye, Jitish Kallat and Tracey Emin, and new acquisitions to the Asian art collection.
To advocate for support of the Gallery's much needed expansion and development in order to unlock the State's art collection. To secure the future care and presentation opportunities for a collection that exceeds 45,000 works of art with significant holdings of Australian, Aboriginal, European, American and Asian art.	Infrastructure opportunities continue to be explored to accommodate AGSA's growth in visitors, exhibitions, public programs and collection.	A 762 sq metre storage facility was developed with DPC and became operational to accommodate urgent collection storage needs, 462 works were successfully relocated and are now held in the storage facility.
To embed the Gallery's artistic program in the fabric of the city by expanding its participation in the State's Festivals and expanding programming including the Adelaide Biennial of Australian Art as national signature events that	Launched to coincide with the 2018 OzAsia Festival, AGSA staged a major exhibition of work by Chiharu Shiota and the semi-permanent Gallery-based installation.	*Chiharu Shiota:* Absence Embodied is a site-specific installation in gallery 14, and together with the temporary exhibition was generously funded by the Gwinnett family and received extensive media coverage.

welcome city-wide partners and venues.		
	Presented as part of OzAsia AGSA the Gallery hosted the World Tea Gathering. Tea artists from around the world will perform impromptu and unique tea experiences throughout the Adelaide CBD and Gallery.	First Friday and START programs focussed on this unique event, with a symposium, performances and talks.
	AGSA developed and delivered the first leg of national touring exhibition Quilty as part of the 2019 Adelaide Festival.	Attracting 70,000 visiotrs at AGSA the exhibition is currently touring to the Queensland Art Gallery from 29 June to 13 October 2019 and then to the Art Gallery of New South Wales from 9 November 2019 to 2 February 2020. The tour has been made possible with the support of Adelaide based law firm Lipman Karas and the Neilson Foundation.
	Living Rocks; a fragment of the universe, a collaboration between James Darling and Lesley Forwood, Jumpgate VR and Australian String Quartet) was selected and launched as an official collateral event for 2019 Venice Biennale, launching on 10 May, 2019.	Running until November this South Australian project is being experienced by approximately 500 international visitors per day.

Agency performance management and development systems

Performance management and development system	Performance
Performance Development review (PDR)	81 % of staff members had their PDR assessment with their manager 100 % of staff members had PDR's conducted > 6 months. 5 % of staff had no review during the year. 11 casual staff and 8 board members are not required to have PDR undertaken. 2 staff members are on extended maternity leave.

Work health, safety and return to work programs

Program name	Performance
Wellbeing	The Art Gallery continues to address the issue of Wellbeing through the Art Gallery's Welfare Health and Safety Committee, chaired by the Manager Operations and Projects, Kym Hulme. Along with Vicki Petrusevics (Employee Representative), Kym Hulme also represents Art Gallery management on the Arts SA led Arts Coordinating Committee, The continuous review of WHS policies, procedures and work practices is now an integral part of the workplace. The iLearn program has proved beneficial as staff can refer to courses completed for a refresher on what they have learnt and manage their training in their own time. Regular meetings are held with the WHS Consultants to discuss progress on the completion of audits and any outcomes that may need further assistance to ensure the gallery complies with requirements set out in departmental policies.
Key Achievements	The Internal Audit and Workplace Inspection Procedure continues to ensure that injury management processes are conducted in accordance with legislative requirements and internal policies and procedures. Staff are now more active in reporting hazards and incidents and 95% of these issues are dealt with almost immediately. All other reports follow the corrective actions assigned and have been completed with the specific timeframes set.
iLearn Program	Overall the gallery sits at 51% completion of all iLearn courses, however we have a 90% completion rate for all compulsory courses. Management will continue to monitor the progress of the program to reach the 100% target for compulsorily courses and improve on all other courses
Staff Development and Training	The Gallery continued its program of staff training in a range of areas including WHS courses and information sessions to ensure it had the necessary skills and information. Our two WHS reps have now completed level 1 and 2 of their training and all first aiders are current. The gallery is looking at expanding its first aid training to include mental health first aid.

Workplace injury claims	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total new workplace injury claims	3	4	-25%
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 2018-19	Past year 2017-18	% Change (+ / -)
Number of notifiable incidents (*Work Health and Safety Act 2012, Part 3)*	1	0	+ 1%
Number of provisional improvements, improvement and prohibition notices (*Work Health and Safety Act 2012 Sections 90, 191 and 195*)	0	0	0%

Return to work costs**	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total gross workers compensation expenditure ($)	$66, 860	$10,549	+145%
Income support payments – gross ($)	$ 444.76	$2,238	-133%

***before third party recovery*

Data for previous years is available at: data.sa.gov.au

Executive employment in the agency

Executive classification	**Number of executives**
SAES-1	1

Data for previous years is available at: https://industryandskills.sa.gov.au/datasa-executive-employment

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 2018-19 are attached to this report.

Statement of Comprehensive Income	2018-19 Budget $000s	2018-19 Actual $000s	Variation $000s	2017-18 Actual $000s
Expenses	16,580	23,401	6,821	23,870
Revenues	39,662	50,730	11,068	20,333
Net cost of providing services	**22,082**	**-27,329**	**4,247**	**3,537**
Net Revenue from SA Government	13,452	13,452	-	13,356
Net result	**36,534**	**40,781**	**4,247**	**9,819**
Total Comprehensive Result	**36,534**	**41,670**	**4,247**	**9,819**

Statement of Financial Position	N/A Budget $000s	2018-19 Actual $000s	N/A $000s	2017-18 Actual $000s
Current assets	0	9,482	0	8,434
Non-current assets	0	860,558	0	817,833
Total assets	**0**	**870,040**	**0**	**826,267**
Current liabilities	0	3,786	0	2,300
Non-current liabilities	0	1,434	0	1,316
Total liabilities	**0**	**5,220**	**0**	**3,616**
Net assets	**0**	**864,820**	**0**	**822,651**
Equity	**0**	**864,820**	**0**	**822,651**

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	$6,045.00

Consultancies with a contract value above $10,000 each

Consultancies	Purpose	$ Actual payment
Lynchsharpart Pty Ltd	Special adviser to Art Gallery Board, Adelaide Contemporary competition, Recruitment for AGSA Director	$106,448.25
Movecorp Aust	Institutional art collection storage report	$14,880
	Total	$121,328.25

Data for previous years is available at: https://industryandskills.sa.gov.au/datasa-consultants

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	$189,754.58

Contractors with a contract value above $10,000 each

Contractors	Purpose	$ Actual payment
Amanda Nichols	Public Program Facilitation	$28,209.97
Arup Pty Ltd	Engineering Report	$10,550
Brian Robinson	Artist Fee - Tarnanthi	$10,000
Catherine Hunter Productions	Film Production	$20,000
Curtain Penelope	Editing	$11,245.15
Darren Dunne	Colour Management	$80,000
Earthskin Ecotextiles	Public Program Facilitation	$14,711.20
Judith Sweetman	Public Program Facilitation	$27,395.35

Contractors	Purpose	$ Actual payment
Kemp Carpenters Pty Ltd	Carpentry	$25,280
Kyoko Schultz	Public Program Facilitation	$10,703.75
Manupi Arts	Artist Fees	$16,000
Skein	Public Program Facilitation	$21,150
	Total	$275,245.42

Data for previous years is available at: https://industryandskills.sa.gov.au/datasa-contractors

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.

Other information

Not applicable.

Risk management

Risk and audit at a glance

The Art Gallery Audit Committee (Audit Committee) formally met four times in the 2018-19 financial year. The Audit Committee followed its normally structured work plans in the undertaking of its program of work, which included the review of the Auditor-General's Interim Management Letter, AGSA policies and procedures, the review of the Art Gallery Risk Register and other matters deemed relevant.

Fraud detected in the agency

Category/nature of fraud	Number of instances
No fraud detected	0

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

Strategies implemented to control and prevent fraud

The Gallery has a Fraud and Corruption Control Policy in place. The Gallery has a 'zero tolerance' position in respect of fraud and corruption. The Gallery ensures that all AGSA properties and resources are used efficiently, effectively and ethically. The Gallery undertakes regular fraud and corruption risk assessments to identify, rate and manage risks. Internal controls are reviewed to ensure weaknesses in control environment are strengthened to prevent instances of fraud and/or corruption. As part of Risk Management and Audit Committee requirements, the Gallery has implemented the Fraud and Corruption Control Strategy (FCCS) to prevent, detect and respond to fraud and corruption risks through the Fraud and Corruption Control Plan (FCCP). The Policy is reviewed annually and the related FCCS and FCCP's at least every two financial years.

Data for previous years is available at: https://industryandskills.sa.gov.au/datasa-fraud

Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993:*

Nil

Data for previous years is available at: https://industryandskills.sa.gov.au/datasa-whistle-blowers

Reporting required under any other act or regulation

Act or Regulation	Requirement
NIL	

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	N/A
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	N/A
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	3
Communication	Communication quality	Inadequate, delayed or absent communication with customer	N/A
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	N/A
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	4
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	6
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	N/A
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	N/A
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	N/A

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
Service quality	Information	Incorrect, incomplete, outdated or inadequate information; not fit for purpose	2
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	11
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	N/A
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	6
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	NA
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	4
		Total	36

Additional Metrics	Total
Number of positive feedback comments	96%
Number of negative feedback comments	4%
Total number of feedback comments	Average 500 p/a
% complaints resolved within policy timeframes	100%

Data for previous years is available at: https://industryandskills.sa.gov.au/datasa-public-complaints

Service improvements for period

Service improvements that responded to customer complaints or feedback
As the table demonstrates the majority of complaints are regarding the legibility and access to information. This feedback directly informs AGSA planning which has also embarked on a new wayfinding design process in response to these complaints. Importantly the daily Visitor Comments book has played an increasingly active role in informing our planning and programming.

Appendix: Audited financial statements 2018-19

Attached

Art Gallery Board

Financial Statements

For the year ended 30 June 2019

INDEPENDENT AUDITOR'S REPORT

Government of South Australia
Auditor-General's Department

Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
DX 56208
Victoria Square
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Chairman
Art Gallery Board

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 20(3) of the *Art Gallery Act 1939*, I have audited the financial report of the Art Gallery Board for the financial year ended 30 June 2019.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Art Gallery Board as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with the 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chairman, Art Gallery Board, the Director, Art Gallery of South Australia and Deputy Director, Art Gallery of South Australia.

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 Art Gallery Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

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

Responsibilities of the Director, Art Gallery of South Australia and the Art Gallery Board for the financial report

The Director, Art Gallery of South Australia is responsible for the preparation of the financial report that gives a true and fair view in accordance with the 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.

The members of the Art Gallery Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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 Board's internal control

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

- 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 Director of the Art Gallery of South Australia 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
26 September 2019

Art Gallery Board
Certification of Financial Statements
for the year ended 30 June 2019

We certify that the attached general purpose financial statements for the Art Gallery Board:

- 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 Art Gallery Board; and
- present a true and fair view of the financial position of the Art Gallery Board as at 30 June 2019 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Art Gallery Board for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.

Tracey A. Whiting
Chairman
Art Gallery Board
24 September 2019

Rhana Devenport
Director
Art Gallery of South Australia
24 September 2019

Mark Horton
Deputy Director
Art Gallery of South Australia
24 September 2019

Art Gallery Board
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 $'000	2018 $'000
Expenses			
Employee benefits expenses	2.3	7 808	7 293
Supplies and services	3.1	10 208	12 466
Accommodation and facilities	3.2	3 266	2 852
Depreciation and amortisation	3.3	1 275	1 259
Net loss from the disposal of non-current assets	4.6	844	-
Total expenses		**23 401**	**23 870**
Income			
Bequests and donations of cash and investments	4.2	37 689	4 866
Donations of heritage assets		2 452	6 174
Fees and charges	4.3	1 731	2 480
Grants	4.4	1 303	1 065
Investment income	4.5	4 579	638
Net gain from the disposal of non-current assets	4.6	-	31
Rent and facilities hire		116	105
Resources received free of charge	4.7	1 101	1 047
Sale of goods		883	1 204
Sponsorships	4.8	864	2 719
Other income	4.9	12	4
Total income		**50 730**	**20 333**
Net cost of providing services		**(27 329)**	**3 537**
Revenues from SA Government			
Recurrent operating grant	4.1	13 452	13 356
Total revenues from SA Government		**13 452**	**13 356**
Net result		**40 781**	**9 819**
Other Comprehensive Income			
Items that will not be reclassified to net result			
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	4.6	(1 801)	-
Changes in fair value of investments classified as fair value through other comprehensive income	6.3	2 690	-
Total other comprehensive income		**889**	-
Total comprehensive result		**41 670**	**9 819**

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

Art Gallery Board
Statement of Financial Position
as at 30 June 2019

	Note	2019 $'000	2018 $'000
Current assets			
Cash and cash equivalents	6.1	7 538	7 600
Receivables	6.2	1 581	473
Inventories		358	359
Other assets	6.4	5	2
Total current assets		**9 482**	**8 434**
Non-current assets			
Receivables	6.2	1	3
Property, plant and equipment	5.1	39 979	40 836
Intangible assets	5.2	2	10
Heritage collections	5.3	773 610	768 307
Investments	6.3	46 966	8 675
Other assets	6.4	-	2
Total non-current assets		**860 558**	**817 833**
Total assets		**870 040**	**826 267**
Current liabilities			
Payables	7.1	2 412	728
Employee benefits	2.4	820	914
Provisions	7.2	13	13
Other	7.3	541	645
Total current liabilities		**3 786**	**2 300**
Non-current liabilities			
Payables	7.1	119	109
Employee benefits	2.4	1 295	1 187
Provisions	7.2	20	20
Total non-current liabilities		**1 434**	**1 316**
Total liabilities		**5 220**	**3 616**
Net Assets		**864 820**	**822 651**
Equity			
Retained earnings		509 574	470 575
Investment reserve	8.1	3 170	-
Asset revaluation surplus	8.1	352 076	352 076
Total Equity		**864 820**	**822 651**

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

Art Gallery Board
Statement of Changes in Equity
for the year ended 30 June 2019

	Note	Asset revaluation surplus $'000	Investment reserve $'000	Retained earnings $'000	Total equity $'000
Balance at 1 July 2017		**352 076**	**-**	**460 756**	**812 832**
Net result for 2017-18		**-**	**-**	**9 819**	**9 819**
Total comprehensive result for 2017-18		**-**	**-**	**9 819**	**9 819**
Balance at 30 June 2018		**352 076**	**-**	**470 575**	**822 651**
Adjustments on initial adoption of AASB 9		**-**	**480**	**19**	**499**
Adjusted balance as at 1 July 2018		**352 076**	**480**	**470 594**	**823 150**
Net result for 2018-19		**-**	**-**	**40 781**	**40 781**
Gain / (loss) on sale of investments classified as fair value through other comprehensive income		**-**	**(1 801)**	**-**	**(1 801)**
Transfer of revaluation loss on sale of investments from investment reserve to retained earnings		**-**	**1 801**	**(1 801)**	**-**
Fair value movement of investments classified as fair value through other comprehensive income		**-**	**2 690**	**-**	**2 690**
Total comprehensive result for 2018-19		**-**	**2 690**	**38 980**	**41 670**
Balance at 30 June 2019		**352 076**	**3 170**	**509 574**	**864 820**

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

Art Gallery Board
Statement of Cash Flows
for the year ended 30 June 2019

	Note	2019 $'000 (Outflows) Inflows	2018 $'000 (Outflows) Inflows
Cash flows from operating activities			
Cash outflows			
Employee benefits payments		(7 805)	(7 081)
Payments for supplies and services		(6 963)	(9 247)
Payments for accommodation and facilities		(3 266)	(2 852)
Cash used in operations		**(18 034)**	**(19 180)**
Cash inflows			
Sale of goods		855	1 281
Fees and charges		1 731	2 480
Bequests and donations of cash		3 223	1 895
Grants		1 283	1 128
Sponsorships		416	723
Investment income		3 344	515
Rent and facilities hire		116	105
Other receipts		14	4
Cash generated from operations		**10 982**	**8 131**
Cash flows from SA government			
Recurrent operating grant		13 452	13 356
Cash generated from SA government		**13 452**	**13 356**
Cash provided by operating activities		**6 400**	**2 307**
Cash flows from investing activities			
Cash outflows			
Purchase of heritage collections		(3 696)	(1 795)
Purchase of investments		(2 894)	(1 219)
Purchase of property, plant and equipment		(410)	(232)
Cash used in investing activities		**(7 000)**	**(3 246)**
Cash inflows			
Proceeds from the sale/maturity of investments		538	1 550
Cash generated from investing activities		**538**	**1 550**
Net cash used in investing activities		**(6 462)**	**(1 696)**
Net (decrease) increase in cash and cash equivalents		**(62)**	**611**
Cash and cash equivalents at the beginning of the period		7 600	6 989
Cash and cash equivalents at the end of the period	6.1	**7 538**	**7 600**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. About the Art Gallery Board

The Art Gallery Board (the Board) is a statutory authority of the State of South Australia, constituted pursuant to section 4 of the *Art Gallery Act 1939* (the Act). The Board is charged with the management of the Art Gallery of South Australia (the Gallery) under the Act.

The Board's financial statements and accompanying notes include all of the controlled activities of the Board including the Art Gallery Foundation.

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.

For the 2018-19 financial statements the Board adopted *AASB 9 – Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 9.

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.

The Board is not subject to Income Tax. The Board is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and Emergency Services Levy (ESL).

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 excluded.

The net GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Board is a member of an approved GST group, of which Arts South Australia, a division of the Department of the Premier and Cabinet (DPC), is responsible for the remittance and collection of GST. As such, there are no cash flows relating to GST transactions with the ATO in the Statement of Cash Flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

1.2 Objectives and Programs

The objectives of the Art Gallery of South Australia are to:

- collect heritage and contemporary works of art of aesthetic excellence and historical or regional significance
- ensure the preservation and conservation of the Gallery's collections
- display the collections and to program temporary exhibitions
- research and evaluate the collections and to make the collections and documentation accessible to others for the purposes of research and as a basis for teaching and communications
- document the collections within a central cataloguing system
- provide interpretative information about collection displays and temporary exhibitions and other public programs
- promote the Gallery's collections and temporary exhibitions
- ensure that the Gallery's operations, resources and commercial programs are managed efficiently, responsibly and profitably
- advise the South Australian Government on the allocation of South Australian resources to works of art, art collections, art museums and art associations.

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the Board include the Premier of the State of South Australia, as responsible Minster for the Arts, the Chairman and eight board members and the Director of the Art Gallery of South Australia, who have responsibility for the strategic direction and management of the Board.

Total compensation for the key management personnel was $366 000 (2018: $371 000).

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

Related parties of the Board include all key management personnel and their close family members; the Premier, as Minister responsible for the Arts, and his close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Transactions with key management personnel and other related parties

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

2.2. Board and committee members

Members during the 2019 financial year were:

Art Gallery Board
TA Whiting (Chairman)
S Armitage
NR Balnaves AO
JD Fanning
JE McGill
JN Phillips
A Tisato
JE Yuile

Board and committee remuneration

The number of board members whose remuneration received or receivable falls within the following bands:	2019	2018
$0 - $19 999	8	8
Total number of members	**8**	**8**

The total remuneration received or receivable by members was $31 000 (2018: $39 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

2.3. Employee benefits expenses

	2019 $'000	2018 $'000
Salaries and wages	5 580	5 486
Employee on-costs - Superannuation	587	603
Annual leave	450	481
Payroll tax	341	338
Targeted voluntary separation payments	266	-
Long service leave	249	302
Other employee related expenses	207	74
Workers compensation expenses	68	(51)
Skills and experience retention leave	30	24
Board fees	30	36
Total employee benefits	**7 808**	**7 293**

Employment on-costs - superannuation

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

Employee remuneration	2019	2018
The number of employees whose remuneration received or receivable falls within the following bands:	Number	Number
$151 001 to $171 000	1	1
$191,001 to $211,000	1	-
$331 001 to $351 000	-	1
Total	**2**	**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 or receivable by these staff for the year was $370 000 (2018: $510 000).

Targeted voluntary separation packages	2019	2018
	$'000	$'000
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	266	-
Leave paid to separated employees	112	-
	378	-
Recovery from the Department of Treasury and Finance	(272)	-
Net cost to the Board	106	-
The number of employees who received a TVSP during the reporting period was	3	nil

2.4. Employee benefits liability

	2019	2018
	$'000	$'000
Current		
Annual leave	551	640
Long service leave	131	134
Skills and experience retention leave	34	30
Accrued salaries and wages	104	110
Total current employee benefits	**820**	914
Non-current		
Long service leave	1 295	1 187
Total non-current employee benefits	**1 295**	**1 187**
Total employee benefits	**2 115**	**2 101**

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

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

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

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 11.1.

3. Expenses

Employee benefits expenses are disclosed in note 2.3.

3.1. Supplies and services

	2019 $'000	2018 $'000
Fees - exhibitions and publications	2 709	2,745
Marketing and promotion	1 904	3 798
Conservation work	1 037	963
Travel and accommodation	604	881
Administration expenses	516	489
Contractors	465	271
Freight, courier, postage	448	452
Insurance & risk management	362	399
Cost of goods sold	352	323
Minor equipment purchases and leasing	345	437
Materials	224	432
Information technology	221	270
Business services charge	210	185
Other	195	145
Catering	169	221
Maintenance	166	197
Consultants	127	118
Preservation activities	63	68
Motor vehicle expenses	38	45
Inventory written-off	32	-
Entertainment	15	20
Doubtful debt	5	-
Public education	2	11
Foreign currency (gains)/losses	(1)	(4)
Total supplies and services	**10 208**	**12 466**

Consultants

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

	2019 Number	2019 $'000	2018 Number	2018 $'000
Below $10 000	2	6	2	2
$10 000 or above	2	121	1	116
Total	**4**	**127**	**3**	**118**

3.2. Accommodation and facilities

	2019 $'000	2018 $'000
Security	1 572	1 365
Facilities	912	731
Electricity and gas	618	660
Accommodation	164	96
Total accommodation and facilities	**3 266**	**2 852**

3.3. Depreciation and amortisation

	2019 $'000	2018 $'000
Depreciation		
Buildings and improvements	1 230	1 218
Plant and equipment	35	33
Computer equipment	2	-
Total depreciation	**1 267**	**1 251**
Amortisation		
Intangibles	8	8
Total amortisation	**8**	**8**
Total depreciation and amortisation	**1 275**	**1 259**

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 such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Land and heritage collections are not depreciated.

Revision of accounting estimates

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

Useful Life

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

Class of asset	Useful life (years)
Buildings and improvements	20 to 100
Plant and equipment	3 to 20
Intangibles	5

Heritage collections are kept under special conditions so that there is no physical deterioration and they are anticipated to have very long and indeterminate useful lives. No amount for depreciation has been recognised, as their service potential has not, in any material sense, been consumed during the reporting period.

4. Income

4.1. Revenues from SA Government

	2019 $'000	2018 $'000
Recurrent operating grant	12 364	9 969
Exhibition funding	32	3 000
Other	1 056	387
Total revenues from SA Government	**13 452**	**13 356**

Grants

Grants are recognised on receipt.

The Board receives an annual operating grant, and funding for the purposes of holding exhibitions, from the Department of the Premier and Cabinet.

4.2. Bequests and donations of cash and investments

	2019 $'000	2018 $'000
Bequests	36 220	3 070
Donations	1 469	1 796
Total bequests and donations	**37 689**	**4 866**

Bequests and donations can only be used in accordance with the terms and conditions attributable. Therefore depending on the terms and conditions, they are not available for the operating activities of the Board.

Equity instruments received as part of two bequests were recognised at fair value at the date of transfer.

4.3. Fees and charges

	2019 $'000	2018 $'000
Fees for services	697	384
Admissions to temporary exhibitions	1 034	2 096
Total revenues from fees and charges	**1 731**	**2 480**

4.4. Grants

	2019 $'000	2018 $'000
Commonwealth Government	(36)	485
State Government	116	60
Other external grants	1 223	520
Total grants	**1 303**	**1 065**

4.5. Investment income

	2019 $'000	2018 $'000
Interest income	199	150
Dividends	3 026	331
Dividend imputation credits	1 272	157
Investment market value movement of investments recognised as fair value through profit and loss	82	-
Total investment income	**4 579**	**638**

Interest revenue is recognised taking into account the interest rates applicable to the financial assets. Dividend income is recognised when the right to receive a dividend has been established.

4.6. Net gain / (loss) from the disposal of non-current assets

	2019 $'000	2018 $'000
Heritage collections		
Proceeds from disposal	-	-
Less carrying amount assets deaccessioned	(844)	-
Net (loss)/gain from heritage collections	**(844)**	**-**
Investments		
Proceeds from disposal	538	1 550
Less value on sale of investments classified as fair value through other comprehensive income	(2 339)	(1 519)
Net gain / (loss) from the disposal of investments	**(1 801)**	**31**
Total assets		
Total Proceeds from deaccession / disposal	538	1 550
Less total carrying amount assets deaccessioned / disposed	(3 183)	(1 519)
Total net gain / (loss) from the deaccession / disposal of non-current assets	**(2 645)**	**31**

4.7. Resources received free of charge

	2019	2018
	$'000	$'000
Conservation services	891	862
Services received free of charge - Shared Services SA	210	185
Total resources received free of charge	**1 101**	**1 047**

Resources received free of charge are recorded as income and expenditure in the Statement of Comprehensive Income at their fair value.

Under an arrangement with Artlab Australia, a division of the Department of the Premier and Cabinet, Artlab Australia receives SA Government appropriation to perform conservation services on the Board's heritage collections. The value of this work performed is recognised as resources received free of charge in income and a corresponding amount included as conservation work expenditure in note 3.1. Supplies and services.

4.8. Sponsorships

	2019	2018
	$'000	$'000
Cash sponsorships	416	723
In-kind sponsorships	448	1 996
Total sponsorships	**864**	**2 719**

4.9. Other income

	2019	2018
	$'000	$'000
Fundraising	3	-
Insurance recoveries	1	-
Other receipts	8	4
Total other income	**12**	**4**

5. Non-financial assets

5.1. Property, plant and equipment

	2019 $'000	2018 $'000
Land, buildings and improvements		
Land at fair value	5 130	5 130
Buildings and improvements at fair value	71 976	71 673
Accumulated depreciation at the end of the period	(37 519)	(36 289)
Total land, buildings and improvements	**39 587**	**40 514**
Work in progress		
Work in progress at cost	178	84
Total work in progress	**178**	**84**
Plant and equipment		
Plant and equipment at cost (deemed fair value)	778	778
Accumulated depreciation at the end of the period	(575)	(540)
Total plant and equipment	**203**	**238**
Computer equipment		
Computer equipment at cost (deemed fair value)	13	-
Accumulated depreciation at the end of the period	(2)	-
Total computer equipment	**11**	**-**
Total property, plant and equipment	**39 979**	**40 836**

Property, plant and equipment with a value equal to or in excess of $10 000 is capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value. Details about the Board's approach to fair value is set out in note 11.2.

Impairment

The Board holds its property, plant and equipment, heritage collections, and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be close to or greater than fair value. The Board also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable amount to be close to or greater than fair value.

There were no indications of impairment of property, plant and equipment as at 30 June 2019.

Reconciliation 2018-19

2019	Land $'000	Buildings and improvements $'000	Work in progress $'000	Plant and equipment $'000	Computer equipment $'000	Total tangible assets $'000	Computer software $'000	Total intangible assets $'000
Carrying amount at the beginning of period	5 130	35 384	84	238	-	**40 836**	10	10
Additions	-	42	355	-	13	**410**	-	-
Depreciation and amortisation	-	(1 230)	-	(35)	(2)	**(1 267)**	(8)	(8)
Transfers to/(from) capital works in progress	-	261	(261)	-	-	-	-	-
Carrying amount at the end of period	**5 130**	**34 457**	**178**	**203**	**11**	**39 979**	**2**	**2**

5.2. Intangible assets

	2019 $'000	2018 $'000
Intangibles		
Computer software	40	40
Accumulated amortisation	(38)	(30)
Total intangibles	2	10

Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any 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 $10 000.

Impairment

There were no indications of impairment of intangibles as at 30 June 2019.

5.3. Heritage collections

	2019			2018		
	At valuation	At cost	Total	At valuation	At cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Australian paintings and sculptures	275 459	12 126	287 585	275 459	10 046	285 505
Australian and European decorative arts	42 357	1 565	43 922	42 357	969	43 326
Asian art	26 928	2 615	29 543	27 772	1 511	29 283
European paintings and sculptures	339 366	1 723	341 089	339 366	189	339 555
Prints, drawings and photographs	52 842	3 866	56 708	52 842	3 164	56 006
Numismatics	10 450	-	10 450	10 450	-	10 450
Philatelic material	791	-	791	791	-	791
Library	2 898	53	2 951	2 898	33	2 931
Collections on instalments	758	(187)	571	758	(298)	460
Total heritage collections	**751 849**	**21 761**	**773 610**	**752 693**	**15 614**	**768 307**

Reconciliation of carrying amounts of heritage collections

2019	Opening balance	Additions	Deaccession	Closing balance
	$'000	$'000	$'000	$'000
Australian paintings and sculptures	285 505	2 080	-	287 585
Australian and European decorative arts	43 326	596	-	43 922
Asian art	29 283	1 104	(844)	29 543
European paintings and sculptures	339 555	1 534	-	341 089
Prints, drawings and photographs	56 006	702	-	56 708
Numismatics	10 450	-	-	10 450
Philatelic material	791	-	-	791
Library	2 931	20	-	2 951
Archival collection	-	-	-	-
Collections on instalments	460	111	-	571
Total heritage collections	**768 307**	**6 147**	**(844)**	**773 610**

The heritage collections are large and diverse. They include many items for which valuations are complex, given considerations of market value and their uniqueness. The heritage collections are independently valued every six years. The collections were valued as at 30 June 2016 by RHAS, an operating division of Aon Risk Services.

RHAS was responsible for the selection of the specialist valuers as listed below.

Collection	Specialist valuer
Australian paintings and sculptures	Helen Miller
Australian, European and international decorative arts	Helen Miller
Asian art	Helen Miller
European paintings and sculptures	Helen Miller
Australian prints and drawings	Helen Miller
European prints and drawings	Helen Miller
Australian and international photographs	Helen Miller
Noye collection of photographic material	Helen Miller
Library collection	Peter Tinslay
Numismatics	Jim Noble
Krichauff and Murray stamp collection	John Pearson

Due to the size and nature of the art collection all high value assets (greater than $350,000) were valued individually with the remainder of the art collection valued by establishing an average value through the random sampling of items in each collection. Two high valued items in the numismatic collection were valued individually. All other items were valued as a collection. The library collection and the Noye collection of photographic material were both valued as collections. Items in the philatelic collection were valued individually.

All valuers have experience in the category of assets being valued. The valuation was prepared on the basis of replacement value and fair value. The valuation was carried out in accordance with the International Valuation Standards Framework and the relevant Australian Accounting Standards.

Some of the heritage items valued are unique by virtue of their history and could not be replaced with similar items. In these instances the valuers deduced values based on similar but not directly comparable items.

In instances where there were sufficient observable transactions of similar assets to the subject asset (generally in second hand markets), the market approach has been utilised to determine fair value. Inputs to the fair value measurement are considered level 2 in the fair value hierarchy as they have been observed from the market and the valuer has made relatively minor adjustments for differences in asset characteristics.

Where possible, the valuations were based on recent market transactions for similar cultural and heritage assets and may include adjustment for factors specific to each asset including size, rarity, quality, condition, historical significance and associated restrictions.

Where the frequency of available market transactions has not permitted the use of observable inputs, the valuers have used significant professional judgement in determining the fair value measurements. These assets are therefore considered to be in level 3 of the fair value hierarchy.

Fair value measurement - non-financial assets

In determining fair value, the Board has taken into account the characteristic of the asset (for example, condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Board's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Board did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

6. Financial assets

6.1. Cash and cash equivalents

	2019 $'000	2018 $'000
Deposits with the Treasurer	2 831	3 560
Deposits with banks	4 700	3 945
Cash on hand	7	95
Total cash and cash equivalents	**7 538**	**7 600**

Deposits with the Treasurer

Deposits with the Treasurer are a combination of funds held in the "*Art Gallery Board Account*", an account held with the Treasurer of South Australia pursuant to section 21 of the *Public Finance and Audit Act 1987* (PFAA), and funds held in the Arts South Australia Operating Account, an account held with the Treasurer of South Australia pursuant to section 8 of the PFAA.

Deposits with banks

Deposits with the Bank of South Australia (BankSA), the National Australia Bank Limited (NAB) and the Australian and New Zealand Banking Group Limited (ANZ) are funds held in term deposit facilities.

Interest rate risk

Interest is calculated based on the average daily balances of the interest bearing funds. The interest bearing funds of the Board are held in the section 21 interest bearing account titled the "*Art Gallery Board Account*" and the BankSA, NAB and ANZ accounts.

6.2. Receivables

	2019 $'000	2018 $'000
Current		
Prepayments	24	8
Receivables	86	142
Less allowance for doubtful debts	(5)	-
Accrued income	1 476	323
Total current receivables	**1 581**	**473**
Non-current		
Prepayments	1	2
Receivables	-	1
Total non-current receivables	**1**	**3**
Total receivables	**1 582**	**476**

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

Impairment of receivables

	2019 $'000	2018 $'000
Balance at 30 June 2018 under AASB 139	-	-
Adjustment on initial adoption of AASB 9	-	
Carrying amount at the beginning of the period	-	-
Amounts written off	-	-
Increase/(decrease) in the allowance	5	-
Carrying amount at the end of the period	**5**	**-**

6.3. Investments

	2019 $'000	2018 $'000
Listed equity instruments at cost	-	7 269
Listed debt instruments at cost	-	1 406
Investments classified as fair value through other comprehensive income		
Listed equity instruments designated at fair value through other comprehensive income	45 487	-
Investments classified as fair value through profit and loss		
Listed debt instruments mandatorily measured at fair value through profit and loss	1 479	-
Total non-current investments	**46 966**	**8 675**
Total investments	**46 966**	**8 675**

From 1 July 2018 the equity instruments are carried at fair value.

During the comparative year, the investments were brought to account at cost in accordance with Accounting Policy Framework IV *Financial Asset and Liability Framework* APS 2.1. Gains and losses were recognised in profit or loss when they were sold.

During the current year, the equity investments were designated at fair value through other comprehensive income with all changes in fair value being taken to the investment reserve. On disposal of these equity investments, any related balance within the investment reserve will be reclassified to retained earnings.

During the current year, the debt instruments were designated at fair value through profit and loss with all changes in fair value going through profit or loss. On disposal of these debt instruments, any gains or losses will be recognised in profit and loss.

Dividends arising from all investments are recognised in the statement of comprehensive income.

During 2018-19 the Board received investments from two bequests totalling $34.466 million at fair value.

6.4. Other Financial assets

	2019 $'000	2018 $'000
Current		
Forward foreign exchange contract net receivable	5	2
Total current other assets	5	2
Non-current		
Forward foreign exchange contract net receivable	-	2
Total non-current other assets	-	2
Total other assets	**5**	**4**

7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

7.1. Payables

	2019 $'000	2018 $'000
Current		
Trade payables	2 295	595
Employee on-costs	117	133
Total current payables	**2 412**	**728**
Non-current		
Employee on-costs	119	109
Total non-current payables	**119**	**109**
Total payables	**2 531**	**837**

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 recoverable from 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 Board makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained at the 2018 rate of 41% and the average factor for the calculation of employer superannuation cost on-costs has changed from the 2018 rate (9.9%) to 9.8%. These rates are used in the employment on-cost calculation. The net financial impact of these changes in the current financial year is immaterial.

Paid parental leave scheme

Paid Parental Leave Scheme payable represents amounts which the Board has received from the Commonwealth Government to forward onto eligible employees via the Board's standard payroll processes. That is, the Board is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

7.2. Provisions

	2019 $'000	2018 $'000
Current		
Provision for workers compensation	13	13
Total current provisions	13	13
Non-current		
Provision for workers compensation	20	20
Total non-current provisions	20	20
Total provisions	33	33

Movement in provisions		
Carrying amount at the beginning of the period	33	95
Reductions resulting from payment / other sacrifices of future economic benefits	-	(14)
Reductions resulting from re-measurement or settlement without cost	-	(48)
Carrying amount at the end of the period	33	33

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 2019 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

7.3. Other liabilities

	2019 $'000	2018 $'000
Current		
Revenue received in advance	541	645
Total current other liabilities	541	645
Total other liabilities	541	645

8. Other disclosures

8.1. Equity

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

Investment reserve

As a result of the implementation of *AASB 9 Financial Instruments*, an investment reserve has been created to record all changes in fair value of investments classified as fair value through other comprehensive income.

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.

9. Changes in accounting policy

9.1. Treasurer's Instructions (Accounting Policy Statement)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- removal of the additional requirement to report transactions with the SA Government.
- increasing the bands from $10,000 to $20,000 for employee and board member reporting.
- no longer recognising financial assets at historic cost as required under APF IV - Financial Asset and Liability Framework.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 9.3.

9.2. AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, the Board adopted consequential amendments to other accounting standards and the *Treasurer's Instructions (Accounting Policy Statements)* arising from the issue of AASB 9 as follows:

- *AASB 101 Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. In prior years, this information was presented as part of other expenses.
- *AASB 7 Financial Instruments*: Disclosures requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements), AASB 9 Financial Instruments* was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in equity at 1 July 2018.

The adoption of AASB 9 has not had a significant impact on the recognition, measurement or classification of financial liabilities.

The total impact on the Board's retained earnings and investment reserve as at 1 July 2018 is as follows:

	2018 $'000
Closing retained earnings 30 June 2018 – AASB 139	**470 575**
Adjustment to investment reserve from adoption of AASB 9	481
Adjustment to retained earnings from adoption of AASB 9	18
Opening retained earnings and investment reserve 1 July 2018 – AASB 9	**471 074**

On 1 July 2018, the Board has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity, loans and receivables and available for sale.

On the date of initial application, the Board's financial instruments were as follows, with any reclassifications noted.

	Measurement category AASB 139	Measurement category AASB 9	AASB 139 at 30 June 2018 $'000	Carrying amount re-measurement $'000	AASB 9 at 1 July 2018 $'000
Current financial assets					
Trade receivables	Loans and receivables	Amortised cost	143	-	143
Non-current financial assets					
Investments	Available for sale	Fair Value through other comprehensive income	7 269	481	7 750
Investments	Available for sale	Fair Value through through profit and loss	1 406	18	1 424
Current financial liabilities					
Trade payables	Amortised cost	Amortised cost	595	-	595

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the Board are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of services.
- debt investments carried at amortised cost (i.e. bonds and debentures with SAFA).

This model generally results in earlier recognition of credit losses than the previous one.

Trade receivables

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Board has adopted the simplified approach under AASB 9 Financial Instruments and measured lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision.

There are no additional impairment provisions for State, Territory, or Commonwealth Government receivables due to the Government's high quality credit risk.

Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

Investments

The fair value of listed investments is based on the published market price from the Australian Stock Exchange.

10. Outlook

10.1. Unrecognised contractual commitments

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

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

Operating lease commitments

Commitments under non-cancellable operating leases at the reporting date not recognised as liabilities in the financial statements are payable as follows:

	2019	2018
	$'000	$'000
Within one year	27	17
Later than one year but not longer than five years	17	23
Total operating lease commitments	44	40

The operating lease commitments comprise non-cancellable motor vehicle leases, with rental payable monthly in arrears. No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their terms.

Expenditure commitments - other

The Board's other commitments are for contracts for works of art, exhibitions, security and cleaning.

	2019	2018
	$'000	$'000
Within one year	2 055	2 073
Later than one year but not longer than five years	4 325	3 700
Total other commitments	6 380	5 773

Contingent rental provisions within the security and cleaning contracts require the minimum contract payments to be increased by variable operating costs and wage rises. Options exist to renew the contracts for another 12 months.

10.2. Contingent assets and liabilities

Contingent assets

The Board has been named as beneficiary in a number of testamentary bequests. By their nature it is not possible to accurately estimate the amount and timing of these bequests. Amounts paid to the Board as a result of these bequests will be recognised as revenue when revenue recognition criteria under Australian Accounting Standard *AASB118 Revenue* are met.

Contingent liabilities

The Board is not aware of any contingent liabilities as at 30 June 2019.

10.3. Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2019 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2019.

Note disclosure is made about events between 30 June 2019 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2019 and which may have a material impact on the results of subsequent years.

As at 30 June 2019 and as at the date of this report, the Board is the named beneficiary in three testamentary bequests. As at the date of this report, assets have been transferred to the Board which have been reflected in these financial statements. Further assets of an unknown value are still to be transferred to the Board and will be recognised as revenue when revenue recognition criteria under Australian Accounting Standard *AASB118 Revenue* are met.

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

11. Measurement and risk

11.1. Long service leave liability – measurement

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 has decreased from 2.5% (2018) to 1.25% (2019).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability of $129 000.

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

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4.0% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

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.

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 are subsequently measured at fair value after allowing for accumulated depreciation.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than $1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Land and buildings

An independent valuation of land and buildings was performed as at 30 June 2014 by a Certified Practising Valuer from Valcorp Australia Pty. Ltd.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, was determined using an adjustments were applied to reflect the restriction.

The fair value of buildings was determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs were derived from [building costs guides / internal records such as recent tender documents, construction invoices etc.] and the estimated useful life due to age and condition of the building.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than $1.5 million and had an estimated useful life of no less than three years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

11.3. Financial instruments

Financial risk management

Risk management is managed by the Board's Audit Committee and Board 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 Board's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Classification applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

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

- Held-to-maturity investments.
- Loan and receivables.
- Available for sale investments.
- Financial liabilities measured at cost.

Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – debt instrument, FVOCI – equity instrument or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Board measures all financial instruments at amortised cost or fair value.

11.3. Financial instruments (continued)

Categorisation of financial instruments

Category of financial asset and financial liability	Note	2019 Carrying amount / Fair value $'000
Financial assets	-	
Cash and cash equivalents		
Cash and cash equivalents	6.1	7 538
Financial assets at amortised cost		
Receivables	6.2	1 557
Listed equity instruments designated at fair value through other comprehensive income	6.3	45 487
Listed debt instruments mandatorily measured at fair value through profit and loss	6.3	1 479
Forward foreign exchange contract net receivable	6.4	5
Total financial assets		**56 066**
Financial liabilities		
Financial liabilities at amortised cost		
Payables	7.1	2 247
Total financial liabilities		**2 247**

Category of financial asset and financial liability	Note	2018 Carrying amount / Fair value $'000
Financial assets	-	
Cash and cash equivalents		
Cash and cash equivalents	6.1	7 600
Receivables		
Receivables	6.2	464
Held to maturity investments		
Investments	6.3	8 675
Forward foreign exchange contract net receivable	6.4	4
Total financial assets		**16 743**
Financial liabilities		
Payables	7.1	552
Total financial liabilities		**552**

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government 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, they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

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