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To the Presiding Member SACE Board of South Australia

Opinion

I have audited the financial report of the SACE Board of South Australia (the SACE Board) for the financial year ended 31 December 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the SACE Board as at 31 December 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 31 December 2024
- a Statement of Financial Position as at 31 December 2024
- a Statement of Changes in Equity for the year ended 31 December 2024
- a Statement of Cash Flows for the year ended 31 December 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member, the Chief Executive and the Director People and Performance.

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 SACE Board. 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 and the SACE Board for the financial report

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

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

The SACE Board is responsible for overseeing the entity's financial reporting process.

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* and section 19A of the *SACE Board of South Australia Act 1983*, I have audited the financial report of the SACE Board of South Australia for the financial year ended 31 December 2024.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SACE Board'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 and the SACE Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Deputy Auditor-General

31 March 2025

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

SACE Board of South Australia
Statement of Comprehensive Income
for the year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Income			
SA Government grants, subsidies and transfers	2.1	17 230	20 043
Fees and charges	2.2	59	58
Sales of goods and services	2.3	6 351	5 541
Resources received free of charge	2.4	139	86
Replacement teachers' write-back	2.5	56	104
Other income	2.6	1 216	1 030
Total income		25 051	26 862
Expenses			
Employee related expenses	3.3	16 097	15 112
Supplies and services	4.1	7 504	7 817
Depreciation and amortisation	5.1	1 377	1 321
Replacement teachers' expense	4.2	367	225
Total expenses		25 345	24 475
Net result		(294)	2 387
Total comprehensive result		(294)	2 387

The accompanying notes form part of these financial statements.

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

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

SACE Board of South Australia
Statement of Financial Position
as at 31 December 2024

	Note	2024 \$'000	2023 \$'000
<u>Current Assets</u>			
Cash and cash equivalents	6.2	20 444	18 969
Receivables	6.3	799	1 539
Total current assets		21 243	20 508
<u>Non-current Assets</u>			
Receivables	6.3	12	33
Plant and equipment	5.2	653	905
Intangible assets	5.3	5 704	5 817
Total non-current assets		6 369	6 755
Total assets		27 612	27 263
<u>Current Liabilities</u>			
Payables	7.2	608	781
Contract liabilities	2.3	589	664
Employee related liability	3.4	1 703	1 600
Replacement teachers	7.3	282	108
Provisions	7.4	31	27
Total current liabilities		3 213	3 180
<u>Non-current Liabilities</u>			
Employee related liability	3.4	1 839	1 227
Provisions	7.4	437	439
Total non-current liabilities		2 276	1 666
Total liabilities		5 489	4 846
Net assets		22 123	22 417
<u>Equity</u>			
Retained earnings		22 123	22 417
Total equity		22 123	22 417

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

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

SACE Board of South Australia
Statement of Changes in Equity
for the year ended 31 December 2024

	Note	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 January 2023		20 030	20 030
Net result for 2023		2 387	2 387
Total comprehensive result for 2023		2 387	2 387
Balance at 1 January 2024		22 417	22 417
Net result for 2024		(294)	(294)
Total comprehensive result for 2024		(294)	(294)
Balance at 31 December 2024		22 123	22 123

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

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

SACE Board of South Australia
Statement of Cash Flows
for the year ended 31 December 2024

	Note	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities			
Cash Inflows			
SA Government grants, subsidies and transfers		17 230	20 043
Sales of goods and services		7 132	5 440
Fees and charges		59	58
Interest received		916	699
GST recovered from the ATO		413	470
Other receipts		417	401
Cash generated from operations		26 167	27 111
Cash Outflows			
Employee benefit payments		(15 383)	(15 390)
Payments for supplies and services		(8 160)	(8 455)
Replacement teachers		(137)	(148)
Cash used in operations		(23 679)	(23 993)
Net cash provided by (used in) operating activities		2 487	3 118
Cash Flows from Investing Activities			
Cash Outflows			
Purchases of intangible assets		(965)	(703)
Purchase of PP&E		(47)	
Net cash provided by (used in) investing activities		(1 012)	(703)
Net increase (decrease) in cash and cash equivalents		1 475	2 415
Cash and cash equivalents at the beginning of the calendar year		18 969	16 554
Cash and cash equivalents at the end of the calendar year	6.2	20 444	18 969

The accompanying notes form part of these financial statements.

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

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SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

1. About the SACE Board of South Australia (the SACE Board)

The SACE Board of South Australia is a statutory authority established under the *SACE Board of South Australia Act 1983* (the Act). The SACE Board does not control any other entity and has no interests in unconsolidated structured entities. The SACE Board has not entered into any contractual arrangements that involve the sharing of control or significant influence over another entity. The financial statements and accompanying notes include all the controlled activities of the SACE Board.

1.1 Basis of preparation

These 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.

For the purposes of preparing the financial statements, the SACE Board is a not-for-profit entity.

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 identified in the notes to the financial statements.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, 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;
- receivables and payables, which are stated with the amount of GST included.

Cash flows include GST in the Statement of Cash Flows.

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 and programs

The SACE Board aims to achieve student success through the South Australian Certificate of Education (the SACE), by providing a locally and internationally respected qualification that gives all students the capabilities to move successfully into further learning and work as confident and responsible citizens.

The SACE Board is actively pursuing three key strategic priorities:

- Bold Leader - further develop the SACE Board as a leader in education and as an exemplary public service agency.
- A Qualification for a changing world - further develop a qualification through which students can thrive and provide evidence of their knowledge, skills, capabilities and other attributes that will connect them to industry sectors and other
- Engine Room - Genuinely partnering for results delivery is at the core of what we do, while ensuring systems and processes are solid and Teachers and leaders are supported through continuity and stability.

The main programs of the SACE Board, prescribed by the Act, are to:

- establish a qualification to be called the SACE;
- determine the requirements for the achievement of the SACE;
- accredit subjects and courses that will be recognised by the SACE Board as being suitable for the purposes of the SACE;
- assess achievements in or satisfactory completion of subjects or courses;
- assure the quality and suitability of processes and standards used to assess the achievements of students for the purposes of the SACE; and
- prepare and publish information and guidelines in relation to the requirements of the SACE.

The SACE Board is predominantly funded from grants provided by the State Government.

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

2. Income

2.1 SA Government grants, subsidies and transfers

	2024 \$'000	2023 \$'000
Transfers from the Department for Education	17 230	20 043
Total SA Government grants, subsidies and transfers	17 230	20 043

The transfer of funds is recognised as revenue when the SACE Board obtains control over the funding. Control over the funds is normally obtained upon receipt.

Total revenues consist of \$16 358 000 (2023: \$18 993 000) for operational funding and \$871 000 (2023: \$1 050 000) for capital projects.

2.2 Fees and charges

Students are charged for replacement certificates. Income is recognised when fees are received.

	2024 \$'000	2023 \$'000
Regulatory fees	59	58
Total fees and charges	59	58

2.3 Sales of goods and services

All revenue from the sales of goods and services is revenue recognised from contracts with customers and therefore AASB 15 has been applied.

	2024 \$'000	2023 \$'000
Northern Territory Government	2 910	2 769
SACE International Program	2 773	2 271
Overseas students studying in South Australia	668	488
Prescient	-	13
Total sales of goods and services	6 351	5 541

Northern Territory arrangement

The SACE Board has an exclusive agreement with the Northern Territory Government to have the SACE delivered through all Northern Territory government schools.

This contract includes a number of performance obligations with related transaction prices allocated against each obligation. The majority of the performance obligations are recognised over the academic year as services are provided. The provision of results, being one of the performance obligations, is recognised at a point in time at the end of the academic year.

SACE International Program

SACE International program provides services to schools in China, Vietnam, Vanuatu, Malaysia, New Caledonia, Sri Lanka, Cambodia, and the Republic of Korea to support the provision of the SACE to students who select to undertake it.

Contracts with each school include performance obligations. In such cases, the transaction price is allocated to each obligation to determine when revenue is recognised based on expected work effort. Three components of the transaction price are outlined below:

- A program fee and enrolment fee annually charged to the school represents the provision of services to enable the school to offer the courses of study in accredited subjects. This is recognised over the academic year.
- Student fee charged per student recognised at a point in time at completion of the academic year when results are released.

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

Overseas students studying in South Australia

The SACE Board charges fees to international students who hold a sub-class visa 500 under the *SACE Board of South Australia Regulations 2008*.

The SACE Board has assessed that there is an implied contract between the SACE Board and each student with the performance obligation being the release of results and certificate. The revenue is recognised when the performance obligation is met at the end of the academic year.

Prescient

Prescient provides professional learning for teachers who are seeking to strengthen their expertise in the quality assessment of student achievement in accordance with the SACE Board's standards.

The learning program consists of the delivery of courses which are separately identifiable and can be sold separately. Therefore revenue is recognised at a point in time at completion of the delivery of each individual course being considered the satisfaction of the performance obligation.

Contract balances

	2024	2023
	\$'000	\$'000
Receivables from contracts with customers included in 'Receivables'	39	531
Contract liabilities	550	133
Total revenue from contracts with customers	589	664

Under revenue standard *AASB 15 Revenue from Contracts with Customers*, receivables relate to the sales of goods and services from contracts with customers and contract liabilities relate to cash received or receivable from SACE International schools who have prepaid their fees. Revenue from contract liabilities will be earned within the next 12 months.

2.4 Resources received free of charge

	2024	2023
	\$'000	\$'000
Services received free of charge - Shared Services SA	84	86
Services received free of charge - Audit Office of SA	55	-
Total resources received free of charge	139	86

2.5 Replacement teachers' write-back

	2024	2023
	\$'000	\$'000
Replacement teachers' write-back income	56	104
Total Replacement teacher's write-back income	56	104

The write-back relates to outstanding amounts previously recorded as expenses, for which schools have not sought reimbursement within the allowable claimable timeframe. This write-back is recorded as revenue in the Statement of Comprehensive Income in accordance with accounting standards. Refer to Note 7.3 for additional explanation of the liability for replacement teachers.

2.6 Other income

	2024	2023
	\$'000	\$'000
Miscellaneous income	300	298
Interest on cash and cash equivalents	916	732
Total other income	1 216	1 030

Miscellaneous income includes the scaling grant, provided by the South Australian Tertiary Admissions Centre (SATAC) for the SACE Board to provide services on their behalf. This revenue has been recognised under *AASB 15* over the academic year. This fee is charged annually.

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

3. Board, committees and employees

3.1 Key management personnel

Key management personnel of the SACE Board include the Minister, the Chief Executive Officer, Board members, the Deputy Chief Executive Officer, the Director of People and Performance, the Director Education Services and the Director Operations Transformation and Enterprise Portfolio Management Office.

Total compensation for the SACE Board's key management personnel was \$1 368 000 (2023: \$1 075 000). Salaries and other benefits the Minister for Education, Training and Skills receives are excluded from this total. 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 of the *Parliamentary Remuneration Act 1990*.

The SACE Board has not identified any material transactions with key management personnel and other related parties during 2024.

3.2 Board and committee members

Members during the 2024 calendar year were:

SACE Board of South Australia

Presiding Member

Ms Ruth Blenkiron - appointed 09/03/2023

Members

Mr Andrew Balkwill - term expired 30/06/2024

Ms Kristen Masters* - term expired 30/06/2024

Mr Roy Page* - term expired 30/06/2024

Mr Timothy Browning - appointed 01/07/2021

Ms Eliza Chui - term expires 28/02/2025

Ms Georgette Elston - appointed 11/12/2023

Mr Diarmid Lee - appointed 11/12/2023

Mr Peter Prest - appointed 01/07/2021

Ms Pamela Ronan - appointed 01/07/2021

Ms Marilyn Sleath - appointed 11/12/2023

Mr Daniel Lynch - appointed 25/07/2024

Ms Eva Kannis-Torry* - appointed 25/07/2024

Mr Ben Temperly* - appointed 25/07/2024

* In accordance with the *Premier and Cabinet Circular No.016*, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

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

	2024 No.	2023 No.
\$0 to \$19 999	13	13
\$20 000 to \$39 999	1	1
Total number of Board and committee members	14	14

The total remuneration received or receivable by members was \$150 000 (2023: \$130 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

3.3 Employee related expenses

	2024 \$'000	2023 \$'000
Salaries and wages	9 621	9 146
Casual salaries external assessment	2 074	1 962
Casual salaries moderation	656	655
Casual salaries other	41	63
Targeted voluntary separation packages	-	138
Long service leave	459	144
Annual leave	809	769
Skills and experience retention leave	51	36
Employment on-costs - superannuation*	1 518	1 376
Employment on-costs - other	724	682
Fringe benefits tax	10	24
Board and committee fees	134	117
Total employee related expenses	16 097	15 112

***Employment on-costs - superannuation**

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

Employee remuneration

	2024 No.	2023 No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$160 001 to \$166 000*	-	1
\$166 001 to \$186 000	2	6
\$186 001 to \$206 000	2	-
\$206 001 to \$226 000	1	-
\$246 001 to \$266 000	1	-
\$328 001 to \$346 000	1	1
Total	7	8

* This band has been included for the purpose of reporting comparative figures based on the executive base level remuneration rate for 2022-23

The total remuneration received by those employees for the year was \$1 560 000 (2023: \$1 577 000).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was Zero.

	2024 \$'000	2023 \$'000
Amount paid to separated employees:		
Targeted voluntary separation packages	-	138
Leave paid to separated employees	-	18
Net cost to the SACE Board	-	156

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

3.4 Employee related liability

	2024 \$'000	2023 \$'000
Current		
Accrued salaries and wages	120	38
Annual leave	942	821
Long service leave	209	348
Skills and experience retention leave	69	52
Employment on-costs	363	341
Total current employee related liability	1 703	1 600
Non-current		
Long service leave	1 668	1 116
Employment on-costs	171	111
Total non-current employee related liability	1 839	1 227
Total employee related liability	3 542	2 827

Long-term employee-related liabilities are measured at present value and short-term employee-related liabilities are measured at nominal amounts.

Long service leave

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

The yield on long-term Commonwealth Government bonds has increased from 3.75% (2023) to 4.25% (2024).

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

The current portion relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

Employment on-costs

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

The SACE Board makes contributions to several South Australian 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 either the South Australian Superannuation Board, or non-SA Government funds.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has increased in 2024 (44%) from 2023 (43%), and the average factor for the calculation of employer superannuation on-cost has increased in 2024 (11.5%) from 2023 (11.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current year is not material. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

4. Expenses

Employee related expenses are disclosed in note 3.3.

4.1 Supplies and services

	2024	2023
	\$'000	\$'000
Office accommodation	1 215	1 220
Computing and communication	1 065	1 052
Fleet management costs	3	2
Shared Services SA charges	126	126
Consultants	24	142
Contractors	1 625	2 240
Printing	144	133
Travel and accommodation	182	172
Postage, courier, and freight	318	289
Motor vehicle transport	25	23
Software	1 526	1 440
Venue hire	189	130
Hospitality	206	134
Stationery and office supplies	16	22
Equipment hire	128	76
Repairs and maintenance	12	13
Security	10	6
Staff development	157	161
Impairment loss on receivables	3	8
Other	530	428
Total supplies and services	7 504	7 817

Office Accommodation

The SACE Board's accommodation is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement (MoAAs) issued in accordance with Government-wide accommodation policies. MoAAs do not meet the definition of a lease set out in AASB 16.

Other

The Audit Office of SA provided services free of charge of \$55 000 for work performed under the Public Finance and Audit Act 1987. Audit fees payable in 2023 was \$54 000. No other services were provided by the Audit Office of SA.

4.2 Replacement teachers' expense

	2024	2023
	\$'000	\$'000
Temporary replacement teachers	367	225
Total replacement teachers' expense	367	225

This expense relates to costs incurred by schools for the release of teachers to undertake duties for the SACE Board. The SACE Board issues schools with vouchers entitling them to make a claim for reimbursement of their costs. The expense comprises a total of the amount of claims paid by the SACE Board plus an estimate of the cost of outstanding claims not yet received. The estimate of the cost of claims not yet received is equal to the number of unclaimed vouchers issued to schools at a value per voucher of the average cost per claim in 2024.

See also Note 7.3 for details of the unclaimed funds as at 31 December 2024.

SACE Board of South Australia
Annual Financial Statements for the year ended 31 December 2024

5. Non-financial assets

The SACE Board is required to manage a large range of information, including students' results over many years. Bespoke IT systems deliver the required functionality to manage the integrity of the information. Software is under constant development and enhancement to support the SACE Board's functions, with much of this effort capitalised in accordance with Australian Accounting Standards. The SACE Board does not require significant physical assets to perform its functions.

5.1 Useful life and depreciation

Depreciation and amortisation	2024	2023
	\$'000	\$'000
Equipment	5	-
Computer equipment	-	5
Leasehold improvements	294	293
Intangible assets	1 078	1 023
Total depreciation and amortisation	1 377	1 321

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

Useful life

Depreciation and amortisation are calculated on a straight-line basis.

Leasehold improvements are depreciated over the lease term. Owned plant and equipment and intangible assets are depreciated and amortised over the estimated useful life as follows:

Class of asset	Useful Life (Years)
Equipment	3 - 10 years
Computer Equipment	3 - 8 years
Off the Shelf Software	5 - 10 years
Internally Developed Software	5 - 10 years
Leasehold improvements	Lease term

The useful lives of intangible assets are assessed to be either finite or indefinite. The SACE Board only has intangible assets with finite lives.

Review of accounting estimates

Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected 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.

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5.2 Plant and equipment

Equipment comprises owned assets.

	2024 \$'000	2023 \$'000
Leasehold improvements		
Leasehold improvements at fair value	1 659	1 659
Accumulated depreciation at the end of the period	(1 048)	(754)
Total leasehold improvements	611	905
Equipment		
Equipment at cost (deemed fair value)	89	42
Accumulated depreciation at the end of the period	(47)	(42)
Total equipment	42	-
Computer equipment		
Computer equipment at cost (deemed fair value)	475	475
Accumulated depreciation at the end of the period	(475)	(475)
Total computer equipment	-	-
Total plant and equipment	653	905

Owned equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Owned equipment is recorded at fair value.

Impairment

There were no indications of impairment, as at 31 December 2024.

Reconciliation 2024

	Leasehold improve- ments \$'000	Equipment \$'000	Computer equipment \$'000	Total \$'000
Carrying amount at 1 January 2024	905	-	-	905
Additions	-	47	-	47
Depreciation	(294)	(5)	-	(299)
Carrying amount at 31 December 2024	611	42	-	653

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5.3 Intangible assets

	2024 \$'000	2023 \$'000
Internally developed computer software		
Internally developed computer software	14 971	13 920
Accumulated amortisation	(9 625)	(8 582)
Total Internally developed computer software	5 346	5 338
Purchased computer software		
Purchased computer software	381	381
Accumulated amortisation	(274)	(239)
Total Purchased computer software	107	142
Work in progress		
Internally developed computer software	251	337
Total Work in progress	251	337
Total intangible assets	5 704	5 817

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 accumulated amortisation and any accumulated impairment losses.

The acquisition of 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.

The internally developed computer software relates to the SACE Board's Schools Online and Students Online systems. These systems are recorded in the SACE Board's asset register as a consolidated asset with a carrying amount of \$ 5 346 000 and are being amortised with a useful life of 10 years.

Reconciliation 2024

	Internally developed computer software \$'000	Other computer software \$'000	WIP \$'000	Total \$'000
Carrying amount at 1 January 2024	5 338	142	337	5 817
Additions	-	-	964	964
Transfers (Work in progress)	1 050	-	(1 050)	-
Amortisation	(1 042)	(35)	-	(1 077)
Carrying amount at 31 December 2024	5 346	107	251	5 704

6. Financial assets

6.1 Categorisation of financial assets

	Notes	2024 Carrying amount \$'000	2023 Carrying amount \$'000
Financial assets			
Cash and equivalents			
- Cash and cash equivalents	6.2	20 444	18 969
Financial assets at amortised cost			
- Receivables	6.3	240	915
Total financial assets		20 684	19 884

Receivables as disclosed in this note do not include statutory amounts, overpayment recoveries and prepayments as these are not financial instruments.

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6.2 Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Operating account	9 281	8 282
Deposit with SAFA	11 163	10 687
Total cash and cash equivalents	20 444	18 969

6.3 Receivables

	2024	2023
	\$'000	\$'000
Current		
Contractual receivables		
From non-government entities	194	879
Less allowance for impairment loss on receivables	-	(10)
Total contractual receivables	194	869
Salary overpayment recoveries	60	42
Less allowance for impairment loss of salary overpayment recoveries	(31)	(31)
Prepayments	378	468
Accrued revenues	77	77
GST receivable	121	114
Total current receivables	799	1 539
Non-current		
Prepayments	12	33
Total non-current receivables	12	33
Total receivables	811	1 572

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

Overpayment recoveries include assessment panellist members who were overpaid in December 2021. Recoveries are ongoing and are expected to be resolved within the next twelve months.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Receivables, prepayments and accrued revenues are non-interest bearing. Contractual receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost. The GST included as part of the receivables, is the net amount recoverable from the ATO.

Impairment losses relate to contracts with customers external to SA Government and salary overpayment recoveries.

Allowance for impairment loss on receivables

	2024	2023
	\$'000	\$'000
Carrying amount at 1 January 2024	41	39
Amounts written off	(13)	(6)
Increase/(decrease) in the allowance	3	8
Carrying amount at 31 December 2024	31	41

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7. Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1 Categorisation of financial liabilities

	Notes	2024 Carrying amount \$'000	2023 Carrying amount \$'000
Financial liabilities			
Financial liabilities at amortised cost			
- Payables	7.2	604	721
- Other financial liabilities (Replacement Teachers)	7.3	282	108
Total financial liabilities		886	829

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

7.2 Payables

	2024 \$'000	2023 \$'000
Current		
Contractual payables	71	192
Accrued expenses	533	529
Statutory payables	4	60
Total current payables	608	781
Total payables	608	781

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

Statutory payables do not arise from contracts with customers. They are recognised and measured similarly to contractual/trade payables but are not classified as financial instruments for disclosure purposes.

The net amount of GST recoverable from the ATO is included as part of receivables. However, if a net GST payable arises then this amount would be disclosed in this Payables note.

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7.3 Replacement teachers

	2024	2023
	\$'000	\$'000
Current		
Temporary replacement teachers	282	108
Total replacement teachers' liability	282	108

The liability for replacement teachers represents the estimated cost of amounts owing to schools but not yet claimed as at 31 December 2024.

7.4 Provisions

	2024	2023
	\$'000	\$'000
Current		
Provision for workers' compensation	31	27
Total current provisions	31	27
Non-current		
Provision for workers' compensation	91	93
Make good provision	346	346
Total non-current provisions	437	439
Total provisions	468	466
Movement in provisions	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	466	440
Additional provisions recognised	2	26
Carrying amount at the end of the period	468	466

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 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The SACE Board is responsible for the payment of workers' compensation claims.

During the reporting year the make good provision for our Waymouth Street tenancy premises remained the same. The provision is based on advice received from the Department for Infrastructure and Transport. The provision is for the estimated cost of repairs and maintenance required to complete decommissioning activities.

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8. Outlook

8.1 Unrecognised contractual commitments

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

Expenditure commitments

	2024	2023
	\$'000	\$'000
Within one year	2 791	2 907
Later than one year but not longer than five years	2 694	5 436
Total other commitments	5 485	8 343

The SACE Board's expenditure commitments are for a range of outsourcing services and contracts including printing and distribution of SACE results, ICT services, and facility maintenance.

Office accommodation is provided for via Memoranda of Administrative Arrangements with the Department for Infrastructure and Transport.

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The SACE Board is not aware of any contingent assets and liabilities.

8.3 Events after the reporting period

There are no known events after balance date that affect these financial statements.

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Certification of the Financial Statements

To the best of our knowledge and belief we certify that the attached draft general purpose financial statements for the SACE Board of South Australia:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987* and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the SACE Board of South Australia; and
- present a true and fair view of the financial position of the SACE Board of South Australia as at 31 December 2024 and the results of its operations and cash flows for the calendar year.

We certify that the internal controls employed by the SACE Board of South Australia for the calendar year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.

Ruth Blenkiron
Presiding Member



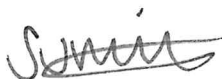
Date: 27th March 2025

Michaela Bensley
Chief Executive



Date: 27/3/2025

Sam Mill
Director People and Performance



Date: 27/3/2025