



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

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 2023.

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 2023, 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 Reporting Requirements.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive of the Office of the Commissioner for Public Sector Employment and the Executive Director, Finance, People and Performance of the 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 the Australian Accounting Standards – Simplified Reporting Requirements, 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 Chief Executive is responsible for assessing the entity's ability to continue as a going concern, 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 2023.

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)

29 September 2023

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

Financial Statements

For the year ended 30 June 2023

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Certification of the Financial Statements
for the year ended 30 June 2023

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
28 September 2023



Andrew Swanson
Executive Director, Finance People and
Performance
Attorney-General's Department
28 September 2023

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Fees and charges	2.1	9 309	7 739
SA Government grants, subsidies and transfers	2.2	4 265	8 583
Resources received free of charge	2.3	80	126
Other income		26	15
Total income		13 680	16 463
Expenses			
Employee benefits expenses	3.3	8 132	7 826
Supplies and services	4.1	6 077	6 623
Grants and subsidies	4.2	205	100
Other expenses	4.3	1 219	1 021
Total expenses		15 633	15 570
Net result		(1 953)	893
Total comprehensive result		(1 953)	893

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 COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	5.1	1 332	2 646
Receivables	5.2	513	1 910
Total current assets		1 845	4 556
Non-current assets			
Receivables	5.2	-	1
Total non-current assets		-	1
Total assets		1 845	4 557
Current liabilities			
Payables	6.1	523	989
Employee benefits	3.4	541	662
Provisions	6.2	16	14
Total current liabilities		1 080	1 665
Non-current liabilities			
Employee benefits	3.4	1 025	1 185
Payables	6.1	102	114
Provisions	6.2	37	39
Total non-current liabilities		1 164	1 338
Total liabilities		2 244	3 003
Net assets		(399)	1 554
Equity			
Retained earnings		(399)	1 554
Total equity		(399)	1 554

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

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Statement of Changes in Equity
for the year ended 30 June 2023

	Note	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021		661	661
Net result for 2021-22		893	893
Total comprehensive result for 2021-22		<u>893</u>	<u>893</u>
Balance at 30 June 2022		<u>1 554</u>	<u>1 554</u>
Net result for 2022-23		(1 953)	(1 953)
Total comprehensive result for 2022-23		<u>(1 953)</u>	<u>(1 953)</u>
Balance at 30 June 2023		<u>(399)</u>	<u>(399)</u>

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

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**Statement of Cash Flows***for the year ended 30 June 2023*

		2023	2022
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Fees and charges		11 685	7 720
SA Government grant, subsidies and transfers		4 265	8 412
Other receipts		65	163
Cash generated from operations		16 015	16 295
Cash (outflows)			
Employee benefit payments		(8 434)	(8 635)
Payments for supplies and services		(7 038)	(7 769)
GST paid to AGD		(436)	(126)
Grants and subsidies		(330)	-
Other payments		(1091)	(1 225)
Cash (used in) operations		(17 329)	(17 755)
Net cash used in operating activities		(1 314)	(1 460)
Net decrease in cash and cash equivalents		(1 314)	(1 460)
Cash and cash equivalents at the beginning of the period		2 646	4 106
Cash and cash equivalents at the end of the period	5.1	1 332	2 646

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 2023

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* as an attached office to the Department of Treasury and Finance (DTF) up to 23 March 2022. It became an attached office of the Attorney-General's Department post 24 March 2022.

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 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 grouped 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 2023

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
- I WORK FOR SA – Your Voice 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.

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2023

2. Income

2.1. Fees and charges

	2023	2022
	\$'000	\$'000
Leadership development	2 553	1 360
Work health safety injury management	1 586	1 454
MyCareer system	1 534	1 168
Injury management systems and services	1 064	1 744
SA Government salary sacrifice arrangements	692	678
I WORK FOR SA jobs board	377	380
Other fees and charges	1 503	955
Total fees and charges	9 309	7 739

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 are 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.

Injury management systems and services – OCPSE provides injury management systems and services for the SA Public Sector. Revenue for these systems and services are 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. In 2021-22 OCPSE implemented (and supports) GOVSAfety a new intuitive and user-friendly work health safety system, across the sector which, will eventually replace the ageing Self Insurance Management System (SIMS). GOVSAfety allows staff / management to lodge, investigate, and review hazard, incident, and injury events easily and efficiently. The system is also used for reporting events.

MyCareer system – OCPSE is designing, implementing and supporting a new end-to-end Human Capital Management platform comprising Recruitment, Learning Management (LMS), Performance Management (PMS) and Talent management system functionality, across selected agencies in the sector. This project is being run in collaboration with the invested agencies.

2.2. SA Government grants, subsidies and transfers

	2023	2022
	\$'000	\$'000
Operational funding provided by SA Government	3 195	6 610
Contingency funding provided by the Department of Treasury and Finance	1 070	171
Grant from the Department for Industry, Innovation and Science – Skilling SA project	-	1 802
Total SA Government grants, subsidies and transfers	4 265	8 583

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 2023

2.3. Resources received free of charge

	2023	2022
	\$'000	\$'000
Services received free of charge	80	126
Total resources received free of charge	80	126

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. ICT 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 \$1.303 million in 2023 (2022: \$1.079 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 2023

3.2. Board and committee members

Members during the 2023 financial year were:

Remuneration Tribunal of South Australia

Matthew O'Callaghan (President)

Deborah Ann Black

Peter De Cure

Board and committee remuneration

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

	2023	2022
\$0 - \$19,999	-	8
\$20 000 - \$39 999	3	3
Total number of members	3	11

The total remuneration received or receivable by members for the year was \$78 000 (2022: \$95 000). 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 \$7 800 (2022: \$7 700).

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 2023

3.3. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	5 655	6 165
Targeted voluntary separation packages	735	-
Employment on-costs - superannuation	642	742
Annual leave	490	489
Employment on-cost - payroll tax	335	355
Long service leave	157	(84)
Board and committee fees	71	87
Skills and experience retention leave	29	38
Other employee related expenses	18	34
Total employee benefits expenses	8 132	7 826

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:

	2023	2022
	No.	No.
\$160 001 - \$180 000	3	1
\$180 001 - \$200 000	1	-
\$360 001 - \$380 000	-	1
\$440 001 - \$460 000	1	1
\$460 001 - \$480 000 *	-	1
\$480 001 - \$500 000 *	1	-
Total	6	4

* 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 \$1.637 million (2022: \$1.473 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 2023

3.3 Employee benefits expenses (continued)

Targeted voluntary separation packages

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

	2023	2022
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	735	133
Leave paid to separated employees	260	77
Recovery from DTF	(735)	(171)
Net cost to OCPSE	260	39

3.4. Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Annual leave	437	527
Long service leave	77	98
Skills and experience retention leave	27	37
Total current employee benefits	541	662
Non-current		
Long service leave	1 025	1 185
Total non-current employee benefits	1 025	1 185
Total employee benefits	1 566	1 847

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 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% (2022:1.5%). 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 2023

3.4 Employee benefits liability (continued)

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.

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

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

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 has increased to 4% (2022: 3.5%).

The actuarial assessment performed by DTF has increased the salary inflation rate to 3.5% (2022: 2.5%) for long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$30 000 employee benefits expense of \$30 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2023

4. Expenses

4.1. Supplies and services

	2023	2022
	\$'000	\$'000
Contractors and temporary staff	2 649	3 118
General administration and consumables*	789	834
Information technology and communications	770	812
Accommodation	683	687
Consultants	466	322
Legal costs	228	304
Minor works, maintenance and equipment	18	54
Other	474	492
Total supplies and services	6 077	6 623

* Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance Audit Act 1987* of \$109 200 (\$101 000). No other services were provided by the Auditor-General's Department.

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 and accordingly are expensed.

4.2. Grants and subsidies

	2023	2022
	\$'000	\$'000
Grants	205	100
Total grants and subsidies	205	100

4.3. Other expenses

	2023	2022
	\$'000	\$'000
Reimbursement of course fees	1 218	1 021
Other	1	-
Total other expenses	1 219	1 021

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5. Financial assets

5.1. Cash and cash equivalents

	2023	2022
	\$'000	\$'000
Deposits with the Treasurer - special deposit account	1 332	2 646
Total cash and cash equivalents	1 332	2 646

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

	2023	2022
	\$'000	\$'000
Current		
Trade receivables	139	1 592
Prepayments	369	318
GST Recoverable from AGD	5	-
Total current receivables	513	1 910
Non-current		
Receivables	-	1
Total non-current receivables	-	1
Total receivables	513	1 911

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues 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 2023

6. Liabilities

6.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Creditors and accrued expenses	438	753
Employment on-costs	85	137
GST payable to AGD	-	99
Total current payables	523	989
Non-Current:		
Employment on-costs	102	114
Total non-current payables	102	114
Total payables	625	1 103

Payables are measured at nominal amounts.

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

Payables and accruals 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.

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 portion of long service leave taken as leave has increased to 43% (2022: 42%) and the average factor for the calculation of employer superannuation on-costs has increased to 11.1% (2022: 10.6%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial.

OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT
Notes to and forming part of the financial statements
for the year ended 30 June 2023

6.2. Provisions

	2023	2022
	\$'000	\$'000
Reconciliation of workers compensation (statutory and non-statutory)		
Carrying amount at the beginning of the period	53	65
Increase (decrease) in provision due to revision of estimates	6	(5)
Reductions resulting from payments	(6)	(7)
Carrying amount at the end of the period	53	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 2023 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 nonserious 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 contractual commitments

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

Other contractual commitments

	2023	2022
	\$'000	\$'000
Within one year	539	212
Later than one year but not longer than five years	384	440
Total other contractual commitments	923	652

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.

	2023	2022
	\$'000	\$'000
Within one year	1 296	1 293
Later than one year and not later than five years	377	866
Total other commitments	1 673	2 159

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 \$10 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 is in place until 30 June 2024.

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

7.3. Events after the reporting period

The OCPSE is not aware of any after balance date events.

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8. Measurement and risk

8.1. Financial instruments

Financial risk management

Risk management is managed by the OCPSE's corporate services section and risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The 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 primarily funded from 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.