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Ms E Ranieri
Commissioner for Public Sector Employment
Office of the Commissioner for Public Sector Employment
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State Administration Centre
200 Victoria Square
ADELAIDE SA 5000
email: Erma.Ranieri@sa.gov.au
Louise.Mills2@sa.gov.au

Dear Ms Ranieri

Audit of the Office of the Commissioner for Public Sector Employment for the year to 30 June 2024

We have completed the audit of your accounts for the year ended 30 June 2024. Two key outcomes from the audit are the:

- 1 Independent Auditor's Report on your agency's financial report
- 2 audit management letters recommending you address identified weaknesses.

1 Independent Auditor's Report

We are returning the financial report for the Office of the Commissioner for Public Sector Employment, with the Independent Auditor's Report. This report is unmodified. The *Public Finance and Audit Act 1987* allows me to publish documents on the Audit Office of South Australia website. The enclosed Independent Auditor's Report and accompanying financial report will be published on that website on Tuesday 15 October 2024.

2 Audit management letters

As the audit did not identify any significant matters requiring management attention, we will not issue any audit management letters.

What the audit covered

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- controls over special deposit account as part of our controls opinion
- the actuarial calculation of whole of government worker's compensation and additional compensation outstanding claims liabilities.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



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

30 September 2024

enc



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To the Chief Executive Office of the Commissioner for Public Sector Employment

Opinion

I have audited the financial report of the Office of the Commissioner for Public Sector Employment for the financial year ended 30 June 2024.

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

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and the Acting Executive Director, Finance, People and Performance Attorney-General's Department.

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 Office of the Commissioner for Public Sector Employment. 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 the Office of the Commissioner for Public Sector Employment for the financial year ended 30 June 2024.

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

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

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

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

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

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



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

30 September 2024

OFFICIAL

**OFFICE OF THE COMMISSIONER FOR PUBLIC
SECTOR EMPLOYMENT
(OCPSE)**

Financial Statements

For the year ended 30 June 2024

OFFICIAL

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Certification of the Financial Statements
for the year ended 30 June 2024

We certify that the:

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



Erma Ranieri
Chief Executive
Office of the Commissioner for Public Sector
Employment

30 September 2024



Darren Corcoran
A/Executive Director, Finance People
and Performance
Attorney-General's Department

30 September 2024

OFFICIAL

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Fees and charges	2.1	9 321	9 309
SA Government grants, subsidies and transfers	2.2	3 074	4 265
Resources received free of charge	2.3	70	80
Other income		-	26
Total income		12 465	13 680
Expenses			
Employee related expenses	3.3	7 383	8 132
Supplies and services	4.1	4 518	6 077
Grants and subsidies	4.2	200	205
Other expenses	4.3	3	1 219
Total expenses		12 104	15 633
Net result		361	(1 953)
Total comprehensive result		361	(1 953)

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

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OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Statement of Financial Position
as at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	5.1	1 997	1 332
Receivables	5.2	125	513
Total current assets		2 122	1 845
Total assets			
		2 122	1 845
Current liabilities			
Employee related liabilities	3.4	554	626
Payables	6.1	396	438
Provisions	6.2	8	16
Total current liabilities		958	1 080
Non-current liabilities			
Employee related liabilities	3.4	1 159	1 127
Provisions	6.2	43	37
Total non-current liabilities		1 202	1 164
Total liabilities			
		2 160	2 244
Net assets			
		(38)	(399)
Equity			
Retained earnings		(38)	(399)
Total equity		(38)	(399)

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

OFFICIAL

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Statement of Changes in Equity
for the year ended 30 June 2024

	Retained earnings	Total equity
	\$'000	\$'000
Balance at 1 July 2022	1 554	1 554
Net result for 2022-23	(1 953)	(1 953)
Total comprehensive result for 2022-23	(1 953)	(1 953)
Balance at 30 June 2023	(399)	(399)
Net result for 2023-24	361	361
Total comprehensive result for 2023-24	361	361
Balance at 30 June 2024	(38)	(38)

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

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OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Statement of Cash Flows
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Cash inflows			
Fees and charges		10 272	12 626
SA Government grant, subsidies and transfers		3 074	4 265
Other receipts		-	64
Cash generated from operations		13 346	16 955
Cash outflows			
Employee related payments		(7 392)	(8 434)
Payments for supplies and services		(4 510)	(7 418)
Payments for grants and subsidies		(200)	(330)
Other payments		-	(1 132)
GST payable to ATO		(579)	(955)
Cash used in operations		(12 681)	(18 269)
Net cash provided by/(used in) operating activities		665	(1 314)
Net increase/(decrease) in cash and cash equivalents		665	(1 314)
Cash and cash equivalents at the beginning of the period		1 332	2 646
Cash and cash equivalents at the end of the period	5.1	1 997	1 332

The accompanying notes form part of these financial statements.

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1. About the Office of the Commissioner for Public Sector Employment

The Office of the Commissioner for Public Sector Employment (OCPSE) works to unlock the potential of the public sector so it is an employer of choice that delivers the best outcomes for the South Australian community. Its role is to optimise the workforce, transform, innovate and reform.

The OCPSE was established pursuant to the *Public Sector Act 2009* and became an attached office of the Attorney-General's Department from 24 March 2022. OCPSE became an attached office to the Department of the Premier and Cabinet from 1 July 2024.

The OCPSE is a not-for-profit administrative unit acting on behalf of the Crown. It does not control any other entity and has no interests in unconsolidated structured entities.

The financial statements and accompanying notes include all the controlled activities of OCPSE.

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 are prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are 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.

Material accounting policies are described throughout the notes.

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

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

OCPSE is an attached office with the Attorney-General's Department (AGD) for GST purposes and accordingly AGD prepares the Business Activity Statement on behalf of OCPSE via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure OCPSE either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from AGD.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

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

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

1.2. Objectives and programs

OCPSE's objectives are to support the Commissioner for Public Sector Employment to undertake the statutory responsibilities under the *Public Sector Act 2009*, strengthen the capability of the public sector workforce to meet current and future needs and promote a culture of service and integrity across the public sector.

OCPSE provides the following programs for the South Australian Public Sector:

- Governance and advice – to support the Commissioner to fulfil the statutory requirements outlined in *the Public Sector Act 2009*
- HR Systems Transformation – to support the implementation of a HR systems capability to improve the efficiency and effectiveness of all employees across the SA Government
- Work, Health, Safety and Injury Management – to develop strategies to support agencies to achieve Work Health and Safety and Injury Management excellence across the sector
- South Australian Leadership Academy – to develop high performing and strategic leaders across the SA Government
- Performance management and development – to improve public sector performance through effective performance management and development
- Workforce Transition Unit – to provide case management services for SA Government employees impacted by reforms taking place across the Sector
- Employment Programs – to increase the employment opportunities across the sector for graduates, trainees, people from an Aboriginal or Torres Strait Islander background, and people with disabilities
- People Matter Survey – to obtain and act on SA Government employees' feedback in relation to their work environment
- Employer Of Choice Program – to facilitate access to the salary sacrifice benefits available to all SA Government employees associated with current Commonwealth Legislation.

OFFICIAL

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2. Income

2.1. Fees and charges

	2024	2023
	\$'000	\$'000
Work health safety injury management	1 906	1 586
Leadership development	1 695	2 553
Injury management systems and services	1 118	1 064
People Matter Employee Survey	1 034	-
SA Government salary sacrifice arrangements	709	692
MyCareer system	624	1 534
I WORK FOR SA jobs board	386	377
Other fees and charges	1 849	1 503
Total fees and charges	9 321	9 309

OCPSE recognises revenue at an appropriate point in time throughout the financial year from the following major sources:

SA Leadership Academy – Public sector agencies pay in arrears for nominated staff to attend leadership development courses. Revenue for these services is recognised on a cost recovery basis. Any amounts remaining unpaid at the end of the reporting period are treated as accounts receivable.

Work Health & Safety and Injury Management Performance – OCPSE monitors the overall public sector performance across a range of industry relevant metrics to improve the overall performance of the sector in how it manages both Work Health & Safety and Injury Management. Revenue for these services is recognised on a cost recovery basis with public sector agencies paying in arrears. Any amounts remaining unpaid at the end of the reporting period are treated as accounts receivable.

Human resources management systems and services – OCPSE provides injury management, work health safety, recruitment, learning, performance and talent systems and services for the SA Public Sector. Revenue for these systems and services is recognised on a cost recovery basis with public sector agencies. Any amount remaining unpaid at the end of the reporting period are treated as accounts receivable.

2.2. SA Government grants, subsidies and transfers

	2024	2023
	\$'000	\$'000
Operational funding provided by SA Government	3 074	3 195
Contingency funding provided by the Department of Treasury and Finance	-	1 070
Total SA Government grants, subsidies and transfers	3 074	4 265

SA Government grants, subsidies and transfers are recognised on receipt.

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

2.3. Resources received free of charge

	2024	2023
	\$'000	\$'000
Resources received free of charge - Department of the Premier and Cabinet- ICT	39	38
Resources received free of charge - Shared Services SA	31	42
Total services received free of charge	70	80

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.

OCPSE receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA. Information, Communication and Technology services are received from the Department of the Premier and Cabinet. A corresponding expense is recognised in the financial statements (see note 4.1).

3. Board, committees and employees

3.1. Key management personnel

Key management personnel of the OCPSE include the Attorney General, the Commissioner and two senior officers who have responsibility for the strategic direction and management of the OCPSE.

The total compensation for key management personnel was \$0.840 million in 2024 (2023: \$1.303 million).

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

Transaction with key management personnel and other related parties

The OCPSE did not enter into any transactions with key management personnel or close family members during the reporting period.

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.2. Board and committee members

Members during the 2024 financial year were:

Remuneration Tribunal of South Australia

Matthew O'Callaghan (President)
 Deborah Ann Black
 Peter De Cure
 Donny Walford
 Mark Young

Board and committee remuneration

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

	2024	2023
\$0 - \$19,999	4	-
\$20 000 - \$39 999	-	3
\$40 000 - \$59 999	1	-
Total number of members	5	3

The total remuneration received or receivable by members for the year was \$89 000 (2023: \$78 000). Remuneration of members reflects all costs of performing board and committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax.

Amounts paid to a superannuation plan for board/committee members was \$14 000 (2023: \$7 800).

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect that the entity would have adopted, if dealing with the related party at arm's length in the same circumstances.

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.3. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	5 422	5 655
Employment on-costs - superannuation	661	642
Annual leave	518	490
Employment on-cost - payroll tax	347	335
Long service leave	140	157
Targeted voluntary separation packages	139	735
Board and committee fees	89	71
Skills and experience retention leave	25	29
Other employee related expenses	42	18
Total employee related expenses	7 383	8 132

Employment expenses

OCPSE employees are employed under Part 7 of the *Public Sector Act 2009*.

Superannuation employment on-cost charges represent OCPSE's contribution to superannuation plans in respect of current services of current employees.

Remuneration of employees

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

	2024	2023
	No.	No.
\$160 001 - \$166 000	N/A	1
\$166 001 - \$186 000	1	2
\$186 001 - \$206 000	1	1
\$446 001 - \$466 000	1	1
\$486 001 - \$506 000 *	-	1
Total	3	6

* Includes payment of long service leave, annual leave, termination benefits for officers who have left OCPSE.

The total remuneration received by these employees for the year was \$0.840 million (2023: \$1.637 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 any related fringe benefits tax.

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.3 Employee related expenses (continued)

Targeted voluntary separation packages

The number of employees who were paid a TVSP during the reporting period was 1 (7).

	2024	2023
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	139	735
Leave paid to separated employees	6	260
Recovery from DTF	-	(735)
Net cost to OCPSE	145	260

3.4. Employee related liabilities

	2024	2023
	\$'000	\$'000
Current		
Annual leave	408	437
Employment on-costs	78	85
Long service leave	43	77
Skills and experience retention leave	25	27
Total current employee related liabilities	554	626
Non-current		
Long service leave	1 051	1 025
Employment on-costs	108	102
Total non-current employee related liabilities	1 159	1 127
Total employee benefits	1 713	1 753

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Non-current employee related liabilities are measured at present value and current employee related liabilities 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 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 employees is estimated to be less than the annual entitlement for sick leave.

Salary inflation rate for annual leave and skills, experience and retention leave liability changed to 2.4% (2023: 2%). The net financial effect of the change in salary inflation rate on annual leave and SERL liability was not material.

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.4 Employee related liabilities (continued)

Long service leave

Details about the measurement of long service leave liability are provided in note 8.1.

Employment on-costs

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

OCPSE 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 Superannuation Schemes.

As a result of an actuarial assessment performed by DTF, the proportion of long service leave taken as leave has increased to 44% (2023: 43%) and the average factor for the calculation of employer superannuation on-costs has increased to 11.5% (2023: 11.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial. The impact on future periods is impracticable to estimate.

OFFICIAL

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

4. Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Contractors and temporary staff	1 139	2 649
Information technology and communications	895	770
General administration and consumables	730	789
Accommodation	641	683
Consultants	508	466
Legal costs	146	228
Minor works, maintenance and equipment	14	18
Short term leases	2	-
Other	443	474
Total supplies and services	4 518	6 077

Accommodation

All of the OCPSE's accommodation is provided by the Department for Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease set out in AASB 16 and accordingly are expensed.

4.2. Grants and subsidies

	2024	2023
	\$'000	\$'000
Grants	200	205
Total grants and subsidies	200	205

4.3. Other expenses

	2024	2023
	\$'000	\$'000
Reimbursement of course fees	-	1 218
Other	3	1
Total other expenses	3	1 219

Reimbursement of course fees in 2023 related to the Skilling SA, Public Sector Project. The project ended on 30 June 2023.

Audit fees paid/ payable to the Audit Office of South Australia relating to work performed under the *Public Finance Audit Act 1987* were \$114 300 (2023: \$109 200). No other services were provided by the Audit Office of South Australia.

OFFICIAL

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

5. Financial assets

5.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer - Special deposit account	1 997	1 332
Total cash and cash equivalents in the Statement of Financial Position	1 997	1 332
Total cash and cash equivalents in the Statement of Cash Flows	1 997	1 332

Special deposit accounts are established under Section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

OCPSE does not earn interest on its deposits with the Treasurer.

5.2. Receivables

	2024	2023
	\$'000	\$'000
Current		
Trade receivables	97	139
Prepayments	28	369
GST recoverable from AGD	-	5
Total current receivables	125	513
Total receivables	125	513

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

It is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 8.2 for further information on risk management.

The net amount of GST receivable/payable from the ATO via AGD is included as part of receivable/payable.

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

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2024

6. Liabilities**6.1. Payables**

	2024	2023
	\$'000	\$'000
Current		
Creditors and accrued expenses	396	438
Total current payables	396	438
Total payables	396	438

Payables are measured at nominal amounts.

Payables and accrued expenses are recognised for all amounts owing but unpaid. Sundry 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.

6.2. Provisions

	2024	2023
	\$'000	\$'000
Reconciliation of workers compensation (statutory and non-statutory)		
Carrying amount at the beginning of the period	53	53
Increase (decrease) in provision due to revision of estimates	-	6
Reductions resulting from payments	(2)	(6)
Carrying amount at the end of the period	51	53

OCPSE is responsible for the payment of workers compensation claims.

OCPSE is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, OCPSE is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through OCPSE.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

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7. Outlook

7.1. Unrecognised commitments

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

Other contractual commitments

	2024	2023
	\$'000	\$'000
Within one year	380	539
Later than one year but not longer than five years	-	384
Total other contractual commitments	380	923

The OCPSE's other contractual commitments relate to Memoranda of Administrative Arrangements with the Department for Infrastructure and Transport for accommodation.

Other commitments

The OCPSE's other commitments are primarily agreements for actuarial services and software services.

	2024	2023
	\$'000	\$'000
Within one year	-	1 296
Later than one year and not later than five years	-	377
Total other commitments	-	1 673

7.2. Contingent assets and liabilities

South Australian Government Salary Sacrifice Agreement

In March 2012, the government entered into a salary sacrificing agreement with Maxxia Pty Ltd. The agreement allows the Minister or his delegate to withdraw up to a total of \$5 million when an unconditional financial undertaking is present to fund any interim measures to avoid disruption to the salary sacrifice arrangements provided to employees. The financial undertaking was in place at 30 June 2024, and extends to 30 June 2025.

No other contingent assets and liabilities have been identified in the business.

7.3. Events after the reporting period

The government transitioned salary sacrifice agreements to new provider Smart, effective from 1 July 2024.

From 1 July 2024, OCPSE become an attached office to the Department of the Premier and Cabinet.

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8. Measurement and risk

8.1. Long service leave liability - measurement

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

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased to 4.25% (2023: 4%).

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

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$43,768 and employee related expense of \$43,768. 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 DTF has increased the salary inflation rate to 3.5% (2023: 2.5%) for long service leave liability.

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

8.2. Financial instruments

Financial risk management

Risk management is managed by the OCPSE's corporate services section. 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*. OCPSE had membership on the AGD Audit and Risk Management Committee until 30 June 2024.

The OCPSE's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

OCPSE is funded from both appropriation by the SA Government and recoveries in a fee for service arrangement from other SA Government agencies. OCPSE works with DTF to determine the cash flows associated with its government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.