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**Government
of South Australia**

AGSA – Art Gallery South Australia

2020-21 Annual Report

AGSA

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2020-21 ANNUAL REPORT for the Art Gallery of South Australia (AGSA)

To:

Hon Steven Marshall MP

Premier of South Australia

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Art Gallery Act 1939, version 12.5.2011* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the Art Gallery of South Australia (AGSA) by:

Rhana Devenport ONZM
Director



Date 3 September

Signature

From the Director

The Art Gallery of South Australia (AGSA) delivered an acclaimed artistic program both in Adelaide and abroad during the 2020-21 year, despite ongoing challenges due to COVID-19 restrictions. AGSA presented a total of 17 exhibitions at the Gallery with a further three touring exhibitions and a diversity of public programs across the state. The State's heritage art collection was significantly enhanced with the acquisition of 891 works of art, while all activities were supported by partnerships, philanthropy and commercial revenue. AGSA continued to deliver on the goals identified in its Reconciliation Action Plan 2019-2021 and Strategic Plan 2019-2022.

A program highlight was the *2020 Adelaide Biennial of Australian Art: Monster Theatres*, which was extended due to the COVID-19 lockdown and achieved 270,698 visitors at the Gallery and in the Adelaide Botanic Garden.

Temporary exhibitions and permanent displays showcased the breadth and depth of the collection and included *Adelaide Cool: David and John Dallwitz*. SALA exhibitions featuring South Australian living artists were *Margaret Dodd: New acquisitions*, *Troy Anthony Baylis: Nomenclatures*, *Tom Moore: Selects*, and *Kirsten Coelho: In focus*. Other exhibitions were *Samurai*, *Dark Matter*, *Bright Light*, *Converging Currents: Bark painting from Arnhem Land*, *Antarctica: Five responses*, *Chromatopia*, and *A Vast Emporium*. *LOVE IN THE TIME OF COVID-19* responded to the pandemic with 133 prints by Australian and international artists. *Seeing Through Darkness* was a new collaboration with Restless Dance Theatre in response to works by Georges Rouault in the AGSA collection, presented in September 2020. *Dušan and Voitre Marek: Surrealists at sea* continued AGSA's important work with new research into Australian and South Australian art history in this Adelaide-only major survey of the under-appreciated art of innovative Czech-Australian brothers Dušan and Voitre Marek with an accompanying publication and supported by the Gordon Darling Foundation. The exhibition encompassed over 200 works by the artists, 100 of which were in the AGSA collection and on display for the first time.

Tarnanthi is a flagship AGSA program that showcases contemporary Aboriginal and Torres Strait Islander art from across the country – a platform for First Nations artists to share important stories, the 2020 *Tarnanthi* was a focused exhibition entitled *Open Hands*. *Tarnanthi* 2020 also included the *Tarnanthi* Art Fair presented by AGSA at Lot Fourteen in December 2020 and attracted 3,593 visitors with 1,327 works sold worth approximately \$750,000 and an estimated \$26,000 in online sales, with all proceeds going directly to artists and art centres.

As part of the Adelaide Festival 2021, AGSA presented *Clarice Beckett: The present moment* - the most comprehensive retrospective staged of one of Australia's most enigmatic modernist painters. An inspiration for the exhibition was Alastair Hunter

OAM's \$1.2 million donation to acquire 21 Clarice Beckett paintings from the Dr Rosalind Hollinrake collection. The exhibition attracted 42,167 visitors with 5,454 interstate visitors with 60.2% of these visitors coming to the state because of the exhibition and a total spend of an estimated \$6.5 million while in South Australia. 98% rated their visit 'very good' or 'quite good'. The publication was reprinted twice due to popular demand with a print run of 9,000. Critical acclaim and media reviews for this exhibition were overwhelmingly positive.

The \$100,000 acquisitive Ramsay Art Prize for artists under forty is another AGSA flagship project and in 2021 was won by South Australian artist Kate Bohunnis, the \$15,000 People's Choice Prize supported by LK was selected by public vote and won by Tehran-born and Melbourne-based artist Hoda Afshar with the media coverage reaching a cumulative audience of nine million people nationally.

There were 17,770 school student visits to AGSA in the year while AGSA Education launched a virtual outreach program focused on *Tarnanthi*. Education produced new online resources including 155 art activities.

The Studio transformed four times in the 2020-21 year with Erin Coates for *Monster Theatres*, Carly Tarkari Dodd for *Tarnanthi*, Carly Snoswell for Studio Snazzy and AGSA's first collaboration with Patch Theatre for The Studio, *Sea of Light*. the total Studio participation was 20,596. Start at the Gallery for young people and their families held on the first Sunday of every month, attracted 7,469 people while Start at Home attracted a total of 1,742 page visits. 7,196 people attended live First Friday events from July 2020 to June 2021. Neo attracted more than 1241 teen attendances across all 2020-2021 live and online events. There were 1,438,156 page views to the AGSA website in the 2020-21 financial year.

Publications produced included *Tarnanthi 2020: Open Hands*, *Clarice Beckett: The present moment*, *Dušan and Voitre Marek: Surrealists at sea*, the educational resource *Art School in a Box*, and *Kulata Tjuta* (in four languages: Pitjantjatjara, English, French, and Breton).

An increase in memberships across all platforms was achieved; at the end of the year there were 3,841 active Members and 832 new Members. The Foundation achieved 371 active members and 23 new members while Contemporary Collectors attracted 254 active members with 31 new members.

The total estimated visitation for offsite exhibitions during the year is 88,868. This number included visitation for the *Robyn Stacey: Ray of Light* regional South Australian tour and the visitation for Botanic Gardens presentation of the 2020 Adelaide Biennial. The exhibition *John Mawurndjul: I am the old and the new* concluded its national tour in November 2020.

Tarnanthi had its first international offering in 2020. *Kulata Tjuta*, a major exhibition of new works by 34 artists from the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands opened at the Musée des Beaux-Arts in Rennes, capital of Brittany, France.

A total of 891 works, valued at \$4,685,618, were acquired for the AGSA collection including significant works by Australian artists including Karla Dickens, Nyunmiti Burton, Brent Harris, Hilda Rix Nicholas, Stelarc, and Ann Newmarch. International artists whose works were acquired include Mary Beale, Andy Warhol, Nalini Malani, Diane Arbus and Hiroshi Sugimoto. Extensive donations expanded the Asian Art collection including Indonesian ceramics, Indian Gond paintings and Indian textiles.

For the 2020 Australian Museums and Galleries Association (MAGNA) Awards, AGSA's *Aboriginal and Torres Strait Islander Art in the classroom programs and resources* was the Winner for *Interpretation, Learning & Audience Engagement – Level 2* and *Tarnanthi: Festival of Contemporary Aboriginal and Torres Strait Islander Art 2019* was the Winner for *Temporary or Travelling Exhibition - Level 4* while *Bunha-bunhang: Aboriginal agriculture in the south-east* was Highly Commended for *Indigenous Project or Keeping Place Level 2*. The *2020 Adelaide Biennial of Australian Art: Monster Theatres* was Highly Commended for *Exhibition Branding Level A*, at the Museums Australasia Multimedia & Publication Design (MAPDA) 2021 Awards.

Importantly, in November 2020 the Premier announced an allocation of \$86.5 million towards a purpose-built Cultural Institutions Storage Facility to be shared by the four North Terrace cultural institutions including AGSA.



Rhana Devenport ONZM
Director
Art Gallery of South Australia

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Overview: about the agency

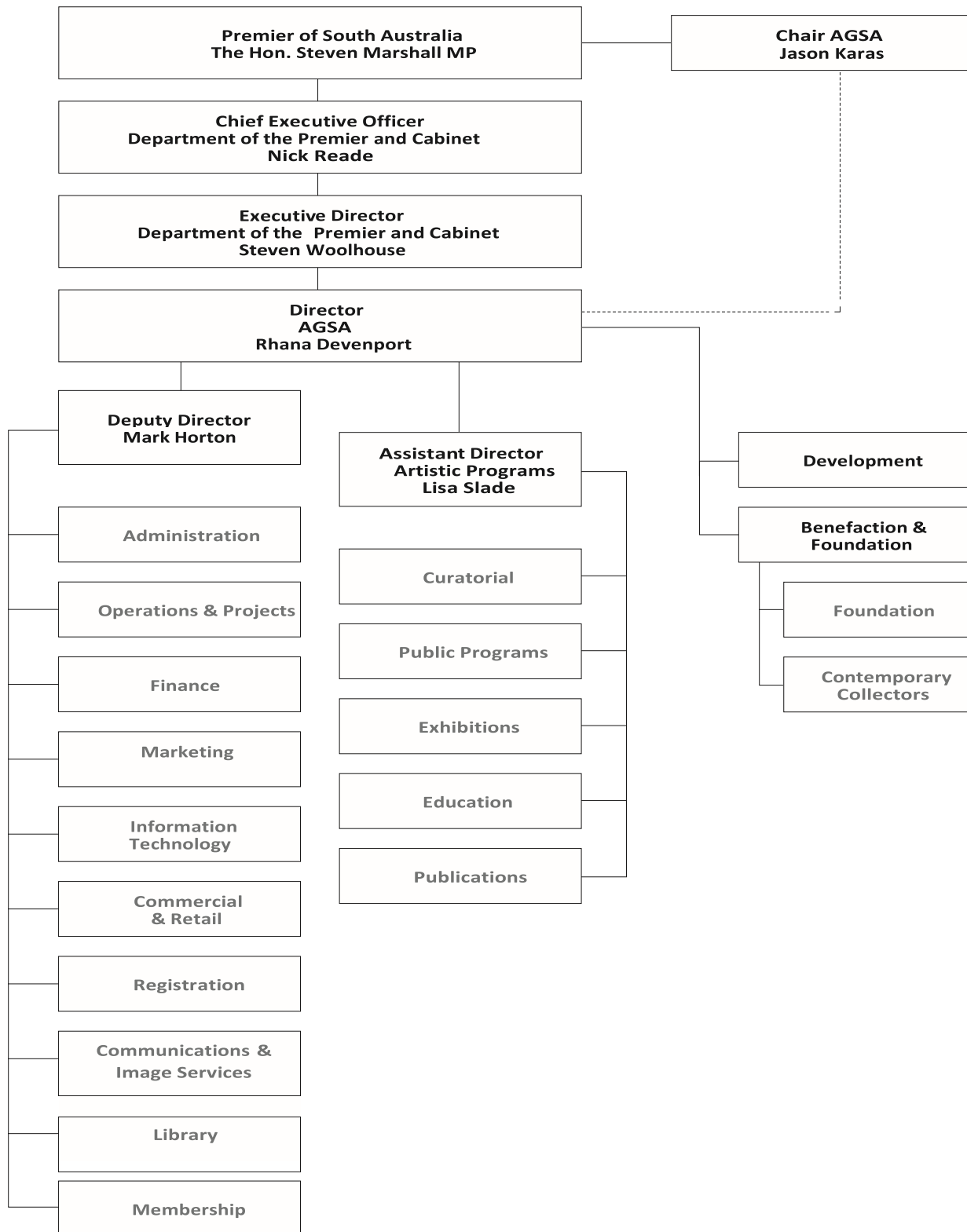
Our strategic focus

Our Purpose	<p>The mission of the Art Gallery of South Australia (AGSA) is to serve the South Australian and wider communities by providing access to original works of art of the highest quality. The Gallery seeks to foster, promote and enhance understanding and enjoyment of the visual arts through its collections, temporary exhibitions and other public programs.</p> <ul style="list-style-type: none"> - AGSA offers a distinctive connection to place and a dynamic curatorial agenda that creates meaningful art experiences for all - The exceptional AGSA collection exists for our audiences – to comprehend the past, to navigate the present, and as a potent avenue to imagine the future - Placing art, artists and audiences at the very heart of who we are guide AGSA's artistic and public programs - AGSA contributes positively to cultural cohesion, social wellbeing, creativity, engaged citizenship and economic life in South Australia
Our Vision	<p>Our vision is to be the inspirational leader for the visual arts in South Australia and contribute powerfully to culture in Australia and beyond.</p>
Our Values	<p>AGSA aligns with the <i>South Australian Public Sector Values and Behaviours framework</i>, which embraces:</p> <ul style="list-style-type: none"> • Service • Professionalism • Trust • Respect • Collaboration and Engagement • Honesty and Integrity • Courage and Tenacity • Sustainability

Our functions, objectives and deliverables	Our six key goals are to: <ul style="list-style-type: none">• Deliver an exceptional and distinctive artistic program (Grow Art)• Drive collection excellence and difference (Grow Collection)• Lead in audience engagement, digital experience and thought leadership (Grow Audience)• Transform infrastructure and facilities (Grow Destination)• Achieve major financial growth (Grow Financial Support)• Foster an innovative and high-performance workplace (Grow Internal Culture)
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Our organisational structure

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Changes to the agency

During 2020-21 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

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

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

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

Our Executive team

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

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

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

Legislation administered by the agency

Regulations under the Art Gallery Act 1939

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

Nil.

The agency's performance

Performance at a glance

At the end of the financial year 2021, AGSA recorded a total of 429,424 visitors to exhibitions on North Terrace and associated events. This represents a decrease of 16% in visitation when compared to the 2019-20 years' attendance of 511,918. Visitor numbers in both years were impacted by restrictions and closures due to the COVID-19 pandemic. The above result refers only to North Terrace visitation and the total estimated visitation for AGSA attendance offsite during the 2020-21 financial year is 88,868. This number includes the 2020-2021 financial year visitation for the Robyn Stacey regional tour and the 2020-2021 financial year visitation for the Botanic Gardens presentation of the 2020 Adelaide Biennial.

The 2020-2021 financial year started with the closing weeks of the extended (due to Covid) *2020 Adelaide Biennial of Australian Art: Monster Theatres*. The *2020 Adelaide Biennial of Australian Art: Monster Theatres* commemorated a 30-year landmark, a legacy that includes the celebration of over 460 artists and the presentation of professional development opportunities for the 21 curators who have been selected to present their vision of contemporary Australian art.

Samurai opened in late July presenting the art and ethos of Samurai warrior culture from the Gallery's collection. An accompanying resource titled *Samurai transformed: warrior, culture, class, commodity* was supported by The Japan Foundation. Other collection-based displays included *Dark Matter*, *Bright Light* which showcased recent acquisitions of contemporary international art including Olafur Eliasson's *Dark matter collective*, acquired with the support of the James & Diana Ramsay Fund. *Converging Currents: Bark painting from Arnhem Land* included more than thirty bark paintings and sculptures including new acquisitions that highlighted important cultural and familial lineages and creative relationships between artists. *Antarctica: Five responses* included photographs by Hurley, a recent acquisition by Sidney Nolan, Bea Maddock's artist book and set of forty photo etchings and two bodies of work by Adelaide-based Ian North who travelled to Antarctica in 2012 on the one hundredth anniversary of Mawson's expedition.

Against all odds *Kulata Tjuta*, an exhibition of art from the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands was presented at the Musée des beaux-arts in Rennes, Brittany in late 2020. Realised with support from the Government of South Australia, APY Art Centre Collective and AGSA through *Tarnanthi*, the exhibition ran from 16 October 2020 until 3 January 2021. 34 artists were represented, and the exhibition now has a second life in France from 5 June until 7 November 2021 at the Musées d'Art et d'Histoire, Le Havre, as part of a trilogy of exhibitions featuring Australian Aboriginal art with the series title, *Australia, beyond the Dream*.

2020 marked an ambitious year for SALA at AGSA. Exhibitions and displays included new work on display in the Vestibule and Atrium by inaugural Guildhouse fellow, Troy-Anthony Baylis, an exhibition of Margaret Dodd's *This Woman is not a car* series, a display of work by 2020 SALA and Wakefield Press monograph recipient Kirsten Coelho and a collection intervention lead by maverick maker, glass artist Tom Moore. *LOVE IN THE TIME OF COVID-19* opened in early September as a marker for the extraordinary state of the world in 2020 whereby artists were invited to contribute works in response to the pandemic, as a way of sharing art in difficult and isolating times. The project resulted in 133 prints by Australian and international artists. Their images present a diverse range of responses to the crisis, reflecting the uncertainties, fears and hopes of this time. Seen in its entirety for the first time at AGSA, this important series has been acquired for the collection through the generous support of Susan Armitage.

New collaborations commenced in September with *Seeing Through Darkness* directed by Michelle Ryan of Restless Dance Theatre which responded through performance to the AGSA collection works by Georges Rouault. *Chromatopia* was curated to complement *Seeing Through Darkness* and explored how and why artists use colour – for personal, political, philosophical, or perceptual purpose.

Tarnanthi is a flagship AGSA program that provides a platform for First Nations artists across the country to share important stories through new works of art. *Open Hands* was the theme of *Tarnanthi* in 2020 which paid tribute to the work of senior artists who pass on vital cultural knowledge to younger generations as the future leaders of their Aboriginal and Torres Strait Islander communities.

As part of the Adelaide Festival AGSA presented *Clarice Beckett: The present moment* - the most comprehensive retrospective staged of one of Australia's most enigmatic modernist painters. Including 139 paintings, drawn from 54 public and private lenders its staging was inspired by Alastair Hunter OAM's \$1.2 million donation to acquire 21 Clarice Beckett paintings from the Dr Rosalind Hollinrake collection. The exhibition attracted 42,167 visitors.

The \$100,000 Ramsay Art Prize attracted over 350 entries across Australia in 2021 and was won by South Australian artist Kate Bohunnis. The 2021 Prize included a People's Choice Prize supported by sponsor LK with a non-acquisitive cash prize of \$15,000 chosen by a public vote. Like the Clarice Beckett exhibition, *Dušan and Voitre Marek: Surrealists at sea* aimed to celebrate lesser known and underappreciated artists and affirm their position within Australian art history. This home-grown, Adelaide-only major survey of the art of Czech-Australian brothers Dušan and Voitre Marek comprised more than 200 works of art from 37 lenders with the accompanying publication has been supported by the Gordon Darling Foundation.

Agency response to COVID-19

In alignment with South Australian Government advice in response to the COVID-19 pandemic, AGSA closed to the public in November 2020. In addition, AGSA followed all South Australian Government guidelines as they were updated regarding density numbers for staff and visitors, as well as mask-wearing and ongoing sanitising requirements. Working from home options were established for staff and the Gallery followed all recommendations as communicated from the Department of the Premier and Cabinet.

Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	<p>Major ticketed AGSA exhibitions have been shown to have a multiplier effect in terms of Government investment and the resultant economic impact and underscores the importance of ongoing, major exhibition funding to stable and/or increasing AGSA visitation, and substantial increases in positive economic impact to the South Australian economy.</p> <p>It is estimated that there was a total spend of \$6.5 million associated with attendances to <i>Clarice Beckett: The present moment</i> with \$2.3 million by South Australian residents and \$4.2 million by visitors. It is estimated that \$3.8 million of this expenditure is 'new' to the state and the equivalent of 34 full time equivalent jobs were generated.</p>
Lower costs	AGSA management regularly review systems, service delivery methods and approaches to resourcing to increase operational efficiencies across AGSA.
Better Services	AGSA consistently receives positive feedback to its programs and services through formal collection methods including Visitor Comments, and through informal means.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
To be a major attraction for	During the 2020-21 financial year AGSA attracted local,	During this financial year AGSA recorded 429,424

interstate and international visitors, thereby contributing to the State's economic development and tourism by providing a focus for experiencing the unique cultural identity of South Australia.	national, and international visitors to experience changing collection displays, temporary and public programs such as The Studio, Start and First Fridays.	<p>visitors to its exhibitions on North Terrace and associated events. This represents a decrease of 16% in visitation when compared to the 2019-20 year attendance of 511,918. Visitor numbers in both years were impacted by restriction and closures due to the COVID-19 pandemic.</p> <p>The Studio transformed four times in the 2020-21 year from Erin Coates for <i>Monster Theatres</i> to Carly Tarkari Dodd for <i>Tarnanthi</i> and Carly Snoswell for Studio Snazzy and for AGSA's first collaboration with Patch Theatre for The Studio: Sea of Light. Total participation was 20,596</p>
	<p>The Art Gallery of South Australia's touring exhibition <i>Robyn Stacey: Ray of Light</i> continued its South Australian regional gallery tour.</p>	<p>Start at the Gallery attracted 7,469 people while Start at Home attracted a total of 1,742 page visits.</p> <p>7,196 people attended live First Friday events from July 2020 to June 2021.</p> <p>Visitation for the Robyn Stacey regional tour was 4,418 during this financial year with approximately one in 10 regional South Australians viewing the exhibition.</p>
To develop and deliver projects that reflect the Gallery's unique position in	AGSA was the first state art gallery in Australia and the first South Australian cultural institution to develop	<i>Tarnanthi</i> is a significant attractor of interstate visitors leading to economic returns for the hospitality,

<p>Australia on the edge of the desert and in close proximity to Aboriginal Australia. The Gallery plans to increase the prominence of Aboriginal art across all platforms.</p>	<p>a Reconciliation Action Plan (RAP). <i>Tarnanthi</i> has been a major driver and leader of AGSA RAP initiatives and outcomes.</p> <p>2020-2021 AGSA presented <i>Tarnanthi: Open Hands</i>.</p> <p>The <i>Tarnanthi</i> Art Fair was presented by AGSA at Lot Fourteen in December 2020.</p>	<p>accommodation and travel sectors, plus an overall consumer expenditure of more than \$96.7 million over a four-year period.</p> <p><i>Tarnanthi</i> also made possible additional employment opportunities through 247 FTE jobs created.</p> <p><i>Tarnanthi</i> in 2020 also included the Art Fair which was presented by AGSA at Lot Fourteen in December 2020 and attracted 3,593 visitors with 1,327 works sold worth approximately \$750,000 and an estimated \$26,000 in online sales.</p> <p><i>Tarnanthi</i> won a major award at the Museums and Galleries National Awards, hosted by the Australian Museums and Galleries Association for the best temporary or travelling exhibition</p>
	<p>In 2020-21 AGSA continued to strengthen its offerings for teens through Neo, supported by the Balnaves Foundation.</p>	<p>More than 1241 attendances across all 2020-2021 live and online Neo events.</p>
	<p>Education audiences continued to diversify and</p>	<p>There were 17,770 school visits in the year. 13% were country schools and 19% were category 1 to 4</p>

	<p>grow, with the expansion of cross curricular offerings.</p>	<p>schools. With Covid restrictions impacting school visitation in 2020, AGSA Education began offering Outreach opportunities where facilitators visited schools to deliver a variety of programs. In total 1965 students took part in these offerings across 57 different school visits.</p> <p>AGSA Education launched a virtual outreach program with <i>Tarnanthi</i> as the backdrop, during which 290 students attended from regional and remote areas including Cleve Area School, Gawler East Primary School and Roxby Downs Area School.</p> <p>193 educators from across the state, with selected national participation, completed the one-day workshop <i>Aboriginal and Torres Strait Islander Art in the Classroom</i>. This included tailored sessions by request by secondary schools, early years teacher association and the tertiary sector. 536 teachers attended professional development at AGSA across 20 different offerings.</p> <p>The Education team produced comprehensive online resources to complement <i>Tarnanthi</i></p>
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		<p>2020: <i>Open Hands, Clarice Beckett: The present moment</i> and <i>Dušan and Voitre Marek: Surrealists at Sea</i>. These resources include over 155 pre and post making and responding activities.</p> <p>AGSA continues its publishing program with the recent release of AGSA's <i>Art School in a Box</i> which has sold 235 copies. This resource is the 'one-stop-shop' for teaching students about art elements, art principles, art terms and art history. Each card features the definition of commonly used art words on one side with corresponding activities on the other.</p> <p>Aboriginal and Torres Strait Islander education program, resources and publication was the winner of the 2020 Museums and Galleries National Award for Interpretation, Learning and Audience Engagement. The publication <i>Aboriginal and Torres Strait Islander Art in the Classroom</i>.</p> <p>Education online social media platforms and online resources were instrumental in 2020-21 in allowing the Education staff to continue to connect with its teacher and student audience nationally. In 2020-2021 the</p>
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		AGSA education website recorded 82,185 unique views, this is an increase of 56% from previous financial year.
To grow the Gallery's economic and cultural capacity by increasing benefaction, sponsorship and membership.	AGSA expanded opportunities for membership and benefaction, specifically in the realm of private philanthropy and partnerships.	<p>This financial year saw an increase in enrolments:</p> <p><u>Membership:</u> 3,841 active members 832 new members <i>Clarice Beckett: The present moment</i> generated new members with special offers and sign ups.</p> <p><u>Foundation:</u> 371 active members, 23 new members</p> <p><u>Contemporary Collectors:</u> 254 active members 31 new members</p>
	The state's billion-dollar asset continued to grow through gifts, fundraising and philanthropy.	<p>A total of 891 works were added to the AGSA collection including significant works by Australian artists including significant works by Australian artists including Brent Harris, Karla Dickens, Hilda Rix Nicholas, Stelarc, Nyunmiti Burton and Ann Newmarch.</p> <p>International artists whose work was acquired include Mary Beale, Andy Warhol, Nalini Malani, Diane Arbus and Hiroshi Sugimoto. Extensive donations expanded the Asian Art collection including Indonesian ceramics, Indian</p>

		Gond paintings and Indian textiles.
To advocate for support of the Gallery's much needed expansion and development to unlock the State's art collection. To secure the future care and presentation opportunities for a collection that exceeds 45,000 works of art with significant holdings of Australian, Aboriginal, European, American and Asian art.	Infrastructure opportunities continue to be explored to accommodate AGSA's growth in visitors, exhibitions, public programs, and collection, including online opportunities.	State Budget announced an allocation of \$86.5 million towards a purpose-built Cultural Institutions Storage Facility.
To embed the Gallery's artistic program in the fabric of the city by expanding its participation in the State's Festivals and expanding programming including the Adelaide Biennial of Australian Art as national signature events that welcome city-wide partners and venues.	AGSA developed and delivered the exhibition <i>Clarice Beckett: The present moment</i> as part of the Adelaide Festival.	<i>Clarice Beckett: The present moment</i> attracted 42,167 attendances with 5,454 interstate visitors with 60.2% of these visitors coming to the state because of the exhibition, and a further 26.1% extending their stay because of the exhibition. There was an estimated surplus or well-being value to South Australian residents of \$0.7 million and 83% of attendees visited the CBD specifically to attend the exhibition.

Corporate performance summary

Refer to Agency specific objectives and performance.

Employment opportunity programs

Not applicable.

Agency performance management and development systems

Performance management and development system	Performance
Performance Development review (PDR)	<p>9% of staff members had their PDR assessment with their manager for the July 2020 – December 2020 period.</p> <p>23% of staff members had their PDR assessment with their manager for the January 2021 – June 2021 period.</p> <p>77% of staff had no review during the year. This number can be attributed in part to managers not using the electronic PDR platform correctly which has led to under-reporting of PDR meetings. Appropriate training will be implemented.</p> <p>8 Art Gallery Board members are not required to have PDRs undertaken.</p> <p>1 staff member is on extended maternity leave and 1 staff member on extended sick leave.</p>

Work health, safety and return to work programs

Program name	Performance
Wellbeing	<p>AGSA continues to address the issue of Wellbeing through the AGSA Welfare Health and Safety Committee, chaired by the Manager Operations and Logistics, Jerome Matthews. Along with Vicki Petrusevics (Employee Representative), Jerome Matthews also represents AGSA management on the DPC led Arts WHS Divisional committee.</p> <p>The continuous review of WHS policies, procedures and work practices is now an integral part of the workplace.</p> <p>The DPCCConnect program has proved beneficial as staff can refer to courses completed for a refresher on what they have learnt and manage their training in their own time.</p> <p>Regular meetings are held with the WHS Consultants to discuss progress on the completion of audits and any outcomes that may need further assistance to ensure the gallery complies with requirements set out in departmental policies.</p>
Key Achievements	<p>The Internal Audit and Workplace Inspection Procedure continues to ensure that injury management processes are conducted in accordance with legislative requirements and internal policies and procedures. Staff are now more active in reporting hazards and incidents and 60% of these issues are dealt with almost immediately. All other reports follow the corrective actions assigned and have been completed with the specific timeframes set.</p>
DPCCConnect	<p>AGSA sits at 68% completion of all DPCCConnect courses, however, there is a 60% completion rate for all compulsory courses.</p>
Staff Development and Training	<p>AGSA continued its program of staff training in a range of areas including WHS courses and information sessions to ensure it had the necessary skills and information. Our WHS reps are undertaking training where relevant and all first aiders are current. AGSA is providing mental health first aid training where necessary.</p>

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Workplace injury claims	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total new workplace injury claims	2	2	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	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvements, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0%

Return to work costs**	Current year 2020-21	Past year 2019-20	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$51,991	\$55,472	6.4%
Income support payments – gross (\$)	0	\$30,295	-100%

**before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/art-gallery-of-south-australia-annual-report>

Executive employment in the agency

Executive classification	Number of executives
SAES-1	2

Data for previous years is available at: [Art Gallery of South Australia Annual Report - Dataset - data.sa.gov.au](#)

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

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2020-2021 are attached to this report.

Statement of Comprehensive Income	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	Past year 2019-20 Actual \$000s
Total Income	20,989	25,112	4,123	28,313
Total Expenses	19,295	18,757	538	21,109
Net Result	1,694	6,355	4,661	7,204
Total Comprehensive Result	12,299	15,846	3,547	(2,714)

Statement of Financial Position	2020-21 Budget \$000s	2020-21 Actual \$000s	Variation \$000s	Past year 2019-20 Actual \$000s
Current assets	5,693	11,275	5,582	7,339
Non-current assets	856,127	870,089	13,962	857,918
Total assets	861,820	881,364	19,544	865,257
Current liabilities	2,106	2,041	65	1,655
Non-current liabilities	1,392	1,371	21	1,496
Total liabilities	3,498	3,412	86	3,151
Net assets	858,322	877,952	19,630	862,106
Equity	858,322	877,952	19,630	862,106

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

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

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$ 4,545.00

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

Consultancies	Purpose	\$ Actual payment
Nil		

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/art-gallery-of-south-australia-annual-report>

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	\$174,531.00

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

Contractors	Purpose	\$ Actual payment
Hoban Recruitment Pty Ltd	Staff recruitment agency	\$ 147,198.95
Skein	Architectural design and construction project management for <i>Tarnanthi</i> Art Fair	\$ 13,000.00
Bawinanga Aboriginal	Public Program facilitation	\$ 11,100.00

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Contractors	Purpose	\$ Actual payment
M Audio Visual	Provision of IT and audio-visual service	\$ 76,175.37
Kyoto Schultz	Public Program facilitation	\$ 19,072.50
Jessica McKinlay	Public Program facilitation	\$ 15,481.50
Judith Sweetman	Public Program facilitation	\$ 24,238.32
Robyn Tatlow-Lord	Public Program facilitation	\$ 27,276.61
Amanda Nichols	Public Program facilitation	\$ 20,497.50
Agency Projects	Public Program facilitation	\$ 81,728.00
Contemporary SA Incorporated	Public Program facilitation	\$ 19,000.00
Ittja Ntjarra Aboriginal	Public Program facilitation	\$ 23,100.00
Liesl Ross	Image Services	\$25,093.75
	Total	\$ 502,963.00

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/art-gallery-of-south-australia-annual-report>

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

Not applicable.

Other information

Not applicable.

Risk management

Risk and audit at a glance

The Art Gallery Audit Committee (Audit Committee) formally met four times in the 2020-21 financial year. The Audit Committee followed its normally structured work plans in the undertaking of its program of work, which included the review of the Auditor-General's Interim Management Letter, AGSA policies and procedures, the review of the Art Gallery Risk Register and other matters deemed relevant.

Fraud detected in the agency

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

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

Strategies implemented to control and prevent fraud

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

Data for previous years is available at: [Art Gallery of South Australia Annual Report - Dataset - data.sa.gov.au](https://data.sa.gov.au/data/dataset/art-gallery-of-south-australia-annual-report)

Public interest disclosure

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

Nil

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/art-gallery-of-south-australia-annual-report>

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

Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil	N/A

Reporting required under the *Carers' Recognition Act 2005*

Not applicable,

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	3
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	4
Communication	Communication quality	Inadequate, delayed or absent communication with customer	4
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	3
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	3
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 unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, outdated, or inadequate information; not fit for purpose	1

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Complaint categories	Sub-categories	Example	Number of Complaints 2020-21
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	9
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/premises; poor cleanliness	2
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	19
		Total	48

Additional Metrics	Total
Number of positive feedback comments	478
Number of negative feedback comments	48
Total number of feedback comments	530
% complaints resolved within policy timeframes	100%

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/art-gallery-of-south-australia-annual-report>

Service Improvements

Formative collecting measures for complaints are in place, as are responses to customer procedures. Summative measures do not easily align with the complaint categories and hence the majority fall within 'no case to answer'.

Compliance Statement

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

Appendix: Audited financial statements 2020-21

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Auditor-General's Department

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To the Chair Art Gallery Board

Opinion

I have audited the financial report of the Art Gallery Board for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Art Gallery Board as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, the Director and the Deputy Director.

Basis for opinion

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

The Director 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, 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 Director 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 Director 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 Art Gallery 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 20(3) of the *Art Gallery Act 1939*, I have audited the financial report of the Art Gallery Board for the financial year ended 30 June 2021.

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

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

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

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- conclude on the appropriateness of the Director'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 Director and the members of the Art Gallery 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 Richardson

Auditor-General

23 September 2021

Art Gallery Board

Financial Statements

For the year ended 30 June 2021

Art Gallery Board
Certification of the Financial Statements
for the year ended 30 June 2021

We certify that the:

- financial statements of the Art Gallery Board:
 - are in accordance with the accounts and records of the Art Gallery 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 Art Gallery Board at the end of financial year and the results of its operations and cash flows for the financial year.
- internal controls employed by the Art Gallery Board for the financial year over its financial reporting and its preparation of financial statements have been effective.



Jason Karas
Chair
23 September 2021



Mark Horton
Deputy Director
23 September 2021



Rhana Devenport
Director
23 September 2021

Art Gallery Board
Statement of Comprehensive Income
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Recurrent operating grant	2.1	12 489	13 335
Bequests and donations	2.2	3 571	3 077
Donations of heritage assets		1 519	4 078
Fees and charges	2.3	856	315
Commonwealth Government grants	2.4	223	586
Other grants	2.5	930	1 808
Investment income	2.6	2 309	2 602
Rent and facilities hire		87	157
Resources received free of charge	2.8	1 444	1 146
Sale of goods	2.9	1 153	662
Sponsorships	2.10	379	476
Other income	2.11	152	71
Total income		25 112	28 313
Expenses			
Staff benefits expenses	3.3	6 687	7 167
Supplies and services	4.1	7 631	9 843
Accommodation and facilities	4.2	3 189	2 739
Depreciation and amortisation	5.1	1 250	1 292
Loss on market value movement of investments		-	68
Total expenses		18 757	21 109
Net result		6 355	7 204
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in property, plant and equipment asset revaluation surplus		-	(5 966)
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	2.7	2 227	(323)
Changes in fair value of investments classified as fair value through other comprehensive income	6.3	7 264	(3 629)
Total other comprehensive income		9 491	(9 918)
Total comprehensive result		15 846	(2 714)

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

Art Gallery Board
Statement of Financial Position
as at 30 June 2021

		2021	2020
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	6.1	9 969	6 101
Receivables	6.2	936	924
Inventories		370	314
Total current assets		11 275	7 339
Non-current assets			
Receivables	6.2	-	1
Property, plant and equipment	5.1	31 502	32 605
Intangible assets	5.3	178	178
Heritage collections	5.4	785 938	781 896
Investments	6.3	52 471	43 238
Total non-current assets		870 089	857 918
Total assets		881 364	865 257
Current liabilities			
Payables	7.1	1 108	662
Staff benefits	3.4	910	967
Provisions	7.2	15	12
Financial liabilities	7.3	8	14
Total current liabilities		2 041	1 655
Non-current liabilities			
Payables	7.1	115	124
Staff benefits	3.4	1 217	1 344
Provisions	7.2	36	25
Financial liabilities	7.3	3	3
Total non-current liabilities		1 371	1 496
Total liabilities		3 412	3 151
Net assets		877 952	862 106
Equity			
Asset revaluation surplus	8.1	346 110	346 110
Investment reserve	8.1	6 805	(459)
Retained earnings		525 037	516 455
Total equity		877 952	862 106

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

Art Gallery Board
Statement of Changes in Equity
for the year ended 30 June 2021

	Asset revaluation surplus \$'000	Investment reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2019	352 076	3 170	509 574	864 820
Net result for 2019-20	-	-	7 204	7 204
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	-	(323)	-	(323)
Transfer of revaluation loss on sale of investments from investment reserve to retained earnings	-	323	(323)	-
Fair value movement of investments classified as fair value through other comprehensive income	-	(3 629)	-	(3 629)
Loss on revaluation of PPE during 2019-20	(5 966)	-	-	(5 966)
Total comprehensive result for 2019-20	(5 966)	(3 629)	6 881	(2 714)
Balance at 30 June 2020	346 110	(459)	516 455	862 106
Net result for 2020-21	-	-	6 355	6 355
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	-	2 227	-	2 227
Transfer of revaluation gain on sale of investments from investment reserve to retained earnings	-	(2 227)	2 227	-
Fair value movement of investments classified as fair value through other comprehensive income	-	7 264	-	7 264
Total comprehensive result for 2020-21	-	7 264	8 582	15 846
Balance at 30 June 2021	346 110	6 805	525 037	877 952

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

Art Gallery Board
Statement of Cash Flows
for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash inflows			
Recurrent operating grant		12 489	13 335
Sale of goods		1 163	637
Fees and charges		856	315
Bequests and donations of cash		3 571	3 077
Commonwealth Government grants		223	586
Other grants		930	1 759
Sponsorships		160	240
Investment receipts		2 237	3 309
Rent and facilities hire		121	157
Other receipts		146	(450)
Cash generated from operations		21 896	22 965
Cash outflows			
Staff benefits payments		(6 871)	(6 939)
Payments for supplies and services		(5 806)	(10 141)
Payments for accommodation and facilities		(3 189)	(2 739)
Cash used in operations		(15 866)	(19 819)
Net cash provided by / (used in) operating activities		6 030	3 146
Cash flows from investing activities			
Cash inflows			
Proceeds from sales/maturities of investments		16 196	2 686
Cash generated from investing activities		16 196	2 686
Cash outflows			
Purchase of heritage collections		(2 523)	(4 212)
Purchase of investments		(15 822)	(3 013)
Purchase of property, plant and equipment		-	(26)
Cash used in investing activities		(18 345)	(7 251)
Net cash provided by / (used in) investing activities		(2 149)	(4 565)
Cash flows from financing activities			
Cash outflows			
Repayment of principal portion of lease liabilities		(13)	(18)
Cash used in financing activities		(13)	(18)
Net cash provided by / (used in) financing activities		(13)	(18)
Net increase / (decrease) in cash and cash equivalents		3 868	(1 437)
Cash and cash equivalents at the beginning of the reporting period		6 101	7 538
Cash and cash equivalents at the end of the reporting period	6.1	9 969	6 101

The accompanying notes form part of these financial statements.

Art Gallery Board

Notes to and forming part of the financial statements

For the year ended 30 June 2021

1. About the Art Gallery Board

The Art Gallery Board (the Board) is a not-for-profit statutory authority of the State of South Australia, established pursuant to section 4 of the *Art Gallery Act 1939* (the Act). The Board is charged with the management of the Art Gallery of South Australia (AGSA) under the Act.

The financial statements include all controlled activities of the AGSA including the Art Gallery Foundation.

1.1 Basis of preparation

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

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

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

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.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST excluded.

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

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

1.2 Objectives and Programs

The objectives of the AGSA are to:

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

1.3 Impact of COVID-19 pandemic on the AGSA

The COVID-19 pandemic has impacted on the operations of the AGSA. The key impacts in 2020-21 were:

- Ongoing and varying capacity restrictions surrounding visitation to the Gallery
- Forced closure of the Gallery during lockdown periods
- Increased cleaning expenses.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2. Income

2.1. Recurrent operating grant

	2021	2020
	\$'000	\$'000
Recurrent operating grant	12 489	13 335
Total recurrent operating grant	12 489	13 335

The AGSA receives an annual operating grant, and funding for the purposes of holding exhibitions, from the Department of the Premier and Cabinet. This is recognised as revenue on receipt.

2.2. Bequests and donations of cash and investments

	2021	2020
	\$'000	\$'000
Bequests	2 012	221
Donations	1 559	2 856
Total bequests and donations of cash and investments	3 571	3 077

Bequests and donations can only be used in accordance with the terms and conditions attributable. Therefore, depending on the terms and conditions, this income is not available for the operating activities of the AGSA.

2.3. Fees and charges

	2021	2020
	\$'000	\$'000
Fees for services	197	283
Admissions to temporary exhibitions	659	32
Total fees and charges	856	315

The AGSA recognises revenue from:

- Admission to temporary exhibitions: General entry to the art gallery is free however charges do apply for some exhibitions. Revenue from entry is recognised at a point in time when the performance obligation is discharged, which is once entry is granted.
- Fees for services include image handling fees, usage fees for film/tv/internet/publication, supervision and research fees. Revenue from these services is recognised on a time and material basis as services are provided.

2.4. Commonwealth Government grants

	2021	2020
	\$'000	\$'000
Commonwealth Government	223	586
Total commonwealth government grants	223	586

Commonwealth Government grants are recognised as income on receipt. Obligations for these grants are required to be met by the State of South Australia. For accounting purposes, the obligations under the funding arrangements do not sit with the AGSA. The Commonwealth has provided funding to the State for the Adelaide Biennial of Australian Art.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2.5. Other grants

	2021	2020
	\$'000	\$'000
External grants	557	1 416
State Government grants	373	392
Total other grants	930	1 808

State Government grants are recognised as income on receipt. Other external grants are recognised when the performance obligations are satisfied. Where there are no sufficiently specific performance obligations linked to the grant, the income is recognised on receipt.

2.6. Investment income

	2021	2020
	\$'000	\$'000
Dividends	1 536	1 795
Dividend imputation credits	556	685
Interest income	101	122
Gain on market value movement of investments	116	-
Total investment income	2 309	2 602

The majority of the investment income is derived from investments acquired through bequests and donations which may have specific terms and conditions attached. Therefore, depending on the terms and conditions, the investment income is not available for the operating activities of the AGSA.

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

	2021	2020
	\$'000	\$'000
Investments		
Proceeds from disposal	16 196	2 695
Less value on sale of investments classified as fair value through other comprehensive income	(13 969)	(3 018)
Net gain / (loss) from the disposal of investments	2 227	(323)
Total assets		
Total Proceeds from deaccession / disposal	16 196	2 695
Less total carrying amount assets deaccessioned / disposed	(13 969)	(3 018)
Total net gain / (loss) from the deaccession / disposal of non-current assets	2 227	(323)

The net gain/ (loss) from the disposal of investments relates to equity instruments which are designated at fair value through other comprehensive income. On disposal of these equity instruments the gain / (loss) is recognised through other comprehensive income in the investment reserve.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

2.8. Resources received free of charge

	2021	2020
	\$'000	\$'000
Conservation services	1 075	967
Centralised IT and Telecommunication services by ICT and Digital Government (previously known as StateNet)	77	-
Services received free of charge - Shared Services SA	152	179
Donated property, plant and equipment	140	-
Total resources received free of charge	1 444	1 146

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

Artlab Australia, a division of the Department of the Premier and Cabinet, receives SA Government appropriation to perform conservation services on the AGSA's heritage collections at no charge. A corresponding amount has been included as conservation work expenditure in note 4.1 supplies and services.

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

Donated property, plant and equipment includes a solar battery storage system installed at AGSA and donated from the Department for Energy and Mining.

2.9. Sale of goods

	2021	2020
	\$'000	\$'000
Sale of goods	1 153	662
Net revenues from sale of goods	1 153	662

Revenue from the sale of goods related to store sales e.g. merchandise, cards, books, is recognised when the item is provided/delivered to the customer. Refunds would only be provided for faulty goods. Based on experience, no material refunds are expected to occur and therefore no related provision is made for any sale of goods.

2.10. Sponsorships

	2021	2020
	\$'000	\$'000
Cash sponsorships	160	240
In-kind sponsorships	219	236
Total sponsorships	379	476

Cash sponsorships are recognised on receipt and in-kind sponsorships are recognised in the period in which the services are provided.

2.11. Other income

	2021	2020
	\$'000	\$'000
Other receipts	152	53
Fundraising	-	18
Total other income	152	71

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3. Board, committees and staff

3.1. Key management personnel

Key management personnel of the AGSA include the Premier of the State of South Australia, as responsible Minister for the Arts, the Chair and eight board members and the Director, Deputy Director and Assistant Director of the Art Gallery of South Australia, who have responsibility for the strategic direction and management of the AGSA.

Total compensation for the key management personnel was \$610 000 in 2020-21 and \$610 000 in 2019-20. This amount excludes salaries and other benefits the Premier receives. The Premier's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance (DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

There were no transactions to disclose for key management personnel and related parties during the reporting period.

3.2. Board and committee members

Members during the 2021 financial year were:

Art Gallery Board

JD Karas (Chair)
TA Whiting (Chair) (expired 20 August 2020)
S Armitage
JD Fanning
CH Kirkwood (expired 30 September 2020)
JE McGill (reappointed 12 December 2020)
JN Phillips (expired 31 December 2020)
JE Yuile (reappointed 17 September 2020)

Board and committee remuneration

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

	2021	2020
\$0 - \$19 999	8	10
Total number of members	8	10

The total remuneration received or receivable by members was \$32 000 (\$42 000). Remuneration of members reflects all costs of performing board/committee duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

In accordance with DPC No.016, government employees did not receive any remuneration for board and committee duties during the reporting period. Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3.3. Staff benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	5 266	5 328
Annual leave	470	501
Employment on-costs - superannuation	561	582
Payroll tax	310	321
Long service leave	(78)	99
Other staff related expenses	40	93
Skills and experience retention leave	23	28
Workers compensation expenses	66	65
Board fees	29	39
Targeted voluntary separation payments	-	111
Total staff benefits expenses	6 687	7 167

Employment on-costs - superannuation

The superannuation employment on-cost charge represents the AGSA's contributions to superannuation plans in respect of current services of current staff. DTF centrally recognises the superannuation liability in the whole of government financial statements.

Staff remuneration

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

	2021	2020
	No	No
\$154 001 to \$174 000	-	1
\$274 001 to \$294 000	1	1
Total	1	2

The total remuneration received or receivable by those staff for the year was \$288 000 (\$443 000).

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Targeted voluntary separation packages (TVSPs)

The number of staff who received a TVSP during the reporting period was nil (1).

	2021	2020
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	-	111
Leave paid to separated employees	-	35
	-	146
Recovery from the Department of Treasury and Finance	-	(111)
Net cost to the Gallery	-	35

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

3.4. Staff benefits liability

	2021 \$'000	2020 \$'000
Current		
Annual leave	588	639
Long service leave	84	127
Skills and experience retention leave	26	35
Accrued salaries and wages	212	166
Total current staff benefits	910	967
Non-current		
Long service leave	1 217	1 344
Total non-current staff benefits	1 217	1 344
Total staff benefits	2 127	2 311

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

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

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

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

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

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by staff up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided at note 10.1.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

4. Expenses

4.1. Supplies and services

	2021	2020
	\$'000	\$'000
Marketing and promotion	1 449	1 733
Administration expenses	523	803
Conservation work	1 176	1 040
Fees - exhibitions and publications	784	798
Contractors	678	999
Freight, courier, postage	463	565
Insurance & risk management	415	420
Minor equipment purchases and leasing	375	586
Information technology and communication charges	353	375
Cost of goods sold	305	237
Materials	235	311
Business services charge	229	175
Maintenance	147	140
Storage	98	92
Preservation activities	95	52
Travel and accommodation	92	1 016
Catering	59	201
Audit fees	50	52
Motor vehicle expenses	12	45
Consultants	5	21
Inventory written-off	-	20
Foreign currency (gains)/losses	-	5
Doubtful debt	(1)	(3)
Other	89	160
Total supplies and services	7 631	9 843

Consultants

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

	2021	2021	2020	2020
	Number	\$'000	Number	\$'000
Below \$10 000	2	5	1	8
\$10 000 or above	-	-	1	13
Total	2	5	2	21

4.2. Accommodation and facilities

	2021	2020
	\$'000	\$'000
Security	1 326	1 359
Facilities	893	540
Electricity and gas	590	656
Accommodation	380	184
Total accommodation and facilities	3 189	2 739

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

5. Non-financial assets

5.1. Property, plant and equipment

Reconciliation 2020-21

	Land	Buildings and improvements	Plant and equipment	Computer equipment	ROU Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	7 440	24 947	193	8	17	32 605
Additions	-	-	140	-	16	156
Depreciation and amortisation	-	(1 178)	(56)	(3)	(13)	(1 250)
Disposals	-	-	-	-	(8)	(8)
Other	-	-	-	-	(1)	(1)
Carrying amount at the end of the period	7 440	23 769	277	5	11	31 502
Gross carrying amount						
Gross carrying amount	7 440	65 445	944	13	20	73 862
Accumulated depreciation	-	(41 676)	(667)	(8)	(9)	(42 360)
Carrying amount at the end of the period	7 440	23 769	277	5	11	31 502

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment is recorded at fair value. Details about the AGSA's approach to fair value is set out in note 10.2.

Review of accounting estimates

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

Useful Life

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

Class of asset	Useful life (years)
Buildings and improvements	20 to 100
Plant and equipment	3 to 20
Right-of-use plant and equipment	Lease term
Intangibles	5

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

5.2. Leased Vehicles

Right-of-use assets leased by the AGSA as lessee are measured at cost and there were no indications of impairment. Additions to right-of-use assets in 2020-21 were \$16 000 (\$2 000).

The AGSA has a limited number of leases:

- 3 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. The motor vehicle lease terms range from 12 months to 22 months and no variable lease payments are provided for in the lease agreements.

The lease liabilities related to the right-of-use assets are disclosed in note 7.3. The AGSA's maturity analysis of its lease liabilities is disclosed in note 10.3. Cash outflows related to leases are disclosed in note 8.2.

5.3. Intangible assets

Reconciliation 2020-21

	Computer software	Work in progress	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	-	178	178
Carrying amount at the end of the period	-	178	178
Gross carrying amount			
Gross carrying amount	40	178	218
Accumulated amortisation	(40)	-	(40)
Carrying amount at the end of the period	-	178	178

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

5.4. Heritage collections

	2021			2020		
	At valuation \$'000	At cost \$'000	Total \$'000	At valuation \$'000	At cost \$'000	Total \$'000
Australian paintings and sculptures	278 154	16 710	294 864	277 954	15 250	293 204
Australian and European decorative arts	42 601	1 855	44 456	42 527	1 691	44 218
Asian art	28 309	3 448	31 757	28 052	3 097	31 149
European paintings and sculptures	339 455	2 569	342 024	339 450	2 106	341 556
Prints, drawings and photographs	54 125	4 478	58 603	53 148	4 409	57 557
Numismatics	10 450	-	10 450	10 450	-	10 450
Philatelic material	791	-	791	791	-	791
Library	2 898	91	2 989	2 898	73	2 971
Archival Collection	4	-	4	-	-	-
Total heritage collections	756 787	29 151	785 938	755 270	26 626	781 896

Reconciliation of carrying amounts of heritage collections

2021	Opening balance \$'000	Additions \$'000	Closing Balance \$'000
Australian paintings and sculptures	293 204	1 660	294 864
Australian and European decorative arts	44 218	238	44 456
Asian art	31 149	609	31 758
European paintings and sculptures	341 556	468	342 024
Prints, drawings and photographs	57 557	1 045	58 602
Numismatics	10 450	-	10 450
Philatelic material	791	-	791
Library	2 971	18	2 989
Archival collection	-	4	4
Total heritage collections	781 896	4 042	785 938

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

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

Art Gallery Board
Notes to and forming part of the financial statements
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5.4. Heritage collections (continued)

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

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

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

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

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

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

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

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

Fair value measurement - non-financial assets

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

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

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

6. Financial assets

6.1. Cash and cash equivalents

	2021	2020
	\$'000	\$'000
Deposits with banks	6 893	5 141
Deposits with the Treasurer	3 071	955
Cash on hand	5	5
Total cash and cash equivalents	9 969	6 101

Deposits with the Treasurer

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

Deposits with banks

Deposits with Macquarie Bank comprises cash received from bequests and donations which can only be used in accordance with the terms and conditions attributable. Other deposits with the Bank of South Australia (Bank SA) are funds held in term deposit facilities. Depending on the terms and conditions, the cash is not available for the operating activities of the Board.

Interest rate risk

Interest is calculated based on the average daily balances of the interest-bearing funds. The interest-bearing funds of the Board are held in the section 21 interest bearing account titled the "*Art Gallery Board Account*" and the Macquarie and Bank SA accounts.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

6.2. Receivables

	2021	2020
	\$'000	\$'000
Current		
Trade receivables		
From government entities	73	100
From non-government entities	42	53
Less impairment loss on receivables	(1)	(2)
Total trade receivables	114	151
Statutory receivables		
GST input tax recoverable	78	-
Total statutory receivables	78	-
Prepayments	19	4
Accrued income	725	769
Total current receivables	936	924
Non-current		
Statutory receivables		
Workers compensation recoveries	-	1
Total non-current receivables	-	1
Total receivables	936	925

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice, or the goods/services have been provided under a contractual arrangement.

Receivables, prepayments and accrued income are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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

Allowance for impairment loss on receivables

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	2	5
Increase/(decrease) in allowance recognised in profit or loss	(1)	(3)
Carrying amount at the end of the period	1	2

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

Refer to note 10.3 for details regarding credit risk and the methodology for determining impairment.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

6.3. Investments

	2021 \$'000	2020 \$'000
Investments classified as fair value through other comprehensive income		
Listed equity instruments designated at fair value through other comprehensive income	46 131	41 522
Investments classified as fair value through profit and loss		
Listed debt instruments mandatorily measured at fair value through profit and loss	6 340	1 716
Total non-current investments	52 471	43 238
Total investments	52 471	43 238

Equity instruments are designated at fair value through other comprehensive income (FV through OCI) with all changes in fair value being taken to the investment reserve. On disposal of these equity investments, any related balance within the investment reserve is reclassified to retained earnings. The debt instruments are designated at fair value through profit and loss (FV through P&L) with all changes in fair value going through profit or loss. On disposal of these debt instruments, any gains or losses are recognised in profit and loss.

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

The majority of investments are acquired through bequests and donations which may have specific terms and conditions attached. Therefore, depending on the terms and conditions, the investments are not available for the operating activities of the AGSA.

Investment reconciliation

	2021 \$'000	2020 \$'000
Shares and other direct investments in companies		
Carrying amount at the beginning of period	43 238	46 966
Additions at cost	15 822	3 013
Disposals at fair value	(13 969)	(3 018)
Investments classified as FV through OCI	7 264	(3 629)
Investments classified as FV through P&L	116	(94)
Total non-current investments	52 471	43 238
Total investments	52 471	43 238

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

7. Liabilities

7.1. Payables

	2021 \$'000	2020 \$'000
Current		
Trade payables	974	522
Statutory payables		
Employment on-costs	134	140
Total current payables	1 108	662
Non-current		
Statutory payables		
Employment on-costs	115	124
Total non-current payables	115	124
Total payables	1 223	786

Payables are measured at nominal amounts.

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.

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective staff benefits that they relate to is discharged.

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has remained the same at 42%, and the average factor for the calculation of employer superannuation contribution on-costs has increased to 10.1% (9.8%). These rates are used in the employment on-cost calculation. The net financial effect of these changes in the current financial year is a decrease in the employee benefits expense of \$4 000 and the employment on cost liability of \$4 000. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

7.2. Provisions

All provisions relate to workers compensation. The current provision is \$15 000 (2020: \$12 000) and the non-current provision is \$36 000 (2020: \$25 000).

	2021 \$'000	2020 \$'000
<i>Movement in provisions</i>		
Carrying amount at the beginning of the period	37	33
Additional provisions recognised	14	4
Carrying amount at the end of the period	51	37

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The liability was calculated to be required to settle obligations incurred as at 30 June. No risk margin is included in this estimate.

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

7.3. Lease liabilities

	2021 \$'000	2020 \$'000
Current		
Lease liabilities	8	14
Total current financial liabilities	8	14
Non-current		
Lease liabilities	3	3
Total non-current financial liabilities	3	3
Total financial liabilities	11	17

Lease liabilities have been measured via discounting lease payments using the interest rate implicit in the lease (2.14%).

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

8. Other disclosures

8.1. Equity

Asset revaluation surplus

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

Investment reserve

The investment reserve records all changes in fair value of investments classified as fair value through other comprehensive income.

8.2. Cash flow

The total cash outflows for leases in 2020-21 was \$13 000 (\$18 000) which related to the repayment of leases.

9. Outlook

9.1. Unrecognised commitments

The AGSA's expenditure commitments are for agreements for:

- Security and cleaning
- Netley storage complex
- Portico refurbishment.

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

Expenditure commitments

	2021	2020
	\$'000	\$'000
Within one year	1 540	1 651
Later than one year but not longer than five years	1 127	2 841
Total expenditure commitments	2 667	4 492

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

9.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

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

The AGSA is not aware of any contingent liabilities as at 30 June 2021.

Art Gallery Board
Notes to and forming part of the financial statements
For the year ended 30 June 2021

10. Measurement and risk

10.1. Long service leave liability – measurement

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

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has changed from 0.75% (2020) to 1.25% (2021).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$143 000 and employee expense of \$143 000.

The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the DTF kept the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The unconditional portion of the long service leave provision is classified as current as the AGSA does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service

10.2. Fair Value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment, other than right of use assets, is subsequently measured at fair value after allowing for accumulated depreciation.

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

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

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

Art Gallery Board
Notes to and forming part of the financial statements
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10.2. Fair Value (continued)

Land and buildings

An independent valuation of land and buildings owned by the AGSA was performed as at 30 June 2020 by a Certified Practising Valuer from Liquid Pacific Holdings Pty. Ltd.

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

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

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

The fair value of land and buildings may be impacted by market changes due to the ongoing impact of COVID-19 however there was no market evidence to support the extent of any impact available at the time of preparing these financial statements.

Plant and equipment

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

Heritage assets

These assets are classified in level 3 as there is no active market. An independent valuation of heritage assets was performed in June 2016 by a Certified Practising Valuer from RHAS, an operating division of Aon Risk Services as at 30 June 2016. Fair value was determined by estimating the current replacement cost based on the limited market information available for similar heritage assets and reproduction materials.

10.3. Financial instruments

Financial risk management

Risk management is managed by the AGSA's Audit Committee and AGSA. Risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The AGSA's exposure to liquidity risk and credit risk is low due to the nature of the financial instruments held. The AGSA's exposure to market risk is significant given the investments balance of \$52.47 million. The investments are subject to price movements relating to market volatility. The investment portfolio is managed by experienced professionals. The Board Funds Management Committee monitors the investment program on a regular basis.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The AGSA uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the AGSA considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the AGSA's historical experience and informed credit assessment, including forward-looking information.

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10.3. Financial instruments (continued)

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the AGSA is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the AGSA's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the AGSA and a failure to make contractual payments for a period of greater than 90 days past due.

The AGSA considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

The allowance was recognised when there was objective evidence that a receivable was impaired. The allowance for impairment was recognised in other expenses for specific debtors and debtors assessed on a collective basis for which such evidence existed.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/ financial liability note.

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10.3. Financial instruments (continued)

Maturity analysis of financial instruments

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

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2021 Contractual maturities*	
			Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	6.1	9 969	9 969	-
Fair value through profit and loss				
Receivables**	6.2	839	839	-
Listed equity instruments designated at fair value through other comprehensive income	6.3	46 131	-	46 131
Listed debt instruments mandatorily measured at fair value through profit and loss	6.3	6 340	-	6 340
Total financial assets		63 279	10 808	52 471
Financial liabilities				
Financial liabilities at amortised cost				
Payables**	7.1	919	919	-
Lease liabilities	7.3	11	8	3
Total financial liabilities		930	927	3

Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000	2020 Contractual maturities*	
			Within 1 year \$'000	1-5 years \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	6.1	6 101	6 101	-
Fair value through profit and loss				
Receivables**	6.2	921	920	1
Listed equity instruments designated at fair value through other comprehensive income	6.3	41 522	-	41 522
Listed debt instruments mandatorily measured at fair value through profit and loss	6.3	1 716	-	1 716
Total financial assets		50 260	7 021	43 239
Financial liabilities				
Financial liabilities at amortised cost				
Payables**	7.1	474	474	-
Lease liabilities	7.3	17	17	-
Total financial liabilities		491	491	-

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10.3. Financial instruments (continued)

*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

**Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).