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To the Industry Advocate Office of the Industry Advocate

Opinion

I have audited the financial report of the Office of the Industry Advocate for the financial year ended 30 June 2025.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Office of the Industry Advocate as at 30 June 2025, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2025
- a Statement of Financial Position as at 30 June 2025
- a Statement of Changes in Equity for the year ended 30 June 2025
- a Statement of Cash Flows for the year ended 30 June 2025
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Industry Advocate and the Deputy Industry Advocate.

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 Industry Advocate. 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 Industry Advocate for the financial report

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

In preparing the financial report, the Industry Advocate 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 Industry Advocate for the financial year ended 30 June 2025.

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 Industry Advocate's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Industry Advocate

- conclude on the appropriateness of the Industry Advocate'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 Industry Advocate 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

25 September 2025

Office of the Industry Advocate

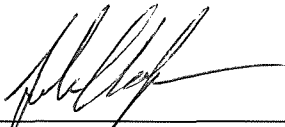
Financial Statements

for the year ended 30 June 2025

Office of the Industry Advocate
Certification of the Financial Statements
for the year ended 30 June 2025

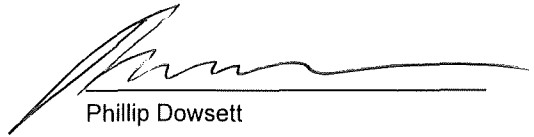
We certify that the:

- financial statements of the Office of the Industry Advocate :
 - are in accordance with the accounts and records of the Office of the Industry Advocate;
 - 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 of the Industry Advocate 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 Industry Advocate for the financial year over its financial reporting and its preparation of financial statements have been effective.



John Chapman
Industry Advocate

24th September 2025



Phillip Dowsett
Deputy Industry Advocate

24th September 2025

Office of the Industry Advocate
Statement of Comprehensive Income
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Income</u>			
Intra-government transfers	3.1	2 269	1 928
Resources received free of charge	3.2	17	7
Other income	3.3	203	1
Total income		2 489	1 936
<u>Expenses</u>			
Employee related expenses	4.1	1 818	1 512
Supplies and services	4.2	529	304
Total expenses		2 347	1 816
Net result		142	120
Total comprehensive result		142	120

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 Industry Advocate
Statement of Financial Position
as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
<u>Current assets</u>			
Cash and cash equivalents	5.1	763	582
Receivables	5.2	5	3
Total current assets		768	585
Total assets			
		768	585
<u>Current liabilities</u>			
Payables	6.1	19	48
Employee related liabilities	6.2	259	189
Provisions	6.3	3	4
Total current liabilities		281	241
<u>Non-current liabilities</u>			
Employee related liabilities	6.2	197	190
Provisions	6.3	10	16
Total non-current liabilities		207	206
Total liabilities			
		488	447
Net assets			
		280	138
<u>Equity</u>			
Retained earnings		280	138
Total equity		280	138

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

Office of the Industry Advocate
Statement of Changes in Equity
for the year ended 30 June 2025

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2023	18	18
Net result for 2023-24	120	120
Total comprehensive result for 2023-24	120	120
Balance at 30 June 2024	138	138
Net result for 2024-25	142	142
Total comprehensive result for 2024-25	142	142
Balance at 30 June 2025	280	280

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

Office of the Industry Advocate
Statement of Cash Flows
for the year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Cash inflows			
Intra-government transfers		2 269	1 928
GST recovered from DTF		-	32
Other receipts		203	1
Cash generated from operations		2 472	1 961
Cash outflows			
Employee related payments		(1 742)	(1 747)
Payments for supplies and services		(545)	(321)
GST paid to DTF		(4)	-
Cash used in operations		(2 291)	(2 068)
Net cash used in operating activities		181	(107)
Net increase/(decrease) in cash and cash equivalents		181	(107)
Cash and cash equivalents at the beginning of the period		582	689
Cash and cash equivalents at the end of the period	5.1	763	582

The accompanying notes form part of these financial statements.

Office of the Industry Advocate

Notes to and forming part of the financial statements

for the year ended 30 June 2025

1. About the Office of the Industry Advocate

The Office of the Industry Advocate (OIA/the Office) is a not for profit statutory authority of the State of South Australia, established pursuant to the *Industry Advocate Act 2017* proclaimed under *Public Sector Notice 2017* (dated 31 October 2017).

The Industry Advocate is appointed by the Governor and is an agency of the Crown.

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.

For the purposes of preparing the financial statements, The Office is not a not-for-profit entity. 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 that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which OIA has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

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.

The Office is grouped with the Department of Treasury and Finance (DTF) for GST purposes, and accordingly DTF prepares the Business Activity Statement on behalf of the Office via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure the Office either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from DTF.

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 Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2025

1.2. Objectives and programs

The objectives of the Office of the Industry Advocate are to ensure all functions of the *Industry Advocate Act 2017* are exercised, including but not limited to:

- Promote competitive, capable local businesses to government purchasers and private sector companies delivering contracts on behalf of the government.
- Recommend reforms to procurement and contracting practices to ensure local businesses are not disadvantaged.
- Ensure local businesses have a full, fair and reasonable opportunity to win work on major projects under the South Australian Industry Participation Policy.
- To take action to further the objectives of the South Australian Industry Participation Policy.

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the Office include the Minister, the Industry Advocate and one member of the executive team who have responsibility for the strategic direction and management of the Office.

The compensation for key management personnel was \$521 000 (2024: \$539 000).

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*.

Transaction with Key Management Personnel and other related parties

Apart from the remuneration for key management personnel, the Office of the Industry Advocate does not have material transactions with key management personnel, their close family members and/or their controlled or jointly controlled entities.

3. Income

3.1. Intra-government transfers

	2025	2024
	\$'000	\$'000
Intra-government transfers	2 269	1 928
Total Intra-government transfers	2 269	1 928

Intra-government transfers which is funding from the Department of Treasury and Finance and are recognised as revenues when the Office obtains control over the funding. Control over transfers is normally obtained upon receipt. Intra-government transfers are recognised as income on receipt.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2025

3.2. Resources received free of charge

	2025 \$'000	2024 \$'000
Services received free of charge - Shared Services SA	9	7
Services received free of charge - Audit Office of South Australia	8	-
Total resources received free of charge	17	7

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 Office receives financial accounting, taxation, payroll, accounts payable and accounts receivable services from Shared Services SA. The Office also received audit services free of charge from the Audit Office of South Australia.

A corresponding expense is recognised in the financial statements refer note 4.2.

3.3. Other income

	2025 \$'000	2024 \$'000
Recoveries	195	1
Derecognition of audit fees payable	8	-
Total other income	203	1

The recoveries for 2024-25 relate to salaries and wages, travel expenses and other costs associated with the Industry Advocate's expanded role as the Whyalla Regional Co-ordinator.

From 1 July 2024, audit fees are accounted for as auditing services received free of charge, under AASB 1004 *Contributions*. Audit fees payable of \$8 300 for 2023-24 have been derecognised in accordance with the changes.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4. Expenses

4.1. Employee related expenses

	2025	2024
	\$'000	\$'000
Salaries and wages	1 253	1 047
Annual leave	169	71
Long service leave	56	17
Superannuation	248	286
Skills and experience retention leave	6	1
Workers compensation	(8)	12
Other employee related expenses	94	78
Total employee related expenses	1 818	1 512

Employment expenses

The Office employees are employed under Part 7 of the *Public Sector Act*.

Superannuation

The Superannuation expense represent the Office contributions to superannuation plans in respect of current services of current employees.

Employee remuneration

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

	2025	2024
	No	No
\$191 001 - \$211 000	-	1
\$211 001 - \$231 000	1	-
\$291 001 - \$311 000	1	-
\$331 001 - \$351 000	-	1
Total	2	2

The table includes two 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 fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

The total remuneration received by these employees for the year was \$521 000 (2024: \$539 000).

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2025

4.2. Supplies and services

	2025	2024
	\$'000	\$'000
Accommodation	164	170
Information technology and communications	148	4
Office administration expenses	57	49
Travel and related expenses	48	5
Contractors	47	42
Staff related expenses	39	20
Consultants	11	4
Audit fees*	8	8
Marketing	6	2
Other	1	-
Total supplies and services	529	304

Accommodation

All of the Office accommodation is provided by the Department for Infrastructure and Transport under Memorandum of Administrative Arrangement issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease set out in *AASB 16* and accordingly are expensed (disclosed within 'Accommodation').

* Audit services received from the Audit Office of South Australia for work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

5. Assets

5.1. Cash and cash equivalents

	2025	2024
	\$'000	\$'000
Cash and cash equivalents		
Cash at bank	763	582
Total cash and cash equivalents	763	582

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.

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

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2025

5.2. Receivables

	2025 \$'000	2024 \$'000
Current		
Contractual receivables		
Prepayments	1	3
Total contractual receivables	1	3
 Statutory receivables		
GST receivable	4	-
Total statutory receivables	4	-
 Total current receivables	5	3
 Total receivables	5	3

Contractual Receivables

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 agreement.

Statutory Receivables

Statutory receivables do not arise from contracts with customers. They are related to taxes and tax equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables. Statutory receivables are not financial assets.

No impairment loss was recognised in relation to statutory receivables.

The net amount of GST recoverable from the ATO is included as part of receivables. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost. The Office did not recognise an allowance for doubtful debts, it is not anticipated that SA Government counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 8.1 for further information on risk management.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6. Liabilities

6.1. Payables

	2025 \$'000	2024 \$'000
Current		
Accrued expenses	19	48
Total current payables	19	48
 Total payables	 19	 48

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

6.2. Employee related liabilities

	2025 \$'000	2024 \$'000
Current		
Accrued salaries and wages	5	-
Annual leave	132	93
Long service leave	77	65
Skills and experience retention leave	5	4
Employment on-costs	40	27
Total current employee related liabilities	259	189
 Non-current		
Long service leave	179	172
Employment on-costs	18	18
Total non-current employee related liabilities	197	190
 Total employee related liabilities	 456	 379

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Non-current employee related liabilities are measured at present value and current employee related liabilities are measured at 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 skills and experience retention leave liability are expected to be payable within twelve 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 it is assumed that the average sick leave to be taken in future years will be less than the annual entitlement.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6.2. Employee related liabilities (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.

The expected timing and amount of long service leave payment is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departure and periods of service.

The discount rate used in measuring the liability is reflective 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 remained at 4.25% for both 2024 and 2025.

The net financial effect of the changes to actuarial assumptions in the current financial year is immaterial. 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.

Following the actuarial assessment performed by the DTF the salary inflation rate has remained at 3.5% both 2024 and 2025 for long service leave liability.

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 is discharged.

The Office 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 the superannuation scheme.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has remained at 44% both 2024 and 2025 and the average factor for the calculation of employer superannuation on-costs has increased from 11.5% to 12% in 2025. 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 Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2025

6.3. Provisions

All Provisions relate to workers compensation.

	2025	2024
	\$'000	\$'000
Movement in provisions		
Carrying amount at the beginning of the period	20	8
Additional provisions recognised	-	12
Reductions resulting from re-measurement or settlement without cost	(7)	-
Carrying amount at the end of the period	13	20

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 2025 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

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 provision 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.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2025

7. Outlook

7.1. Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value and are inclusive of non-recoverable GST.

	2025	2024
	\$'000	\$'000
Within one year	-	135
Total expenditure commitments	-	135

The Office's expenditure commitments for 2023-24 relates to accommodation expenses.

7.2. 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 Office is not aware of any contingent assets and liabilities at reporting date.

7.3. Events after the reporting period

There are no known events after balance date that affect the office.

8. Measurement and risk

8.1. Financial instruments

Classification of financial instruments

The Office of Industry Advocate measures all financial instruments at amortised cost.