

OFFICIAL



Government of South Australia

South Australian
Motor Sport Board

2023-24 Annual Report

SOUTH AUSTRALIAN MOTOR SPORT BOARD

Level 5, 182 Victoria Square, Adelaide 5000

www.adelaide500.com.au

Contact phone number: 08 8429 2500

Contact email: samsb@sa.gov.au

Date approved by the Board: 25 September 2024

Date presented to Minister: 30 September 2024

OFFICIAL

To:

Premier of South Australia

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *South Australian Motor Sport Act 1984*, *South Australian Motor Sport Regulations 2014* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the SOUTH AUSTRALIAN MOTOR SPORT BOARD by:

Andrew Daniels

Chair/Presiding Member

Date: 25 September 2024

Signature:



From the Presiding Member

The South Australian Motor Sport Board (SAMSB) was reformed in 2022.

In addition to the promotion of the annual Adelaide 500 event, the SAMSB, led by Chief Executive Mark Warren, has been charged with the responsibility of the ongoing safe and successful promotion and staging of the World Solar Challenge (a biennial event) and to manage the provision and acquittal of the Government's sponsorship of the Adelaide Motorsport Festival and the Adelaide Rally (both annual events promoted by Massive Events Pty Ltd).

The Government also relies on SAMSB advice in relation to other motorsport matters from time to time.

With the successful completion of the 2022 and 2023 Adelaide 500 events, as well as the 2023 World Solar Challenge, our focus now shifts to planning the long-term approach of the SAMSB and future events.

Funding Acquittals

Adelaide Motorsport Festival

The Adelaide Motorsport Festival was successfully held from 15-17 March 2024. The State Budget provided \$1.415 million in funding to hold the 2024 event.

Adelaide Rally

The Adelaide Rally is the only Tarmac Rally to operate in Australia and was successfully held from 16-19 November 2023. The State Budget provided \$500,000 in funding to hold the 2023 event.

Funding for both the Adelaide Motorsport Festival and Adelaide Rally events, conducted by Massive Events Group, is administered by the South Australian Motor Sport Board on behalf of government.

Our Events

Bridgestone World Solar Challenge

In 1982, solar pioneers Hans Tholstrup and Larry Perkins embarked on a quest that would see them drive a home-built solar car across Australia from west to east. Inspired by this achievement and his own pioneering vision, Hans urged others to explore the boundaries of sun-powered transport. And so the World Solar Challenge was born.

After a virtual event in 2021 due to the global COVID-19 pandemic, we were delighted that 38 teams from around the world took to the start line at State Square, Darwin on Sunday 22 October 2023, ready for the challenge of driving their solar powered vehicle from Darwin to Adelaide. As the world debates climate change and looks to find solutions to more sustainable mobility, these incredible young people are innovating and collaborating towards a better world.

Made possible with the support of Naming Rights Partner, Bridgestone Corporation, the event brings 1,200-1,500 of the world's brightest young minds to South Australia every second year, creating the opportunity for them to choose Adelaide as their future workplace with our burgeoning tech sectors in space, defence, and renewable energy.

The next iteration of this most compelling and significant innovation and engineering challenge will be held from 24-31 August 2025, with our aim to strengthen the reputation of South Australia as a leader in innovation, technology, sustainability, and renewable energy.

VAILO Adelaide 500

Building on the success of the 2022 VAILO Adelaide 500, the 2023 event exceeded all expectations on and off the track, recording an economic benefit of \$61.6 million, 18.8 percent higher than the 2022 event, which injected a record \$51.85 million into the economy.

A total of 260,700 patrons attended the event across the four days, with more than 3,000 students from 141 schools attending the Schools Day on Thursday 23 November, despite the inclement weather.

Race 27 on Saturday was won by Cam Waters, closely followed by David Reynolds and Thomas Randle – the first time we've had an all-Ford podium. Despite finishing fifth, Erebus Racing's Brodie KostECKi clinched his first Supercars Championship.

Race 28 on Sunday – the final Supercars race of the season - was won by NZ rookie Matt Payne, with last year's winner Broc Feeney 8 seconds adrift and David Reynolds closing out the top 3 in his last race for Penrite Racing. Erebus Racing were crowned Teams Champion and Brodie KostECKi added more silverware to the collection with the greatest number of Pole Positions for the 2023 season with 10 poles.

And who can forget the iconic performance from Robbie Williams, doing what he does best – entertaining the more than 35,000 fans at Sunday nights after race concert.

Rounding out the successes, the VAILO Adelaide 500 was awarded the Fans Favourite for the second year in a row at the Supercars Gala Dinner on Monday 27 November.

I'd like to thank the team at the South Australian Motor Sport Board for their continued efforts and look forward to a successful 2024!

Andrew Daniels
Presiding Member
South Australian Motor Sport Board

Contents

Overview: about the agency	6
Our Strategic Focus	6
Our Board	6
Changes to the agency	7
Our Minister	7
Our Executive Team	7
Our Structure	8
Legislation administered by the agency	8
The agency's performance	9
Performance at a glance	9
Agency specific objectives and performance	9
Corporate performance summary	10
Agency performance management and development systems	10
Work health, safety and return to work programs	11
Executive employment in the agency	12
Financial performance	13
Financial performance at a glance	13
Consultants disclosure	14
Contractors disclosure	14
Risk Management	16
Risk and audit at a glance	16
Fraud detected in the agency	16
Strategies implemented to control and prevent fraud	16
Public interest disclosure	16
Reporting required under any other act or regulation	17
Public complaints	18
Number of public complaints reported	18
Additional Metrics (from post VA500 event feedback)	19
Service Improvements	20
Compliance Statement	20
Appendix: Audited financial statements 2023-24	21

Overview: about the agency

Our Strategic Focus

The South Australian Motor Sport Board (SAMSB) is a statutory authority, established on 8 September 2022 pursuant to the *South Australian Motor Sport Act (SA) 1984*.

The Chief Executive was designated Employing Authority at that time.

The Board's responsibilities are to manage and drive national and international awareness of motorsport events in South Australia, as well as attracting motorsport events to our State.

We have been charged with providing opportunities to promote the local economy by prioritising South Australian businesses to showcase their products and to ensure that local suppliers are prioritised for local events.

The key objectives and measures of success for the SAMSB for 2023 were:

- the safe and on-time promotion and delivery of the 2023 World Solar Challenge event, held from 22-29 October;
- the safe and on-time promotion, construction & staging of the 2023 Adelaide 500 event, held from 23-26 November;
- providing an increased economic benefit to the State for both events.

Our Board



Andrew Daniels
Presiding Member/Chair



Carolyn Mitchell
Deputy Presiding Member/Deputy Chair



Lisa Bishop
Member
Chair, Finance Risk & Audit Committee
(half year)



Anna Hurley
Member



Ish Davies
Member



Jamie McClurg
Member



Martin Haese
Member



Mark Phelps
Member
Chair, Finance Risk & Audit Committee
(half year)



Michael Masi
Member

Changes to the agency

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

Our Minister

Hon Peter Malinauskas MP, Premier of South Australia

Our Executive Team

Mark Warren, Chief Executive

Melissa Mailler, Executive Relations & Engagement Manager | Board Secretary

Rebecca Lawson, Commercial Manager

Andrew Fotheringham, Head of Marketing

Liam Curkpatrick, Motorsport Manager

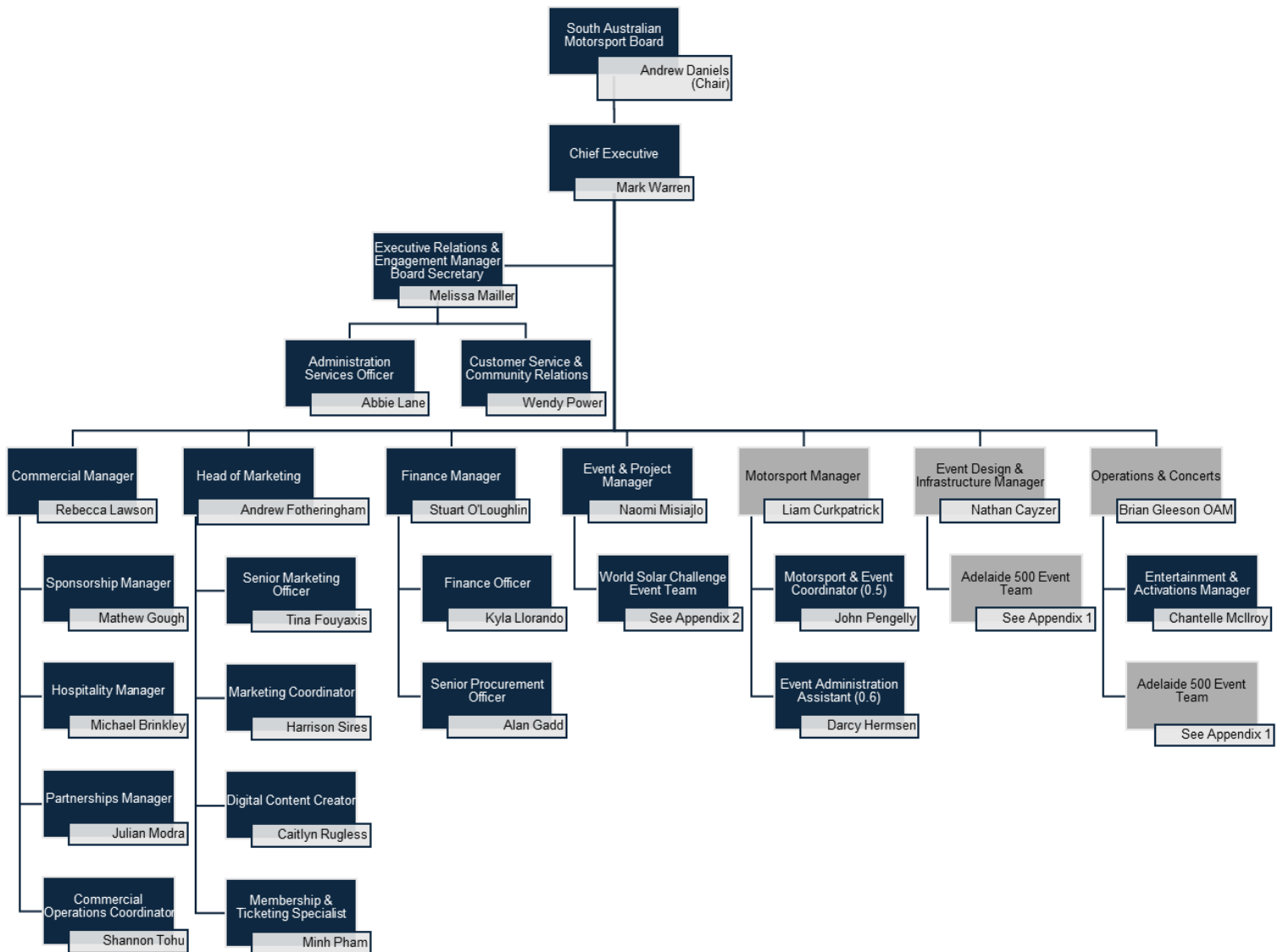
Stuart O'Loughlin, Finance Manager

Nathan Cayzer, Event Design & Infrastructure, Adelaide 500

Brian Gleeson, Operations and Concerts, Adelaide 500

Naomi Misiajlo, Event & Project Manager

Our Structure



Legislation administered by the agency

South Australian Motor Sport Act 1984

South Australian Motor Sport Regulations 2014

South Australian Motor Sport (Miscellaneous) Amendment Act 2022

The agency's performance

Performance at a glance

There were ten meetings of the South Australian Motor Sport Board held from 1 July 2023 to 30 June 2024, with attendances as follows:

Board Member	Position	Meetings Attended
Andrew Daniels	Presiding Member/Chair	10
Carolyn Mitchell	Deputy Presiding Member/Deputy Chair	9
Lisa Bishop	Member	10
Ish Davies	Member	8
Martin Haese	Member	7
Anna Hurley	Member	10
Michael Masi	Member	9
Jamieson McClurg	Member	8
Mark Phelps	Member	10

Agency specific objectives and performance

The South Australian Motor Sport Board is a statutory authority, established on 8 September 2022 pursuant to the *South Australian Motor Sport Act 1984*, for the purpose of fulfilling an election commitment of the new government in bringing back and staging the Adelaide 500 on the streets of Adelaide in December 2022.

The Board's mission is to identify, manage and promote motor sport events, including the Adelaide 500 and World Solar Challenge, and establish a motor racing circuit on a temporary basis.

Corporate performance summary

Under S27d (1) of the *South Australian Motor Sport Act 1984* the Board must, in relation to each motor sport event promoted by the Board, or in relation to which the Board performs functions under this Act, prepare and provide to the Minister a report setting out:

- a) The total attendance at the motor sport event; and
- b) Any other information required by the Regulations.

The information as provided to the Premier, as Minister, is set out below.

The 2023 Adelaide 500 event was held from 23-26 November 2023.

The total attendance over the four days of the 2023 VAILO Adelaide 500 event was estimated to be 260,700, an increase of 2,500 patrons on the 2022 event.

This information was provided to the Premier on 22 February 2024 in accordance with the Regulations.

There is no further information required by the Regulations.

Agency performance management and development systems

Performance management and development system	Performance
Six monthly reviews	All staff undertake six monthly reviews and regular informal and formal feedback
Post-performance review training plans	Through the review process, and throughout the year, staff can discuss appropriate internal and external training opportunities

Work health, safety and return to work programs

Program name	Performance
First Aid	There is one First Aider in the organisation, as well as one Fire Warden There is also one Mental Health First Aid employee in the organisation.
Online WHS training	All staff are inducted with DPC workplace WHS and government requirements.
Event Safety	All event staff are inducted with relevant WHS requirements. External contractors are engaged to provide First Aid and Emergency Services Support for SAMSB run events. An external Safety Consultant is engaged by SAMSB to ensure compliance with all relevant legislation

Workplace injury claims	Current year 2023-24	Past year 2022-23
Total new workplace injury claims	1	0
Fatalities	0	0
Seriously injured workers*	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	1	0

**number of claimants assessed during the reporting period as having a whole person impairment meeting the relevant threshold under the Return to Work Act 2014 (Part 2 Division 5)*

Work health and safety regulations	Current year 2023-24	Past year 2022-23
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	1	0
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0

Return to work costs**	Current year 2023-24	Past year 2022-23
Total gross workers compensation expenditure (\$)	\$3,237	0
Income support payments – gross (\$)	\$8,445	0

***before third party recovery*

Data for previous years is not available as SAMSB were only gazetted on 8 September 2022.

Executive employment in the agency

Executive classification	Number of executives
South Australian Executive Service (SAES)	2

Mark Warren was designated the Chief Executive of the South Australian Motor Sport Board and was proclaimed as the employing authority on gazettal of the Board on 8 September 2022.

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

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the South Australian Motor Sport Board. The information is unaudited. Full audited financial statements for 2023-24 are attached to this report.

The South Australian Motor Sport Board has been classified as a Public Non-Financial Corporation (PNFC). Appropriation is paid to the Department of the Premier and Cabinet (DPC) and transferred to the Board.

SA Government grants, subsidies and transfers are recognised as income on receipt. SA Government grants, subsidies and transfers comprised of \$22.559 million funding from DPC Administered Items and \$4 million from the Major Events Fund.

Statement of Comprehensive Income	2023-24 Budget \$000s	2023-24 Actual \$000s	Variation \$000s	2022-23 Actual \$000s
Total Income	43,922	46,924	3,002	55,534
Total Expenses	40,922	47,894	-6,972	50,240
Net Result	3,000	-970	-3,970	5,294
Total Comprehensive Result	3,000	16,181	13,181	6,965

The net result is \$13.181 million favourable when compared with the 2023-24 original budget, primarily due to a revaluation surplus partially offset by expenditure during the year relating to Adelaide 500 circuit construction and civil works carried over from previous year.

The 2023-24 budget surplus of \$3 million relates to capital expenditure that does not form part of budget expenditure.

Statement of Financial Position	2023-24 Budget \$000s	2023-24 Actual \$000s	Variation \$000s	2022-23 Actual \$000s
Current assets	113	1,641	1,528	10,679
Non-current assets	11,240	27,369	16,129	7,233
Total assets	11,353	29,010	17,657	17,912
Current liabilities	0	4,119	-4119	9,306
Non-current liabilities	0	215	-215	111
Total liabilities	0	4,334	-4,334	9,417
Net assets	11,353	24,676	13,323	8,495
Equity	11,353	24,676	13,323	8,495

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

Nil

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

Nil

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	\$7,425

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

Contractors	Purpose	Actual payment
54 Point Consulting Pty Ltd	Development of refreshed finance report for board reporting purposes	\$10,313
Alec Stevens	Security and ground staff management for the Adelaide 500 event	\$20,571
Chris Selwood AM	Ambassador services for the World Solar Challenge event	\$26,724
Abbie Elaine Lane	Participant liaison services for the World Solar Challenge and Adelaide 500 events	\$56,028
Hays Specialist Recruitment	Temporary finance staff	\$16,454

Contractors	Purpose	Actual payment
Pinnacle People	Temporary reception staff	\$36,389
ArcBlue Consulting	Procurement support	\$40,108
	Total	\$206,587

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

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

Risk Management

Risk and audit at a glance

The Finance Risk and Audit Committee met five times from 1 July 2023 to 30 June 2024. Attendances were as follows:

Board Member	Position	Meetings Attended
Lisa Bishop	Chair (part year)	5
Mark Phelps	Member Chair (part year)	5
Martin Haese	Member	4

The Committee are satisfied that all reporting and statutory requirements for the South Australian Motor Sport Board have been met.

Fraud detected in the agency

Category/nature of fraud	Number of instances
None detected	0

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

Strategies implemented to control and prevent fraud

The DPC Fraud and Corruption Policy has been adopted by the South Australian Motor Sport Board, with ongoing support provided under a Service Level Agreement.

All staff and members of the Board are required to act with honesty and integrity and to safeguard the public resources for which they are responsible.

All staff and members of the Board are required to understand and adhere to the *Code of Conduct for South Australian Public Sector Employees* and the *South Australian Public Sector Fraud and Corruption Control Policy*.

The South Australian Motor Sport Board is committed to the prevention, detection and reduction of fraud and corruption by establishing a fraud and corruption prevention culture throughout all levels of the Organisation, and will pursue all suspected acts of fraud, corrupt practices or other similar malpractices and report to the police as required by state government policy and the law.

Public interest disclosure

There were no occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*.

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

Reporting required under any other act or regulation

Act or Regulation	Requirement
South Australian Motor Sport Act 1984	Section 15 (1) The Board may, on or before 30 September in every year, forward to the Minister a report on the work and operations of the board for the financial year ending on the preceding 30 June. Section 27(d) The Board must, in relation to each motor sport event promoted by the Board, or in relation to which the Board performs functions under this Act, prepare and provide to the Minister a report setting out: a) The total attendance at the motor sport event; and b) Any other information required by the Regulations.
South Australian Motor Sport Regulations	Nil

Public complaints

Number of public complaints reported

The South Australian Motor Sport Board received a total of nine complaints per the categories below:

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	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	4
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy	0

Complaint categories	Sub-categories	Example	Number of Complaints 2023-24
		unreasonable or disadvantages customer	
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	2
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	3
		Total	9

Additional Metrics (from post VA500 event feedback)	Total
Number of positive feedback comments	87%
Number of negative feedback comments	13%
Total number of feedback comments	1365
% complaints resolved within policy timeframes	100%

Service Improvements

In line with PC039- *Complaint Management in the South Australian Public Sector*, the SAMSB has employed a full time Customer Service and Community Relations Officer. This employee works closely with the Adelaide 500 Operations and Concerts team to contact, inform and keep residents and businesses updated with the information regarding the Adelaide 500 event and how it will or may impact on them.

They also liaise with local council, agencies and the Minister for Adelaide's office if required.

Having a central point of contact available for these important stakeholders ensures complaints are kept to a minimum before, during and after the event. Those complaints received are dealt with in a timely and appropriate manner.

Compliance Statement

The South Australian Motor Sport Board is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
The South Australian Motor Sport Board 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



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 Presiding Member South Australian Motor Sport Board

Opinion

I have audited the financial report of the South Australian Motor Sport Board 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 the South Australian Motor Sport Board 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 Presiding Member, South Australian Motor Sport Board and the Chief Executive.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Motor Sport Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive and the Members of the South Australian Motor Sport Board 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.

The members of the South Australian Motor Sport Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 14(3) of the *South Australian Motor Sport Act 1984*, I have audited the financial report of the South Australian Motor Sport Board 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 the South Australian Motor Sport Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation

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

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



Andrew Blaskett
Auditor-General

26 September 2024

South Australian Motor Sport Board

Financial Statements

For the year ended 30 June 2024

South Australian Motor Sport Board
Statement of Comprehensive Income
for the year ended 30 June 2024

		2024	2023
	Note	\$'000	\$'000
Income			
Sales of goods and services	2.1	12 658	11 454
SA Government grants, subsidies and transfers	2.2	26 559	37 966
Other income	2.3	7 707	6 114
Total income		46 924	55 534
Expenses			
Employee related expenses	3.3	2 854	1 771
Supplies and services	4.1	41 903	47 189
Grants and subsidies	4.2	1 915	880
Depreciation	5.1	1 170	382
Other expenses	4.3	52	18
Total expenses		47 894	50 240
Net result		(970)	5 294
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in asset revaluation surplus		17 151	1 671
Total other comprehensive income		17 151	1 671
Total comprehensive result		16 181	6 965

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

South Australian Motor Sport Board
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash	6.1	618	9 680
Receivables	6.2	1 023	640
Total current assets		1 641	10 320
Non-current assets			
Receivables	6.2	1	-
Property, plant and equipment	5.1	27 368	7 233
Total non-current assets		27 369	7 233
Total assets		29 010	17 553
Current liabilities			
Payables	7.1	2 295	8 080
Employee related liabilities	3.4	212	162
Contract liabilities	7.2	1 600	702
Provisions	7.3	12	3
Total current liabilities		4 119	8 947
Non-current liabilities			
Employee related liabilities	3.4	164	100
Provisions	7.3	51	11
Total non-current liabilities		215	111
Total liabilities		4 334	9 058
Net assets		24 676	8 495
Equity			
Asset revaluation surplus		18 822	1 671
Retained earnings		5 854	6 824
Total equity		24 676	8 495

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

South Australian Motor Sport Board
Statement of Changes in Equity
for the year ended 30 June 2024

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 8 September 2022	-	-	-
Net assets received as a result of administrative restructure	-	1 530	1 530
Net result for 2022-23	-	5 294	5 294
Gain on revaluation of assets during 2022-23	1 671	-	1 671
Total comprehensive result for 2022-23	1 671	6 824	8 495
Balance at 30 June 2023	1 671	6 824	8 495
Net result for 2023-24	-	(970)	(970)
Gain on revaluation of assets during 2023-24	17 151	-	17 151
Total comprehensive result for 2023-24	17 151	(970)	16 181
Balance at 30 June 2024	18 822	5 854	24 676

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

South Australian Motor Sport Board
Statement of Cash Flows
for the year ended 30 June 2024

	2024	2023
	Inflows	Inflows
	(Outflows)	(Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Sales of goods and services	13 841	11 937
SA Government grants, subsidies and transfers	26 559	37 966
Other receipts	4 384	1 079
Cash generated from operating activities	44 784	50 982
Cash outflows		
Employee related payments	(2 691)	(1 583)
Payments for supplies and services	(45 079)	(36 418)
Payments of grants and subsidies	(1 915)	(880)
Other payments	(7)	(14)
Cash used in operating activities	(49 692)	(38 895)
Net cash (used in) / provided by operating activities	(4 908)	12 087
Cash flows from investing activities		
Cash outflows		
Purchase of property, plant and equipment	(4 154)	(4 414)
Cash used in investing activities	(4 154)	(4 414)
Net cash (used in) investing activities	(4 154)	(4 414)
Cash flows from financing activities		
Cash inflows		
Cash transferred as a result of restructuring activities	-	2 007
Cash generated from financing activities	-	2 007
Net cash provided by financing activities	-	2 007
Net (decrease) / increase in cash	(9 062)	9 680
Cash at the beginning of the reporting period	9 680	-
Cash at the end of the reporting period	618	9 680

6.1

The accompanying notes form part of these financial statements.

South Australian Motor Sport Board

Notes to and forming part of the financial statements

for the year ended 30 June 2024

1 About the South Australian Motor Sport Board

The South Australian Motor Sport Board (the Board) is a statutory authority of the state of South Australia, established pursuant to the *South Australian Motor Sport Act 1984* (as enacted by the *(South Australian Motor Sport (Miscellaneous) Amendment Act 2022)* to promote motor sport events in South Australia.

1.1 Basis of preparation

These financial statements are general purpose financial statements prepared in accordance 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.

For the purposes of preparing the financial statements, the Board is a not-for-profit entity.

The financial statements have been prepared for the year ended 30 June 2024 and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

The Board was re-established on 8 September 2022. Comparatives have been prepared for the reporting period 8 September 2022 to 30 June 2023.

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.

Significant accounting policies are set out throughout the notes.

Cash flows are exclusive of Goods and Services Tax (GST). The GST component of cash flows which is recoverable from, or payable to, the Australian Taxation Office (ATO) is classified as part of operating cash flows of the Department of the Premier and Cabinet (DPC), not the Board.

1.2 Objectives

The objectives of the Board include:

- Establishing a motor racing circuit and assuming the management and use of public roads and parklands on a temporary basis.
- Carrying out construction works and alterations including the removal of roads and other related infrastructure associated with motor sport events.
- Carrying on advertising and promotional activities, charging admission fees and selling merchandise associated with motor sport events.

South Australian Motor Sport Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2. Income

2.1 Sales of goods and services

	2024	2023
	\$'000	\$'000
Ticket sales	6 701	6 298
Corporate sales	4 670	4 434
Other services	1 287	722
Total sales of goods and services	12 658	11 454

All revenue from sales of goods and services is recognised per AASB 15 *Revenue from Contracts with Customers*.

Income from ticket and corporate sales and service provision is recognised in the period when it occurs. Where cash is received for ticket and corporate sales or event entries (in other above) for future events, it is recognised in note 7.2 as contract liabilities.

2.2 SA Government grants, subsidies and transfers

SA Government grants, subsidies and transfers are recognised as income on receipt per AASB 1058 *Income of Not-for-Profit Entities*.

SA Government grants, subsidies and transfers comprised funding of:

- \$22.559 million (2023: \$30.718 million) funding from DPC Administered Items
- \$4 million (2023: \$4 million) from the Major Events Fund
- Nil (2023: \$3.248 million) from South Australian Tourism Commission for promotional activities.

2.3 Other income

	2024	2023
	\$'000	\$'000
Sponsorships	3 342	3 133
In kind revenue	3 256	2 700
General recoveries	966	274
Resources received free of charge - Shared Services SA	66	7
Other income	77	-
Total other income	7 707	6 114

Other income is recognised under a combination of AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* on completion of agreed deliverables and in compliance with all obligations under the agreement.

The Board receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services free of charge from Shared Services SA following Cabinet's approval to cease intra-government charging.

South Australian Motor Sport Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3. Board, committees and employees

3.1 Key management personnel

Key management personnel of the Board include the Premier, Chief Executive, the Presiding Member, the Deputy Presiding Member and the Board members who have responsibility for the strategic direction and management of the Board.

Total compensation paid by the Board for key management personnel was \$598 000 (2023: \$486 000).

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

See DPC's Financial Statements for disclosures of the Premier's remuneration paid and recovered from the Consolidated Account.

Transaction with Key Management Personnel and other related parties

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

3.2 Board and committee members

Members during the 2024 financial year were:

South Australian Motor Sport Board

Andrew Daniels (Presiding Member)
Carolyn Mitchell (Deputy Presiding Member)
Lisa Bishop
Ish Davies
Martin Haese
Anna Hurley
Michael Masi
Jamieson McClurg
Mark Phelps

Finance, Risk and Audit Committee

Lisa Bishop (Chair – part year)
Mark Phelps (Chair – part year)
Martin Haese

Board and committee remuneration

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

	2024 Number	2023 Number
\$20 000 - \$39 999	8	8
\$40 000 - \$59 999	1	1
Total number of members	<u>9</u>	<u>9</u>

The total remuneration received or receivable by members was \$278 000 (2023: \$226 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid.

South Australian Motor Sport Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.3 Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	1 903	1 106
Employment on-costs - superannuation	310	199
Board and committee fees	251	204
Annual leave	161	137
Employment on-costs - other	93	66
Long service leave	66	42
Workers compensation	59	14
Skills and experience retention leave	5	2
Other employee related expenses	6	1
Total employee related expenses	2 854	1 771

Employment expenses

The Board's employees are employed under Part 7 of the *Public Sector Act 2009* and the *South Australian Motor Sport Act 1984*.

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

Employee remuneration

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

	2024	2023
	Number	Number
\$ 206 001 - \$ 226 000	1	-
\$ 246 001 - \$ 266 000	-	1
\$ 306 001 - \$ 326 000	1	-
Total number of employees	2	1

The total remuneration received by those employees for the year was \$543 400 (2023: \$260 100).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the period. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Board.

South Australian Motor Sport Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.4 Employee related liabilities

	2024 \$'000	2023 \$'000
Current		
Accrued salaries and wages	-	8
Annual leave	157	119
Long service leave	17	10
Skills and experience retention leave	8	4
Employment on-costs	30	21
Total current employee related liabilities	212	162
Non-current		
Long service leave	149	90
Employment on-costs	15	10
Total non-current employee related liabilities	164	100
Total employee related liabilities	376	262

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.

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

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 used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased to 4.25% in 2024 (2023: 4.0%).

The net financial effect of the changes to the actuarial assumption in the current financial year is an increase in the long service leave liability of \$9 000 and employee related expense of \$9 000.

The non-current portion of long service leave reflects the estimate of leave to be taken in greater than 12 months.

South Australian Motor Sport Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.4 Employee related liabilities (continued)

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions that are settled when the respective employee related liabilities 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.

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has increased to 44.0% (2023 43.0%) and the average factor for the calculation of employer superannuation on-costs has increased to 11.5% (2023: 11.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost of \$1 000 and employee related expense of \$1 000.

4. Expenses

4.1 Supplies and services

	2024	2023
	\$'000	\$'000
Venue and event operations	17 453	17 583
Circuit construction	15 379	20 824
Marketing and public relations	4 077	4 894
Cost of goods sold	2 170	1 785
General administration	981	925
Storage costs	571	529
Corporate support services	431	413
Repairs, maintenance and minor equipment purchases	308	-
Travel costs	267	36
Contractors	161	157
Information technology	61	-
Audit fees	44	43
Total supplies and services	41 903	47 189

Audit fees

Audit fees paid/payable to the Audit Office of South Australia relate to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

4.2 Grants and subsidies

Grants and subsidies expenditure of \$1.915 million (2023: \$0.880 million) includes support for the Adelaide Motorsport Festival and the Adelaide Rally.

4.3 Other expenses

Other expenses include impairment loss on receivables for customers who have entered liquidation.

South Australian Motor Sport Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5. Non-Financial assets

5.1 Property, plant and equipment

	Motorsport infrastructure and equipment	Work in progress	Total
	\$'000	\$'000	\$'000
Reconciliation 2023-24			
Carrying amount at the beginning of the period	7 233	-	7 233
Acquisitions	-	4 154	4 154
Revaluation increment	17 151	-	17 151
Transfers to/(from) capital works in progress	1 815	(1 815)	-
Depreciation	(1 170)	-	(1 170)
Carrying amount at the end of the period	25 029	2 339	27 368
Gross carrying amount			
Gross carrying amount	25 771	2 339	28 110
Accumulated depreciation	(742)	-	(742)
Carrying amount at the end of the period	25 029	2 339	27 368

Capitalisation, depreciation and useful life

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

Depreciation is calculated on a straight-line basis. Motorsport infrastructure and equipment depreciation is calculated over the remaining estimated useful life of these assets being 2-12 years.

Review of accounting estimates

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

The Board revalued its motorsport infrastructure and equipment assets as at 14 February 2024 – see 'Revaluation of Motorsport infrastructure and equipment' below.

The useful lives of the motorsport infrastructure and equipment assets were reassessed as part of this asset revaluation. The estimated impact on depreciation expense from a change in useful lives of these assets was:

- Pre-revaluation asset fair values with changes in useful lives: \$47 000 for the remainder of 2023-24 and \$0.142 million for 2024-25.
- Post-revaluation asset fair values with no change in useful lives: \$0.274 million for the remainder of 2023-24 and \$0.822 million for 2024-25.

Property, plant and equipment owned by the Board

Owned property, plant and equipment is subsequently measured at fair value. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

South Australian Motor Sport Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5.1 Property, plant and equipment (continued)

Revaluation of motorsport infrastructure and equipment

Revaluation of motorsport infrastructure and equipment is undertaken on a regular cycle and is revalued at least every six years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place.

A site valuation of motorsport infrastructure and equipment owned by the Board as at 14 February 2024 was performed by Finn Sievwright of PP&E Valuations Pty Ltd.

Fair value of the Board's assets was predominantly determined using depreciated replacement cost given the specialised nature of the assets and there being little available market evidence of comparable assets. For non-specialised assets (i.e. portable buildings and shipping containers) which have an active and liquid market, the market comparison approach was predominantly used.

The valuation approach relies on assumptions made by management, about the useful lives of the assets, to the Board as a key input. The Board regularly reviews these assumptions.

The majority of assets were defined as being valued using Level 3 inputs in accordance with AASB 13 *Fair Value Measurement* with a small number based upon Level 2 inputs. No assets were valued using Level 1 inputs.

6. Financial assets

6.1 Cash

The Board has a non-interest bearing deposit account held with the Treasurer, which must be used in accordance with its approved purpose. Cash is measured at nominal amounts.

6.2 Receivables

	2024	2023
	\$'000	\$'000
Current		
Contractual receivables	308	638
Less impairment loss on contractual receivables	(4)	(4)
Prepayments	719	6
Total current receivables	1 023	640
Non-current		
Other receivables	1	-
Total non-current receivables	1	-
Total receivables	1 024	640

Contractual receivables are normally settled within 30 days after the issue of an invoice. Contractual receivables and prepayments are non-interest bearing. Contractual receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Impairment losses relate to contracts with customers external to SA Government.

South Australian Motor Sport Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

7. Liabilities

7.1 Payables

	2024 \$'000	2023 \$'000
Current		
Contractual payables	2 251	8 037
Statutory payables	44	43
Total current payables	2 295	8 080
Total payables	2 295	8 080

Contractual payables and accruals are raised for all amounts owing but unpaid. Contractual 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 Audit Office of South Australia audit fees. Statutory payables are carried at cost.

7.2 Contract liabilities

2023-24 contract liabilities are for corporate sales received in advance of the 2024 Adelaide 500 \$1.600 million.

2022-23 contract liabilities are for corporate sales received in advance of the 2023 Adelaide 500 \$0.379 million and event entries received in advance of the 2023 World Solar Challenge event \$0.323 million.

Revenue is recognised when the events have occurred, and all service obligations have been achieved per AASB 15 *Revenue from Contracts with Customers*.

7.3 Provisions

All provisions relate to workers compensation.

	2024 \$'000	2023 \$'000
<i>Reconciliation of workers compensation</i>		
Carrying amount at the beginning of the period	14	-
Additional provisions recognised	49	14
Carrying amount at the end of the period	63	14

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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

South Australian Motor Sport Board
Notes to and forming part of the financial statements
for the year ended 30 June 2024

8. Outlook

8.1 Unrecognised contractual commitments

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

Contractual commitments to acquire property, plant and equipment

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial report are payable within one year and relate to motorsport infrastructure and equipment purchases \$0.498 million (2023: \$nil).

Other contractual commitments

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

	2024	2023
	\$'000	\$'000
Within one year	24 987	29 163
Later than one year but not longer than five years	21 844	34 003
Total contractual commitments	46 831	63 166

Contractual commitments relate to contracted expenditure for motorsport events per goods and services agreements.

8.2 Contingent assets and liabilities

Due to a wet weather incident during the 2023 Adelaide 500 an insurance claim may be made by the Board to cover the damages to supplier's assets with a maximum liability of \$68 000. The Board is not aware of any other contingent assets or liabilities as at 30 June 2024.

8.3 Events after the reporting period

There were no events occurring after the end of the reporting period that had a material financial implication on these financial statements.

South Australian Motor Sport Board
Certification of the Financial Statements
for the year ended 30 June 2024

We certify that the:

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

	
Andrew Daniels	Mark Warren
Presiding Member	Chief Executive
25 September 2024	25 September 2024