

**OFFICIAL**



**Government  
of South Australia**

**VETERANS SA  
2022-23 Annual Report**

**Veterans SA**

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ISSN: 1836-1838

Date presented to Minister: \*\* September 2023

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To:

Hon Geoff Brock MP  
Minister for Veterans' Affairs

This annual report will be presented to Parliament to meet the statutory reporting requirements of relevant acts and regulations 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 Veterans SA by:



Chantelle Bohan  
Director

Date: 20 September 2023

## From the Director



This year the agency has delivered on its commitment to empower community, promote inclusion, and honour service, through the development and implementation of several innovative initiatives focused on meeting the unique needs of the South Australian veteran community.

The South Australian Government has committed \$2.1 million over the forward estimates to deliver projects and programs that will support current and former-serving ADF members and their families. This funding will enable the delivery of the Veteran Community Security Framework, consisting of a Comprehensive Outreach Program and Veterans and Family Growth Support Program. The programs will be designed to ensure that the current and future veteran community are consulted, acknowledged, listened to, supported, and given the opportunity to provide feedback and input into the design of programs that affect them.

The agency has achieved some significant outcomes in the last 12 months in the pursuit of providing support to those who have served and the families that support them. On the back of the successful 2021 Mentoring Program, Veterans SA secured funding for and launched a second program, focusing on Career and Entrepreneurship. For the first time, the opportunity to participate in the program was extended to current and former serving people as well as spouses and partners. These adjustments to the program were made based on direct feedback from the community, demonstrating that the agency is listening and responding to the needs and wants of the community.

A six-week Adelaide Cowork Coplay pilot program was also completed. The program combined the innovative concept of co-working with easy access to quality childminding. Cowork Coplay assisted in addressing barriers faced by Australian Defence Force partners with young children including lack of time to pursue meaningful work and career development. Resultant of the program, three participants secured employment and all participants had a reduction of the social isolation felt by developing support networks.

With an ever-evolving community, there is always so much to do to ensure significant progress is made for the wellbeing of veterans and their families. New funding for the Veteran Community Security Framework will ensure that our vision for a strong, vibrant, and well supported and represented veteran community is achieved.

A handwritten signature in cursive script that reads "Bohan".

Chantelle Bohan  
**Director**  
Veterans SA

**Contents**

Our strategic focus ..... 5

Our organisational structure ..... 6

Our Minister ..... 6

Our Executive team ..... 6

Legislation administered by the agency ..... 6

**The agency’s performance ..... 7**

Performance at a glance ..... 7

Agency contribution to whole of Government objectives ..... 7

Agency specific objectives and performance ..... 8

Corporate performance summary ..... 11

Employment opportunity programs ..... 11

Agency performance management and development systems ..... 12

Work health, safety and return to work programs ..... 12

Executive employment in the agency ..... 13

**Financial performance ..... 14**

Financial performance at a glance ..... 14

Consultants disclosure ..... 14

Contractors disclosure ..... 15

Other financial information ..... 15

**Risk management..... 17**

Fraud detected in the agency..... 17

Strategies implemented to control and prevent fraud..... 17

Public interest disclosure ..... 17

**Reporting required under any other act or regulation ..... 17**

Reporting required under the *Carers’ Recognition Act 2005*..... 17

**Public complaints..... 18**

Number of public complaints reported ..... 18

Additional Metrics..... 19

Service Improvements ..... 20

Compliance Statement..... 20

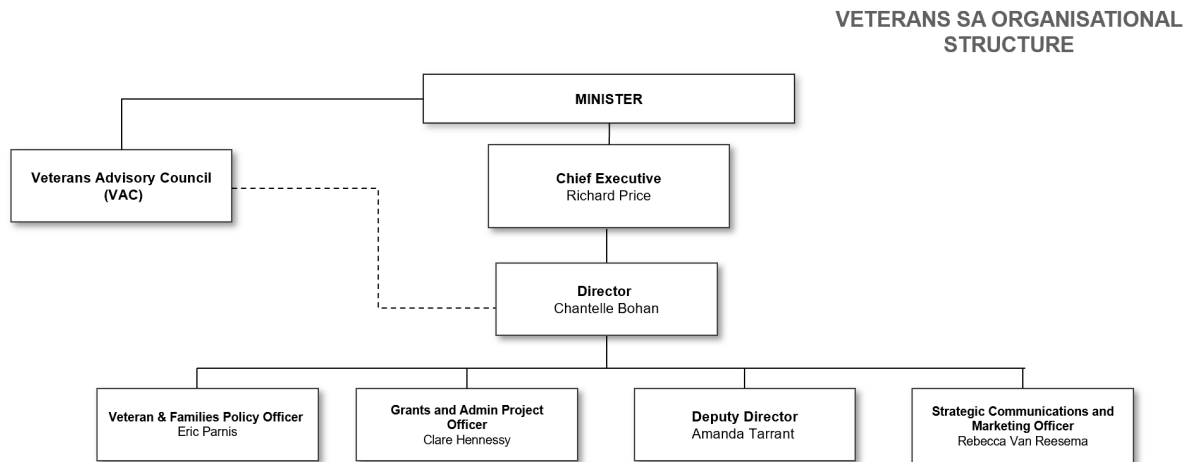
**Appendix: Audited financial statements 2021-22 ..... 21**

**Overview: about the agency**

**Our strategic focus**

<b>Our Purpose</b>	<b>Veterans SA</b> works with state, national and community partners to support those currently serving and previously serving members of the Australian Defence Force and their families, including reservists, to live meaningful, fulfilling lives in South Australia. The agency also plays a role in sharing information on services and programs across South Australia that are available to those who have served and their families.
<b>Our Vision</b>	A strong, vibrant, and well supported and represented veteran community, inclusive of all generations, that is understood and appropriately acknowledged by all South Australians.
<b>Our Values</b>	To uphold the provisions contained in South Australia’s Charter for Veterans by ensuring that the needs of veterans, government and the wider South Australian community are served through the provision of advice and expertise on veterans’ affairs and by influencing government decision making to ensure that the veteran community is well represented in South Australia.
<b>Our functions, objectives, and deliverables</b>	<ul style="list-style-type: none"> <li>• To influence government decision-making at both the state and federal level for future policy development with respect to the relevance and delivery of services to the veteran community.</li> <li>• To be first with advice and expertise on veterans’ affairs to government and to position government to provide relevant high-level services.</li> <li>• To support the sustainability of the veteran community.</li> <li>• To support the veteran community in delivering commemorative events that continue to reflect the significant impact of the service and sacrifice of veterans and their families to the nation, and to ensure that military historical significance is remembered and preserved.</li> </ul>

## Our organisational structure



## Our Minister



The Hon Geoff Brock MP is the Minister for Veterans' Affairs. The Minister is responsible for the Local Government, Regional Roads and Veterans' Affairs portfolios.

Minister Brock has strong family connections to the military, including his own service in the Army Reserves. This connection enhances his passion and commitment to the portfolio.

## Our Executive

### Chantelle Bohan, Director

Chantelle Bohan is responsible for ensuring that the interests and needs of the community of current and former serving members of the Australian Defence Force and their families are represented across the South Australian Government.

### Legislation administered by the agency.

Veterans SA administers the *ANZAC Day Commemoration Act 2005*

## The agency's performance

### Performance at a glance.

- Supported the professional development of South Australian veterans and partners through the successful launch of the Veterans SA Career and Business Mentoring Program.
- Delivered the Adelaide Cowork Coplay pilot program for partners of current serving Australian Defence Force (ADF) members, to support their pursuit of career projects and community connection with on-site provision of childcare.
- Delivered a regional outreach program across the Riverland, South-East, and Barossa regions to better connect veterans and their families with support services.
- Included an identifier for children of current and former serving ADF personnel within the Department for Education public school enrolment system, to better capture and meet the educational needs of these children.
- Delivered 17 grants totalling \$100,000 to the South Australian community from the Anzac Day Commemoration Fund.
- Continued administrative and secretariat support for the Veterans Advisory Council.

### Agency contribution to whole of Government objectives

Veterans SA collaborates across the South Australian Government to ensure policy and program departments consider the implications for veterans and their families and incorporate beneficial approaches for veterans and their families to live their most fulfilled lives.

The South Australian Government recognises the vital role that veterans and their families play in the South Australian community, and Veterans SA supports community leaders to collaborate and enable opportunities and/or support to suit the needs of an ever-evolving veteran community.

Veterans SA continues, with cross agency collaboration and education, to ensure state government agencies are provided with information on the unique needs and requirements of the veteran community. For example, Veterans SA provided advice and consultation to SA Health in the development of their Veteran Wellbeing Action Plan 2023-26 and also collaborated with TAFE SA in the development of their Skills Transition Education Program (STEP) for transitioning ADF members and their families.

**Agency’s contribution**

Veterans SA advocates across the South Australian Government on matters relating to veterans and their families.

Veterans SA continues to work with ex-service organisations and civic groups that provide support to members of the veteran community when and where it is needed most.

Veterans SA continues to share information about services, programs and opportunities across South Australia that are available to those who have served in the Australian Defence Force and their families.

Veterans SA continues to provide secretariat support for the Minister’s Veterans’ Advisory Council.

Veterans SA continues to work with the veteran community to ensure commemorative activities are supported and that occasions of military and historical significance are remembered and preserved for all South Australians.

**Agency specific objectives and performance**

Agency objectives	Indicators	Performance
<p><b>To influence government decision-making at both state and federal level for future policy with respect to the relevance and delivery of services to the veteran community.</b></p>	<p>Explore opportunities and support the Department for Education to better identify and meet the needs of ADF and veteran children within the education system</p>	<p>Informed the development of initiatives designed to address the educational needs of ADF and veteran children within the education system.</p>
	<p>Participation in cross-jurisdiction working groups and committees to ensure the impact on, and experience of veterans and their families is considered in a whole-of-South Australia context.</p>	<p>Veterans SA has representation on state and national working groups supporting their efforts to address issues impacting on the veteran community, including the Royal</p>



		<p>Commission into Defence and Veteran Suicide.</p>
<p><b>To be first with advice and expertise on veterans' affairs to government and to position government to provide relevant high-level services.</b></p>	<p>Establishment of community forums and dialogue opportunities to collect views and feedback from veterans and their families to inform government decision-making.</p>	<p>Veterans SA facilitated a Defence and Veteran Partner Carer Round Table to better understand the needs of this cohort and establish key community connections to improve support.</p> <p>Veterans SA continued communication with the veteran and wider community through several methods including social media, e-newsletters, media and community publications.</p>
	<p>Improve data collection and analysis to better understand the South Australian veteran community.</p>	<p>Veterans SA partnered with Defence Families Australia, to develop a survey that will identify barriers faced by Defence partners relating to transfer of professional registrations from state-to-state and will inform necessary actions to address these issues.</p> <p>Veterans SA collaborated with the Office of the Commissioner for Public Sector</p>

		Employment to support veteran identification and employment experiences within the Your Voice survey
<b>To support the sustainability of the veteran community.</b>	Establishment of grant funds to support organisations to continue to provide services to the veteran community across South Australia	<p>Delivered two grant funding opportunities:</p> <ul style="list-style-type: none"> <li>• Veterans SA Capacity Building Grant Fund</li> <li>• Commemorative Services Grant Fund</li> </ul>
	Veterans and their families are able to access the right information and support for their needs when they need it.	<p>Attended Defence Transition Seminars and Welcome events to provide current, up-to-date information on South Australia and speak directly to veterans and their families.</p> <p>Provided funding to enable ex-service organisations to attend regional field days with Veterans SA, enabling regional veterans to access important services and support.</p> <p>Launched Home Base SA as a reliable online resource for current and former serving members and their families</p>
<b>To support the veteran community in</b>	Support ex-service organisations and community-led commemorative activities.	Provided \$100,000 of grant funding through the Anzac Day Commemorative

<p><b>delivering commemorative events which continue to reflect the significant impact of the service and sacrifice of veterans to the nation and to ensure that military historical significance is remembered and preserved.</b></p>		<p>Fund for commemorative activities across South Australia.</p> <p>Provided funding to the RSL-SA to support the annual commemoration of Remembrance Day and Anzac Day.</p> <p>Provided funding to Reconciliation SA for the conduct of the annual Aboriginal Veterans of SA Commemorative Service.</p>
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**Corporate performance summary**

Veterans SA is a government agency of the state of South Australia, established in 2008. The activities of Veterans SA are entirely funded from appropriation or other internal South Australian Government contributions.

**Employment opportunity programs**

<b>Program name</b>	<b>Performance</b>
Nil	N/A

**Agency performance management and development systems**

<b>Performance management and development system</b>	<b>Performance</b>
Staff Performance Management and Development System	All non-executive staff participate in an annual performance review process linked to training and development. This involves, a half-yearly review and an annual review. By 31 June 2023, 100% of non-executive staff had completed a half-yearly and an annual review.
Director Performance Agreement	The Chief Executive undertook a review of the goals and objectives component of Director Veterans SA annual performance agreement on 11 June 2023.

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

<b>Program name</b>	<b>Performance</b>
First Aid	Veterans SA is co-located with Defence SA which has four qualified First Aid Officers who have completed accredited training.
Mental Health First Aid	Veterans SA is co-located with Defence SA which has Mental Health First Aid Officers who have completed accredited training. Three Veterans SA staff have completed Mental Health First Aid training. This complements the existing Employee Assistance Program. In addition, some senior management have also received training on mental health first aid.

<b>Workplace injury claims</b>	<b>2022-23</b>	<b>2021-22</b>	<b>% Change (+ / -)</b>
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

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

<b>Work health and safety regulations</b>	<b>2022-23</b>	<b>2021-22</b>	<b>% Change (+ / -)</b>
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	0	0%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	0	0	0%

<b>Return to work costs**</b>	<b>2022-23</b>	<b>2021-22</b>	<b>% Change (+ / -)</b>
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

*\*\*before third party recovery*

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/whs-return-to-work-performance-2021-22-defencesa>

### **Executive employment in the agency**

There are no executives employed within Veterans SA.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/executive-employment-2021-22-defencesa>

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 Veterans SA extracted from Defence SA's financial statements for 2022-23. The information is unaudited. Note that Veterans SA sits within Defence SA so reference can be made to the Defence SA Annual Report for 2022-23 for full data sets and data from previous years.

<b>Statement of Comprehensive Income</b>	<b>2022-23 Budget \$000s</b>	<b>2022-23 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2021-22 Actual \$000s</b>
Total Income	\$ 25	\$ 34	\$ 9	\$ 215
Total Expenses	\$ 1,876	\$ 1,427	\$ 449	\$ 1,860
<b>Net Result</b>	<b>\$(1,851)</b>	<b>\$(1,393)</b>	<b>\$ 458</b>	<b>\$(1,645)</b>
<b>Total Comprehensive Result</b>	<b>\$(1,851)</b>	<b>\$(1,393)</b>	<b>\$ 458</b>	<b>\$(1,645)</b>

<b>Statement of Financial Position</b>	<b>2022-23 Actual \$000s</b>	<b>2021-22 Actual \$000s</b>
Current assets	\$ 22	\$ 14
<b>Total assets</b>	<b>\$ 22</b>	<b>\$ 14</b>
Current liabilities	\$ 107	\$ 236
Non-current liabilities	\$ 35	\$ 37
<b>Total liabilities</b>	<b>\$ 142</b>	<b>\$ 273</b>
<b>Net assets</b>	<b>\$ (120)</b>	<b>\$ (259)</b>

### 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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Nil	N/A	\$ Nil

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

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
Nil	N/A	\$ Nil
	Total	\$ Nil

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/consultants-2021-22>

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
n/a	n/a	\$ Nil

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

Contractors	Purpose	\$ Actual payment
Innovate Communicate & Cowork Coplay	Delivery of Veterans Cowork Coplay program	\$ 16,000
Be Sustained	Delivery of veterans mentoring program	\$ 37,000
	Total	\$ 53,000

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 financial information

The Anzac Day Commemoration Fund was administered by Veterans SA. The fund was established under the *Anzac Day Commemoration Act 2005*.

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2022-23 ANNUAL REPORT for Veterans SA

<b>Statement of Comprehensive Income</b>	<b>2022-23 Budget \$000s</b>	<b>2022-23 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2021-22 Actual \$000s</b>
Total Income	\$100	\$100	\$-	\$100
Total Expenses	\$100	\$100	\$-	\$82
<b>Net Result</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$18</b>
<b>Total Comprehensive Result</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$18</b>

<b>Statement of Financial Position</b>	<b>2022-23 Budget \$000s</b>	<b>2022-23 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2021-22 Actual \$000s</b>
Current assets	\$77	\$97	20	\$95
<b>Total assets</b>	<b>\$77</b>	<b>\$97</b>	<b>20</b>	<b>\$95</b>
Current liabilities	\$-	\$2	\$(2)	\$-
Total liabilities	\$-	\$2	\$(2)	\$-
Net assets	<b>\$77</b>	<b>\$95</b>	<b>\$18</b>	<b>\$95</b>
<b>Equity</b>	<b>\$77</b>	<b>\$95</b>	<b>\$18</b>	<b>\$95</b>



## Risk management

### Fraud detected in the agency

Category/nature of fraud	Number of instances
N/A	Nil

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

### Strategies implemented to control and prevent fraud

During the 2022-23 FY all staff completed the SA Public Sector Code of Ethics refresher training, Cyber Security Awareness training and Fraud and Corruption Awareness training.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/fraud-detection-2021-22-defencesa>

### Public interest disclosure

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

Nil

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/whistle-blower-disclosure-2021-22>

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

## Reporting required under any other act or regulation

### Reporting required under the *Carers' Recognition Act 2005*

Veterans SA is not required to report under the *Carers Recognition Act 2005*.

## Public complaints

### Number of public complaints reported

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2022-23</b>
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	Nil
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	Nil
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	Nil
Communication	Communication quality	Inadequate, delayed or absent communication with customer	Nil
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	Nil
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	Nil
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	Nil
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	Nil
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	Nil
Policy	Policy content	Policy content difficult to understand; policy	Nil

<b>Complaint categories</b>	<b>Sub-categories</b>	<b>Example</b>	<b>Number of Complaints 2022-23</b>
		unreasonable or disadvantages customer	
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	Nil
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	Nil
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	Nil
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	Nil
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	Nil
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	Nil
		<b>Total</b>	<b>0</b>

<b>Additional Metrics</b>	<b>Total</b>
Number of positive feedback comments	0
Number of negative feedback comments	0
Total number of feedback comments	0
% complaints resolved within policy timeframes	N/A

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/public-complaints-2021-22-defencesa>

**Service Improvements**

N/A
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**Compliance Statement**

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

## **Appendix: Audited financial statements 2022-23**

# INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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## To the Chief Executive Defence SA

### Opinion

I have audited the financial report of Defence SA for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of Defence SA as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with the relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and the Director Finance and Systems.

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

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

## **Responsibilities of the Chief Executive for the financial report**

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

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

## **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of Defence SA for the financial year ended 30 June 2023.

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

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

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

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

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

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



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

19 September 2023



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## DEFENCE SA

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### Certification of the Financial Statements

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We certify that the:

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



Richard Price  
Chief Executive

18 September 2023



Peter Murdock  
Director Finance and Systems

18 September 2023

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**DEFENCE SA**

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**STATEMENT OF COMPREHENSIVE INCOME****for the year ended 30 June 2023**

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	Note	2023 \$' 000	2022 \$' 000
<b>Income</b>			
Appropriation	2.1	13,055	11,646
Fees and charges	2.2	410	417
Grants	2.3	1,209	10,887
Recoveries	2.4	46	164
Resources received free of charge	2.5	79	61
<b>Total income</b>		<u>14,799</u>	<u>23,175</u>
<b>Expenses</b>			
Employee benefits expenses	3.3	4,283	4,546
Supplies and services	4.1	4,718	4,627
Depreciation	4.2	453	455
Grants and subsidies	4.3	4,389	6,083
Interest on leases	4.4	35	39
Resources received free of charge	2.5	79	61
Cash alignment transfers to Consolidated Account	1.3	8,878	-
Other expenses	4.5	99	1,308
<b>Total expenses</b>		<u>22,934</u>	<u>17,119</u>
<b>Net result</b>		<u>(8,135)</u>	<u>6,056</u>
<b>Total comprehensive result</b>		<u>(8,135)</u>	<u>6,056</u>

The accompanying notes form part of these financial statements.

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

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**DEFENCE SA**

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**STATEMENT OF FINANCIAL POSITION**as at 30 June 2023

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	Note	2023 \$' 000	2022 \$' 000
<b>Current assets</b>			
Cash	6.2	8,927	17,136
Receivables	6.3	817	910
<b>Total current assets</b>		<u>9,744</u>	<u>18,046</u>
<b>Non-current assets</b>			
Property, plant and equipment	5.1	<u>2,371</u>	<u>2,824</u>
<b>Total non-current assets</b>		<u>2,371</u>	<u>2,824</u>
<b>Total assets</b>		<u>12,115</u>	<u>20,870</u>
<b>Current liabilities</b>			
Payables	7.2	608	666
Lease liabilities	7.3	392	423
Unearned revenue	7.4	291	345
Employee benefits	3.4	567	604
Provisions	7.5	5	11
<b>Total current liabilities</b>		<u>1,863</u>	<u>2,049</u>
<b>Non-current liabilities</b>			
Payables	7.2	14	15
Lease liabilities	7.3	2,159	2,551
Employee benefits	3.4	201	223
Provisions	7.5	15	34
<b>Total non-current liabilities</b>		<u>2,389</u>	<u>2,823</u>
<b>Total liabilities</b>		<u>4,252</u>	<u>4,872</u>
<b>Net assets</b>		<u>7,863</u>	<u>15,998</u>
<b>Equity</b>			
Retained earnings		<u>7,863</u>	<u>15,998</u>
<b>Total equity</b>		<u>7,863</u>	<u>15,998</u>

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

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**DEFENCE SA**

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**STATEMENT OF CHANGES IN EQUITY****for the year ended 30 June 2023**

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	<b>Retained earnings \$' 000</b>	<b>Total equity \$' 000</b>
Balance at 1 July 2021	9,942	9,942
<b>Total comprehensive result for 2021-22</b>	<b>6,056</b>	<b>6,056</b>
	<hr/>	<hr/>
Balance at 30 June 2022	15,998	15,998
<b>Total comprehensive result for 2022-23</b>	<b>(8,135)</b>	<b>(8,135)</b>
	<hr/>	<hr/>
Balance at 30 June 2023	7,863	7,863

The accompanying notes form part of these financial statements.

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

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**DEFENCE SA**

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**STATEMENT OF CASH FLOWS****for the year ended 30 June 2023**

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	Note	2023 \$' 000	2022 \$' 000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Appropriation		13,055	11,644
Fees and charges		393	432
Grants		1,520	10,483
Recoveries		51	180
GST recovered from the ATO		715	1,017
Other receipts		15	-
<b>Cash generated from operations</b>		<u>15,749</u>	<u>23,756</u>
<b>Cash outflows</b>			
Employee benefits payments		(4,349)	(4,584)
Payments for supplies and services		(5,236)	(5,738)
Payments of grants and subsidies		(4,967)	(7,744)
Interest payments on leases		(38)	(43)
Cash alignment transfers to Consolidated Account		(8,878)	-
Other payments		(15)	(1,202)
<b>Cash used in operations</b>		<u>(23,483)</u>	<u>(19,311)</u>
<b>Net cash provided by/(used in) operating activities</b>		<u>(7,734)</u>	<u>4,445</u>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Payment of principal portion of lease liabilities		(475)	(438)
<b>Cash used in financing activities</b>		<u>(475)</u>	<u>(438)</u>
<b>Net cash used in financing activities</b>		<u>(475)</u>	<u>(438)</u>
<b>Net increase/(decrease) in cash</b>		<u>(8,209)</u>	<u>4,007</u>
Cash at the beginning of the period		<u>17,136</u>	<u>13,129</u>
<b>Cash at the end of the period</b>	6.2	<u>8,927</u>	<u>17,136</u>

The accompanying notes form part of these financial statements.

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**DEFENCE SA**

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**NOTE INDEX**

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	<b>Note</b>
<b>About Defence SA</b>	<b>1</b>
Basis of preparation	1.1
Objectives and programs	1.2
Budget performance	1.3
<b>Income</b>	<b>2</b>
Appropriation	2.1
Fees and charges	2.2
Grants	2.3
Recoveries	2.4
Resources received free of charge	2.5
<b>Advisory Board, Council and employees</b>	<b>3</b>
Key management personnel	3.1
Advisory Board, Council and employees	3.2
Employee benefits expenses	3.3
Employee benefits liability	3.4
<b>Expenses</b>	<b>4</b>
Supplies and services	4.1
Depreciation	4.2
Grants and subsidies	4.3
Interest on leases	4.4
Other expenses	4.5
<b>Property, plant and equipment</b>	<b>5</b>
Property, plant and equipment by asset class	5.1
Useful Life and depreciation	5.2
Property, plant and equipment owned by Defence SA	5.3
Property, plant and equipment leased by Defence SA	5.4
<b>Financial assets</b>	<b>6</b>
Categorisation of financial assets	6.1
Cash	6.2
Receivables	6.3
<b>Liabilities</b>	<b>7</b>
Categorisation of financial liabilities	7.1
Payables	7.2
Lease liabilities	7.3
Unearned revenue	7.4
Provisions	7.5
<b>Outlook</b>	<b>8</b>
Unrecognised commitments	8.1
Expected rental income	8.2
Contingent assets and contingent liabilities	8.3
Events after the reporting period	8.4
<b>Administered Item</b>	<b>9</b>
ANZAC Day Commemoration Fund	9.1

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## DEFENCE SA

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### 1 About Defence SA

Defence SA is a not-for-profit government agency of the State of South Australia, established pursuant to the *Public Sector Act 2009*. Defence SA is an administrative unit acting on behalf of the Crown.

Defence SA does not control any other entity and has no interests in unconsolidated structured entities.

Defence SA administers the ANZAC Day Commemoration Fund established pursuant to the *ANZAC Day Commemoration Act 2005*. Financial information is presented in note 9.

#### 1.1 Basis of preparation

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

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

The financial statements have been 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 that item.

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 (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

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

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

#### 1.2 Objectives and programs

Defence SA is South Australia's lead government agency for all defence and space related matters. The agency is a single point of contact for all defence and space stakeholders, streamlining their interaction across the South Australian Government. Defence SA captures valuable economic opportunities in the shipbuilding, cyber and systems, defence science and research and space domains.

Working closely with Defence and industry, the agency targets opportunities, drives and supports the delivery of major defence and space projects and facilities, and pursues the location of additional Defence units and capabilities within the state. Defence SA also plays a key role in supporting the Australian Government's strategic defence policy through increasing local industry participation and ensuring state-of-the-art infrastructure and a highly skilled, industry-ready workforce is in place to underpin defence projects.

The agency ensures business capabilities are stimulated by aligning local research and development, infrastructure and regulation with industry needs to expand capability by working to attract and retain talent in the state. The defence and space sector strategies outline key investment and growth opportunities to 2030 and frame future budget priorities for the agency.

In achieving its objectives Defence SA provides a range of services classified into the following programs:

## **1.2 Objectives and programs (continued)**

### *Program 1 - Defence Industry Development*

This program delivers strategy and policy development that provides leadership across government on all defence related matters.

It targets national and international business development opportunities, seeks to maximise local industry participation and ensures that a highly skilled, industry-ready workforce is in place and the necessary infrastructure exists to underpin major Defence projects.

This program seeks to support the growth of Defence and sustainable defence industries in South Australia across shipbuilding, aerospace, information warfare and defence science and research domains.

The program also incorporates the state's initiatives to promote the growth of defence research and development activity in South Australia through the Defence Innovation Partnership established in collaboration with the Australian Government and the three South Australian universities.

The agency's administrative, financial and operational services are also included within this program.

### *Program 2 - South Australian Space Industry Centre*

The South Australian Space Industry Centre (SASIC) provides a whole of state government focal point for both local industry and international companies and organisations. SASIC's vision is to build a thriving and enduring South Australian space ecosystem, supporting Australia's national space strategy, building on the opportunities of NewSpace.

Building on the state's strong starting position in the NewSpace economy SASIC will continue contributing to the growth rate of the national space industry and aim to increase the nation's share of the global space economy. As a complement to a national space strategy seeking aspirational growth, South Australia's priorities are selective and niche to maximise the opportunities presented by disruption and NewSpace.

Already home to over 100 space-related organisations including the Australian Space Agency, South Australia is committed to further growth of the local industry, building on the state's history of space activity. SASIC collaborates with the Australian Space Agency and Defence Space Command and other key federal agencies to play a key role in the national space agenda.

### *Program 3 - Veterans SA*

Veterans SA works with state, national and community partners to support those who are currently serving along with reservists and those who have served, and their families, to live fulfilled lives in South Australia.

As the lead advocate across the Government of South Australia on matters relating to veterans and their families, Veterans SA works with ex service organisations and civic groups who provide support to members of the community when and where it is needed most.

The agency also plays a role in sharing information on services and programs across South Australia available to families and those who have served in the Australian Defence Force. Veterans SA works with the veteran community to ensure commemorative events are supported and occasions of military and historical significance are remembered and preserved.

Veterans SA supports the Veterans' Advisory Council, which provides independent advice to the Minister, on matters of concern to the ex service community in South Australia.



**DEFENCE SA**

**1.2 Objectives and programs (continued)**  
**Expenses and income by program**

for the year ended 30 June 2023

	Not Attributed		Defence Industry Development		South Australian Space Industry Centre		Veterans SA		Total Defence SA	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
<b>Income</b>										
Appropriation	13,055	11,646	-	-	-	-	-	-	13,055	11,646
Fees and charges	-	-	291	257	119	160	-	-	410	417
Grants	-	-	475	6,562	700	4,110	34	215	1,209	10,887
Recoveries	-	-	2	60	44	104	-	-	46	164
Resources received free of charge	-	-	79	61	-	-	-	-	79	61
<b>Total income</b>	<b>13,055</b>	<b>11,646</b>	<b>847</b>	<b>6,940</b>	<b>863</b>	<b>4,374</b>	<b>34</b>	<b>215</b>	<b>14,799</b>	<b>23,175</b>
<b>Expenses</b>										
Employee benefits expenses	-	-	3,264	3,206	506	723	513	617	4,283	4,546
Supplies and services	-	-	2,600	1,755	1,739	2,414	379	458	4,718	4,627
Depreciation	-	-	93	94	360	361	-	-	453	455
Grants and subsidies	-	-	3,004	4,458	850	840	535	785	4,389	6,083
Interest on leases	-	-	-	-	35	39	-	-	35	39
Resources received free of charge	-	-	79	61	-	-	-	-	79	61
Cash alignment transfers to Consolidated Account	8,878	-	-	-	-	-	-	-	8,878	-
Other expenses	-	-	99	1,308	-	-	-	-	99	1,308
<b>Total expenses</b>	<b>8,878</b>	<b>-</b>	<b>9,139</b>	<b>10,882</b>	<b>3,490</b>	<b>4,377</b>	<b>1,427</b>	<b>1,860</b>	<b>22,934</b>	<b>17,119</b>
<b>Net result</b>	<b>4,177</b>	<b>11,646</b>	<b>(8,292)</b>	<b>(3,942)</b>	<b>(2,627)</b>	<b>(3)</b>	<b>(1,393)</b>	<b>(1,645)</b>	<b>(8,135)</b>	<b>6,056</b>

**DEFENCE SA**

**1.2 Objectives and programs (continued)**  
**Assets and liabilities by program**

as at 30 June 2023

	Not Attributed		Defence Industry Development		South Australian Space Industry Centre		Veterans SA		Total Defence SA	
	2023 \$' 000	2022 \$' 000	2023 \$' 000	2022 \$' 000	2023 \$' 000	2022 \$' 000	2023 \$' 000	2022 \$' 000	2023 \$' 000	2022 \$' 000
<b>Assets</b>										
Cash	8,927	17,136	-	-	-	-	-	-	8,927	17,136
Receivables	-	-	642	585	153	311	22	14	817	910
Property, plant and equipment	-	-	47	140	2,324	2,684	-	-	2,371	2,824
<b>Total assets</b>	<b>8,927</b>	<b>17,136</b>	<b>689</b>	<b>725</b>	<b>2,477</b>	<b>2,995</b>	<b>22</b>	<b>14</b>	<b>12,115</b>	<b>20,870</b>
<b>Liabilities</b>										
Payables	-	-	531	410	44	143	47	128	622	681
Lease liabilities	-	-	48	143	2,503	2,831	-	-	2,551	2,974
Unearned revenue	-	-	286	286	5	59	-	-	291	345
Employee benefits	-	-	623	563	50	119	95	145	768	827
Provisions	20	45	-	-	-	-	-	-	20	45
<b>Total liabilities</b>	<b>20</b>	<b>45</b>	<b>1,488</b>	<b>1,402</b>	<b>2,602</b>	<b>3,152</b>	<b>142</b>	<b>273</b>	<b>4,252</b>	<b>4,872</b>
<b>Net assets</b>	<b>8,907</b>	<b>17,091</b>	<b>(799)</b>	<b>(677)</b>	<b>(125)</b>	<b>(157)</b>	<b>(120)</b>	<b>(259)</b>	<b>7,863</b>	<b>15,998</b>

## DEFENCE SA

### 1.3 Budget performance

The budget performance table compares Defence SA's outcomes against budget information presented to Parliament (2022-23 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Comprehensive Income	Note	Original budget 2023 \$' 000	Actual 2023 \$' 000	Variance <sup>(1)</sup> 2023 \$' 000
<b>Income</b>				
Appropriation		13,499	13,055	(444)
Fees and charges		231	410	179
Grants		695	1,209	514
Recoveries		-	46	46
Resources received free of charge		-	79	79
Other income		92	-	(92)
<b>Total income</b>		<b>14,517</b>	<b>14,799</b>	<b>282</b>
<b>Expenses</b>				
Employee benefits expenses		4,808	4,283	525
Supplies and services	(b)	3,276	4,718	(1,442)
Depreciation		360	453	(93)
Grants and subsidies	(a)	8,214	4,389	3,825
Interest on leases		34	35	(1)
Resources received free of charge		-	79	(79)
Cash alignment transfers to Consolidated Account	(c)	-	8,878	(8,878)
Other expenses		98	99	(1)
<b>Total expenses</b>		<b>16,790</b>	<b>22,934</b>	<b>(6,144)</b>
<b>Net result</b>		<b>(2,273)</b>	<b>(8,135)</b>	<b>(5,862)</b>
<b>Total comprehensive result</b>		<b>(2,273)</b>	<b>(8,135)</b>	<b>(5,862)</b>

<sup>(1)</sup> The use of brackets identifies an unfavourable variance

Explanations are provided for variances where the variance exceeds the greater of 10% of the original budgeted amount and 5% of original budgeted total expenses.

- (a) The \$3.825 million grant expenditure variance is due to delays in achievement of program milestones by grant recipients.
- (b) The (\$1.442) million supplies and services expenditure variance is due to changes in the expenditure / milestone profiles of several projects; including the SASAT1 Space Services Mission (Kanyini) project .
- (c) The \$8.878 million variance was due to payments associated with the State Government Cash Alignment Policy, not included in the original budget.

## DEFENCE SA

### 2 Income

Defence SA is primarily funded through appropriations received from the South Australian Government. Other income sources include grant funding from other South Australian Government departments and other organisations, event participation revenue, rental income and cost recoveries.

Income is recognised in line with Australian Accounting Standards AASB 15 and AASB 1058 as relevant to the nature of the transaction.

#### 2.1 Appropriation

	2023	2022
	\$' 000	\$' 000
<b>Appropriation</b>		
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act 2022</i>	13,055	11,180
Appropriations under other Acts	-	466
<b>Total appropriation</b>	13,055	11,646

Appropriations are recognised on receipt.

#### 2.2 Fees and charges

	2023	2022
	\$' 000	\$' 000
Event participation fees	193	156
Rental income	50	57
Service fees	167	204
<b>Total fees and charges</b>	410	417

#### 2.3 Grants

	2023	2022
	\$' 000	\$' 000
Grants received from South Australian Government entities	819	715
Contingency funding provided by the Department of Treasury and Finance	-	1,200
Funding allocated from the Jobs Economic Growth Fund	-	8,382
Australian Government sourced grants	270	270
Other	120	320
<b>Total grants</b>	1,209	10,887

#### 2.4 Recoveries

	2023	2022
	\$' 000	\$' 000
Defence Innovation Partnership recoveries	-	60
Other recoveries	46	104
<b>Total recoveries</b>	46	164

#### 2.5 Resources received free of charge

	2023	2022
	\$' 000	\$' 000
Services received free of charge from South Australian Government agencies	79	61
<b>Total resources received free of charge</b>	79	61

### **3 Advisory Board, Council and employees**

#### **3.1 Key management personnel**

Key management personnel of Defence SA include the Deputy Premier, the Chief Executive and members of the Executive Team who have the responsibility for the strategic direction and management of Defence SA.

Total compensation paid by Defence SA for key management personnel was \$1.459 million (\$1.679 million). The compensation disclosed in this note excludes salaries and other benefits the Deputy Premier receives. The Deputy 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*.

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

There were no transactions to disclose between Defence SA and any Key Management Personnel and their related parties.

#### **3.2 Advisory Board, Council members and employees**

##### **Defence SA Advisory Board**

The Defence SA Advisory Board (Board) plays a key role in guiding the state's defence industry strategy and provides high-level advice to the South Australian Government to promote the growth of the defence industry in South Australia.

The Board has a core skills base made up of strategic defence expertise and networking capability across the full range of defence capabilities and extensive knowledge of the tertiary education and research sector. Defence SA has recruited board members from Defence, defence industry and organisations involved in research providing unique skills and experience to facilitate industry engagement with a view to attracting major Defence projects to the State.

##### **Veterans Advisory Council**

The Veterans Advisory Council provides strategic and policy advice to the South Australian Government on behalf of the veteran's community, investigates matters referred by the Minister (who is responsible for Veterans' Affairs) for response on behalf of the veterans community and provides advice to the public on behalf of the Minister on veterans related events, programs, projects and funding opportunities. The Council is also responsible for providing recommendations to the Minister regarding the expenditure of annual grant funding for the Anzac Day Commemoration Fund. Appointments are made by the Premier based on an individual's experience and connection with the community of those who have served and their families.

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## DEFENCE SA

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### 3.2 Advisory Board and Council members (continued)

Members of the Defence SA Advisory Board during the financial year were:

ACM Sir A Houston AK AFC (Ret'd) (Chair) (retired 3 August 2022)  
Hon S Close MP Deputy Premier<sup>(1)</sup>  
VADM R Crane AO CSM RANR (Ret'd)  
S Ludlam FREng  
M Davis AM  
K Toohey AM CSC (appointed 12 May 2023)  
R Price<sup>(2)</sup>

Members of the Veterans Advisory Council during the financial year were:

COL R Manton (Ret'd) (Chair) (appointed 1 January 2023)  
M Van Hooff (deputy Chair) (appointed 1 January 2023)  
H Boswell (appointed 1 January 2023)  
C Cates  
T Cowell (appointed 1 January 2023)  
LTCOL B Denny AM BM (Ret'd) (appointed 1 January 2023)  
A Houthuysen (appointed 1 January 2023)  
N Klinge  
K Matthias (appointed 1 January 2023)  
K Smith (appointed 1 January 2023)  
M Thiele<sup>(3)</sup>  
C Tilley<sup>(2)</sup>  
AIRCDRE A Maso AM (appointed 30 January 2023) <sup>(4)</sup>  
CMDR E McDonald-Kerr ADC RAN <sup>(4)</sup>  
COL T Orders (appointed 30 January 2023) <sup>(4)</sup>  
LTCOL R Spackman (retired 31 December 2022)<sup>(4)</sup>  
COL S Neuhaus AM CSC (Ret'd) (Chair) (retired) (retired 30 June 2022)  
COL C Burns CSC (Rsv) (retired 31 December 2022)  
AIRCDRE M Forster CSM (Rsv) (retired 31 December 2022) <sup>(2)</sup>  
J Godwin (Deputy Chair) (retired 31 December 2022)  
J Hanrahan (retired 31 December 2022)  
MAJ S Heidenreich (Rsv) (retired 31 December 2022)  
F Lampard OAM (retired 31 December 2022) <sup>(3)</sup>  
J Milham (retired 31 December 2022)  
AIRCDRE R Bender (retired 31 December 2022) <sup>(4)</sup>

<sup>(1)</sup> The Deputy Premier the Hon Susan Close MP received no remuneration for board duties during the period.

<sup>(2)</sup> Pursuant to the Department of the Premier and Cabinet Circular PC016, government employees received no remuneration for board duties during the period.

<sup>(3)</sup> Elected to receive no remuneration for council duties during the period.

<sup>(4)</sup> Ex-Officio Australian Defence Force members received no remuneration for council duties during the period.

#### Advisory Board and Council remuneration

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

	2023	2022
	No.	No.
\$1 to \$19 999	12	9
\$20 000 to \$39 999	3	3
\$60 000 to \$79 999	-	1
<b>Total number of members</b>	<b>15</b>	<b>13</b>

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**DEFENCE SA**

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**3.2 Advisory Board and Council members (continued)**

Total remuneration received or receivable, by board and council members was \$115 000 (\$188 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

**3.3 Employee benefits expenses**

	2023	2022
	\$' 000	\$' 000
Salaries and wages	3,234	3,317
Long service leave	65	69
Annual leave	251	340
Skills and experience retention leave	14	13
Employment on-costs - superannuation <sup>(1)</sup>	385	369
Employment on-costs - other	202	207
Fees paid to Advisory Board and Council members (refer note 3.2)	102	171
Workers compensation	(25)	30
Other employee related expenses	55	30
<b>Total employee benefits expenses</b>	<u>4,283</u>	<u>4,546</u>

<sup>(1)</sup> The superannuation employment on-cost charge represents Defence SA's contribution to superannuation plans in respect of current services of current employees.

**Executive remuneration**

	2023	2022
	\$' 000	\$' 000
The number of employees whose remuneration received or receivable falls within the following bands:		
	No	No
\$157 001 to \$160 000	-	1
\$160 001 to \$180 000	2	2
\$200 001 to \$220 000	3	3
\$220 001 to \$240 000	1	1
\$240 001 to \$260 000	-	1
\$360 001 to \$380 000	1	1
<b>Total number of employees</b>	<u>7</u>	<u>9</u>

The total remuneration received by those employees for the year was \$1.600 million (\$2.000 million).

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 as well as any termination benefits for employees who have left Defence SA.

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**DEFENCE SA**

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**3.4 Employee benefits liability**

	<b>2023</b>	<b>2022</b>
	<b>\$' 000</b>	<b>\$' 000</b>
<b>Current</b>		
Accrued salaries and wages	-	(14)
Annual leave	231	296
Long service leave	316	306
Skills and experience retention leave	20	16
<b>Total current employee benefits liability</b>	<b>567</b>	<b>604</b>
<b>Non-current</b>		
Long service leave	201	223
<b>Total non-current employee benefits liability</b>	<b>201</b>	<b>223</b>
<b>Total employee benefits liability</b>	<b>768</b>	<b>827</b>

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid.

Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

**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. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are then applied to Defence SA's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of Defence SA. These assumptions affect the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased to 4.0% (3.5%).

The unconditional portion of the long service leave provision is classified as current as Defence SA does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 7 years of service.



## DEFENCE SA

### 4 Expenses

Employee benefits expenses are disclosed in note 3.3.

#### 4.1 Supplies and services

	2023 \$' 000	2022 \$' 000
Promotion and events	1,402	1,053
Contractors	2,056	2,531
Accommodation and service costs	300	281
Property	57	58
Provision of corporate services under Service Level Agreements	231	229
Travel and related expenses	316	122
Legal fees	21	15
Staff safety, development and recruitment	56	48
Service recoveries paid to South Australian Government entities	3	8
Other expenses	276	282
<b>Total supplies and services</b>	<b>4,718</b>	<b>4,627</b>

#### Accommodation

Defence SA's office accommodation is provided by the Department for Infrastructure and Transport under a Memorandum of Administrative Arrangement (MoAA), issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of leases set out in AASB 16.

#### 4.2 Depreciation

	2023 \$' 000	2022 \$' 000
Right of use buildings and improvements	453	454
Right of use vehicles	-	1
<b>Total depreciation</b>	<b>453</b>	<b>455</b>

All non-current assets, with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential (refer note 5.2).

#### 4.3 Grants and subsidies

	2023 \$' 000	2022 \$' 000
Industry development	796	1,103
Industry assistance	2,013	2,096
Research programs	911	1,411
Support for the Veterans community	435	512
Intra-government payments	234	961
<b>Total grants and subsidies</b>	<b>4,389</b>	<b>6,083</b>

#### 4.4 Interest on leases

	2023 \$' 000	2022 \$' 000
Buildings and improvements	35	39
<b>Total interest on leases</b>	<b>35</b>	<b>39</b>

#### 4.5 Other expenses

	2023 \$' 000	2022 \$' 000
Audit fees - Auditor General <sup>(2)</sup>	45	44
Internal audit	54	54
Other <sup>(1)</sup>	-	1,210
<b>Total other expenses</b>	<b>99</b>	<b>1,308</b>

<sup>(1)</sup>During 2021-22 Defence SA reimbursed \$1.200 million to Australian Naval Infrastructure Pty Ltd for remediation costs associated with land at Osborne in accordance with the Memorandum of Understanding.

<sup>(2)</sup>Other expenses include audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$45 000 (\$44 000). No other services were provided by the Auditor-General's Department.

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**DEFENCE SA**

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**5 Property, plant and equipment**

**5.1 Property, plant and equipment by asset class**

	2023	2022
	\$' 000	\$' 000
<b>Right of use assets</b>		
<b>Right of use buildings and improvements</b>		
Right of use buildings and improvements at cost	3,848	3,988
Accumulated depreciation at the end of the period	<u>(1,477)</u>	<u>(1,164)</u>
<b>Total right of use buildings and improvements</b>	<u>2,371</u>	<u>2,824</u>
<b>Total right of use assets</b>	<u>2,371</u>	<u>2,824</u>
<b>Leasehold improvements</b>		
Leasehold improvements at cost	884	884
Accumulated amortisation at the end of the period	<u>(884)</u>	<u>(884)</u>
<b>Total leasehold improvements</b>	<u>-</u>	<u>-</u>
<b>Plant and equipment</b>		
Plant and equipment at cost	14	14
Accumulated depreciation at the end of the period	<u>(14)</u>	<u>(14)</u>
<b>Total plant and equipment</b>	<u>-</u>	<u>-</u>
<b>Total property, plant and equipment</b>	<u>2,371</u>	<u>2,824</u>
Total property, plant and equipment at cost	4,746	4,886
Total accumulated depreciation/amortisation at the end of the period	<u>(2,375)</u>	<u>(2,062)</u>
<b>Total property, plant and equipment</b>	<u>2,371</u>	<u>2,824</u>
<b>Reconciliation 2022-23</b>		
	<b>Right of</b>	<b>Total</b>
	<b>use</b>	<b>assets</b>
Carrying amount at 1 July 2022	2,824	2,824
Depreciation <sup>(1)</sup> (refer note 4.2)	<u>(453)</u>	<u>(453)</u>
<b>Carrying amount at 30 June 2023</b>	<u>2,371</u>	<u>2,371</u>

**5.2 Useful life and depreciation**

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

Class of asset	Useful life (years)
Right of use buildings and improvements	2 - 10 (lease term)
Right of use vehicles	3 (lease term)
Leasehold improvements	8
Plant and equipment	4

**5.3 Property, plant and equipment owned by Defence SA**

Property, plant and equipment with a value equal to or in excess of \$15 000 is capitalised, otherwise it is expensed.

Property, plant and equipment, other than right-of-use assets are subsequently measured at fair value less accumulated depreciation.

Assets held by Defence SA have not been written down as they are of an immaterial value.

**Impairment**

Property, plant and equipment owned by Defence SA has not been assessed for impairment as they are non-cash generating assets, that are held for continual use of their service capacity.

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## DEFENCE SA

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### 5.4 Property, plant and equipment leased by Defence SA

Right-of-use assets for property, plant and equipment leased by Defence SA as lessee are measured at cost.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

Right of use assets are only revalued when there are significant variations to the leases to which they apply.

Defence SA has a limited number of leases consisting of:

- Office space within Lot Fourteen leased from Renewal SA. This space is utilised by the Space Innovation Precinct and the Defence and Space Landing Pad. The Space Innovation Precinct is occupied by the Australian Space Agency and other key space organisations. The Defence and Space Landing Pad provides a facility for international companies to explore the opportunity to establish operations in South Australia's thriving defence and space sectors.

Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4.

#### Impairment

Property, plant and equipment leased by Defence SA has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

## 6 Financial assets

### 6.1 Categorisation of financial assets

	Carrying amount 2023 \$' 000	Carrying amount 2022 \$' 000
<b>Financial assets</b>		
Cash	8,927	17,136
Receivables	389	351
<b>Total financial assets</b>	<b>9,316</b>	<b>17,487</b>

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

### 6.2 Cash

	2023 \$' 000	2022 \$' 000
<b>Deposits with the Treasurer</b>		
Defence SA operating account	5,529	13,738
Accrual Appropriation Excess Funds Account	3,398	3,398
<b>Total deposits with the Treasurer</b>	<b>8,927</b>	<b>17,136</b>

Although Defence SA controls the funds in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer. Defence SA does not earn interest on its deposits with the Treasurer.

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**DEFENCE SA**

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**6.3 Receivables**

	2023	2022
	\$' 000	\$' 000
<b>Current</b>		
<b>Trade receivables</b>		
From government entities	-	219
From non-government entities	389	351
<b>Total trade receivables</b>	<u>389</u>	<u>570</u>
<b>Statutory receivables</b>		
GST recoverable from the ATO	325	263
<b>Total statutory receivables</b>	<u>325</u>	<u>263</u>
Prepayments	103	77
<b>Total current receivables</b>	<u>817</u>	<u>910</u>

Receivables arise in the normal course of business. 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.

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

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Collectability of receivables is reviewed on an ongoing basis. Bad debts are written off when identified.

## DEFENCE SA

### 7 Liabilities

Employee benefits liabilities are disclosed in note 3.4.

#### 7.1 Categorisation of financial liabilities

	Carrying amount 2023 \$' 000	Carrying amount 2022 \$' 000
<b>Financial liabilities</b>		
Payables	247	291
Lease liabilities	2,551	2,974
<b>Total financial liabilities</b>	<u>2,798</u>	<u>3,265</u>

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

#### 7.2 Payables

	2023 \$' 000	2022 \$' 000
<b>Current</b>		
<b>Trade creditors and accrued expenses</b>		
To government entities	178	215
To non-government entities	247	291
<b>Total trade creditors and accrued expenses</b>	<u>425</u>	<u>506</u>
<b>Statutory payables</b>		
GST payable	61	60
Employment on-costs	122	100
<b>Total statutory payables</b>	<u>183</u>	<u>160</u>
<b>Total current payables</b>	<u>608</u>	<u>666</u>
<b>Non-current</b>		
<b>Statutory payables</b>		
Employment on-costs	14	15
<b>Total statutory payables</b>	<u>14</u>	<u>15</u>
<b>Total non-current payables</b>	<u>14</u>	<u>15</u>
<b>Total payables</b>	<u>622</u>	<u>681</u>

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

Statutory payables do not arise from contracts.

#### Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

Defence SA contributes to 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 these superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed at 43% (42%) and the average factor for the calculation of employer superannuation cost on-cost has increased to 11.1% (10.6%). These rates are used in the employment on-cost calculation. The net financial effect of the change in the current financial year is a decrease in the employment on-cost of \$16,000 and employee benefits of \$16,000. The impact on future periods is impracticable to estimate.

## DEFENCE SA

### 7.3 Lease liabilities

	2023 \$' 000	2022 \$' 000
<b>Current</b>		
Buildings and improvements	392	423
<b>Total current leases</b>	<u>392</u>	<u>423</u>
<b>Non-current</b>		
Buildings and improvements	2,159	2,551
<b>Total non-current leases</b>	<u>2,159</u>	<u>2,551</u>
<b>Total leases</b>	<u>2,551</u>	<u>2,974</u>
<b>Movements in leases</b>		
<b>Carrying amount at the beginning of the period</b>	2,974	3,171
Additional leases recognised	-	245
Write downs	-	(26)
Lease repayments	(423)	(416)
<b>Carrying amount at the end of the period</b>	<u>2,551</u>	<u>2,974</u>

### 7.4 Unearned revenue

	2023 \$' 000	2022 \$' 000
<b>Current</b>		
Unearned revenue	291	345
<b>Total current unearned revenue</b>	<u>291</u>	<u>345</u>
<b>Total unearned revenue</b>	<u>291</u>	<u>345</u>

### 7.5 Provisions

	2023 \$' 000	2022 \$' 000
<b>Current</b>		
Provision for workers compensation	5	11
<b>Total current provisions</b>	<u>5</u>	<u>11</u>
<b>Non-current</b>		
Provision for workers compensation	15	34
<b>Total non-current provisions</b>	<u>15</u>	<u>34</u>
<b>Total provisions</b>	<u>20</u>	<u>45</u>
<b>Movements in provisions</b>		
<b>Carrying amount at the beginning of the period</b>	45	16
Additional provisions recognised	-	29
Reductions resulting from re-measurement	(25)	-
<b>Carrying amount at the end of the period</b>	<u>20</u>	<u>45</u>

A provision has been reported to reflect potential workers compensation claims.

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost for ongoing payments to employees as required under current legislation.

Defence SA is responsible for the payment of workers compensation claims.

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## DEFENCE SA

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### 8 Outlook

#### 8.1 Unrecognised contractual commitments

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

##### Expenditure commitments

	2023 \$' 000	2022 \$' 000
Within one year	8,764	13,068
Later than one year but no longer than five years	4,213	2,800
<b>Total expenditure commitments</b>	<b>12,977</b>	<b>15,868</b>

Defence SA's operating expenditure commitments are for agreements for:

- MoAA with the Department for Infrastructure and Transport for office accommodation
- Grant and fee for service contracts for defence and space industry development.

#### 8.2 Expected rental income

##### Operating lease maturity analysis

	2023 \$' 000	2022 \$' 000
Within one year	56	54
Later than one year but no longer than five years	307	235
Later than five years	29	158
<b>Total expected rental income</b>	<b>392</b>	<b>447</b>

Defence SA sub-lets a portion of the Space Innovation Precinct to the Australian Space Agency.

The maturity analysis above shows the undiscounted lease income receivable after the reporting date associated with this sub-lease. These amounts are not recognised as assets.

See note 5.4 for information about the right-of-use assets Defence SA leases out under operating lease.

#### 8.3 Contingent assets and contingent liabilities

Defence SA is not aware of any contingent assets or liabilities

#### 8.4 Events after the reporting period

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

There are no reportable events after the reporting period.

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**DEFENCE SA**

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**9 Administered item****9.1 ANZAC Day Commemoration Fund**

The ANZAC Day Commemoration Fund was established under the *ANZAC Day Commemoration Act 2005*. The object of the Act is to ensure that the contribution of all men and women who have served Australia in time of war or armed conflict, or in international peace-keeping operations, in which Australia has been involved, is recognised and commemorated in this State.

	2023 \$' 000	2022 \$' 000
<b>Income</b>		
Grants	100	100
<b>Total income</b>	<u>100</u>	<u>100</u>
<b>Expenses</b>		
Grants and subsidies	100	82
<b>Total expenses</b>	<u>100</u>	<u>82</u>
<b>Net result</b>	<u>-</u>	<u>18</u>
<b>Current assets</b>		
Cash	97	95
<b>Total current assets</b>	<u>97</u>	<u>95</u>
<b>Current liabilities</b>		
Payables	2	-
<b>Total current liabilities</b>	<u>2</u>	<u>-</u>
<b>Net assets</b>	<u>95</u>	<u>95</u>
<b>Equity</b>		
Retained earnings	95	95
<b>Total equity</b>	<u>95</u>	<u>95</u>