

# Office of the South Australian Productivity Commission

Financial report  
for the year ended  
30 June 2021



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## To the Acting Chief Executive Office of the South Australian Productivity Commission

### Opinion

I have audited the financial report of Office of the South Australian Productivity Commission for the financial year ended 30 June 2021.

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

The financial report comprises:

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

### 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 South Australian Productivity Commission. 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 Acting Chief Executive for the financial report**

The Acting 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 the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Acting 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 Acting 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 South Australian Productivity Commission for the financial year ended 30 June 2021.

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

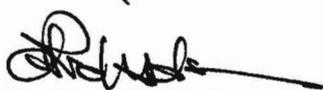
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the South Australian Productivity Commission internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive.

- conclude on the appropriateness of the Acting 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 Acting 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.



Andrew Richardson

**Auditor-General**

27 September 2021

**Office of the South Australian Productivity  
Commission**

**Financial Statements**

For the year ended 30 June 2021

**Office of the South Australian Productivity Commission**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2021*

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We certify that the:

- financial statements of the Office of the South Australian Productivity Commission:
  - 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 South Australian Productivity Commission for the financial year over its financial reporting and its preparation of financial statements have been effective.



Christine Bierbaum  
**Acting Chief Executive**

23 September 2021



Claire Hodgetts  
**Director, Finance**

23 September 2021

**Office of the South Australian Productivity Commission**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

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|                                   | Note | 2021<br>\$'000 | 2020<br>\$'000 |
|-----------------------------------|------|----------------|----------------|
| <b>Income</b>                     |      |                |                |
| Appropriation                     | 2.1  | 2 941          | 2 916          |
| Other income                      | 2.2  | -              | 49             |
| <b>Total income</b>               |      | <b>2 941</b>   | <b>2 965</b>   |
| <b>Expenses</b>                   |      |                |                |
| Employee benefits expenses        | 3.2  | 2 262          | 2 321          |
| Supplies and services             | 4.1  | 508            | 532            |
| Depreciation                      | 4.2  | 6              | 5              |
| <b>Total expenses</b>             |      | <b>2 776</b>   | <b>2 858</b>   |
| <b>Net result</b>                 |      | <b>165</b>     | <b>107</b>     |
| <b>Total comprehensive result</b> |      | <b>165</b>     | <b>107</b>     |

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

**Office of the South Australian Productivity Commission**  
**Statement of Financial Position**  
*as at 30 June 2021*

|                                      | Note | 2021<br>\$'000 | 2020<br>\$'000 |
|--------------------------------------|------|----------------|----------------|
| <b>Current assets</b>                |      |                |                |
| Cash                                 | 6.1  | 928            | 578            |
| Receivables                          | 6.2  | -              | 45             |
| <b>Total current assets</b>          |      | <b>928</b>     | <b>623</b>     |
| <b>Non-current assets</b>            |      |                |                |
| Property, plant and equipment        | 5.1  | 13             | 6              |
| <b>Total non-current assets</b>      |      | <b>13</b>      | <b>6</b>       |
| <b>Total assets</b>                  |      | <b>941</b>     | <b>629</b>     |
| <b>Current liabilities</b>           |      |                |                |
| Payables                             | 7.1  | 157            | 112            |
| Financial liabilities                | 7.3  | -              | 4              |
| Employee benefits                    | 3.3  | 324            | 254            |
| Provisions                           | 7.2  | 2              | 2              |
| <b>Total current liabilities</b>     |      | <b>483</b>     | <b>372</b>     |
| <b>Non-current liabilities</b>       |      |                |                |
| Payables                             | 7.1  | 29             | 27             |
| Employee benefits                    | 3.3  | 316            | 284            |
| Provisions                           | 7.2  | 6              | 4              |
| <b>Total non-current liabilities</b> |      | <b>351</b>     | <b>315</b>     |
| <b>Total liabilities</b>             |      | <b>834</b>     | <b>687</b>     |
| <b>Net assets</b>                    |      | <b>107</b>     | <b>(58)</b>    |
| <b>Equity</b>                        |      |                |                |
| Retained earnings                    |      | 107            | (58)           |
| <b>Total equity</b>                  |      | <b>107</b>     | <b>(58)</b>    |

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

**Office of the South Australian Productivity Commission**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2021*

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|   | Retained<br>earnings | Total<br>equity |
|---|----------------------|-----------------|
|   | \$'000               | \$'000          |
| Balance at 1 July 2019                        | (165)                | (165)           |
| Net result for 2019-20                        | 107                  | 107             |
| <b>Total comprehensive result for 2019-20</b> | <b>107</b>           | <b>107</b>      |
| Balance at 30 June 2020                       | (58)                 | (58)            |
| Net result for 2020-21                        | 165                  | 165             |
| <b>Total comprehensive result for 2020-21</b> | <b>165</b>           | <b>165</b>      |
| Balance at 30 June 2021                       | <b>107</b>           | <b>107</b>      |

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

**Office of the South Australian Productivity Commission**  
**Statement of Cash Flows**  
*for the year ended 30 June 2021*

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|  | 2021                  | 2020                  |
|--|-----------------------|-----------------------|
|  | Inflows<br>(Outflows) | Inflows<br>(Outflows) |
| Note   | \$'000                | \$'000                |
| <b>Cash flows from operating activities</b>      |                       |                       |
| <b>Cash inflows</b>                              |                       |                       |
| Appropriation                                    | 2 941                 | 2 916                 |
| Other receipts                                   | 45                    | 4                     |
| <b>Cash generated from operating activities</b>  | <b>2 986</b>          | <b>2 920</b>          |
| <b>Cash outflows</b>                             |                       |                       |
| Employee benefits payments                       | (2 142)               | (2 125)               |
| Payments for supplies and services               | (476)                 | (549)                 |
| <b>Cash used in operating activities</b>         | <b>(2 618)</b>        | <b>(2 674)</b>        |
| <b>Net cash provided by operating activities</b> | <b>8.1 368</b>        | <b>246</b>            |
| <b>Cash flows from investing activities</b>      |                       |                       |
| <b>Cash outflows</b>                             |                       |                       |
| Purchase of property, plant and equipment        | (13)                  | -                     |
| <b>Cash used in investing activities</b>         | <b>(13)</b>           | <b>-</b>              |
| <b>Cash flows from financing activities</b>      |                       |                       |
| <b>Cash outflows</b>                             |                       |                       |
| Repayment of leases                              | (5)                   | (5)                   |
| <b>Cash used in financing activities</b>         | <b>(5)</b>            | <b>(5)</b>            |
| <b>Net increase in cash</b>                      | <b>350</b>            | <b>241</b>            |
| Cash at the beginning of the reporting period    | 578                   | 337                   |
| <b>Cash at the end of the reporting period</b>   | <b>6.1 928</b>        | <b>578</b>            |

The accompanying notes form part of these financial statements.

**Office of the South Australian Productivity Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**1. About the Office of the South Australian Productivity Commission**

The Office of the South Australian Productivity Commission (OSAPC) is an attached office of the Department of the Premier and Cabinet which came into operation on 22 October 2018, pursuant to the *Public Sector Act 2009*. OSAPC is an administrative unit acting on behalf of the Crown.

OSAPC provides independent recommendations to improve the rate of economic growth and productivity of the South Australian economy through extensive inquiry processes.

**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 with reduced disclosure requirements.

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

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

**1.2. Objectives**

OSAPC has been established to examine and make recommendations on matters referred to it by government that facilitate productivity growth, unlock new economic opportunities, support job creation and remove existing regulatory barriers within South Australia.

**1.3. Impact of COVID-19 pandemic on OSAPC**

The COVID-19 pandemic has had no material impact on the operations of OSAPC during 2020-21.

**Office of the South Australian Productivity Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**2. Income**

**2.1. Appropriation**

|  | 2021         | 2020         |
|--|--------------|--------------|
|  | \$'000       | \$'000       |
| Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i> | 2 941        | 2 916        |
| <b>Total appropriation</b>   | <b>2 941</b> | <b>2 916</b> |

Appropriations are recognised on receipt.

**2.2. Other income**

|  | 2021     | 2020      |
|--|----------|-----------|
|  | \$'000   | \$'000    |
| Recoveries - other   | -        | 45        |
| Contingency funding provided by the Department of Treasury and Finance | -        | 4         |
| <b>Total other income</b>  | <b>-</b> | <b>49</b> |

Other recoveries include reimbursements associated with the recognition of prior service and transfer of leave entitlements for an employee.

**Office of the South Australian Productivity Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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### 3. Employees

#### 3.1. Key management personnel

Key management personnel of OSAPC include the Premier, Chief Executive and the two members of the Executive team, who have responsibility for the strategic direction and management of OSAPC.

Total compensation for key management personnel was \$729 000 (2020: \$712 000).

The compensation disclosed in this note excludes salaries and other benefits received by the Premier and Ministers. The Premier's and Ministers' 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*.

|   | 2021       | 2020       |
|---|------------|------------|
|   | \$'000     | \$'000     |
| Compensation                                    |            |            |
| Salaries and other short term employee benefits | 666        | 651        |
| Post-employment benefits                        | 63         | 61         |
| <b>Total</b>                                    | <b>729</b> | <b>712</b> |

#### *Transactions with key management personnel and other related parties*

There were no significant related party transactions.

#### 3.2. Employee benefits expenses

|   | 2021         | 2020         |
|---|--------------|--------------|
|   | \$'000       | \$'000       |
| Salaries and wages                      | 1 443        | 1 414        |
| Long service leave                      | 32           | 64           |
| Annual leave                            | 143          | 183          |
| Skills and experience retention leave   | 8            | 8            |
| Employment on-costs - superannuation    | 523          | 528          |
| Employment on-costs - other             | 105          | 106          |
| Workers compensation revaluation        | 2            | 2            |
| Other employee related expenses         | 6            | 16           |
| <b>Total employee benefits expenses</b> | <b>2 262</b> | <b>2 321</b> |

#### *Employment on-costs - superannuation*

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

**Office of the South Australian Productivity Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**3.2. Employee benefits expenses (continued)**

***Employee remuneration***

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

|                       | 2021     | 2020     |
|-----------------------|----------|----------|
|                       | No       | No       |
| \$214 001 – \$234 000 | 2        | 2        |
| \$254 001 – \$274 000 | 1        | 1        |
| <b>Total</b>          | <b>3</b> | <b>3</b> |

This table includes all employees who received normal 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 FBT paid or payable in respect of those benefits.

The total remuneration received by employees for the year, listed above, was \$729 000 (2020: \$712 000).

**3.3. Employee benefits liability**

|  | 2021       | 2020       |
|--|------------|------------|
|  | \$'000     | \$'000     |
| <b><u>Current</u></b>                      |            |            |
| Accrued salaries and wages                 | 48         | 39         |
| Annual leave                               | 240        | 179        |
| Long service leave                         | 30         | 31         |
| Skills and experience retention leave      | 6          | 5          |
| <b>Total current employee benefits</b>     | <b>324</b> | <b>254</b> |
| <b><u>Non-current</u></b>                  |            |            |
| Long service leave                         | 316        | 284        |
| <b>Total non-current employee benefits</b> | <b>316</b> | <b>284</b> |
| <b>Total employee benefits</b>             | <b>640</b> | <b>538</b> |

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

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

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

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

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

***Long service leave***

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

**Office of the South Australian Productivity Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**4. Expenses**

**4.1. Supplies and services**

|  | 2021       | 2020       |
|--|------------|------------|
|  | \$'000     | \$'000     |
| Service level agreement                          | 298        | 288        |
| Contractors                                      | 91         | 25         |
| Consultants                                      | 21         | 99         |
| Information technology and communication charges | 20         | 17         |
| General administration and consumables           | 12         | 19         |
| Temporary staff                                  | 12         | 7          |
| Staff development and recruitment                | 7          | 8          |
| Other  | 47         | 69         |
| <b>Total supplies and services</b>               | <b>508</b> | <b>532</b> |

**Consultants**

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

|                   | 2021     | 2021      | 2020     | 2020      |
|-------------------|----------|-----------|----------|-----------|
|                   | Number   | \$'000    | Number   | \$'000    |
| Below \$10 000    | 1        | 5         | 1        | 3         |
| \$10 000 or above | 1        | 16        | 4        | 96        |
| <b>Total</b>      | <b>2</b> | <b>21</b> | <b>5</b> | <b>99</b> |

**4.2. Depreciation**

|                            | 2021     | 2020     |
|----------------------------|----------|----------|
|                            | \$'000   | \$'000   |
| <b>Depreciation</b>        |          |          |
| Right-of-use motor vehicle | 6        | 5        |
| <b>Total depreciation</b>  | <b>6</b> | <b>5</b> |

**Office of the South Australian Productivity Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**5. Non-financial assets**

**5.1. Property, plant and equipment by asset class**

|  | 2021<br>\$'000   | 2020<br>\$'000  |
|--|------------------|-----------------|
| <b>Right-of-use motor vehicle</b>              |                  |                 |
| Right-of-use motor vehicle (deemed fair value) | 8                | 8               |
| Accumulated depreciation                       | (8)              | (2)             |
| <b>Total right-of-use motor vehicle</b>        | <u>-</u>         | <u>6</u>        |
| <b>Plant and equipment</b>                     |                  |                 |
| Plant and equipment at fair value              | 13               | -               |
| <b>Total plant and equipment</b>               | <u>13</u>        | <u>-</u>        |
| <b>Total property, plant and equipment</b>     | <u><u>13</u></u> | <u><u>6</u></u> |

**5.2. Property, plant and equipment owned**

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

**Reconciliation 2020-21**

|  | Plant and equipment<br>\$'000 | Total<br>\$'000  |
|--|-------------------------------|------------------|
| Carrying amount at 1 July 2020         | -                             | -                |
| Acquisitions                           | 13                            | 13               |
| <b>Carrying amount at 30 June 2021</b> | <u><u>13</u></u>              | <u><u>13</u></u> |

**Impairment**

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity.

**5.3. Property, plant and equipment leased**

Property, plant and equipment leased by OSAPC is recorded at cost. There were no additions to leased property, plant and equipment during 2020-21.

**Office of the South Australian Productivity Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**6. Financial assets**

**6.1. Cash**

|                             | 2021<br>\$'000 | 2020<br>\$'000 |
|-----------------------------|----------------|----------------|
| Deposits with the Treasurer | 928            | 578            |
| <b>Total cash</b>           | <b>928</b>     | <b>578</b>     |

***Deposits with the Treasurer***

OSAPC has a general operating account with the Treasurer. OSAPC does not earn interest on its deposits with the Treasurer.

**6.2. Receivables**

|                          | 2021<br>\$'000 | 2020<br>\$'000 |
|--------------------------|----------------|----------------|
| <b><u>Current</u></b>    |                |                |
| Accrued income           | -              | 45             |
| <b>Total receivables</b> | <b>-</b>       | <b>45</b>      |

**7. Liabilities**

**7.1. Payables**

|                                   | 2021<br>\$'000 | 2020<br>\$'000 |
|-----------------------------------|----------------|----------------|
| <b><u>Current</u></b>             |                |                |
| Trade payables                    | -              | 3              |
| Accrued expenses                  | 94             | 60             |
| Employment on-costs               | 63             | 49             |
| <b>Total current payables</b>     | <b>157</b>     | <b>112</b>     |
| <b><u>Non-current</u></b>         |                |                |
| Employment on-costs               | 29             | 27             |
| <b>Total non-current payables</b> | <b>29</b>      | <b>27</b>      |
| <b>Total payables</b>             | <b>186</b>     | <b>139</b>     |

Payables and accruals are raised 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.

***Employment on-costs***

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave remains unchanged as 42% and the average factor for the calculation of employer superannuation cost on-costs has been assessed as 10.1% (2020: 9.8%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$4 000 and employee benefits expense of \$4 000.

**Office of the South Australian Productivity Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**7.2. Provisions**

|   | 2021<br>\$'000 | 2020<br>\$'000 |
|---|----------------|----------------|
| <b><u>Current</u></b>                           |                |                |
| Provision for workers compensation              | 2              | 2              |
| <b>Total current provisions</b>                 | <b>2</b>       | <b>2</b>       |
| <b><u>Non-current</u></b>                       |                |                |
| Provision for workers compensation              | 6              | 4              |
| <b>Total non-current provisions</b>             | <b>6</b>       | <b>4</b>       |
| <b>Total provisions</b>                         | <b>8</b>       | <b>6</b>       |
| <b><i>Movement in provisions</i></b>            |                |                |
| Carrying amount at the beginning of the period  | 6              | 5              |
| Additional provisions recognised                | 2              | 1              |
| <b>Carrying amount at the end of the period</b> | <b>8</b>       | <b>6</b>       |

***Provision for workers compensation***

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

OSAPC is responsible for the payment of workers compensation claims.

**7.3. Financial liabilities**

|                                    | 2021<br>\$'000 | 2020<br>\$'000 |
|------------------------------------|----------------|----------------|
| <b>Current</b>                     |                |                |
| Lease liabilities - current        | -              | 4              |
| <b>Total financial liabilities</b> | <b>-</b>       | <b>4</b>       |

**8. Other disclosures**

**8.1. Cash flow**

Cash flows are included in the Statement of Cash Flows are exclusive of Goods and Services Tax (GST). The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office is classified as part of operating cash flows of the Department of the Premier and Cabinet, not OSAPC.

Total cash outflows for leases was \$5 000 (2020: \$5 000).

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**Notes to and forming part of the financial statements**  
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## **9. Outlook**

### **9.1. Unrecognised contractual commitments**

#### *Expenditure commitments*

|                                      | 2021      | 2020      |
|--------------------------------------|-----------|-----------|
|                                      | \$'000    | \$'000    |
| Within one year                      | 99        | 11        |
| <b>Total expenditure commitments</b> | <b>99</b> | <b>11</b> |

OSAPC's expenditure commitments for 2020-21 relate to contractor engagements regarding a high-level survey to collect evidence on SA regulator's practice, case studies of regulators and surveys of businesses and SA regulators practices.

Commitments for 2019-20 included consultancies on the analysis of "Growth State" industries and funding of Research and Development in South Australia

### **9.2. Contingent assets and liabilities**

OSAPC is not aware of any contingent assets or liabilities as at 30 June 2021.

### **9.3. COVID-19 pandemic outlook on OSAPC**

OSAPC does not expect any material impacts as a result of the COVID-19 pandemic in 2021-22.

### **9.4. Events after the reporting period**

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

## **10. Measurement and risk**

### **10.1. Long service leave liability – measurement**

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

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service.

AASB 119 Employee Benefits requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds for 2021 is 1.25% (2020: 0.75%).

The actuarial assessment performed by the Department of Treasury and Finance applied a salary inflation rate of 2.5% (2020: 2.5%) for the long service leave liability. The net financial impact of the changes to the actuarial assumptions in the current financial year is a decrease in the long service liability of \$39 000 and employee benefits expense of \$39 000.

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

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**10.2. Fair value**

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

***Initial recognition***

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

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

***Plant and equipment***

All items of plant and equipment had a fair value at the time of acquisition of less than \$1.5 million and have not been revalued. The carrying value of these items are deemed to approximate fair value.