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To the Small Business Commissioner

Opinion

I have audited the financial report of the Small Business Commissioner 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 Small Business Commissioner 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 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 Small Business Commissioner and the Manager, Corporate Operations.

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 Small Business Commissioner. 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 Small Business Commissioner for the financial report

The Small Business Commissioner 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 Small Business Commissioner 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 Small Business Commissioner 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 Small Business Commissioner 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 Small Business Commissioner's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Small Business Commissioner

- conclude on the appropriateness of the Small Business Commissioner'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 Small Business Commissioner 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)

28 September 2023

OFFICIAL

Small Business Commissioner

Financial Statements

For the year ended 30 June 2023

Small Business Commissioner
Certification of the Financial Statements
for the year ended 30 June 2023

We certify that the:

- financial statements of the Small Business Commissioner :
 - are in accordance with the accounts and records of the Commissioner;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Commissioner 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 Small Business Commissioner for the financial year over its financial reporting and its preparation of financial statements have been effective.



Nerissa Kilvert
Small Business Commissioner
27 September 2023



Ashlee King
Manager, Corporate Operations
27 September 2023

Small Business Commissioner
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Intra-government transfers	2.1	2 349	2 120
Recoveries	2.2	194	194
Resources received free of charge	2.3	24	22
Mediation Income		8	5
Other income		8	5
Total income		2 583	2 346
Expenses			
Staff benefits expenses	3.2	2 240	1 639
Supplies and services	4.1	375	478
Depreciation and amortisation		4	69
Grants and subsidies		-	4
Other expenses	4.2	14	13
Total expenses		2 633	2 203
Net result		(50)	143
Total comprehensive result		(50)	143

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

Small Business Commissioner
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents		1 614	1 480
Receivables	6.1	47	213
Total current assets		1 661	1 693
Non-current assets			
Property, plant and equipment	5.1	-	4
Total non-current assets		-	4
Total assets		1 661	1 697
Current liabilities			
Staff benefits	3.3	163	162
Payables	7.1	49	38
Provisions	7.2	7	12
Total current liabilities		219	212
Non-current liabilities			
Staff benefits	3.3	299	284
Payables	7.1	30	27
Provisions	7.2	18	29
Total non-current liabilities		347	340
Total liabilities		566	552
Net assets		1 095	1 145
Equity			
Retained earnings		1 095	1 145
Total equity		1 095	1 145

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

Small Business Commissioner
Statement of Changes in Equity
for the year ended 30 June 2023

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021	1 002	1 002
Net result for 2021-22	143	143
Total comprehensive result for 2021-22	143	143
Balance at 30 June 2022	1 145	1 145
Net result for 2022-23	(50)	(50)
Total comprehensive result for 2022-23	(50)	(50)
Balance at 30 June 2023	1 095	1 095

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

Small Business Commissioner
Statement of Cash Flows
for the year ended 30 June 2023

	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Intra-government transfers	2 349	2 120
Recoveries from Retail Shop Leases Fund	381	-
Mediation receipts	8	5
Other receipts	5	5
Cash generated from operating activities	<u>2 743</u>	<u>2 130</u>
Cash outflows		
Staff benefit payments	(2 214)	(1 674)
Payments for supplies and services	(395)	(449)
Payments of grants and subsidies	-	(4)
Cash used in operating activities	<u>(2 609)</u>	<u>(2 127)</u>
Net cash provided by / (used in) operating activities	<u>134</u>	<u>3</u>
Cash outflows		
Repayment of leases	-	(4)
Cash used by financing activities	<u>-</u>	<u>(4)</u>
Net cash provided by / (used in) financing activities	<u>-</u>	<u>(4)</u>
Net increase / (decrease) in cash and cash equivalents	<u>134</u>	<u>(1)</u>
Cash and cash equivalents at the beginning of the reporting period	1 480	1 481
Cash and cash equivalents at the end of the reporting period	<u><u>1 614</u></u>	<u><u>1 480</u></u>

The accompanying notes form part of these financial statements.

Small Business Commissioner

Notes to and forming part of the financial statements

For the year ended 30 June 2023

1. About the Small Business Commissioner

The Small Business Commissioner (the Commissioner) is a not-for-profit government agency of the State of South Australia, established pursuant to the *Small Business Commissioner Act 2011*.

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

The Commissioner administers the operations of the Retail Shop Leases Fund (RSLF) through its statutory responsibilities under *Retail and Commercial Leases Act 1995*. A separate financial report is prepared for the Retail Shop Leases Fund as per section 78 of the *Retail and Commercial Leases Act 1995*.

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.

These are the first financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the financial statements were prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There has been no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Commissioner as a result of the change in the basis of preparation.

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 even have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout the notes.

The Commissioner is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

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

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.

The net amount of the GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the RSLF is a member of an approved GST group of which the Attorney-General's Department (AGD) is responsible for the remittance and collection of GST.

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

1.2. Objectives and Programs

As an independent voice, the Commissioner is an avid supporter and advocate for South Australian small businesses while striving to provide fast, fair and low-cost dispute resolution on matters impacting their day-to-day operation.

The Commissioner is an independent statutory officer and is responsible for the administration and provision of information on the *Small Business Commissioner Act 2011*, *Retail and Commercial Lease Act 1995*, *Building and Construction Industry Security of Payment Act 2009* and the *Farm Debt Mediation Act 2018* while having statutory responsibilities under the *Fair Trading Act 1987*, *Late Payment of Government Debts Act 2013*, *Work Health and Safety Act 2012*, *COVID-19 Emergency Response Act 2020* and the related regulations.

The key role and objectives of the Commissioner include:

- Facilitate no or low-cost alternative dispute resolution processes between small businesses, and between small businesses and state or local government.
- Amplify the views, challenges and experiences of small business operators on issues that impact their ability to do business, including assisting them navigate complexity & challenges in dealings with state and local government bodies.
- Collaborate and engage with small businesses operators, governments, industry, and the community to create a thriving business environment.
- Strengthen the integrity of the small business sector by providing information & advice about legislative obligations under Acts administered by the Commissioner and enforcing compliance with those legislative requirements where appropriate.
- Deliver a fast, fair and consistent customer experience.

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

2. Income

2.1. Intra-government transfers

	2023	2022
	\$'000	\$'000
Intra-government transfers	2 349	2 120
Total intra-government transfers	2 349	2 120

Relates to transfers for operational funding received via AGD. Intra-government transfers are recognised as income on receipt.

2.2. Recoveries

	2023	2022
	\$'000	\$'000
Retail Shop Leases Fund administration fees	194	186
Retail Shop Lease administration fees - Other - Audit	-	8
Total recoveries	194	194

Relates to recoveries for part of the cost of administering the RSLF and are recognised as income on receipt.

2.3. Resources received free of charge

	2023	2022
	\$'000	\$'000
Services received free of charge - Shared Services SA	18	16
Services received free of charge - ICT	6	6
Total resources received free of charge	24	22

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

The Commissioner receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA and ICT services from Department of Premier and Cabinet (DPC).

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3. Staff Benefits

3.1. Key management personnel

Key management personnel include the responsible Minister and the Commissioner who have the responsibility for the strategic direction and management of the office.

Total compensation for the key management personnel was \$240 000 in 2022-23 and \$345 000 in 2021-22. Total compensation in 2021-22 includes outstanding leave payments.

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

There were no significant transactions with key management personnel and other related parties.

3.2. Staff benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	1 332	1 159
Targeted voluntary separation packages	265	-
Annual leave	212	153
Long service leave	177	95
Employment on-costs - superannuation	174	129
Employment on-costs - payroll tax	93	74
Skills and experience retention leave	3	5
Workers' compensation	(16)	24
Total staff benefits expenses	2 240	1 639

Employment expenses

Departmental staff are employed under Part 7 of the *Public Sector Act 2009*. The Chief Executive of AGD holds the employing authority for the Commissioner. In accordance with Part 10 Section 1 (a) of the *Small Business Commissioner Act 2011*, "the Commissioner's staff consists of Public Service employees assigned to assist the Commissioner."

Superannuation employment on-cost charges represent the department's contribution to superannuation plans in respect of current services of current staff.

Staff remuneration

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

	2023	2022
	No	No
\$157 001 to \$160 000*	n/a	-
\$160 001 to \$180 000	-	1
\$180 001 to \$200 000	-	1
\$220 001 to \$240 000	1	-
Total	1	2

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

The total remuneration received by staff for the year was \$0.24 million (2022: \$0.35 million).

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.2. Staff benefits expenses (continued)

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

Targeted voluntary separation packages (TVSP)

	2023	2022
	\$'000	\$'000
Amounts paid to separated staff:		
Targeted Voluntary Separation Packages	265	-
Leave paid to separated staff	94	-
	<u>359</u>	<u>-</u>
Recovery from the Department of Treasury and Finance (DTF)	(266)	-
Net cost	<u>93</u>	<u>-</u>

The number of staff who received a TVSP in the reporting period was 3 (2022:Nil).

3.3. Staff benefits liability

	2023	2022
	\$'000	\$'000
Current		
Annual leave	131	120
Long service leave	22	19
Accrued salaries and wages	5	8
Skills and experience retention leave	5	15
Total current staff benefits	<u>163</u>	<u>162</u>
Non-current		
Long service leave	299	284
Total non-current staff benefits	<u>299</u>	<u>284</u>
Total staff benefits	<u>462</u>	<u>446</u>

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

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

The liability for salaries 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.

Salary inflation rate for annual leave, skills, experience and retention leave liability changed to 2% (1.5%: 2022).

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

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

3.3 Staff benefits liability (continued)

Long service leave

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

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

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

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased to 4% from 3.5% in 2022.

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$9 000 and staff benefits expense of \$9 000.

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

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

The Commissioner classifies current long service leave based on its best estimate of the amount to be paid in the coming year based on prior year actual long service leave taken.

Small Business Commissioner
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
Information technology and communications charges	99	99
Accommodation	75	106
Office administration expenses	73	60
Mediation fees	38	46
Consultants	33	50
Shared Services SA charges	18	16
Contractors	12	55
Staff related expenses	10	12
Travel and related expenses	6	4
Business training and development support	5	2
Marketing	5	27
Repairs, maintenance and minor purchases	1	1
Total supplies and services	375	478

Accommodation

The Commissioner's accommodation is provided by the Department for Infrastructure and Transport under a 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. Other expenses

	2023	2022
	\$'000	\$'000
Audit fees	14	13
Total other expenses	14	13

Audit fees paid / payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Auditor-General's Department.

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5. Non-financial assets

5.1. Property, plant and equipment

All non-current tangible assets with a value equal to or in excess of \$10 000 are capitalised, otherwise it is expensed. Leasehold improvements are recorded at fair value.

Reconciliation 2022-23

The following table shows movement in property, plant and equipment during 2022-23

	Leasehold improvements	ROU Vehicles	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	4	-	4
Other	-	-	-
Subtotal:	4	-	4
Gains/(losses) for the period recognised in net result:			
Depreciation	(4)	-	(4)
Subtotal:	(4)	-	(4)
Carrying amount at the end of the period	-	-	-
Gross carrying amount			
Gross carrying amount	31	-	31
Accumulated depreciation/amortisation	(31)	-	(31)
Carrying amount at the end of the period	-	-	-

Reconciliation 2021-22

	Leasehold improvements	ROU Vehicles	Total
	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	31	4	35
Other	-	(2)	(2)
Subtotal:	31	2	33
Gains/(losses) for the period recognised in net result:			
Depreciation	(27)	(2)	(29)
Subtotal:	(27)	(2)	(29)
Carrying amount at the end of the period	4	-	4
Gross carrying amount			
Gross carrying amount	31	-	31
Accumulated depreciation/amortisation	(27)	-	(27)
Carrying amount at the end of the period	4	-	4

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.1. Property, plant and equipment (continued)

Review of accounting estimates

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

All non-current assets, having a limited useful life, are systematically depreciated / amortised over their useful lives in a manner that reflects the consumption of their service potential.

Useful lives

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

Class of asset	Useful life (years)
Right of use vehicle	3
Intangible / software	1-5
Leasehold improvements	Life of lease

Right of use vehicles

Right of use vehicles leased by the Commissioner is measured at cost.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15 000 are not recognised as right-of-use assets.

The Commissioner does not have a vehicle lease with the South Australian Government Financing Authority (SAFA). The previous Commissioner was employed from July to September 2021 and had 1 motor vehicle lease with SAFA. Motor vehicle lease is non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60 000km) up to 5 years (100 000km). No contingent rental provisions exist within the lease agreement and no options exist to renew the lease at the end of their term.

Depreciation expenses related to the leases is disclosed in note 5.1.

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

5.2. Intangible assets

There was no intangible assets movement in 2022-23 as all assets were fully depreciated in 2021-22.

Reconciliation 2022-23	Computer software	Total
	\$'000	\$'000
Gross carrying amount		
Gross carrying amount	260	260
Accumulated depreciation/amortisation	(260)	(260)
Carrying amount at the end of the period	<u>-</u>	<u>-</u>
Reconciliation 2021-22	Computer software	Total
	\$'000	\$'000
Carrying amount at 1 July 2021	40	40
Subtotal:	<u>40</u>	<u>40</u>
Gains/(losses) for the period recognised in net result:		
Amortisation	(40)	(40)
Subtotal:	<u>(40)</u>	<u>(40)</u>
Carrying amount at the end of the period	<u>-</u>	<u>-</u>
Gross carrying amount		
Gross carrying amount	260	260
Accumulated depreciation/amortisation	(260)	(260)
Carrying amount at the end of the period	<u>-</u>	<u>-</u>

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

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

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

6. Financial Assets

6.1. Receivables

	2023	2022
	\$'000	\$'000
Current		
Receivables	20	204
Total receivables	<u>20</u>	<u>204</u>
Prepayments	27	9
Total current receivables	<u>47</u>	<u>213</u>

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.

The Commissioner did not recognise an impairment loss on receivables due to the low value of receivables. 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.

7. Liabilities

7.1. Payables

	2023	2022
	\$'000	\$'000
Current		
Employment on-costs	26	25
Accrued expenses	23	13
Total current payables	<u>49</u>	<u>38</u>
Non-current		
Employment on-costs	30	27
Total non-current payables	<u>30</u>	<u>27</u>
Total payables	<u>79</u>	<u>65</u>

Payables are measured at nominal amounts.

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

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

7.1. Payables (Continued)

Employment on-costs

Employment on-costs include payroll tax, ReturnToWorkSA levies and superannuation contributions and are settled when the respective staff benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to staff. 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.

The Commissioner 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 43% (2022: 42%), and the average factor for the calculation of employer superannuation cost on-cost 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.

7.2. Provisions

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	41	16
Additional provisions recognised	-	25
Reductions resulting from re-measurement	(16)	-
Carrying amount at the end of the period	25	41

The Commissioner is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Commissioner 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, 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 the Office of the Commissioner for Public Sector Employment.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due 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.

Small Business Commissioner
Notes to and forming part of the financial statements
For the year ended 30 June 2023

8. Outlook

8.1. Unrecognised commitments

The Commissioner's expenditure commitments relate to agreements for:

- Mediation services
- Software licences
- Office accommodation (MoAA with DIT)

	2023	2022
	\$'000	\$'000
Within one year	101	180
Later than one year but not longer than five years	352	617
Later than five years	339	558
Total expenditure commitments	792	1 355

8.2. Contingent assets and liabilities

The Commissioner is not aware of any contingent assets or liabilities at reporting date.