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**Government
of South Australia**

DEFENCE SA
2024-25 Annual Report

DEFENCE SA

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2024-25 ANNUAL REPORT for Defence SA

To:

Hon Peter Malinauskas MP

Premier

Minister for Defence and Space Industries

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009* and the *Public Finance and Audit Act 1987* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

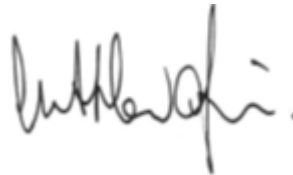
Submitted on behalf of Defence SA by:

Matt Opie

Chief Executive

Date 29 September 2025

Signature



From the Chief Executive



South Australia has had another remarkable year as we prepare for the largest industrial undertaking in our nation's history, the delivery of Australia's fleet of conventionally armed, nuclear-powered submarines, the SSN-AUKUS. Defence SA has been actively working to ensure our state is ready to seize this opportunity, while also driving progress across a wide range of other major defence, space, and research initiatives.

In support of AUKUS, the state has made significant inroads in workforce development, infrastructure and industry capability, ensuring South Australian companies are well-positioned to enter global supply chains for both Pillar I and Pillar II programs, alongside other major Defence projects. Workforce attraction and skills development remain a cornerstone of our efforts, highlighted by the successful delivery of South Australia's first dedicated Defence and Space Industry Careers Expo in Adelaide.

It has also been one of the busiest years on record for our national and international engagement program. Domestically, we showcased South Australia's capabilities at two major Australian events in the same year, the Avalon Air Show and the Land Forces Exhibitions hosting 60 and 67 South Australian companies respectively on our Defence State stand. While internationally we strengthened ties in the United States through the Sea-Air-Space event and other strategic missions, including advancing defence and space collaboration opportunities in Japan through the Osaka World Expo and Defence Security Equipment International and Undersea Defence Technology in Norway. Our partnerships with the United Kingdom and United States remain central as we deepen our AUKUS relationships and seek supply chain opportunities for South Australian companies.

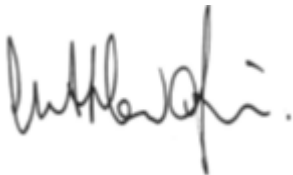
South Australia continues to be home to major developments across all Defence domains. In the land domain, we are proud to be the base for the establishment of the Army's 10th Brigade and the new long-range fires capability; while in the air domain, we have made significant progress on the new Deep Maintenance and Modification Facility, a key national asset to support the readiness, resilience and future of Australia's aerospace support system. In the cyber domain, uplift of industry capability remains a key priority as we build on

our strengths in AI, quantum, and advanced technologies that will underpin Pillar II supply chains.

Our space sector continues to make history, with the successful launch and commissioning of South Australia's first state-owned satellite, Kanyini, an important milestone in building sovereign capability in small satellite manufacturing. We are also preparing for the establishment of the \$20 million Space Assembly, Integration and Test Facility at Lot Fourteen, another critical enabler for the growth of our local space industry. The return of the US-based Varda Space Industries capsule through Southern Launch's Koonibba Test Range further highlighted South Australia's opportunity to become a responsible launch and return hub for the global space community.

Defence sector research and development in South Australia has gone from strength to strength. The Defence Innovation Partnership successfully delivered Round 8 of the Collaborative Research Fund and Rounds 2 and 3 of the Activator Fund, supporting cutting-edge projects and fostering collaboration between industry, government and academia. Our continued support for the Andy Thomas Space Foundation and the Venture Catalyst Space program ensures we are inspiring and nurturing the next generation of defence and space leaders in South Australia.

It has truly been a year of progress, partnership and momentum. With our strong foundations, committed workforce, and global reputation as the Defence State, South Australia is firmly positioned to play a leading role in delivering AUKUS, strengthening Australia's defence capability, and building a thriving defence and space industry for decades to come.



Matt Opie
Chief Executive
Defence SA

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Overview: about the agency

Our strategic focus

Purpose

Defence SA is South Australia’s lead government agency for all defence related matters and is the single point of contact for defence stakeholders, streamlining their interaction across the South Australian Government. The agency captures valuable investment opportunities in the naval, land and air domains as well as defence science and research, cyber, information warfare and space.

The Defence SA Advisory Board provides strategic advice to promote the growth of defence industry in South Australia and plays a key role in guiding the state’s defence strategy.

Defence SA includes the Defence Innovation Partnership, South Australian Space Industry Centre, and Veterans SA.

(Note: Veterans SA annual activities will be presented in a separate Annual Report to be submitted to the Minister for Veterans’ Affairs for tabling in the Parliament of South Australia and will therefore not be detailed in this report.)

Defence Innovation Partnership – fosters collaboration and engagement between government universities, research organisations and industry. The Defence Innovation Partnership delivers innovative solutions to Defence by creating connections between researchers, industry and Defence; building and supporting defence-relevant research collaborations through the Collaborative Research Fund and Activator Fund; attracting research and development funding to South Australia; and supporting the translation of defence and national security research and development into capability.

South Australian Space Industry Centre (SASIC) – provides a whole-of-state-government focal point for local industry and international companies and organisations to drive space industry innovation, research and entrepreneurial development and growth.

Vision

Defence SA	By 2030 South Australia will be recognised as an international leader in defence and space industries by building on its highly skilled workforce, world-leading technology and infrastructure and culture of innovation driven by focused research and development.
Defence Innovation Partnership	A trusted, forward-thinking, and sustainable defence-relevant research, development and innovation ecosystem, supporting Australia’s defence and national security needs.
SASIC	A thriving and enduring South Australian space ecosystem, supporting Australia’s national space strategy.

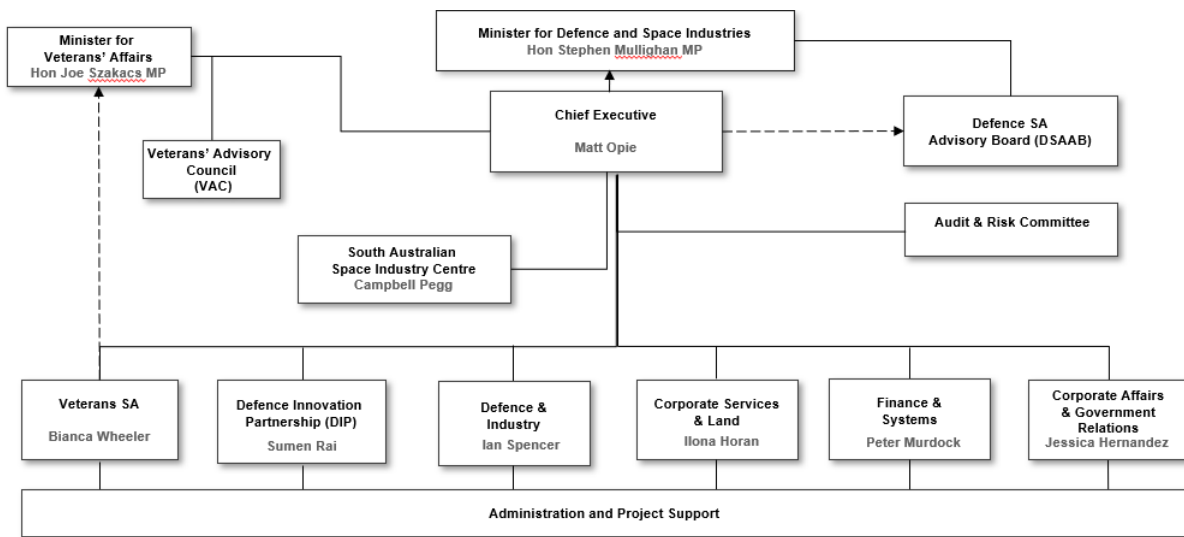
Mission / Values

Defence SA	To establish and maintain a competitive business environment which drives economic prosperity in the South Australian defence sector.
Defence Innovation Partnership	Develop and promote a trusted and recognised defence research and development ecosystem that grows industry and delivers defence capability.
SASIC	To grow a thriving and enduring South Australian space sector, in partnership with industry.

Our functions, objectives and deliverables

Defence SA	<ul style="list-style-type: none"> • Maximising business opportunities by informing policy, connecting industry to global supply chains and attracting investment. • Stimulating business capability by aligning local research and development, infrastructure and regulation with industry needs. • Building business capacity by working to attract and retain talent in the state.
Defence Innovation Partnership	Stimulating business capability by aligning research and development, infrastructure and regulation with industry needs, and developing collaboration between industry, researchers and defence in support of national priorities.
SASIC	<p>Cultivating South Australia as a centre of gravity for space activities, including:</p> <ul style="list-style-type: none"> • Building a capable workforce • Creating an innovating ecosystem • Establishing supportive infrastructure • Being globally competitive • Attracting investment

Our organisational structure



Changes to the agency

During 2024-25 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

In 2024-25, the Minister for Defence and Space Industries was the Hon Stephen Mullighan MP.

The Minister oversees:

- Defence Industry Development
- Defence Innovation Partnership
- South Australian Space Industry Centre

The Minister was also the Treasurer and Minister for Police.

Our Executive team

In 2024-25, Defence SA's Executive team comprised:

- **Matt Opie, Chief Executive: Defence SA, South Australian Space Industry Centre**

Matt is responsible for providing executive and strategic leadership to Defence SA, the South Australian Space Industry Centre, the Defence Innovation Partnership and Veterans SA. The Chief Executive is responsible for the attraction, development and growth of sustainable industry business initiatives to establish a long-term viable Defence presence and promote defence and space industries in South Australia.

- **Ian Spencer, Executive Director Defence and Industry**

Ian is responsible for delivering initiatives that support the growth of South Australia's defence and space sectors whilst strengthening relationships with internal and external stakeholders.

- **Sumen Rai, Director Defence Innovation Partnership**

Sumen is responsible for leading the Defence Innovation Partnership team, which builds and supports collaborative defence-relevant research and development in South Australia.

- **Jessica Hernandez, Director Corporate Affairs and Government Relations**

Jessica is responsible for the oversight and management of all corporate affairs activities for Defence SA, the South Australian Space Industry Centre, Defence Innovation Partnership and Veterans SA including marketing, communications, events, media, Advisory Board management and government relations.

- **Ilona Horan, Director Corporate Services and Director Land**

Ilona oversees the agency's corporate services functions, including the management of human resources, WHS, procurement and contracting, while also supporting the land (or Army) industry sector initiatives and major projects within South Australia.

- **Peter Murdock, Director, Finance and Systems**

Peter is responsible for overseeing the agency's financial resources, including budget planning, finance management and legislative reporting and the agency's cyber security program.

The Defence SA Executive Team also includes Director, Veterans SA, who reports via the CE Defence SA to the Minister for Veterans' Affairs.

Legislation administered by the agency

Defence SA does not administer any legislation.

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

Department of Treasury and Finance

The agency's performance

Performance at a glance

Defence SA's achievements and performance are best measured by the health of the defence and space sectors in South Australia and the brand of 'Defence SA' amongst domestic and international stakeholders.

AUKUS

- Identified and are implementing industry opportunities to enter into the supply chain for Virginia class and SSN-AUKUS submarines supporting AUKUS Pillar I.
- Developed opportunities for South Australian industry to support projects aligned to AUKUS Pillar II advanced capabilities.
- Supported the Office for AUKUS to progress the Le Fevre Peninsula Masterplan, and development of the new Skills and Training Academy at Osbourne.

Defence and industry

- Increased industry participation in, and attendance at, international tradeshow and domestic defence events that support South Australian defence and space industry and research collaboration opportunities, notably in the US, UK, Europe and Asia promoting the Defence State brand on the national stage.
- Facilitated outbound and inbound international business missions providing South Australian industry with the opportunity to engage with key stakeholders across government and industry.
- Supported South Australian industry to win contracts on the Hunter class frigate program, Collins class life-of-type extension and Hobart class destroyer upgrades.
- The Defence and Space Landing Pad at Lot Fourteen, managed by Defence SA, continued to attract national and international defence and space companies seeking to establish a presence in South Australia.
- Worked in collaboration with Renewal SA to continue development of the new Deep Maintenance and Modification Facility to Edinburgh.

Workforce and skills

- Supported the ongoing delivery of the South Australian Defence Industry Workforce and Skills Action Plan including the successful delivery of the inaugural Defence and Space Industry Careers Showcase to promote career opportunities within the sectors.

- Supported the development of a workforce talent pipeline across defence, cyber and space through university initiatives including new educational offerings, hackathons and the Australian Rover Challenge.

Research, Development and Innovation

- Awarded two rounds of the Activator Fund, with \$3.2 million in South Australian Government funding for collaborative projects, leveraging over \$6 million in co-contributions from the Department of Defence, universities and industry.
- Funded four new Collaborative Research Fund projects in round 8 of the program, leveraging \$1.9 million in co-contributions from the Department of Defence, universities and industry.

Space

- Successfully launched and commissioned South Australia's state satellite, Kanyini, onboard SpaceX's Transporter-11 mission from the United States.
- Delivered round two of the Space Collaboration and Innovation Fund, providing \$200,000 in funding to deliver a Radioisotope Heating Unit Project.
- Progressed plans for the design and development of the Space Assembly, Integration and Test Facility at Lot Fourteen to support sovereign space manufacturing capability.
- Supported the 2024 space accelerator program Venture Catalyst Space, a globally recognised program dedicated to supporting startup founders to develop innovative, disruptive businesses in the international space sector.
- Supported eight South Australian participants to complete the Southern Hemisphere Space Studies Program.
- Supported the Andy Thomas Space Foundation to deliver the 17th Australian Space Forum at the Adelaide Convention Centre.

Stakeholder Engagement

- Supported industry organisations including the Defence Teaming Centre, Australian Industry Defence Network and Andy Thomas Space Foundation who in turn support the development of industry and skills in their respective sectors.
- Engaged with hundreds of South Australian defence and space companies; local, state and federal governments and international governments and industry reaffirming South Australia's reputation as the defence and space state.
- Maintained strong relationships with the Royal Australian Navy, Australian Army and the Royal Australian Air Force, Australian Submarine Agency, the Defence Science and Technology Group and other elements of the Department of

Defence and Australian Government to understand the Defence user requirements to inform South Australia’s defence strategy.

- Maintained strong relationships with the Australian Space Agency, SmartSat CRC and Defence Space Command to understand user needs and requirements to inform South Australia’s space strategy.
- Supported the three South Australian universities, including providing input into the establishment of the new Adelaide University. This included input into the development of strategic research themes in areas such as defence and national security, and advising on program structure and curriculum for selected defence and space programs.

Agency specific objectives and performance

Defence SA

Agency objectives	Indicators	Performance
Establish supply chain	Establish a sustainable supply chain for conventionally armed, nuclear-powered submarines by maximising local industry participation.	In September 2024 Defence SA hosted 67 exhibitors at the Land Forces International Defence Expo, representing significant growth for the event from just 12 exhibitors in 2010. The event provided an opportunity to explore supply chain opportunities in land, cyber and systems, information warfare, and guided weapons and explosive ordnance.
Support opportunities for export	Support South Australian companies in entering supply chains for Hunter and other Defence programs.	In March 2025, Defence SA hosted 60 local defence and space organisations at the Avalon Airshow, in what was a record attendance for the event. Delegates were able to explore opportunities across advanced manufacturing, artificial intelligence and cyber security and intelligence, surveillance reconnaissance.
Support SMEs to leverage AUKUS Pillar II opportunities	Support local industry to identify and develop opportunities for export through AUKUS and other Defence programs.	Defence SA representatives also supported South Australian industry at international events including Undersea Defence Technology (UDT) in Norway in March 2025, Sea Air Space in Maryland in April 2025 and DSEI in Japan in May 2025. These events enabled companies to explore
Support SMEs to leverage AUKUS Pillar II opportunities	Provide advocacy and support to maximise opportunities for local SMEs in national and	

	international contracts.	opportunities for both Pillar I and II and other Defence programs. Defence SA facilitated inbound and outbound missions providing South Australian defence industry with the opportunity to engage with key stakeholders across government and industry from the United Kingdom, United States, Japan, Canada, Czech Republic and Slovenia.
Support the expansion of defence industry capability in South Australia	Manage utilisation of the Defence and Space Landing Pad at Lot Fourteen.	As at 30 June 2025 the landing pad was at 73% capacity with eight companies utilising the facility.
Develop maintenance repair and overhaul (MRO) capabilities and strengthen the state's role in the global market	Support Renewal SA and Defence on the construction of the 737 Deep Maintenance and Modification Facility (DMMF)	In September 2024 work commenced on the new \$200 million DMMF which will support the maintenance and modification of the Australian Defence Force's P-8A Poseidon maritime surveillance aircraft and E-7A Wedgetail airborne early warning and control aircraft.
Support the Australian Defence Force	Support the establishment of the Army's 10 th Brigade and relocation of the 16 th Regiment.	With the establishment of 10 th Brigade to Edinburgh Defence Precinct, South Australia is establishing itself as the home to Australia's long-range fires capability.
Foster cybersecurity resilience and innovation	Enhance local cybersecurity capabilities and operations.	Work commenced on plans for a pilot South Australian Defence Industry Cyber Capability Uplift Program for rollout in 2025-26 to support South Australian defence and space industry companies to enhance their cybersecurity capabilities. Defence SA supported the third Australian Space Cyber Forum in June 2025.
Promote defence industry capability	Highlight the scope of South Australian defence industry capability through strategic	Defence SA delivered monthly e-newsletters (combined figure for Defence and Space e-newsletters). Average open rate: 41.5% (government benchmark 28.77)

	communications and marketing initiatives.	Average click rate: 9.5% (government benchmark 3.99%)
	Major event average exhibitor satisfaction rating of no lower than 80%.	Obtained an exhibitor satisfaction rating of 95% for Avalon and 100% for Land Forces.
	Increase social media reach	Social media followers for Defence SA channels (Facebook, LinkedIn and X) grew by 3,900 in 2024-25. Social media followers for SASIC channels (Facebook, LinkedIn and X) grew by 1,836 in 2024-25.
Support the South Australian Workforce and Skills Taskforce	Deliver the Defence and Space Industry Careers Showcase	In May 2025 Defence SA delivered the first ever dedicated Defence and Space Industry Careers Showcase as part of the 2025 Adelaide Careers & Employment Expo. The event featured more than 20 leading defence and space companies, with the overarching event attended by more than 17,000 students, educators, and job seekers. Defence SA also attended The Big Meet careers expo in March 2025.

Defence Innovation Partnership

Agency objectives	Indicators	Performance
Stimulating business capability by aligning local research and development, infrastructure, and regulation with industry needs.	Facilitate and support new defence-relevant research and development collaborations in South Australia.	Awarded two rounds of the Activator Fund, with \$3.2 million in South Australian Government funding for collaborative projects, leveraging over \$6 million in co-contributions from Department of Defence, universities and industry. Projects addressed the themes of 'Understanding and countering influence' and 'Sensing and sensemaking systems.' Funded four new Collaborative Research Fund projects in

		<p>Round eight, leveraging \$1.9 million co-contributions from Department of Defence, industry and universities.</p> <p>Completed five Collaborative Research Fund projects.</p>
	<p>Increase the number of researchers and industry in South Australia involved in defence-relevant research and development.</p>	<p>DIP provided advice to potential Activator Fund and Collaborative Research Fund researchers and made introductions for researchers into DSTG, other parts of Defence and defence industry.</p> <p>An increase in the number of researchers approaching the DIP regarding funding programs occurred as a result of direct referrals from past applicants.</p> <p>In collaboration with SASIC, delivered the second round of the Space Collaboration and Innovation Fund.</p> <p>Cross sectoral engagement through briefings with Centre of Excellence in Plants for Space, Safeguarding Australia through Biotechnology Response and Engagement (SABRE), MTP Connect, Venture Catalyst Space start-ups and Stone & Chalk start-ups.</p>
	<p>Promote South Australia’s R&D credentials through advocacy and stories of defence-relevant research collaboration.</p>	<p>Strengthened relationships with potential collaborators and funding bodies in AUKUS countries United States and the United Kingdom, including a presence at major international trade shows such as the United States Navy League’s Sea Air Space, and industry visits in support of the South Australia-Maryland Memorandum of Understanding.</p>

		<p>These events were opportunities to promote the capabilities of South Australian researchers and engage with national and international collaborators and funders.</p> <p>Promoted capabilities and stories about researchers and projects through social media platforms Twitter, LinkedIn and YouTube.</p> <p>The audience for these accounts collectively grew by approximately 13% to a total of 5,894 in 2023-24.</p>
	Build scale in South Australia’s defence R&D capabilities.	<p>DIP fostered transdisciplinary collaborations through the Convergence Series, hosting sector discussions and debate on emerging technologies and themes.</p> <p>Engaged with researchers and organisations from the US and UK around potential joint projects focused on AUKUS Pillar II technologies.</p>
	Support a defence R&D workforce through advice and support for early and mid-career researchers and industry professionals.	<p>Hosted a DSTG NAVIGATE Program researcher (mid-career) for six months as part of the program’s placement requirement.</p> <p>Supported Defence Science and Technology Group’s student conference, ‘DSTEM’, with targeted industry visits at Lot Fourteen.</p>

SASIC

Agency objectives	Indicators	Performance
Maximising business opportunities by	Support investment in local procurement to prioritise local space companies;	In August 2024 in a national first, successfully launched and commissioned South

<p>connecting industry to global supply chains and attracting investment.</p>	<p>creating space flight heritage and increasing international competitiveness of South Australian industry.</p>	<p>Australia’s state owned and manufactured satellite, Kanyini.</p>
	<p>Support South Australian space industry to engage with international partners.</p>	<p>In collaboration with the Defence Innovation Partnership, SASIC delivered round 2 of the South Australian Collaboration and Innovation Fund, awarding a local company \$200,000 to fast-track the development of innovation space technology in partnership with an international company.</p>
	<p>Support the Andy Thomas Space Foundation in the delivery of the Australian Space Forum.</p>	<p>In July 2024, the Andy Thomas Space Foundation held the 17th edition of the Australin Space Forum.</p>
	<p>Attendance at key national and international events.</p>	<p>In July 2024 and May 2025 SASIC went to Japan to engage with industry and attend the SPACETIDE conference and the 6th Summit for Space Sustainability (July) and 2025 World Expo (May). This provided an opportunity to promote South Australia to a targeted audience within the Asia-Pacific region. SASIC also provided support to the six South Australian space companies who attended the World Expo in May.</p> <p>In March 2025 SASIC attended the Avalon Air Show with its own presence for the first time, having previously attended on the Defence SA stand, highlighting the state’s space achievements and ongoing efforts to grow local industry.</p> <p>In June SASIC together with Invest SA, supported seven</p>

		South Australian space companies to the US on an investment delegation tour.
	Support networking, collaboration and growth of the local South Australian space sector.	SASIC continued its quarterly Space Townhall Series at Lot Fourteen, attracting guests from across industry, government and education sectors, providing an opportunity to share information, ideas and updates with the South Australian space community.
Stimulating business capability by aligning local research and development, infrastructure and regulation with industry needs.	Support development of local space manufacturing capability to drive collaboration between space manufacturers.	Plans continued to develop the \$20 million space assembly integration and testing facility at Lot Fourteen's new Innovation Centre.
	Support Southern Launch to develop Whalers Way as an orbital launch site.	In November 2024 Southern Launch received final planning approval to develop the site at Whalers Way.
Building business capacity by working to attract and retain talent in the state; building a talent pipeline to support sovereign capability.	Support the University of South Australia ICC Venture Catalyst Space program delivery.	In 2024 four companies completed the Venture Catalyst Space Program and six were engaged through the Australian Centre for Growth's Space Ramp program. Six companies were engaged for the Venture Catalyst program in 2025, along with five growth ramp companies.
	Support the development of a workforce talent pipeline across defence, cyber and space.	Sponsored and supported university initiatives including the delivery of the 2025 Australian Rover Challenge at the University of Adelaide.
Increased rural, regional and public engagement in STEM.	Support the Andy Thomas Space Foundation (ATSF) to deliver student engagement activities.	In Partnership with the Australian Space Agency, SASIC supported the ATSF to deliver the Kids in Space National Challenge involving

		schools across the country participating in a space themed technology-based design thinking project.
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Corporate Performance Summary

- Continued to invest in cyber security initiatives to ensure we continue to evolve and increase the department’s cyber security resilience, posture, and preparedness for new and emerging cyber security threats.
- Implemented ongoing improvements to recruitment and onboarding processes to streamline, simplify and reduce steps, improving both the candidate and hiring manager experience.
- Continued to invest in individuals through tailored development opportunities, including employees participating in leadership development programs through the Australian Institute of Management, South Australian Leadership Academy, IPAA, and the Defence Industry Leadership Program.
- Responded to all Freedom of Information (FOI) requests within the legislated timeframe.

Employment opportunity programs

The agency’s recruitment policy requires that recruitment panels have some diversity to assist with unbiased consideration of applicants.

Each applicant is encouraged to inform the agency of any accessibility requirements so that they can be accommodated through recruitment, placement, induction and employment.

Employment opportunity programs

Program name	Performance
Aboriginal and Torres Strait Islander Internship Program.	<p>The Aboriginal and Torres Strait Islander Internship Program was established to provide the opportunity for participants to gain experience in administration, office and work management through exposure to the defence and space sectors. This assists participants to pursue a career in the South Australian public sector while also providing a better understanding of the opportunities available in the defence and space sectors.</p> <p>Defence SA's current participant in the program commenced in February 2024. Studying a Bachelor of Economics, the participant is working within the Defence SA finance team.</p>
Support for further study	<p>The agency is supporting an employee, initially with 0.5 days per week study leave and subsequently on Leave Without Pay for 12 months to undertake PhD research on Family and Domestic Sexual Violence (FDSV) in military families.</p>

Agency performance management and development systems

Performance management and development system	Performance
Chief Executive Performance Agreement.	<p>The Chief Executive has commenced the annual goals and objectives and performance agreement process.</p>
Executive Staff Performance Management and Development System.	<p>All executive staff participate in an annual performance review process with key deliverables linked to the Chief Executive's objectives as well as utilising the system to identify training and development opportunities. The performance review process involves a half-yearly review and an annual review. By 30 June 2025, 100% of executive staff had completed their half-yearly and annual review.</p>
Non-Executive Staff Performance Management and Development System.	<p>All non-executive staff participate in an annual performance review process linked to training and development. This involves, a half-yearly review and an annual review. By 30 June 2025, 87% of non-executive staff had completed their half-yearly and annual review.</p>

Work health, safety and return to work programs

Program name	Performance
First Aid	Defence SA has three First Aid Officers who have completed accredited training.
Mental Health First Aid	Defence SA has three Mental Health First Aid Officers who have completed accredited training. This complements the existing Employee Assistance Program.
Employee Assistance Program	The employee assistance program continues to provide support to employees with informal and confidential short term counselling services.
Workstation assessments	On a regular basis, the agency engages an occupational therapist to assess each employee's workstation and accessibility requirements to ensure adjustments can be made, equipment provided or flexibility arranged.

Workplace injury claims	2024-25	2023-24	% Change (+ / -)
Total new workplace injury claims	0	0	0%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%

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

Work health and safety regulations	2024-25	2023-24	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvement, improvement and prohibition notices (<i>Work</i>	0	0	0%

<i>Health and Safety Act 2012 Sections 90, 191 and 195)</i>			
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Return to work costs**	2024-25	2023-24	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	0	0%

***before third party recovery*

Data for previous years is available at: [Work health and safety/return to work performance 2023-24 - Dataset - data.sa.gov.au](https://data.sa.gov.au/work-health-and-safety/return-to-work-performance-2023-24-dataset)

Executive employment in the agency

Executive classification	Number of executives
EXEC0F	1
SAES1	7

Data for previous years is available at: [Executives 2023-24 - Dataset - data.sa.gov.au](https://data.sa.gov.au/executives-2023-24-dataset)

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 2024-2025 are attached to this report.

Statement of Comprehensive Income	2024-25 Budget \$000s	2024-25 Actual \$000s	Variation \$000s	2023-24 Actual \$000s
Total Income	\$29,604	\$17,081	\$(12,523)	\$18,614
Total Expenses	\$19,821	\$19,503	\$ 318	\$14,029
Net Result	\$ 9,783	\$ (2,422)	\$(12,205)	\$ 4,585
Total Comprehensive Result	\$ 9,783	\$ (2,422)	\$(12,205)	\$ 4,585

Statement of Financial Position	2024-25 Budget \$000s	2024-25 Actual \$000s	Variation \$000s	2023-24 Actual \$000s
Current assets	\$ 3,442	\$12,422	\$8,980	\$15,332
Non-current assets	\$11,650	\$ 1708	\$(9,942)	\$ 2,182
Total assets	\$15,092	\$14,130	\$(962)	\$17,514
Current liabilities	\$ 1,984	\$ 2172	\$(188)	\$ 2,909
Non-current liabilities	\$ 1,657	\$ 1,932	\$(275)	\$ 2,157
Total liabilities	\$ 3,641	\$ 4,104	\$(463)	\$ 5066
Net assets	\$ 11,451	\$10,026	\$(1,425)	\$12,448
Equity	\$ 11,451	\$10,026	\$(1,425)	\$12,448

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		NIL

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

Consultancies	Purpose	\$ Actual payment
N/A		NIL

Data for previous years is available at: [Consultants 2023-24 - Dataset - data.sa.gov.au](https://data.sa.gov.au)

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

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

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$19,672

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

Contractors	Purpose	\$ Actual payment
Ai Group Centre for Education	Management of Defence Industry Scholarship Program	\$ 12,000
Be Sustained	Delivery of veterans mentoring program	\$ 50,000
Defence Teaming Centre	Defence and Space Landing Pad concierge service	\$ 47,307
Digital Resilience	Internal audit services	\$ 23,800
Duck & Partners	Strategic advisory services	\$ 19,683
Flinders University	Research into veteran's needs in SA	\$ 50,000
Furthermore Group	Business plan services	\$ 10,000
Hays Specialist Recruitment	Temporary Staff	\$ 44,405
Repat Foundation	Workshop facilitation	\$ 38,000

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2024-25 ANNUAL REPORT for Defence SA

Contractors	Purpose	\$ Actual payment
SmartSat CRC	Kanyini mission satellite development	\$ 898,017
	Total	\$ 1,193,212

Data for previous years is available at: [Contractors 2023-24 - Dataset - data.sa.gov.au](https://data.sa.gov.au)

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

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

Risk management

Fraud detected in the agency

Category/nature of fraud	Number of instances
N/A	0

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

Strategies implemented to control and prevent fraud

All staff completed the SA public Sector code of Ethics refresher training during July 2024.

Data for previous years is available at: [Fraud Detection 2023-24 - Dataset - data.sa.gov.au](#)

Public interest disclosure

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

Nil

Data for previous years is available at: [Whistle-blower Disclosure 2023-24 - Dataset - data.sa.gov.au](#)

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

Reporting required under any other act or regulation

Reporting required under the *Carers' Recognition Act 2005*

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

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2024-25
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	Nil
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	Nil
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	Nil
Communication	Communication quality	Inadequate, delayed or absent communication with customer	Nil
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	Nil
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	Nil
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	Nil
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	Nil
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	Nil
Policy	Policy content	Policy content difficult to understand; policy	Nil

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Complaint categories	Sub-categories	Example	Number of Complaints 2024-25
		unreasonable or disadvantages customer	
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	Nil
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	Nil
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	Nil
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	Nil
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	Nil
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	Nil
		Total	Nil

Additional Metrics	Total
Number of positive feedback comments	Nil
Number of negative feedback comments	Nil
Total number of feedback comments	Nil
% complaints resolved within policy timeframes	N/A

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/defence-sa-public-complaint-2023-24>

Service Improvements

Not applicable

Compliance Statement

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

Appendix: Audited financial statements 2024-25

INDEPENDENT AUDITOR'S REPORT



Government of South Australia
Audit Office of South Australia

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200 Victoria Square
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To the Chief Executive Defence SA

Opinion

I have audited the financial report of Defence SA for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of Defence SA as at 30 June 2025, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- a Certificate from the Chief Executive and the Director Finance and Systems.

Basis for opinion

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

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

Responsibilities of the Chief Executive for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of DefenceSA for the financial year ended 30 June 2025.

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.

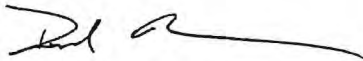
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 DefenceSA's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive

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

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

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



Daniel O'Donohue
Deputy Auditor-General

25 September 2025

DEFENCE SA

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Certification of the Financial Statements

We certify that the:

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



Matt Opie
Chief Executive

25 September 2025



Peter Murdock
Director Finance and Systems

25 September 2025

DEFENCE SA

STATEMENT OF COMPREHENSIVE INCOME**for the year ended 30 June 2025**

	Note	2025 \$' 000	2024 \$' 000
Income			
Appropriation	3.1	15,211	17,457
Fees and charges	3.2	554	395
Grants	3.3	988	639
Resources received free of charge	3.4	281	103
Other income	3.5	47	20
Total income		<u>17,081</u>	<u>18,614</u>
Expenses			
Employee related expenses	4.1	5,096	4,570
Supplies and services	4.2	5,353	4,547
Depreciation	4.3	474	465
Grants	4.4	7,625	3,618
Interest on leases	4.5	35	37
Cash alignment transfers to Consolidated Account		848	682
Other expenses	4.6	72	110
Total expenses		<u>19,503</u>	<u>14,029</u>
Net result		<u>(2,422)</u>	<u>4,585</u>
Total comprehensive result		<u>(2,422)</u>	<u>4,585</u>

The accompanying notes form part of these financial statements.

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

DEFENCE SA

STATEMENT OF FINANCIAL POSITION

as at 30 June 2025

	Note	2025 \$' 000	2024 \$' 000
Current assets			
Cash	5.2	11,878	14,250
Receivables	5.3	544	1,082
Total current assets		<u>12,422</u>	<u>15,332</u>
Non-current assets			
Property, plant and equipment	5.4	1,708	2,182
Total non-current assets		<u>1,708</u>	<u>2,182</u>
Total assets		<u>14,130</u>	<u>17,514</u>
Current liabilities			
Payables	6.2	708	1,086
Lease liabilities	6.3	487	471
Unearned revenue	6.4	544	659
Employee related liabilities	6.5	427	688
Provisions	6.6	6	5
Total current liabilities		<u>2,172</u>	<u>2,909</u>
Non-current liabilities			
Lease liabilities	6.3	1,425	1,912
Employee related liabilities	6.5	477	216
Provisions	6.6	30	29
Total non-current liabilities		<u>1,932</u>	<u>2,157</u>
Total liabilities		<u>4,104</u>	<u>5,066</u>
Net assets		<u>10,026</u>	<u>12,448</u>
Equity			
Retained earnings		10,026	12,448
Total equity		<u>10,026</u>	<u>12,448</u>

The accompanying notes form part of these financial statements.

The total equity is attributable to the South Australian Government as owner.

DEFENCE SA

STATEMENT OF CHANGES IN EQUITY**for the year ended 30 June 2025**

	Retained earnings \$' 000	Total equity \$' 000
Balance at 1 July 2023	7,863	7,863
Total comprehensive result for 2023-24	4,585	4,585
	<hr/>	<hr/>
Balance at 30 June 2024	12,448	12,448
Total comprehensive result for 2024-25	(2,422)	(2,422)
	<hr/>	<hr/>
Balance at 30 June 2025	10,026	10,026

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

DEFENCE SA

STATEMENT OF CASH FLOWS

for the year ended 30 June 2025

	Note	2025 \$' 000	2024 \$' 000
Cash flows from operating activities			
Cash inflows			
Appropriation		15,211	17,457
Fees and charges		613	495
Grants		1,585	708
GST recovered		992	796
Other receipts		98	14
Cash generated from operations		<u>18,499</u>	<u>19,470</u>
Cash outflows			
Employee related payments		(5,108)	(4,550)
Payments for supplies and services		(5,704)	(5,012)
Payments of grants		(8,690)	(3,372)
Interest payments on leases		(35)	(41)
Cash alignment transfers to Consolidated Account		(848)	(682)
Other payments		(10)	-
Cash used in operations		<u>(20,395)</u>	<u>(13,657)</u>
Net cash provided by/(used in) operating activities		<u>(1,896)</u>	<u>5,813</u>
Cash flows from financing activities			
Cash outflows			
Payment of principal portion of lease liabilities		(476)	(490)
Cash used in financing activities		<u>(476)</u>	<u>(490)</u>
Net cash used in financing activities		<u>(476)</u>	<u>(490)</u>
Net increase/(decrease) in cash		<u>(2,372)</u>	<u>5,323</u>
Cash at the beginning of the period		<u>14,250</u>	<u>8,927</u>
Cash at the end of the period	5.2	<u>11,878</u>	<u>14,250</u>

The accompanying notes form part of these financial statements.

DEFENCE SA

1 About Defence SA

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

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

Defence SA administers the ANZAC Day Commemoration Fund established pursuant to the *ANZAC Day Commemoration Act 2005*. Financial information is presented in note 8.

1.1 Basis of preparation

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

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards, applying simplified disclosures.

The financial statements have been prepared based on a 12 month reporting period and are presented in Australian currency.

The historical cost convention is used unless a different measurement basis is identified in the notes to the financial statements.

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

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

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

Assets that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period, or for which Defence SA has no right to defer the settlement for at least 12 months after the end of the reporting period, are classified as current liabilities. All other assets and liabilities are classified as non-current.

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

1.2 Objectives and programs

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

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

The agency ensures business capabilities are stimulated by aligning local research and development, infrastructure and regulation, with industry needs to expand capability by working to attract and retain talent in the state.

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

1.2 Objectives and programs (continued)

Program 1 - Defence Industry Development

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

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

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

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

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

Program 2 - South Australian Space Industry Centre

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

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

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

Program 3 - Veterans SA

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

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

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

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

DEFENCE SA

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

		for the year ended 30 June 2025									
	Defence Industry Development		South Australian Space Industry Centre		Veterans SA		Not Attributed		Total Defence SA		
	2025 \$' 000	2024 \$' 000	2025 \$' 000	2024 \$' 000	2025 \$' 000	2024 \$' 000	2025 \$' 000	2024 \$' 000	2025 \$' 000	2024 \$' 000	
Income											
Appropriation	-	-	-	-	-	-	15,211	17,457	15,211	17,457	
Fees and charges	401	314	153	81	-	-	-	-	554	395	
Grants	763	414	200	200	25	25	-	-	988	639	
Resources received free of charge	281	103	-	-	-	-	-	-	281	103	
Other income	47	19	-	1	-	-	-	-	47	20	
Total income	1,492	850	353	282	25	25	15,211	17,457	17,081	18,614	
Expenses											
Employee related expenses	4,244	3,715	192	321	660	534	-	-	5,096	4,570	
Supplies and services	3,605	2,172	1,176	1,710	572	562	-	-	5,353	4,444	
Depreciation	114	104	360	361	-	-	-	-	474	465	
Grants	4,989	1,969	1,725	1,074	911	575	-	-	7,625	3,618	
Interest payments on leases	9	7	26	30	-	-	-	-	35	37	
Resources received free of charge	-	103	-	-	-	-	-	-	-	103	
Cash alignment transfers to Consolidated Account	-	-	-	-	-	-	848	682	848	682	
Other expenses	60	110	-	-	12	-	-	-	72	110	
Total expenses	13,021	8,180	3,479	3,496	2,155	1,671	848	682	19,503	14,029	
Net result	(11,529)	(7,330)	(3,126)	(3,214)	(2,130)	(1,646)	14,363	16,775	(2,422)	4,585	

DEFENCE SA

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

as at 30 June 2025

	Defence Industry Development		South Australian Space Industry Centre		Veterans SA		Not Attributed		Total Defence SA	
	2025 \$' 000	2024 \$' 000	2025 \$' 000	2024 \$' 000	2025 \$' 000	2024 \$' 000	2025 \$'000	2024 \$'000	2025 \$' 000	2024 \$' 000
Assets										
Cash	-	-	-	-	4	50	11,873	14,200	11,878	14,250
Receivables	453	898	73	107	18	77	-	-	544	1,082
Property, plant and equipment	105	219	1,603	1,963	-	-	-	-	1,708	2,182
Total assets	558	1,117	1,676	2,070	22	127	11,873	14,200	14,130	17,514
Liabilities										
Payables	293	547	239	398	176	141	-	-	708	1,086
Lease liabilities	112	224	1,800	2,159	-	-	-	-	1,912	2,383
Unearned revenue	531	650	13	9	-	-	-	-	544	659
Employee related liabilities	824	752	6	31	74	121	-	-	904	904
Provisions	-	-	-	-	-	-	36	34	36	34
Total liabilities	1,760	2,173	2,058	2,597	250	262	36	34	4,104	5,066
Net assets (liabilities)	(1,202)	(1,056)	(382)	(527)	(228)	(135)	11,837	14,166	10,026	12,448

DEFENCE SA

1.3 Budget performance

The budget performance table compares Defence SA's outcomes to the budget information presented to Parliament (*2024-25 Budget Paper 4*). Appropriation reflects the appropriation issued to special deposit accounts [and deposit accounts] controlled by Defence SA. The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Statement of Comprehensive Income	Note	Budget 2025 \$' 000	Actual 2025 \$' 000	Variance ⁽¹⁾ 2025 \$' 000
Income				
Appropriation	(a)	28,614	15,211	(13,403)
Fees and charges		393	554	161
Grants		597	988	391
Resources received free of charge		-	281	281
Other income		-	47	47
Total income		29,604	17,081	(12,523)
Expenses				
Employee related expenses		4,384	5,096	(712)
Supplies and services	(b)	8,444	5,353	3,091
Depreciation		360	474	(114)
Grants		6,506	7,625	(1,119)
Interest on leases		25	35	(10)
Cash alignment transfers to Consolidated Account		-	848	(848)
Other expenses		102	72	30
Total expenses		19,821	19,503	318
Net result		9,783	(2,422)	(12,205)
Total comprehensive result		9,783	(2,422)	(12,205)

⁽¹⁾ The use of brackets identifies an unfavourable variance

Explanations are provided where the variance in expense or income exceeds the greater of 10% of the budgeted amount and 5% of budgeted total expenses.

- (a) The (\$13.403) million appropriation variance relates to the Space AIT Common User faculty at Lot 14 being delayed until 2027-28 (\$10 million) and the reprofiling of Defence Innovation Partnership and commemorative memorial projects to future years.
- (b) The \$3.091 million supplies and services variance arises from lower expenditure on international and local events due to costs being lower than budgeted and delays in progressing several projects.

2 Advisory Board, Council and employees

2.1 Key management personnel

Key management personnel of Defence SA include the Treasurer, Chief Executive and members of the Executive Team who are responsible for the strategic direction and management of Defence SA.

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

Transactions with key management personnel and other related parties

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

2.2 Advisory Board, Council members

Defence SA Advisory Board

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

The Board has a core skills base made up of strategic defence expertise and networking capability across the full range of defence capabilities and extensive knowledge of the tertiary education and research sectors.

Defence SA has recruited board members from Defence, defence industry and organisations involved in research providing unique skills and experience to facilitate industry engagement aiming to attract major Defence projects to the State.

Veterans Advisory Council

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

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2.2 Advisory Board and Council members (continued)

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

Hon S Mullighan MP Treasurer⁽¹⁾
 VADM R Crane AO CSM RANR (Ret'd) (reappointed and appointed Chair
 1 September 2024)
 S Ludlam FREng (reappointed 1 September 2024)
 M Davis AM (reappointed 1 September 2024)
 K Toohey AM CSC (reappointed 12 May 2025)
 C Roberts AO, CSC
 LTGEN R Burr AO DSC MVO (Ret'd) (Commenced 1 September 2024)
 M Opie ⁽²⁾

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

M Van Hooff (Appointed Chair 1 December 2024)
 H Boswell
 C Cates
 T Cowell⁽³⁾ (Appointed Deputy Chair 1 December 2024)
 LTCOL B Denny AM BM (Ret'd)
 A Houthuysen
 N Klinge
 K Matthias (Resigned 14 February 2025)
 K Smith
 M Thiele OAM⁽³⁾
 C Tilley⁽²⁾
 AIRCDRE A Maso AM⁽⁴⁾ (resigned 31 December 2024)
 AIRCDRE Grant Fifield CDR AWC⁽⁴⁾ (appointed 1 January 2025)
 BRIG T Orders⁽⁴⁾
 CMDR Tony Ryder ADC RAN ⁽⁴⁾

⁽¹⁾ The Treasurer the Hon Stephen Mullighan MP received no remuneration for board duties during the period.

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

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

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

Advisory Board and Council remuneration

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

	2025	2024
	No.	No.
\$1 to \$19 999	8	10
\$20 000 to \$39 999	-	4
\$40 000 to \$59 999	5	-
\$60 000 to \$79 999	1	-
Total number of members	14	14

Total remuneration received, or receivable by board and council members was \$355 000 (\$154 000). Remuneration to members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

DEFENCE SA

3 Income

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

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

3.1 Appropriation

	2025	2024
	\$' 000	\$' 000
Appropriation		
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act 2024</i>	15,211	17,457
Total appropriation	15,211	17,457

Appropriations are recognised on receipt.

3.2 Fees and charges

	2025	2024
	\$' 000	\$' 000
Event participation fees	278	174
Rental income	150	79
Service fees	126	142
Total fees and charges	554	395

3.3 Grants

	2025	2024
	\$' 000	\$' 000
Grants received from South Australian Government entities	254	228
Contingency funding provided by the Department of Treasury and Finance	28	21
Australian Government sourced grants	570	270
Other	136	120
Total grants	988	639

3.4 Resources received free of charge

	2025	2024
	\$' 000	\$' 000
Services received free of charge		
Department Premier and Cabinet - Advertising Insights Hub	125	-
Department Premier and Cabinet - ICT, Media Monitoring	56	55
Audit Office of South Australia	46	-
Shared Services SA	54	48
Total resources received free of charge	281	103

Contribution 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.

Defence SA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge. Some ICT and Media Monitoring services are also received from the Department of Premier and Cabinet. The Audit Office of South Australia performed work under the Public Finance and Audit Act 1987. The Government Advertising and Insights Hub provided services supporting the delivery of agency advertising campaigns.

A corresponding expense is recognised in the financial statements.

3.5 Other income

	2025	2024
	\$' 000	\$' 000
Other income	47	20
Total other income	47	20

DEFENCE SA

4 Expenses

4.1 Employee related expenses

	2025	2024
	\$' 000	\$' 000
Salaries and wages	3,671	3,277
Long service leave	31	208
Annual leave	297	279
Skills and experience retention leave	8	11
Superannuation ⁽¹⁾	490	405
Fees paid to Advisory Board and Council members (refer note 2.2)	319	138
Workers compensation	2	14
Other employee related expenses	278	238
Total employee related expenses	5,096	4,570

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

Employee remuneration

	2025	2024
	\$' 000	\$' 000
The number of employees whose remuneration received, or receivable falls within the following bands:	No	No
\$166 001 to \$172 000*	n/a	-
\$172 001 to \$192 000	2	4
\$192 001 to \$212 000	-	1
\$212 001 to \$232 000	3	1
\$232 001 to \$252 000	1	-
\$252 001 to \$272 000	1	1
\$272 001 to \$292 000	-	1
\$432 001 to \$452 000	1	-
Total number of employees	8	8

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2023-24.

The total remuneration received by those employees for the year was \$1.933 million (\$1.700 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year.

Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left Defence SA.

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4.2 Supplies and services

	2025 \$' 000	2024 \$' 000
Promotion and events	2,483	1,401
Contractors	1,213	1,660
Accommodation and service costs	329	313
Property	72	75
Provision of services by South Australian Government entities ⁽¹⁾	523	345
Travel and related expenses	344	297
Legal fees	23	33
Staff safety, development and recruitment	75	130
Other expenses	291	293
Total supplies and services	5,353	4,547

⁽¹⁾Includes \$235 000 of services provided free of charge. See note 3.4

Accommodation

Defence SA's office accommodation is provided by the Department for Infrastructure and Transport under a Memorandum of Administrative Arrangement (MoAA), issued in accordance with Government-wide accommodation policies. These accommodation costs are recognised as expenses as they become due as an MoAA does not meet the definition of leases set out in AASB 16.

4.3 Depreciation

	2025 \$' 000	2024 \$' 000
Right of use buildings and improvements	474	465
Total depreciation	474	465

All non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential (refer note 5.5).

4.4 Grants

	2025 \$' 000	2024 \$' 000
Industry development	692	957
Industry assistance	2,068	-
Research programs	3,617	2,016
Support for the Veterans community	811	475
Intra-government payments	437	170
Total Grants	7,625	3,618

4.5 Interest on leases

	2025 \$' 000	2024 \$' 000
Buildings and improvements	35	37
Total interest on leases	35	37

4.6 Other expenses

	2025 \$' 000	2024 \$' 000
Audit fees - Audit Office of South Australia ⁽¹⁾	46	46
Internal audit	14	64
Other	12	-
Total other expenses	72	110

⁽¹⁾Other expenses include audit services received free of charge from the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia. Refer note 3.4

DEFENCE SA

5 Assets

5.1 Financial assets

	Carrying amount 2025 \$' 000	Carrying amount 2024 \$' 000
Financial assets		
Cash	11,878	14,250
Receivables	28	700
Total financial assets	<u>11,906</u>	<u>14,950</u>

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

5.2 Cash

	2025 \$' 000	2024 \$' 000
Deposits with the Treasurer		
Defence SA operating account	8,475	10,802
Accrual Appropriation Excess Funds Account	3,398	3,398
Cash held in trust by Public Trustee	5	50
Total deposits with the Treasurer	<u>11,878</u>	<u>14,250</u>

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

5.3 Receivables

	2025 \$' 000	2024 \$' 000
Current receivables		
Trade receivables		
From government entities	26	-
From non-government entities	28	700
Total trade receivables	<u>54</u>	<u>700</u>
Statutory receivables		
GST receivable	163	202
Total statutory receivables	<u>163</u>	<u>202</u>
Prepayments	327	180
Total current receivables	<u>544</u>	<u>1,082</u>

Receivables arise in the normal course of business. Receivables are normally settled within 30 days after the issuing of an invoice or the goods/services having been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

Statutory receivables do not arise from contracts with customers. They are related to taxes and equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables. Statutory receivables are not financial assets.

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

DEFENCE SA

5.4 Property, plant and equipment by asset class

	Right of use buildings and improvements \$' 000	Leasehold improvements \$' 000	Plant and equipment \$' 000	Total \$' 000
Gross carrying amount	3,879	884	14	4,777
Accumulated depreciation	(2,171)	(884)	(14)	(3,069)
Carrying amount	1,708	-	-	1,708
Reconciliation 2024-25				
Carrying amount at the beginning of the period	2,182	-	-	2,182
Acquisitions	-	-	-	-
Depreciation	(474)	-	-	(474)
Carrying amount at the end of the period	1,708	-	-	1,708

DEFENCE SA

5.5 Useful life and depreciation

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

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

5.6 Property, plant and equipment owned by Defence SA

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

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

Impairment

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

5.7 Property, plant and equipment leased by Defence SA

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

Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15 000, are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.2.

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

Defence SA has a limited number of leases, consisting of:

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

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

Impairment

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

DEFENCE SA

6 Liabilities

6.1 Financial liabilities

	Carrying amount 2025 \$' 000	Carrying amount 2024 \$' 000
Financial liabilities measured at amortised cost		
Payables	614	910
Lease liabilities	1,912	2,383
Total financial liabilities	2,526	3,293

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

6.2 Payables

	2025 \$' 000	2024 \$' 000
Current		
Trade creditors and accrued expenses		
To government entities	18	48
To non-government entities	614	910
Total trade creditors and accrued expenses	632	958
Statutory payables		
Audit Office of South Australia fee	-	46
GST payable	75	82
Other Liabilities	1	-
Total statutory payables	76	128
Total current payables	708	1,086
Total payables	708	1,086

Payables and accruals are raised for all amounts owing but unpaid. Payables are normally settled within 15 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts. Statutory payables include government taxes and equivalents as well as statutory fees and charges. Statutory payables are carried at cost.

DEFENCE SA

6.3 Lease liabilities

	2025	2024
	\$' 000	\$' 000
Current		
Buildings and improvements	487	471
Total current leases	<u>487</u>	<u>471</u>
Non-current		
Buildings and improvements	1,425	1,912
Total non-current leases	<u>1,425</u>	<u>1,912</u>
Total leases	<u>1,912</u>	<u>2,383</u>
Movements in leases		
Carrying amount at the beginning of the period	2,383	2,551
Additional leases recognised	-	276
Lease repayments	<u>(471)</u>	<u>(444)</u>
Carrying amount at the end of the period	<u>1,912</u>	<u>2,383</u>

Lease liabilities are related to property, plant and equipment lease arrangements disclosed in note 5.7.

Future lease payment maturity analysis

Not later than one year	487	471
Later than one year, but not later than five years	1,425	1,912
Later than five years	-	-
Total future lease payments	<u>1,912</u>	<u>2,383</u>

6.4 Unearned revenue

	2025	2024
	\$' 000	\$' 000
Current		
Unearned revenue	544	659
Total current unearned revenue	<u>544</u>	<u>659</u>
Total unearned revenue	<u>544</u>	<u>659</u>

DEFENCE SA

6.5 Employee related liabilities

	2025	2024
	\$' 000	\$' 000
Current		
Accrued salaries and wages	15	-
Annual leave	224	198
Long service leave	98	352
Skills and experience retention leave	8	13
Employment on-cost	82	125
Total current employee related liabilities	427	688
Non-current		
Long service leave	444	201
Employment on-cost	33	15
Total non-current employee related liabilities	477	216
Total employee related liabilities	904	904

Employee related liabilities accrue as a result of services provided up to the reporting date that remain unpaid. Apart from long service leave liability, employee related liabilities are measured at nominal amounts.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The expected timing and amount of long service leave payments are determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities. The discount rate is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has remained the same at 4.25%.

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

Employment on-cost liabilities

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

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained stable at 44% and the average factor for the calculation of employer superannuation on-cost has increased to 12.0% (11.5%). These rates are used in the employment on-cost calculations. The net financial effect of the change in the current financial year is an increase in the employment on-cost of \$NIL and employee benefits of \$NIL. The impact on future periods is impracticable to estimate.

DEFENCE SA

6.6 Provisions

	2025	2024
	\$' 000	\$' 000
Current		
Provision for workers compensation	6	5
Total current provisions	<u>6</u>	<u>5</u>
Non-current		
Provision for workers compensation	30	29
Total non-current provisions	<u>30</u>	<u>29</u>
Total provisions	<u>36</u>	<u>34</u>
Movements in provisions		
Carrying amount at the beginning of the period	34	20
Increases/(reductions) resulting from re-measurement	2	14
Carrying amount at the end of the period	<u>36</u>	<u>34</u>

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

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

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

DEFENCE SA

7 Outlook

7.1 Unrecognised commitments

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

Expenditure commitments

	2025 \$' 000	2024 \$' 000
Within one year	8,998	10,339
Later than one year but no later than five years	3,223	2,412
Total expenditure commitments	12,221	12,751

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

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

7.2 Operating lease receivable maturity analysis

	2025 \$' 000	2024 \$' 000
Within one year	139	150
Later than one year but no later than five years	219	416
Later than five years	-	29
Total expected rental income	358	595

Defence Landing Pad commenced 1 October 2019.

Refer note 5.7 for information about the right-of-use assets Defence SA sublets to defence and space related organisations.

7.3 Contingent assets and liabilities

Defence SA is not aware of any contingent assets or liabilities.

7.4 Events after the reporting period

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

There are no reportable events after the reporting period.

DEFENCE SA

8 Administered item

8.1 ANZAC Day Commemoration Fund

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

	2025	2024
	\$' 000	\$' 000
Income		
Grants	100	100
Total income	<u>100</u>	<u>100</u>
Expenses		
Grants	100	85
Total expenses	<u>100</u>	<u>85</u>
Net result	<u>-</u>	<u>15</u>
Current assets		
Cash	118	110
Total current assets	<u>118</u>	<u>110</u>
Current liabilities		
Payables	7	-
Total current liabilities	<u>7</u>	<u>-</u>
Net assets	<u>111</u>	<u>110</u>
Equity		
Retained earnings	111	110
Total equity	<u>111</u>	<u>110</u>