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## To the South Australian Skills Commissioner South Australian Skills Commission

### Opinion

I have audited the financial report of the South Australian Skills Commission 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 South Australian Skills Commission 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 South Australian Skills Commissioner and the Manager, Quality and Risk of the South Australian Skills Commission.

### 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 South Australian Skills Commission. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Responsibilities of the South Australian Skills Commissioner for the financial report**

The South Australian Skills 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 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 South Australian Skills 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 South Australian Skills 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 South Australian Skills Commission 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 South Australian Skills Commission's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the South Australian Skills Commissioner
- conclude on the appropriateness of the South Australian Skills 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 South Australian Skills 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  
**Deputy Auditor-General**

30 September 2025

# **South Australian Skills Commission**

## **Financial Statements**


For the year ended 30 June 2025

**South Australian Skills Commission**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2025*

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We certify that the:

- financial statements of the South Australian Skills Commission (the Commission):
  - are in accordance with the accounts and records of the Commission;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the Commission at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Commission for the financial year over its financial reporting and its preparation of financial statements have been effective.

  
\_\_\_\_\_  
Commissioner Cameron Baker  
South Australian Skills Commissioner  
29 September 2025  
\_\_\_\_\_  
Michelle Mader  
Manager, Quality and Risk of the South Australian Skills Commission  
29 September 2025

**South Australian Skills Commission**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2025*

	Note	2025 \$'000	2024 \$'000
<b>Income</b>			
Appropriation	3.1	8 838	2 582
Grants and subsidies	3.2	-	366
Intra-government transfers	3.3	8	200
Resources received free of charge	3.4	347	134
Other income	3.5	267	144
<b>Total income</b>		<b>9 460</b>	<b>3 426</b>
<b>Expenses</b>			
Staff related expenses	4.1	5 816	2 563
Supplies and services	4.2	3 410	1 079
Grants and subsidies	4.3	55	-
Other expenses	4.4	874	-
<b>Total expenses</b>		<b>10 155</b>	<b>3 642</b>
<b>Net result</b>		<b>(695)</b>	<b>(216)</b>
<b>Total comprehensive result</b>		<b>(695)</b>	<b>(216)</b>

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

**South Australian Skills Commission**  
**Statement of Financial Position**  
*as at 30 June 2025*

	<b>Note</b>	<b>2025 \$'000</b>	<b>2024 \$'000</b>
<b>Current assets</b>			
Cash	5.2	1 690	1 043
Receivables	5.3	117	19
<b>Total current assets</b>		<b>1 807</b>	<b>1 062</b>
<b>Total assets</b>		<b>1 807</b>	<b>1 062</b>
<b>Current liabilities</b>			
Payables	6.2	474	41
Staff related liabilities	6.3	736	306
Provisions	6.4	18	15
<b>Total current liabilities</b>		<b>1 228</b>	<b>362</b>
<b>Non-current liabilities</b>			
Staff related liabilities	6.3	941	363
Provisions	6.4	49	53
<b>Total non-current liabilities</b>		<b>990</b>	<b>416</b>
<b>Total liabilities</b>		<b>2 218</b>	<b>778</b>
<b>Net assets</b>		<b>(411)</b>	<b>284</b>
<b>Equity</b>			
Retained earnings		(411)	284
<b>Total equity</b>		<b>(411)</b>	<b>284</b>

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

**South Australian Skills Commission**      **OFFICIAL**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2025*

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		<b>Retained earnings</b>	<b>Total equity</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 July 2023</b>		<b>500</b>	<b>500</b>
Net result for 2023-24		(216)	(216)
<b>Total comprehensive result for 2023-24</b>		<b>(216)</b>	<b>(216)</b>
 <b>Balance at 30 June 2024</b>		 <b>284</b>	 <b>284</b>
Net result for 2024-25		(695)	(695)
<b>Total comprehensive result for 2024-25</b>		<b>(695)</b>	<b>(695)</b>
 <b>Balance at 30 June 2025</b>		 <b>(411)</b>	 <b>(411)</b>

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



**South Australian Skills Commission** OFFICIAL  
**Statement of Cash Flows**  
*for the year ended 30 June 2025*

	Note	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
<u>Cash inflows</u>			
Appropriation		8 728	2 582
Grants and subsidies		-	366
Intra-government transfers		8	200
GST recovered from the ATO		5	92
Other receipts		268	163
<b>Cash generated from operations</b>		<b>9 009</b>	<b>3 403</b>
<u>Cash outflows</u>			
Staff benefit payments		(5 683)	(2 417)
Payments for supplies and services		(2 624)	(1 253)
Payment of grants and subsidies		(55)	-
<b>Cash used in operations</b>		<b>(8 362)</b>	<b>(3 670)</b>
<b>Net cash provided by / (used in) operations</b>		<b>647</b>	<b>(267)</b>
<b>Net increase / (decrease) in cash</b>		<b>647</b>	<b>(267)</b>
Cash at the beginning of the period		1 043	1 310
<b>Cash at the end of the period</b>	5.2	<b>1 690</b>	<b>1 043</b>

The accompanying notes form part of these financial statements.

**South Australian Skills Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**1. About the South Australian Skills Commission**

The South Australian Skills Commission (the Commission) was established on 1 July 2021 under *The South Australian Skills Act 2008* as a Statutory Authority, instrumentality of the Crown.

As a result of administrative arrangements published in the South Australian Government Gazette on 27 June 2024, the responsibility for maintaining the financial records of the Commission was transferred from the Department for Education to the Department of State Development effective 1 July 2024.

Functions previously delegated under Part 4 – Apprenticeships, traineeships and training contracts of the *South Australia Skills Act 2008* were transferred from the Department of State Development to the Commission effective 1 July 2024 (refer note 1.3)

The Commission does not control any other entity and has no interests in unconsolidated structured entities. The financial statements and accompanying notes include all of the controlled activities of the Commission.

**1.1. Basis of preparation**

These financial statements are general purpose financial statements prepared in accordance 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 Commission is a not-for-profit entity. The financial statements have been prepared based on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the notes associated with the item measured.

All amounts in the financial statements and accompanying notes are rounded to the nearest thousand dollars (\$'000).

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

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

Material accounting policies are set out throughout the notes.

Cash flows are included in the Statement of Cash Flows on a gross basis.

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 Commission is a member of an approved GST group of which the Department for State Development is responsible for the remittance and collection of GST.

# South Australian Skills Commission

## Notes to and forming part of the financial statements

### For the year ended 30 June 2025

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## 1.2. Objectives of the Commission

The South Australian Skills Commission was established under the *South Australian Skills Act 2008* (the Act) to assist, advise and make recommendations to the Minister for Education, Training and Skills on the development and performance of Vocational Education and Training (VET) and Adult Community Education (ACE). The Commission engages directly with industry and employers to deliver the skills they need for future jobs in South Australia.

The Commission's responsibilities are both strategic and regulatory, and its industry composition and independent statutory status give it a unique role in skills and workforce development for economic and social development in the state.

The Act also gives authority to the Commission in:

- regulating apprenticeships and traineeships.
- providing services to apprentices and trainees, international students, employers and training providers by responding to complaints, and advocating and mediating disputes to find solutions to issues relating to training contracts.
- promoting pathways between secondary school, VET, ACE and higher education.
- promoting lifelong learning and flexibility in the training system.
- monitoring and performance of the system.

Working under the Act, the Commission aims to continuously improve the VET sector and support employers to build their workforce and assist learners, apprentices, and trainees to commence and complete qualifications.

The Act is supported by the *South Australian Skills Regulations 2021* and the South Australian Skills Standards that provide further guidance to the Commission and stakeholders, including employers, apprentices, trainees and nominated training organisations, on their respective roles and responsibilities.

## 1.3. Changes to the Commission

### ***Transferred in***

Functions previously delegated under Part 4 – Apprenticeships, traineeships and training contracts of the *South Australia Skills Act 2008* were transferred from the Department of State Development to the Commission. In accordance with Part 3 Section 23 (1) (a) of the *South Australian Skills Act 2008*, this included the assignment of 28 staff from Traineeship and Apprenticeship Services to the Commission effective 1 July 2024.

### **The following liabilities were transferred from the Department of State Development to the Commission:**

	\$'000
Staff related liabilities	788
Provisions	86
<b>Total liabilities</b>	<b>874</b>
<b>Total net liabilities transferred in</b>	<b>(874)</b>

Net liabilities transferred into the Commission were recognised at the carrying amount. The associated leave balances for transferring employees have been recognised as an increase in employee liabilities and other expenses (refer note 4.3).

**South Australian Skills Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**2. Board and committees**

**2.1. Key management personnel**

Key management personnel of the Commission includes the Minister for Education, Training and Skills and the Commissioner who have responsibility for the strategic direction and management of the Commission.

Total compensation for the Commission's key management personnel in 2025 was \$314 000 (2024: \$292 000).

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*.

**Transactions with Key Management Personnel and other related parties**

There were no transactions with key management personnel and other related parties during the year.

**2.2. Remuneration of board members**

Members during the 2025 financial year were:

**South Australian Skills Commission**

Cameron Baker (Chair)\*

Leonie Boothby

John Chapman

Helen Gibbons

Stuart Gordon

Ian Horne

Andrew Keough

Michael Luchich

Adrienne Nieuwenhuis

Robyn Verrall

\* In accordance with Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board / committee duties during the financial year, except for J Chapman who was provided an exemption by the Treasurer.

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

	2025	2024
	Number	Number
\$0	1	2
\$20 000 - \$39 999	9	10
<b>Total number of paid members</b>	<b>10</b>	<b>12</b>

Remuneration of members reflects all costs of performing board / committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid. The total remuneration received or receivable by members was \$305 000 (2024: \$319 000).

**South Australian Skills Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

**3. Income**

**3.1. Appropriation**

Appropriations are recognised on receipt.

Total appropriation received from the Consolidated Account pursuant to the *Appropriation Act* was \$8.838 million (2024: \$2.582 million).

**3.2. Grants and subsidies**

	2025 \$'000	2024 \$'000
<b>Commonwealth - sourced grants</b>		
National Skills Agreement	-	366
<b>Total grants and subsidies</b>	<b>-</b>	<b>366</b>

Commonwealth-sourced grants and funding are recognised in accordance with AASB 1058 as income on receipt.

**3.3. Intra-government transfers**

	2025 \$'000	2024 \$'000
Intra-Government transfers	8	200
<b>Total Intra-government transfers</b>	<b>8</b>	<b>200</b>

Intra-Government transfers relate to amounts received from other SA Government entities for the delivery of the Commission's objectives. These are recognised as income on receipt in accordance with AASB 1058.

**3.4. Resources received free of charge**

	2025 \$'000	2024 \$'000
Resources received free of charge - Accommodation	305	113
Resources received free of charge - Shared Service SA	27	21
Resources received free of charge - Audit Office of SA	15	-
<b>Total resources received free of charge</b>	<b>347</b>	<b>134</b>

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 Commission receives accommodation free of charge from the Department of State Development (2024: Department for Education). The Commission also receives accounting services from Shared Services SA and audit services from the Audit Office of South Australia free of charge. A corresponding expense is recognised in the financial statements (refer note 4.2).



**South Australian Skills Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**3.5. Other income**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Other income	154	43
Sponsorship income	113	101
<b>Total other income</b>	<b>267</b>	<b>144</b>

**4. Expenses**

**4.1. Staff related expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	4 310	1 771
Superannuation	520	230
Annual leave	329	29
Board and committee fees - excluding on-costs	280	290
Staff on-cost - other	246	109
Long service leave	160	42
Skills and experience retention leave	26	11
Workers compensation	(87)	59
Other staff related expenses	32	22
<b>Total staff related expenses</b>	<b>5 816</b>	<b>2 563</b>

**Staff expenses**

In accordance with Part 3 Section 23 (1) (a) of the *South Australian Skills Act 2008*, "the Commission's staff consists of Public Service employees assigned to work in the office of the Commission".

Superannuation staff on-cost charges represent the Commission's contributions to superannuation plans in respect of current services of current staff.

**Staff remuneration**

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 paid.

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

	<b>2025</b>	<b>2024</b>
	<b>Number</b>	<b>Number</b>
\$191,001 to \$211,000	1	-
\$271,001 to \$291,000	-	1
\$311,001 to \$331,000	1	-
<b>Total number of staff</b>	<b>2</b>	<b>1</b>

Remuneration received or due and receivable by the above staff was \$523 000 (2024: \$284 000) which is included in employee related expenses.

**South Australian Skills Commission**  
**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2025**

**4.2. Supplies and services**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Contractors	1 254	167
Information technology and communication	533	96
Travel and related expenses	486	76
Accommodation	307	113
Marketing	265	102
Staff related expenses	264	318
Office administration expenses	216	105
Consultants	38	42
Shared services fees	28	21
Auditor's remuneration	15	15
Other	4	24
<b>Total supplies and services</b>	<b>3 410</b>	<b>1 079</b>

Total supplies and services includes resources received free of charge \$27 000 from Shared Services SA, \$15,000 from the Audit Office of South Australia and \$305 000 from the Department of State Development (2024: Department for Education) for accommodation services (refer note 3.4).

Total supplies and services includes expenditure associated with hosting the South Australian Training Awards, partnering with WorldSkills Australia for the Skills Excellence Forum and other industry stakeholder engagement events.

**4.3. Grants and subsidies**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Whyalla Career Transition Service program	55	-
<b>Total grants and subsidies</b>	<b>55</b>	<b>-</b>

**4.4. Other expenses**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Other	874	-
<b>Total other expenses</b>	<b>874</b>	<b>-</b>

Other expenses relate to leave liabilities assumed for staff that transferred into the Commission effective 1 July 2024 (refer note 1.3).

**5. Assets**

**5.1. Financial assets**

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	1 690	1 043
Contractual receivables	-	1
<b>Total financial assets</b>	<b>1 690</b>	<b>1 043</b>

All financial assets are measured at amortised cost.

**South Australian Skills Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**5.2. Cash**

	2025	2024
	\$'000	\$'000
<b>Deposits with the Treasurer (Special deposit accounts)</b>		
South Australian Skills Commission Operating Account	1 367	720
Accrual Appropriation Excess Funds	323	323
<b>Total cash</b>	<b>1 690</b>	<b>1 043</b>

Cash is measured at nominal amounts.

Special deposit accounts are established under section 8 of the *Public Finance and Audit 1987*. Special deposit accounts must be used in accordance with their approved purpose.

Although the Commission controls the money reported above in the Accrual Appropriation Excess Funds account, its use must be approved by the Treasurer. The Commission does not earn interest on its deposits with the Treasurer.

**5.3. Receivables**

	2025	2024
	\$'000	\$'000
<b>Current receivables</b>		
<b>Contractual receivables</b>		
Debtors	-	1
<b>Total contractual receivables</b>	<b>-</b>	<b>1</b>
<b>Statutory receivables</b>		
GST recoverable from the ATO	-	5
<b>Total statutory receivables</b>	<b>-</b>	<b>5</b>
Prepayments	117	13
<b>Total current receivables</b>	<b>117</b>	<b>19</b>
<b>Total receivables</b>	<b>117</b>	<b>19</b>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice, or the goods / services have been provided under a contractual arrangement. Receivables are non-interest bearing. Receivables are held with the objective of collecting contractual cash flows and they are measured at amortised cost.

Collectability of receivables is reviewed on an ongoing basis.



**South Australian Skills Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

**6. Liabilities**

**6.1. Financial liabilities**

	2025 \$'000	2024 \$'000
<b>Financial liabilities measured at amortised cost</b>		
Contractual payables	468	41
Statutory payables	6	-
<b>Total financial liabilities</b>	<b>474</b>	<b>41</b>

**6.2. Payables**

	2025 \$'000	2024 \$'000
<b>Current</b>		
Contractual payables	-	24
Accrued expenses	468	17
FBT payable to the ATO	6	-
<b>Total current payables</b>	<b>474</b>	<b>41</b>
<b>Total payables</b>	<b>474</b>	<b>41</b>

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. Statutory payables represent amounts owed to government authorities and are not contractual in nature.

**6.3. Staff related liabilities**

	2025 \$'000	2024 \$'000
<b>Current</b>		
Annual leave	462	164
Staff on-costs	105	44
Long service leave	88	34
Skills and experience retention leave	40	14
Accrued salaries and wages	41	50
<b>Total current staff related liabilities</b>	<b>736</b>	<b>306</b>
<b>Non-current</b>		
Long service leave	852	330
Staff on-costs	89	33
<b>Total non-current staff related liabilities</b>	<b>941</b>	<b>363</b>
<b>Total staff related liabilities</b>	<b>1 677</b>	<b>669</b>

**South Australian Skills Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**6.3 Staff related liabilities (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.

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the Commission's staff details. Key assumptions include whether the characteristics of staff remuneration, terms of service with the public sector, and expectations as to when staff take long service leave, as established by the actuary, are applicable to staff of the Commission. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has remained at 4.25%.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months.

**Staff On-Costs**

Staff on-costs include payroll tax 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 Commission contributes 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 respective superannuation schemes.

As a result of an actuarial assessment performed by Department of Treasury and Finance, the percentage of long service leave taken has remained at a rate of 44% and the average factor for the calculation of employer superannuation increased to a rate of 12% (2024: 11.5%). These rates are used in the staff on-cost calculation. The impact on future periods is impracticable to estimate.

**6.4 Provisions**

All provisions relate to workers compensation.

<b><i>Reconciliation of workers compensation (statutory and non-statutory)</i></b>	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	68	10
Additional provision recognised		58
Additional provisions due to transfers into the Commission	86	-
Decrease in provisions recognised	(87)	-
<b>Carrying amount at the end of the period</b>	<b>67</b>	<b>68</b>

The workers compensation provision relates to staff employed by the Department of State Development assigned to the Commission under Part 3 section 23 (1) of the *South Australian Skills Act 2008*. The Department of State Development is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Commission 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 2025 provided by a consulting actuary engaged through the Office of the Commissioner of 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 to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

**South Australian Skills Commission**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2025*

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**7. Outlook**

**7.1. Unrecognised contractual commitments**

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

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	177	-
Later than one year but not longer than five years	133	-
<b>Total commitments</b>	<b>310</b>	<b>-</b>

**7.2. Contingent assets and liabilities**

The Commission is not aware of any contingent assets or liabilities as at 30 June 2025.