

OFFICIAL



**Government
of South Australia
VETERANS SA
2023-24 Annual Report**

VETERANS SA

Level 4, 151 Pirie Street, Adelaide

[www.veteranssa@sa.gov.au](mailto:veteranssa@sa.gov.au)

Contact phone number: +61 8 8463 7140

Contact email: veteranssa@sa.gov.au

ISSN: 1836-1838

Date presented to Minister: 30 September 2024

OFFICIAL

OFFICIAL

2023-24 ANNUAL REPORT for Veterans SA

To:

Hon. Joe Szakacs MP

Minister for Veterans' Affairs

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009* and *Public Finance and Audit Act 1987* 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:



Bianca Wheeler

Director, Veterans SA

30 September 2024



Matt Opie

Chief Executive, Defence SA

30 September 2024

From the Director



I joined Veterans SA on 15 July 2024 and am thrilled to be leading a portfolio that has continued to deliver on its commitment to empower community, promote inclusion, and honour service of South Australian veterans. The team have developed and implemented many innovative initiatives focused on meeting the unique needs of the South Australian veteran community and positioning us for future success.

Veterans SA is proud to have commenced several initiatives this year, some of which are firsts for the state and even the nation, delivering significant impact for our veteran community.

One specific pilot launched in May 2024 was the Veterans SA Tertiary Scholarship Program which was developed in response to community feedback about the financial barriers to higher education faced by former serving Australian Defence Force (ADF) members and partners.

To further enhance the employment outcomes of veterans and their families and critical to the state's economic prosperity, Veterans SA established the SA Veterans Employer Network.

South Australia became the first state to honour current and former ADF families with an official day of recognition on 15 May – Veterans' Families Day. War Widows Day was also introduced and will be observed on 19 October each year to recognise the resilience and enduring sacrifice of Australian War Widows.

At Veterans SA we are committed to delivering programs and supporting initiatives that make a difference. By tackling financial barriers to education, enhancing employment opportunities, and recognising the sacrifices of veterans and their families, Veterans SA is not only fostering a supportive environment but also paving the way for a brighter future for all South Australian veterans.

As we look ahead, we remain committed to evolving and adapting our efforts to meet the ever-changing needs of our veteran community, ensuring that their service and sacrifices are honoured and supported in meaningful ways.

A handwritten signature in black ink, appearing to read 'Bianca Wheeler'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Bianca Wheeler
Director
Veterans SA

From the Chief Executive



Veterans SA is part of the structure of Defence SA, South Australia's lead government agency for all defence matters.

Our role includes developing the economic prosperity of the defence and space sectors in South Australia.

We believe that supporting our veteran community is as important as supporting defence industry, which is why Veterans SA is an integral part of Defence SA.

By supporting both, we can ensure we remain the Defence State, enable our veterans and their families prosper, while also commemorating our fallen.

I congratulate the Veterans SA team on their good work.

A handwritten signature in black ink, appearing to read 'Matt Opie', with a stylized flourish at the end.

Matt Opie
Chief Executive
Defence SA

Contents

Overview: About Veterans SA..... 6

 Our strategic focus..... 6

 Our organisational structure..... 7

 Changes to Veterans SA..... 7

 Our Minister 7

 Our Executive team 8

 Legislation administered by Veterans SA 8

Veterans SA’s performance 9

 Performance at a glance 9

 Veterans SA specific objectives and performance 9

 Corporate performance summary 13

 Employment opportunity programs 13

 Agency performance management and development systems..... 13

 Work health, safety and return to work programs 14

 Executive employment in the agency..... 15

Financial performance 16

 Financial performance at a glance 16

 Consultants’ disclosure 16

 Contractors’ disclosure 17

 Other financial information 18

Risk management..... 19

 Fraud detected in the agency..... 19

 Strategies implemented to control and prevent fraud..... 19

 Public interest disclosure 19

Reporting required under any other act or regulation 20

 Reporting required under the *Carers’ Recognition Act 2005*..... 20

Public complaints..... 21

 Number of public complaints reported 21

 Additional Metrics..... 22

 Service Improvements 23

 Compliance Statement..... 23

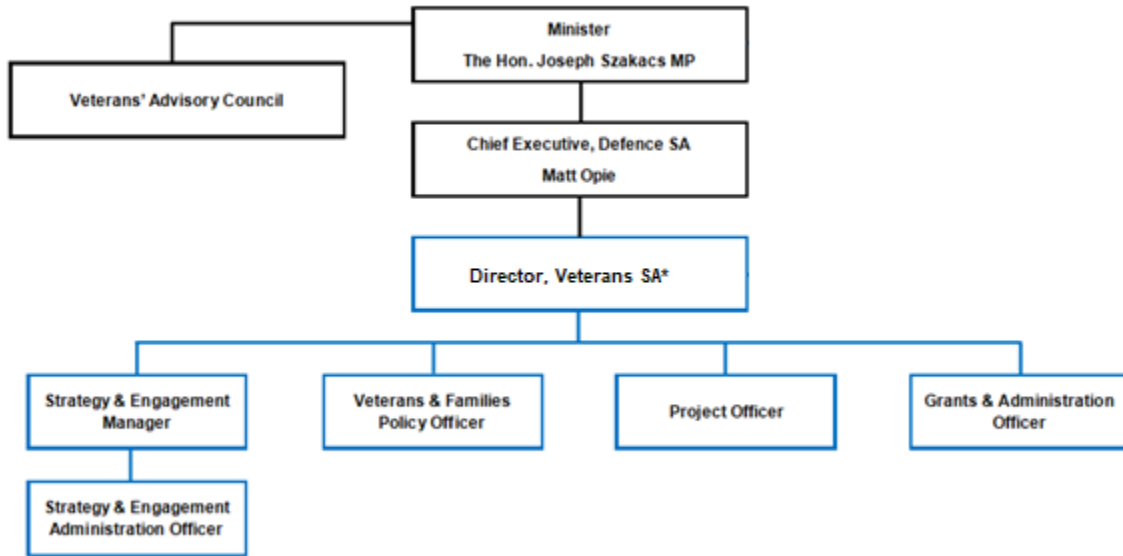
Appendix: Audited financial statements 2023-24..... 24

Overview: About Veterans SA

Our strategic focus

<p>Our Purpose</p>	<p>Veterans SA works with state, national and community partners to support current and former 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.</p>
<p>Our Vision</p>	<p>A strong, vibrant, well supported and represented veteran community, inclusive of all generations, that is understood and appropriately acknowledged by all South Australians.</p>
<p>Our Values</p>	<p>To uphold the provisions of South Australia’s Charter for Veterans by ensuring the needs of veterans, government and the wider South Australian community are met. This is achieved by providing expert advice on veterans’ affairs and influencing government decision-making to ensure that the veteran community is well represented in South Australia.</p>
<p>Our functions, objectives and deliverables</p>	<ul style="list-style-type: none"> • To inform government decision-making at all levels on policy development with respect to the relevance and delivery of services to the veteran community. • To be first with expert advice on veterans’ affairs to government and to position government to provide relevant high-level services. • To support the sustainability, resilience and advancement of the veteran community. • To support the veteran community in delivering commemorative events that 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.

Our organisational structure



**Acting arrangements were in place 11 May 2024 – 14 July 2024.*

Changes to Veterans SA

During 2023-24 there were no changes to Veterans SA’s structure and objectives as a result of internal reviews or machinery of government changes.

Following the resignation of Chantel Bohan on in April 2024, Rebecca Van Reesema was acting the Director Veterans SA role from 11 May 2024 – 14 July 2024. Bianca Wheeler commenced as the Director Veterans SA on 15 July 2024.

Our Minister



The Hon. Joseph Szakacs MP is the Minister for Veterans’ Affairs.

Minister Szakacs also oversees the Trade and Investment and Local Government portfolios and is the Member for Cheltenham.

Our Executive team

Bianca Wheeler, Director



Bianca Wheeler 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 Veterans SA

Veterans SA administers the *ANZAC Day Commemoration Act 2005*

Veterans SA's performance

Performance at a glance

- Successfully launched the Veterans SA Tertiary Scholarship Program in May 2024 with \$50,000 available to eligible former serving Australian Defence Force (ADF) members and partners to assist with the financial barriers to higher education.
- Provided \$100,000 in grant funding to progress academic research on topics of importance to the veteran community.
- Established and facilitated the SA Veteran Employer Network, which brings together employers with a genuine interest and commitment to improving employment outcomes for veterans and their partners, and aims to improve these outcomes via networking, candidate sharing, mentoring and guidance for other veteran employers.
- Established a partnership with Military and Emergency Services Health Australia (MESHHA) to meet the unique needs of Defence and veteran partners, through the adaptation and expansion of the MindRight and StoryRight Program workshops (for delivery in 2024-25).
- Delivered a regional outreach program across the Riverland, Gawler, Eyre Peninsula and Copper Coast including a successful 'Copper Coast Veterans' Forum'.
- Established a \$240,000 grant with the Port Adelaide Football Club's Australian Defence Force Veterans' Program to support the continuation and expansion of the program over the next four years.
- Delivered 10 grants totalling \$84,677 to the South Australian community from the Anzac Day Commemoration Fund.
- Delivered 14 grants totalling \$12,965 to South Australian organisations to support the delivery of commemorative services under the Veterans SA Commemorative Services Grant Fund.
- Delivered seven grants totalling \$23,624 to support increased capacity and capability of South Australian ex-service organisations through the Veterans SA Capacity Building Grant Fund.
- Continued administrative and secretariat support for the Veterans Advisory Council.

Veterans SA specific objectives and performance

Veterans SA collaborates across the South Australian Government to ensure policy and delivery agencies consider the opportunities and implications for veterans and their families and incorporate beneficial approaches 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 advocated for the unique needs of the veteran community through participation in the statewide concessions working group chaired by Concessions SA. Veterans SA also advocated for the needs of military children and families within the education system upon relocation to South Australia on military postings. Understanding the impacts of relocation on the educational outcomes for military children remains a high priority for the agency. It is supporting the growth of knowledge in this area through the allocation of research funding.

Veterans SA'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 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.

Objectives	Indicators	Performance
<p>Empowering Community</p>	<p>Create the space to encourage a forward-aspiring community that harnesses shared experience to advocate for better outcomes for veterans and their families.</p>	<p>Successfully piloted the Veterans SA Tertiary Scholarship Program in May 2024 with \$50,000 available to eligible former serving Australian Defence Force (ADF) members and partners to assist with the financial barriers to higher education.</p> <p>Delivered a second Veterans SA Career & Business Mentoring Program, and commenced a third program, to support the professional development of current and former serving ADF members and Defence spouses.</p> <p>The 2023 program included 17 individuals from the veteran community who were strategically paired with South Australian business leaders, fostering a mentorship that aimed to unlock potential, build confidence, and support career and business development goals.</p> <p>The 2023 program marked a significant milestone by including three Defence partners, recognising the importance of supporting entire Defence families.</p> <p>Outcomes of the program include participants going on to secure meaningful employment, seek new opportunities within the workplace and bring business ideas to life.</p> <p>Established the SA Veteran Employer Network, to connect employers who understand the value of veteran and Defence spouse experience in the workplace, as well as connect candidates with genuine employers. Veterans SA successfully recruited 29 member companies to the network. The first Member-Candidate event in April 2024 attracted approximately 40 candidates seeking to engage with members of the network.</p> <p>Employment outcomes will be measured 12 months after launch of the program (December 2024/January 2025)</p>

<p>Promoting Inclusion</p>	<p>Engage with the South Australian community to raise awareness that those who serve, and their families, actively contribute to the benefit of the community.</p>	<p>Provided a \$240,000 funding boost to support the Port Adelaide Australian Defence Force Veterans' Program, giving veterans the opportunity to discuss transition, goal setting, mental health, leadership and more.</p> <p>Delivered a regional outreach program across the Riverland, Gawler, Eyre Peninsula and Copper Coast including a successful 'Copper Coast Veterans' Forum'.</p>
<p>Data Informed Policy Best Practice</p>	<p>Commit to the ongoing pursuit of data relevant to the veteran population to help further inform evidence-based strategic priorities and policy development across government.</p>	<p>Represented the unique needs of the veteran community via representation on the State Government Concessions Working Group.</p> <p>Provided input to the Commonwealth, State, and Territory Committee policy initiatives for the DVA Psychiatric Assistance Dog Program.</p>
<p>Honouring Service</p>	<p>Empower the South Australian community to honour the service and sacrifice of service women and men and the families who support them.</p>	<p>Acknowledged 50 years since the end of Australia's involvement in the Vietnam War and shared the stories of those local members of the veteran community connected to the conflict.</p> <p>For the first time, recognised the resilience and enduring sacrifice of Australian War Widows, through the introduction of War Widows' Day.</p> <p>Supported the delivery of events to commemorate Anzac Day and other dates of significance through the Anzac Day Commemoration Fund and Commemorative Services Grants.</p> <p>Supported the growth and resilience of organisations that support veterans and their families through the Capacity Building Grant Fund.</p>

Corporate performance summary

Veterans SA was established in 2008 and sits within the South Australian Government agency, Defence SA. The activities of Veterans SA are entirely funded from appropriation or other internal South Australian Government contributions.

Employment opportunity programs

Program name	Performance
Nil	Nil

Agency performance management and development systems

Performance management and development system	Performance
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 30 June 2024, 100% of non-executive staff had completed a half-yearly and an annual review.
Director Performance Agreement	Acting arrangements were in place for the Director Veterans SA role for approximately 2 months from 11 May to 14 July 2024. The Acting Director completed a performance and development review with the Defence SA Chief Executive on 25 June 2023. The Director position was filled and commenced on 15 July 2024.

Work health, safety and return to work programs

Program name	Performance
First Aid	Veterans SA is co-located with Defence SA which has three qualified First Aid Officers who have completed accredited training.
Mental Health First Aid	<p>Veterans SA is co-located with Defence SA which has Mental Health First Aid Officers who have completed accredited training.</p> <p>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.</p>

Workplace injury claims	2023-24	2022-23	% Change (+ / -)
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)*

Work health and safety regulations	2023-24	2022-23	% Change (+ / -)
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%

Return to work costs**	2023-24	2022-23	% Change (+ / -)
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: [Work health and safety/return to work performance 2022-23 - Dataset - data.sa.gov.au](https://data.sa.gov.au/work-health-and-safety/return-to-work-performance-2022-23)

Executive employment in the agency

Executive classification	Number of executives
N/A 2023-24	0

Data for previous years is available at: [Work health and safety/return to work performance 2022-23 - Dataset - data.sa.gov.au](https://data.sa.gov.au/work-health-and-safety/return-to-work-performance-2022-23)

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 summary of the overall financial position of Veterans SA extracted from Defence SA's financial statements for 2023-24. The information is unaudited.

Note that Veterans SA sits within Defence SA so reference can be made to the Defence SA Annual Report for 2023-24 for full data sets and data from previous years.

Statement of Comprehensive Income	2023-24 Budget \$000s	2023-24 Actual \$000s	Variation \$000s	2022-23 Actual \$000s
Total Income	\$26	\$25	\$(1)	\$34
Total Expenses	\$2,563	\$1,671	\$892	\$1,427
Net Result	\$(2,537)	\$(1,646)	\$891	\$(1,393)
Total Comprehensive Result	\$(2,537)	\$(1,646)	\$891	\$(1,393)

Statement of Financial Position	2023-24 Actual \$000s	2022-23 Actual \$000s
Current assets	\$127	\$22
Non-current assets	\$0	\$0
Total assets	\$127	\$22
Current liabilities	\$231	\$107
Non-current liabilities	\$31	\$35
Total liabilities	\$262	\$142
Net assets	\$(135)	\$(120)

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
Nil	N/A	\$ Nil

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

Consultancies	Purpose	\$ Actual payment
Nil	N/A	\$ Nil
	Total	\$ Nil

Data for previous years is available at: [Consultants 2022-23 - Dataset - data.sa.gov.au](https://data.sa.gov.au)

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	\$7113.29

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

Contractors	Purpose	\$ Actual payment
Be Sustained	Facilitation of Career & Business Mentoring Program	\$50,500.00
Haymakr	Benchmarking research	\$11,000.00
Repat Foundation	Workshop facilitation	\$20,000.00
	Total	\$81,500.00

Data for previous years is available at: [Contractors 2022-23 - Dataset - data.sa.gov.au](https://data.sa.gov.au)

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*.

Statement of Comprehensive Income	2023-24 Budget \$000s	2023-24 Actual \$000s	Variation \$000s	2022-23 Actual \$000s
Total Income	\$100	\$100	\$-	\$100
Total Expenses	\$100	\$85	\$-	\$100
Net Result	\$-	\$15	\$-	\$-
Total Comprehensive Result	\$-	\$15	\$-	\$-

Statement of Financial Position	2023-24 Budget \$000s	2023-24 Actual \$000s	Variation \$000s	2023-24 Actual \$000s
Current assets	97	\$110	20	\$97
Total assets	\$97	\$110	20	\$97
Current liabilities	\$-	\$-	\$(2)	\$2
Total liabilities	\$-	\$-	\$(2)	\$2
Net assets	\$97	\$110	\$18	\$95
Equity	\$97	\$110	\$18	\$95

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 2023-24 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: [Fraud Detection 2022-23 - Dataset - data.sa.gov.au](https://data.sa.gov.au/data/dataset/fraud-detection-2021-22-defencesa)<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: [Whistle-blower Disclosure 2022-23 - Dataset - data.sa.gov.au](https://data.sa.gov.au)

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

Complaint categories	Sub-categories	Example	Number of Complaints 2023-24
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 unreasonable or disadvantages customer	Nil

OFFICIAL

2023-24 ANNUAL REPORT for Veterans SA

Complaint categories	Sub-categories	Example	Number of Complaints 2023-24
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
		Total	Nil

Additional Metrics	Total
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: [Public Complaints 2022-23 - Dataset - data.sa.gov.au](https://data.sa.gov.au)

Service Improvements

N/A

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 2023-24

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Audit Office of South Australia

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

**To the Chief Executive
Defence SA**

Opinion

I have audited the financial report of Defence SA for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of Defence SA as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- 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 Australian Accounting Standards – Simplified Disclosures, 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 that 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 2024.

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 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)

26 September 2024

DEFENCE SA

Certification of the Financial Statements

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.



Matt Opie
Chief Executive

25 September 2024



Peter Murdock
Director Finance and Systems

25 September 2024

DEFENCE SA

STATEMENT OF COMPREHENSIVE INCOME**for the year ended 30 June 2024**

	Note	2024 \$' 000	2023 \$' 000
Income			
Appropriation	2.1	17,457	13,055
Fees and charges	2.2	395	410
Grants	2.3	639	1,209
Recoveries	2.4	-	46
Resources received free of charge	2.5	103	79
Other income	2.6	20	-
Total income		<u>18,614</u>	<u>14,799</u>
Expenses			
Employee related expenses	3.3	4,570	4,283
Supplies and services	4.1	4,444	4,718
Depreciation	4.2	465	453
Grants and subsidies	4.3	3,618	4,389
Interest on leases	4.4	37	35
Resources received free of charge	2.5	103	79
Cash alignment transfers to Consolidated Account	1.3	682	8,878
Other expenses	4.5	110	99
Total expenses		<u>14,029</u>	<u>22,934</u>
Net result		<u>4,585</u>	<u>(8,135)</u>
Total comprehensive result		<u>4,585</u>	<u>(8,135)</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.

DEFENCE SA

STATEMENT OF FINANCIAL POSITION**as at 30 June 2024**

	Note	2024 \$' 000	2023 \$' 000
Current assets			
Cash	6.2	14,250	8,927
Receivables	6.3	1,082	817
Total current assets		<u>15,332</u>	<u>9,744</u>
Non-current assets			
Property, plant and equipment	5.1	2,182	2,371
Total non-current assets		<u>2,182</u>	<u>2,371</u>
Total assets		<u>17,514</u>	<u>12,115</u>
Current liabilities			
Payables	7.2	1,086	486
Lease liabilities	7.3	471	392
Unearned revenue	7.4	659	291
Employee related liabilities	3.4	688	689
Provisions	7.5	5	5
Total current liabilities		<u>2,909</u>	<u>1,863</u>
Non-current liabilities			
Lease liabilities	7.3	1,912	2,159
Employee related liabilities	3.4	216	215
Provisions	7.5	29	15
Total non-current liabilities		<u>2,157</u>	<u>2,389</u>
Total liabilities		<u>5,066</u>	<u>4,252</u>
Net assets		<u>12,448</u>	<u>7,863</u>
Equity			
Retained earnings		12,448	7,863
Total equity		<u>12,448</u>	<u>7,863</u>

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

DEFENCE SA

STATEMENT OF CHANGES IN EQUITY**for the year ended 30 June 2024**

	Retained earnings \$' 000	Total equity \$' 000
Balance at 1 July 2022	15,998	15,998
Total comprehensive result for 2022-23	(8,135)	(8,135)
Balance at 30 June 2023	7,863	7,863
Total comprehensive result for 2023-24	4,585	4,585
Balance at 30 June 2024	12,448	12,448

The accompanying notes form part of these financial statements.

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

DEFENCE SA

STATEMENT OF CASH FLOWSfor the year ended 30 June 2024

	Note	2024 \$' 000	2023 \$' 000
Cash flows from operating activities			
Cash inflows			
Appropriation		17,457	13,055
Fees and charges		495	393
Grants		708	1,520
Recoveries		-	51
GST recovered from the ATO		796	715
Other receipts		14	15
Cash generated from operations		<u>19,470</u>	<u>15,749</u>
Cash outflows			
Employee related payments		(4,550)	(4,349)
Payments for supplies and services		(5,012)	(5,236)
Payments of grants and subsidies		(3,372)	(4,967)
Interest payments on leases		(41)	(38)
Cash alignment transfers to Consolidated Account		(682)	(8,878)
Other payments		-	(15)
Cash used in operations		<u>(13,657)</u>	<u>(23,483)</u>
Net cash provided by/(used in) operating activities		<u>5,813</u>	<u>(7,734)</u>
Cash flows from financing activities			
Cash outflows			
Payment of principal portion of lease liabilities		(490)	(475)
Cash used in financing activities		<u>(490)</u>	<u>(475)</u>
Net cash used in financing activities		<u>(490)</u>	<u>(475)</u>
Net increase/(decrease) in cash		<u>5,323</u>	<u>(8,209)</u>
Cash at the beginning of the period		8,927	17,136
Cash at the end of the period	6.2	<u>14,250</u>	<u>8,927</u>

The accompanying notes form part of these financial statements.

DEFENCE SA

NOTE INDEX

	Note
About Defence SA	1
Basis of preparation	1.1
Objectives and programs	1.2
Budget performance	1.3
Income	2
Appropriation	2.1
Fees and charges	2.2
Grants	2.3
Recoveries	2.4
Resources received free of charge	2.5
Other Income	2.6
Advisory Board, Council and employees	3
Key management personnel	3.1
Advisory Board, Council and employees	3.2
Employee related expenses	3.3
Employee related liabilities	3.4
Expenses	4
Supplies and services	4.1
Depreciation	4.2
Grants and subsidies	4.3
Interest on leases	4.4
Other expenses	4.5
Property, plant and equipment	5
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
Financial assets	6
Categorisation of financial assets	6.1
Cash	6.2
Receivables	6.3
Liabilities	7
Categorisation of financial liabilities	7.1
Payables	7.2
Lease liabilities	7.3
Unearned revenue	7.4
Provisions	7.5
Outlook	8
Unrecognised commitments	8.1
Expected rental income	8.2
Contingent assets and contingent liabilities	8.3
Events after the reporting period	8.4
Administered Item	9
ANZAC Day Commemoration Fund	9.1

DEFENCE SA

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 applying simplified disclosures.

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 identified in the notes to the financial statements.

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. However, the GST components of cash flows arising from the investing and financing activities, are recoverable from, or payable to the ATO are classified as part of operating cash flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12 month 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 Government of South Australia. 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 Commonwealth 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 Commonwealth 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 (the emerging private space industry).

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, Defence Space Command and other key federal agencies to play a key role in the national space agenda.

Program 3 - Veterans SA

Veterans SA is dedicated to advocacy for current and former serving members of the Australian Defence Force and their families.

Veterans SA works across all levels of government, with private industry and with ex-service organisations and associations to advise, inform and educate on the unique nature of military service as it relates to uniformed members and their families, and provides information and guidance on the value and skills that this cohort of people can bring to the community.

Veterans SA engages and consults with individuals, Defence networks, ex-service organisations, civic groups and the wider community to learn the needs of the community and investigate potential ways in which government can assist in meeting those needs.

Veterans SA also plays a role in sharing information about services, supports, and programs that are available to veterans across South Australia, and provides advice to the Government of South Australia in relation to veterans' matters, as well as administering and distributing grant funds and providing secretariat support for the Minister's Veterans Advisory Council.

DEFENCE SA

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

for the year ended 30 June 2024

	Defence Industry Development		South Australian Space Industry Centre		Veterans SA		Not Attributed		Total Defence SA	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000	\$' 000
Income										
Appropriation	-	-	-	-	-	-	17,457	13,055	17,457	13,055
Fees and charges	314	291	81	119	-	-	-	-	395	410
Grants	414	475	200	700	25	34	-	-	639	1,209
Recoveries	-	2	-	44	-	-	-	-	-	46
Resources received free of charge	103	79	-	-	-	-	-	-	103	79
Other income	19	-	1	-	-	-	-	-	20	-
Total income	850	847	282	863	25	34	17,457	13,055	18,614	14,799
Expenses										
Employee related expenses	3,715	3,264	321	506	534	513	-	-	4,570	4,283
Supplies and services	2,172	2,600	1,710	1,739	562	379	-	-	4,444	4,718
Depreciation	104	93	361	360	-	-	-	-	465	453
Grants and subsidies	1,969	3,004	1,074	850	575	535	-	-	3,618	4,389
Interest on leases	7	-	30	35	-	-	-	-	37	35
Resources received free of charge	103	79	-	-	-	-	-	-	103	79
Cash alignment transfers to Consolidated Account	-	-	-	-	-	-	682	8,878	682	8,878
Other expenses	110	99	-	-	-	-	-	-	110	99
Total expenses	8,180	9,139	3,496	3,490	1,671	1,427	682	8,878	14,029	22,934
Net result	(7,330)	(8,292)	(3,214)	(2,627)	(1,646)	(1,393)	16,775	4,177	4,585	(8,135)

DEFENCE SA

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

as at 30 June 2024

	Defence Industry Development		South Australian Space Industry Centre		Veterans SA		Not Attributed		Total Defence SA	
	2024 \$' 000	2023 \$' 000	2024 \$' 000	2023 \$' 000	2024 \$' 000	2023 \$' 000	2024 \$' 000	2023 \$' 000	2024 \$' 000	2023 \$' 000
Assets										
Cash	-	-	-	-	50	-	14,200	8,927	14,250	8,927
Receivables	898	642	107	153	77	22	-	-	1,082	817
Property, plant and equipment	219	47	1,963	2,324	-	-	-	-	2,182	2,371
Total assets	1,117	689	2,070	2,477	127	22	14,200	8,927	17,514	12,115
Liabilities										
Payables	547	413	398	37	141	36	-	-	1,086	486
Lease liabilities	224	48	2,159	2,503	-	-	-	-	2,383	2,551
Unearned revenue	650	286	9	5	-	-	-	-	659	291
Employee related liabilities	752	741	31	57	121	106	-	-	904	904
Provisions	-	-	-	-	-	-	34	20	34	20
Total liabilities	2,173	1,488	2,597	2,602	262	142	34	20	5,066	4,252
Net assets	(1,056)	(799)	(527)	(125)	(135)	(120)	14,166	8,907	12,448	7,863

DEFENCE SA

1.3 Budget performance

The budget performance table compares Defence SA's outcomes to the budget information presented to Parliament (*2023-24 Budget Paper 4*). Appropriation reflects the appropriation issued to special deposit accounts [and deposit accounts] controlled by Defence SA. 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 2024 \$' 000	Actual 2024 \$' 000	Variance ⁽¹⁾ 2024 \$' 000
Income				
Appropriation	(a)	19,179	17,457	(1,722)
Fees and charges		339	395	56
Grants		396	639	243
Recoveries		-	-	-
Resources received free of charge		-	103	103
Other income		-	20	20
Total income		19,914	18,614	(1,300)
Expenses				
Employee related expenses		4,284	4,570	(286)
Supplies and services	(c)	6,823	4,444	2,379
Depreciation		361	465	(104)
Grants and subsidies	(b)	10,146	3,618	6,528
Interest on leases		30	37	(7)
Resources received free of charge		-	103	(103)
Cash alignment transfers to Consolidated Account	(d)	-	682	(682)
Other expenses		100	110	(10)
Total expenses		21,744	14,029	7,715
Net result		(1,830)	4,585	6,415
Total comprehensive result		(1,830)	4,585	6,415

⁽¹⁾ 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 (\$1.722) million appropriation variance reflects the reprofiling of space development projects to future years and the addition of two new workforce related projects.
- (b) The \$6.528 million grant expenditure variance is due to delays in achievement of program milestones by grant recipients.
- (c) The \$2.379 million supplies and services expenditure variance is due to the reprofiling of expenditure related to developing space projects to future years.
- (d) The (\$0.682) million variance was due to payments associated with the State Government Cash Alignment Policy, that were 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

	2024	2023
	\$' 000	\$' 000
Appropriation		
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act 2023</i>	17,457	13,055
Total appropriation	<u>17,457</u>	<u>13,055</u>

Appropriations are recognised on receipt.

2.2 Fees and charges

	2024	2023
	\$' 000	\$' 000
Event participation fees	174	193
Rental income	79	50
Service fees	142	167
Total fees and charges	<u>395</u>	<u>410</u>

2.3 Grants

	2024	2023
	\$' 000	\$' 000
Grants received from South Australian Government entities	228	819
Contingency funding provided by the Department of Treasury and Finance	21	-
Australian Government sourced grants	270	270
Other	120	120
Total grants	<u>639</u>	<u>1,209</u>

2.4 Recoveries

	2024	2023
	\$' 000	\$' 000
Other recoveries	-	46
Total recoveries	<u>-</u>	<u>46</u>

2.5 Resources received free of charge

	2024	2023
	\$' 000	\$' 000
Services received free of charge - Department Premier and Cabinet - ICT, Media	55	32
Services received free of charge - Shared Services SA	48	47
Total resources received free of charge	<u>103</u>	<u>79</u>

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

Defence SA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge. Some ICT and Media Monitoring services are also received from the Department of Premier and Cabinet. A corresponding expense is recognised in the financial statements.

2.6 Other income

	2024	2023
	\$' 000	\$' 000
Other income	20	-
Total other income	<u>20</u>	<u>-</u>

3 Advisory Board, Council and employees

3.1 Key management personnel

Key management personnel of Defence SA include the Treasurer, 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 \$1.471 million (\$1.459 million). The compensation disclosed in this note excludes salaries and other benefits the Treasurer receives. The Treasurer'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.

DEFENCE SA

3.2 Advisory Board and Council members (continued)

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

Hon S Close MP Deputy Premier⁽¹⁾ (retired 15 April 2024)
Hon S Mullighan MP Treasurer⁽¹⁾ (appointed 15 April 2024)
VADM R Crane AO CSM RANR (Ret'd)
S Ludlam FREng
M Davis AM
K Toohey AM CSC
C Roberts AO, CSC (appointed 27 March 2024)
R Price⁽²⁾ (retired 22 December 2023)
R Carruthers⁽²⁾ (appointed 27 December 2023, Retired 14 April 2024)
M Opie⁽²⁾ (Appointed 15 April 2024)

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

COL R Manton (Ret'd) (Chair) (retired 13 June 2024)
M Van Hooff (Acting Chair) (appointed 13 June 2024)
H Boswell
C Cates
T Cowell⁽³⁾
LTCOL B Denny AM BM (Ret'd)
A Houthuysen
N Klinge
K Matthias
K Smith
M Thiele OAM⁽³⁾
C Tilley⁽²⁾
AIRCDRE A Maso AM⁽⁴⁾
CMDR E McDonald-Kerr ADC RAN⁽⁴⁾ (retired 30 November 2023)
BRIG T Orders⁽⁴⁾
CMDR Tony Ryder ADC RAN⁽⁴⁾ (appointed 31 January 2024)

⁽¹⁾ The Treasurer the Hon Stephen Mullighan MP and Deputy Premier the Hon Susan Close MP received no remuneration for board duties during the period.

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

⁽³⁾ Elected to receive no remuneration for council duties during the period.

⁽⁴⁾ 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:

	2024	2023
	No.	No.
\$1 to \$19 999	10	12
\$20 000 to \$39 999	4	3
\$60 000 to \$79 999	-	-
Total number of members	14	15

Total remuneration received, or receivable by board and council members was \$154 000 (\$115 000).

Remuneration to members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

DEFENCE SA

3.3 Employee related expenses

	2024 \$' 000	2023 \$' 000
Salaries and wages	3,277	3,234
Long service leave	208	65
Annual leave	279	251
Skills and experience retention leave	11	14
Employment on-costs - superannuation ⁽¹⁾	405	385
Employment on-costs - other	213	202
Fees paid to Advisory Board and Council members (refer note 3.2)	138	102
Workers compensation	14	(25)
Other employee related expenses	25	55
Total employee related expenses	4,570	4,283

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

Employee remuneration

	2024 \$' 000	2023 \$' 000
The number of employees whose remuneration received, or receivable falls within the following bands:		
	No	No
\$160 001 to \$166 000*	n/a	-
\$166 001 to \$186 000	3	2
\$186 001 to \$206 000	2	-
\$206 001 to \$226 000	1	4
\$246 001 to \$266 000	1	-
\$286 001 to \$306 000	1	-
\$346 001 to \$366 000	-	1
Total number of employees	8	7

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2022-23.

The total remuneration received by those employees for the year was \$1.700 million (\$1.600 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.

DEFENCE SA

3.4 Employee related liabilities

	2024	2023
	\$' 000	\$' 000
Current		
Annual leave	198	231
Long service leave	352	316
Skills and experience retention leave	13	20
Employment on-cost	125	122
Total current employee related liabilities	688	689
Non-current		
Long service leave	201	201
Employment on-cost	15	14
Total non-current employee related liabilities	216	215
Total employee related liabilities	904	904

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

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 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. The discount rate is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased to 4.25% (4.0%).

This increase in the bond yield results in a decrease in the reported long service leave liability.

The current portion of employee related liabilities reflects the amount for which Defence SA does not have right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

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 incurred. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at the the 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 to 44% (43%) and the average factor for the calculation of employer superannuation cost on-cost has increased to rate 11.5% (11.1%). These rates are used in the employment on-cost calculation. The net financial effect of the change in the current financial year is an increase in the employment on-cost of \$26 000 and employee benefits of \$26 000. The impact on future periods is impracticable to estimate.

DEFENCE SA

4 Expenses

Employee related expenses are disclosed in note 3.3.

4.1 Supplies and services

	2024 \$' 000	2023 \$' 000
Promotion and events	1,401	1,402
Contractors	1,660	2,056
Accommodation and service costs	313	300
Property	75	57
Provision of corporate services under Service Level Agreements	231	231
Travel and related expenses	297	316
Legal fees	33	21
Staff safety, development and recruitment	130	56
Service recoveries paid to South Australian Government entities	11	3
Other expenses	293	276
Total supplies and services	4,444	4,718

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. An MoAA does not meet the definition of leases set out in AASB 16.

4.2 Depreciation

	2024 \$' 000	2023 \$' 000
Right of use buildings and improvements	465	453
Total depreciation	465	453

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

	2024 \$' 000	2023 \$' 000
Industry development	957	796
Industry assistance	-	2,013
Research programs	2,016	911
Support for the Veterans community	475	435
Intra-government payments	170	234
Total grants and subsidies	3,618	4,389

4.4 Interest on leases

	2024 \$' 000	2023 \$' 000
Buildings and improvements	37	35
Total interest on leases	37	35

4.5 Other expenses

	2024 \$' 000	2023 \$' 000
Audit fees - Audit Office of South Australia ⁽¹⁾	46	45
Internal audit	64	54
Total other expenses	110	99

⁽¹⁾Other expenses include audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

DEFENCE SA

5 Property, plant and equipment

5.1 Property, plant and equipment by asset class

	Right of use buildings and improvements \$' 000	Leasehold improvements \$' 000	Plant and equipment \$' 000	Total \$' 000
Gross carrying amount	3,879	884	14	4,777
Accumulated depreciation	(1,697)	(884)	(14)	(2,595)
Carrying amount	2,182	-	-	2,182
Reconciliation 2023-24				
Carrying amount at the beginning of the period	2,371	-	-	2,371
Acquisitions	276	-	-	276
Depreciation	(465)	-	-	(465)
Carrying amount at the end of the period	2,182	-	-	2,182

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)
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 immaterial value.

Impairment

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

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.

DEFENCE SA

6 Financial assets

6.1 Categorisation of financial assets

	Carrying amount 2024 \$' 000	Carrying amount 2023 \$' 000
Financial assets		
Cash	14,250	8,927
Receivables	700	389
Total financial assets	<u>14,950</u>	<u>9,316</u>

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

6.2 Cash

	2024 \$' 000	2023 \$' 000
Deposits with the Treasurer		
Defence SA operating account	10,802	5,529
Accrual Appropriation Excess Funds Account	3,398	3,398
Cash held in trust by Public Trustee	50	-
Total deposits with the Treasurer	<u>14,250</u>	<u>8,927</u>

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.

6.3 Receivables

	2024 \$' 000	2023 \$' 000
Current		
Trade receivables		
From non-government entities	700	389
Total trade receivables	<u>700</u>	<u>389</u>
Statutory receivables		
GST recoverable from the ATO	202	325
Total statutory receivables	<u>202</u>	<u>325</u>
Prepayments	180	103
Total current receivables	<u>1,082</u>	<u>817</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 related to taxes and equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables, 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 related liabilities are disclosed in note 3.4.

7.1 Categorisation of financial liabilities

	Carrying amount 2024 \$' 000	Carrying amount 2023 \$' 000
Financial liabilities		
Payables	910	247
Lease liabilities	2,383	2,551
Total financial liabilities	<u>3,293</u>	<u>2,798</u>

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

7.2 Payables

	2024 \$' 000	2023 \$' 000
Current		
Trade creditors and accrued expenses		
To government entities	48	133
To non-government entities	910	247
Total trade creditors and accrued expenses	<u>958</u>	<u>380</u>
Statutory payables		
Audit Office of SA fee	46	45
GST payable	82	61
Total statutory payables	<u>128</u>	<u>106</u>
Total current payables	<u>1,086</u>	<u>486</u>
Total payables	<u>1,086</u>	<u>486</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. Statutory payables include government taxes and equivalents, statutory fees and charges and Audit Office of South Australia audit fees. Statutory payables are carried at cost.

DEFENCE SA

7.3 Lease liabilities

	2024 \$' 000	2023 \$' 000
Current		
Buildings and improvements	471	392
Total current leases	<u>471</u>	<u>392</u>
Non-current		
Buildings and improvements	1,912	2,159
Total non-current leases	<u>1,912</u>	<u>2,159</u>
Total leases	<u>2,383</u>	<u>2,551</u>
Movements in leases		
Carrying amount at the beginning of the period	2,551	2,974
Additional leases recognised	276	-
Lease repayments	(444)	(423)
Carrying amount at the end of the period	<u>2,383</u>	<u>2,551</u>

7.4 Unearned revenue

	2024 \$' 000	2023 \$' 000
Current		
Unearned revenue	659	291
Total current unearned revenue	<u>659</u>	<u>291</u>
Total unearned revenue	<u>659</u>	<u>291</u>

7.5 Provisions

	2024 \$' 000	2023 \$' 000
Current		
Provision for workers compensation	5	5
Total current provisions	<u>5</u>	<u>5</u>
Non-current		
Provision for workers compensation	29	15
Total non-current provisions	<u>29</u>	<u>15</u>
Total provisions	<u>34</u>	<u>20</u>
Movements in provisions		
Carrying amount at the beginning of the period	20	45
Increases/(reductions) resulting from re-measurement	14	(25)
Carrying amount at the end of the period	<u>34</u>	<u>20</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 2024 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.

DEFENCE SA

8 Outlook

8.1 Unrecognised contractual commitments

Commitments arising from contractual sources are disclosed at their nominal value inclusive of non-recoverable GST.

Expenditure commitments

	2024 \$' 000	2023 \$' 000
Within one year	10,339	8,764
Later than one year but no longer than five years	2,412	4,213
Total expenditure commitments	12,751	12,977

Defence SA's operating expenditure commitments relate to agreements for:

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

8.2 Expected rental income

Operating lease maturity analysis

	2024 \$' 000	2023 \$' 000
Within one year	150	56
Later than one year but no longer than five years	416	307
Later than five years	29	29
Total expected rental income	595	392

Defence Landing Pad commenced 1 October 2019.

See note 5.4 for information about the right-of-use assets Defence SA sublets to defence and space related organisations.

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.

DEFENCE SA

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

The ANZAC Day Commemoration Fund was established under the *ANZAC Day Commemoration Act 2005*. The objective 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.

	2024	2023
	\$' 000	\$' 000
Income		
Grants	100	100
Total income	100	100
Expenses		
Grants and subsidies	85	100
Total expenses	85	100
Net result	15	-
Current assets		
Cash	110	97
Total current assets	110	97
Current liabilities		
Payables	-	2
Total current liabilities	-	2
Net assets	110	95
Equity		
Retained earnings	110	95
Total equity	110	95