



Our ref: A21/018

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29 September 2021

Ms E Ranieri  
Chief Executive  
Office of the Commissioner for Public Sector Employment  
Ground Floor  
State Administration Centre  
ADELAIDE SA 5000

Dear Ms Ranieri

### **Audit of the Office of the Commissioner for Public Sector Employment for the year to 30 June 2021**

We have completed the audit of your accounts for the year ended 30 June 2021. Two key outcomes from the audit are the:

- 1 Independent Auditor's Report on your agency's financial report
- 2 audit management letter recommending you address identified weaknesses.

#### **1 Independent Auditor's Report**

We are returning the financial statements for the Office of the Commissioner for Public Sector Employment, with the Independent Auditor's Report. This report is unmodified.

The *Public Finance and Audit Act 1987* allows me to publish documents on the Auditor-General's Department website. The enclosed Independent Auditor's Report and accompanying financial statements will be published on that website on Tuesday, 12 October 2021.

#### **2 Audit management letter**

Our audit included the engagement of KPMG to undertake an actuarial review of the whole of government worker's compensation and additional compensation liability calculation. We will forward a letter with observations from KPMG's review shortly for you to consider.

**What the audit covered**

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions.

We also reviewed:

- controls over the Office of the Commissioner for Public Sector Employment's special deposit account as part of our controls opinion
- the actuarial calculation of whole of government worker's compensation and additional compensation outstanding claims liabilities.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson  
**Auditor-General**

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## To the Chief Executive Office of the Commissioner for Public Sector Employment

### Opinion

I have audited the financial report of the Office of the Commissioner for Public Sector Employment for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Office of the Commissioner for Public Sector Employment as at 30 June 2021, 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.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive of the Office of the Commissioner for Public Sector Employment and the Director, Financial Services, Organisation and Governance of the Department of Treasury and Finance.

### Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Office of the Commissioner for Public Sector Employment. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.



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

### **Responsibilities of the Chief Executive the financial report**

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

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, 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.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Office of the Commissioner for Public Sector Employment for the financial year ended 30 June 2021.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office of the Commissioner for Public Sector Employment's internal control



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

**Auditor-General**

29 September 2021



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

**Financial Statements**

For the year ended 30 June 2021




**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2021*

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We certify that the:

- financial statements of the Office of the Commissioner for Public Sector Employment:
  - are in accordance with the accounts and records of the office;
  - comply with relevant Treasurer's Instructions;
  - comply with relevant accounting standards; and
  - present a true and fair view of the financial position of the department at the end of the financial year and the result of its operation and cash flows for the financial year.
  
- internal controls employed by the Office of the Commissioner for Public Sector Employment for the financial year over its financial reporting and its preparation of financial statements have been effective.



Erma Ranieri  
**Chief Executive**  
Office of the Commissioner for Public Sector  
Employment

28 September 2021



Les Jones  
**Director, Financial Services, Organisation  
and Governance**

Department of Treasury and Finance  
28 September 2021

**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2021*

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	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
SA Government grants, subsidies and transfers	2.1	9 235	4 256
Fees and charges	2.2	6 342	4 594
Resources received free of charge	2.3	51	47
Other income		103	1
<b>Total income</b>		<b>15 731</b>	<b>8 898</b>
<b>Expenses</b>			
Employee benefits expenses	3.3	7 715	8 889
Supplies and services	4.1	5 907	4 312
Depreciation and amortisation		1	5
Other expenses	4.2	765	267
<b>Total expenses</b>		<b>14 388</b>	<b>13 473</b>
<b>Net result</b>		<b>1 343</b>	<b>(4 575)</b>
<b>Total comprehensive result</b>		<b>1 343</b>	<b>(4 575)</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.

**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Statement of Financial Position**  
*for the year ended 30 June 2021*

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	6.1	4 106	2 375
Receivables	6.2	778	545
<b>Total current assets</b>		<b>4 884</b>	<b>2 920</b>
<b>Non-current assets</b>			
Receivables	6.2	1	1
Plant and equipment	5.1	-	1
<b>Total non-current assets</b>		<b>1</b>	<b>2</b>
<b>Total assets</b>		<b>4 885</b>	<b>2 922</b>
<b>Current liabilities</b>			
Payables	7.1	1 478	796
Employee benefits	3.4	1 240	1 095
Provisions	7.2	18	18
Financial liabilities	7.3	-	1
<b>Total current liabilities</b>		<b>2 736</b>	<b>1 910</b>
<b>Non-current liabilities</b>			
Payables	7.1	124	155
Employee benefits	3.4	1 317	1 679
Provisions	7.2	47	38
<b>Total non-current liabilities</b>		<b>1 488</b>	<b>1 872</b>
<b>Total liabilities</b>		<b>4 224</b>	<b>3 782</b>
<b>Net assets</b>		<b>661</b>	<b>(860)</b>
<b>Equity</b>			
Retained earnings		661	(860)
<b>Total equity</b>		<b>661</b>	<b>(860)</b>

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



**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2021*

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	Note	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2019</b>		<b>3 715</b>	<b>3 715</b>
Net result for 2019-20		(4 575)	(4 575)
<b>Total comprehensive result for 2019-20</b>		<b>(4 575)</b>	<b>(4 575)</b>
<b>Balance at 30 June 2020</b>		<b>(860)</b>	<b>(860)</b>
Net result for 2020-21		1 343	1 343
Net assets transferred as a result of administrative restructure		178	178
<b>Total comprehensive result for 2020-21</b>		<b>1 521</b>	<b>1 521</b>
<b>Balance at 30 June 2021</b>		<b>661</b>	<b>661</b>

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

**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Statement of Cash Flows**  
*for the year ended 30 June 2021*

		2021 (Outflows) Inflows \$'000	2020 (Outflows) Inflows \$'000
<b>Cash flows from operating activities</b>	<b>Note</b>		
<b>Cash inflows</b>			
SA Government grant, subsidies and transfers		9 235	4 256
Fees and charges		5 963	5 090
Other receipts		103	1
<b>Cash generated from operations</b>		<b>15 301</b>	<b>9 347</b>
<b>Cash (outflows)</b>			
Employee benefit payments		(7 820)	(8 912)
Payments for supplies and services		(4 986)	(5 475)
Other payments		(763)	(182)
<b>Cash (used in) operations</b>		<b>(13 569)</b>	<b>(14 569)</b>
<b>Net cash provided by/(used in) operating activities</b>		<b>1 732</b>	<b>(5 222)</b>
<b>Cash flows from financing activities</b>			
<b>Cash outflows</b>			
Repayment of leases		(1)	(5)
<b>Cash used in financing activities</b>		<b>(1)</b>	<b>(5)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>(1)</b>	<b>(5)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1 731</b>	<b>(5 227)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		2 375	7 602
<b>Cash and cash equivalents at the end of the period</b>	6.1	<b>4 106</b>	<b>2 375</b>

The accompanying notes form part of these financial statements.

**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**1. About the Office of the Commissioner for Public Sector Employment**

The Office of the Commissioner for Public Sector Employment (OCPSE) works to unlock the potential of the public sector so it is an employer of choice that delivers the best outcomes for the South Australian community. Its role is to optimise the workforce, transform, innovate and reform.

The OCPSE is established pursuant to the *Public Sector Act 2009* as an attached office to the Department of Treasury and Finance (DTF).

The OCPSE is a not-for-profit administrative unit acting on behalf of the Crown. It does not control any other entity and has no interests in unconsolidated structured entities.

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

**1.1. Basis of preparation**

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

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 specifically disclosed in the note associated with the item measured.

The OCPSE is not subject to income tax. It is liable for fringe benefits tax, goods and services tax and payroll tax.

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

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

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



**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**1.2. Objectives and programs**

OCPSE's objectives are to support the Commissioner for Public Sector Employment to undertake the statutory responsibilities under the *Public Sector Act 2009*, strengthen the capability of the public sector workforce to meet current and future needs and promote a culture of service and integrity across the public sector.

OCPSE provides the following programs for the South Australian Public Sector:

- Governance and advice – to support the Commissioner to fulfil their statutory requirements outlined in *the Public Sector Act 2009*
- HR Systems Transformation – to support the implementation of a HR systems capability to improve the efficiency and effectiveness of all employees across the SA Government
- Work, Health, Safety and Injury Management – to develop strategies to support agencies to achieve Work Health and Safety and Injury Management excellence across the sector
- South Australian Leadership Academy – to develop high performing and strategic leaders across the SA Government
- Performance management and development – to improve public sector performance through effective performance management and development
- Workforce Transition Unit – to provide case management services for SA Government employees impacted by reforms taking place across the Sector
- Employment Programs – to increase the employment opportunities across the sector for graduates, trainees, people from an Aboriginal or Torres Strait Islander background, and people with disabilities
- I WORK FOR SA – Your Voice Survey – to obtain and act on SA Government employee's feedback in relation to their work environment
- Employer Of Choice Program – to facilitate access to the benefits that are available to all SA Government employees associated with current Federal Legislation.

**1.3. Impact of COVID-19 pandemic on the OCPSE**

The OCPSE business has been able to continue to function effectively throughout the COVID-19 pandemic including staff being able to work from home.

The pandemic has seen an additional workload placed on the Office from a sector wide HR perspective and includes running the mobilisation function for the public sector.

**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**1.4. Changes to the OCPSE**

**Transferred out**

As a result of administrative arrangements outlined in a Chief Executive Agreement (2 July 2020), the OCPSE relinquished responsibility for the Public Sector Innovation Lab. Assets and Liabilities of this unit were transferred to the Department of the Premier and Cabinet effective 1 July 2020.

On transfer of Public Sector Innovation group, the office recognised the following assets and liabilities:

Effective Date	<b>OCPSE</b> <b>1 July 2020</b> <b>\$'000</b>
<b>Current liabilities</b>	
Payables	16
Employee benefits	30
<b>Non-current liabilities</b>	
Payables	11
Employee benefits	121
<b>Total liabilities</b>	<b>178</b>
<b>Total net assets transferred</b>	<b>178</b>

Net assets transferred by the OCPSE because of the administrative restructure were recognised at the carrying amount. Net assets transferred were treated as a contribution by the government as the owner.

**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**2. Income**

**2.1. SA Government grants, subsidies and transfers**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Operational funding provided by the Department of Treasury and Finance	5 769	4 163
Contingency funding provided by the Department of Treasury and Finance	-	93
Grants from the Department of Innovation and Skills - Skilling SA Project	3 466	-
<b>Total SA Government grants, subsidies and transfers</b>	<b>9 235</b>	<b>4 256</b>

SA Government grants, subsidies and transfers are recognised on receipt.

**2.2. Fees and charges**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Work health safety injury management	1 455	1 429
Leadership development	2 011	625
Self-insurance management system	1 123	1 368
SA Government salary sacrifice arrangements	665	653
I WORK FOR SA jobs board	359	350
Other fees and charges	729	169
<b>Total fees and charges</b>	<b>6 342</b>	<b>4 594</b>

OCPSE recognises revenue at an appropriate point in time throughout the financial year from the following major sources:

SA Leadership Academy – Public sector agencies pay in arrears for nominated staff to attend leadership development courses. Revenue for these services is recognised on a cost recovery basis. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

Work Health & Safety and Injury Management Performance – OCPSE monitors the overall public sector performance across a range of industry relevant metrics to improve the overall performance of the sector in how it manages both Work Health & Safety and Injury Management. Revenue for these services are recognised on a cost recovery basis with public sector agencies paying in arrears. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

Self-Insurance Management System – OCPSE provides an Injury Management system and service for the SA Public Sector. Revenue for these systems and services are recognised on a cost recovery basis with public sector agencies paying in arrears. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.



**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**2.3. Resources received free of charge**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Services received free of charge - DTF	51	47
<b>Total resources received free of charge</b>	<b>51</b>	<b>47</b>

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

OCPSE receives Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA, following Cabinet's approval to cease intra-government charging.

**3. Board, committees and employees**

**3.1. Key management personnel**

Key management personnel of the OCPSE include the Treasurer, the Commissioner and two Executive members who have responsibility for the strategic direction and management of the OCPSE.

The total compensation for key management personnel was \$1 068 000 in 2021 (2020: \$1 006 000).

The compensation disclosed in this note excludes salaries and other benefits the Treasurer receives. The Treasurer'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).

**Transaction with key management personnel and other related parties**

The OCPSE did not enter into any transactions with key management personnel or close family members during the reporting period.

**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**3.2. Board and committee members**

Members during the 2021 financial year were:

**Risk and Performance Committee**

Yvonne Sneddon (Chair) (resigned on 03/05/2021)  
 Anthony Mackay\*  
 Christopher McSparran\* (resigned on 30/06/2021)  
 Eva Balan-Vnuk\*  
 Jane Booth\*\* (appointed 29/10/2020)  
 Kathryn Presser (appointed 03/05/2021)  
 Kim Sherie-Summers\*  
 Rosina Hislop (appointed 29/10/2020)  
 Shelley Willsmore\* (resigned on 29/10/2020)

**Remuneration Tribunal of South Australia**

Matthew O'Callaghan (President)  
 Deborah Ann Black (appointed on 02/10/2020)  
 Peter De Cure (appointed on 02/10/2020)  
 Peter John Alexander (resigned on 01/10/2020)  
 Pamela Martin (resigned on 01/10/2020)

**Board and committee remuneration**

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

	<b>2021</b>	<b>2020</b>
\$0	7	-
\$1 - \$19 999	6	9
\$20 000 - \$39 999	1	3
<b>Total number of members</b>	<b>14</b>	<b>12</b>

The total remuneration received or receivable by members for the year was \$89 000 (2020: \$84 000). Remuneration of members reflects all costs of performing board and committee member duties, including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Amounts paid to a superannuation plan for board/committee members was \$7 300 (2020: \$7 000).

\*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.

\*\*Indicates members who are not government employees and who are not receiving remuneration for their services.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect that the entity would have adopted, if dealing with the related party at arm's length in the same circumstances.

**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**3.3. Employee benefits expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	5 649	6 506
Targeted voluntary separation packages*	268	92
Long service leave	(121)	180
Annual leave	454	648
Skills and experience retention leave	26	46
Employment on-costs - superannuation	781	875
Employment on-costs - other	343	401
Board and committee fees	81	78
Other employee related expenses	234	63
<b>Total employee benefits expenses</b>	<b>7 715</b>	<b>8 889</b>

\*Includes targeted voluntary separation package payments paid and payable to former employees during the reporting period.

**Employment on-costs – superannuation**

The superannuation employment on-cost charge represents OCPSE's contributions to superannuation plans in respect of current services of current employees. The Department of Treasury and Finance centrally recognises the superannuation liability in the whole of government financial statements.

**Remuneration of employees**

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

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
\$154 001 - \$174 000	1	1
\$194 001 - \$214 000	-	1
\$274 001 - \$294 000	1	2
\$354 001 - \$374 000	1	-
\$434 001 - \$454 000	1	1
<b>Total</b>	<b>4</b>	<b>5</b>

The total remuneration received by these employees for the year was \$1 237 000 (2020: \$1 364 000).

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

**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

**3.3. Employee benefits expenses (continued)**

**Targeted voluntary separation packages**

The number of employees who were paid a TVSP during the reporting period was 1 (2).

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Amounts paid to separated employees:		
Targeted voluntary separation packages	135	92
Leave paid to separated employees	75	30
Recovery from the Department of Treasury and Finance	-	(92)
<b>Net cost to the department</b>	<b>210</b>	<b>30</b>

**3.4. Employee benefits liability**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Accrued salaries and wages	403	186
Annual leave	655	698
Long service leave	139	168
Skills and experience retention leave	43	43
<b>Total current employee benefits</b>	<b>1 240</b>	<b>1 095</b>
<b>Non-current</b>		
Long service leave	1 317	1 679
<b>Total non-current employee benefits</b>	<b>1 317</b>	<b>1 679</b>
<b>Total employee benefits</b>	<b>2 557</b>	<b>2 774</b>

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

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

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability in full is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

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

**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 employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 10.1.

**OFFICE OF THE COMMISSIONER FOR PUBLIC SECTOR EMPLOYMENT**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2021*

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**4. Expenses**

**4.1. Supplies and services**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Contractors and temporary staff	3 045	1 389
General administration and consumables	839	833
Accommodation	684	570
Consultants	281	174
Information technology and communications	424	705
Sponsorship	5	2
Minor works, maintenance and equipment	52	20
Legal costs	268	165
Other	309	454
<b>Total supplies and services</b>	<b>5 907</b>	<b>4 312</b>

**Accommodation**

All of the OCPSE's accommodation is provided by the Department for Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed (disclosed with accommodation).

**Consultants**

The number of consultancies and dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>No.</b>	<b>\$'000</b>	<b>No.</b>	<b>\$'000</b>
Below \$10 000	1	3	3	6
\$10 000 or above	2	278	2	168
<b>Total</b>	<b>3</b>	<b>281</b>	<b>5</b>	<b>174</b>

**4.2. Other expenses**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Reimbursement of course fees	765	267
<b>Total other expenses</b>	<b>765</b>	<b>267</b>



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**5. Non-Financial assets**

**5.1. Plant and Equipment by asset class**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Right-of-use vehicles</b>		
Right-of-use vehicles at cost	-	6
Accumulated depreciation	-	(5)
<b>Total right-of-use vehicles</b>	<u>-</u>	<u>1</u>
<b>Total Plant and Equipment</b>	<u>-</u>	<u>1</u>

**5.2. Plant and Equipment leased by the OCPSE**

Plant and equipment leased by the OCPSE as lessee are measured at cost and there were no indications of impairment.

In the prior financial year OCPSE had 1 motor vehicle lease with South Australian Government Financing Authority (SAFA), this lease ended in July 2020. For the current financial year OCPSE do not have any motor vehicle leases with SAFA.

Right-of-use vehicles are depreciated on a straight-line basis over the lease term.

The leased liabilities related to the right of use assets are disclosed in note 7.3.

**6. Financial assets**

**6.1. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer - special deposit account	4 106	2 375
<b>Total cash and cash equivalents</b>	<u>4 106</u>	<u>2 375</u>

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

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



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**6.2. Receivables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trade receivables	631	252
Prepayments	147	293
<b>Total current receivables</b>	<b>778</b>	<b>545</b>
<b>Non-current</b>		
Receivables	1	1
<b>Total non-current receivables</b>	<b>1</b>	<b>1</b>
<b>Total receivables</b>	<b>779</b>	<b>546</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, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

**7. Liabilities**

**7.1. Payables**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Trade payables	32	14
Accrued expenses	1 231	626
Employment on-costs	215	156
<b>Total current payables</b>	<b>1 478</b>	<b>796</b>
<b>Non-Current:</b>		
Employment on-costs	124	155
<b>Total non-current payables</b>	<b>124</b>	<b>155</b>
<b>Total payables</b>	<b>1 602</b>	<b>951</b>

Payables are measured at nominal amounts.

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.

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**7.1. Payables (continued)**

**Employment on-costs**

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

OCPSE makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to Superannuation Schemes.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has remain unchanged from the 2020 rate (42%) and the average factor for the calculation of employer superannuation on-costs has changed from the 2020 rate (9.8%) to 10.1%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is immaterial.

**7.2. Provisions**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers compensation	18	18
<b>Total current provisions</b>	<b>18</b>	<b>18</b>
<b>Non-current</b>		
Provision for workers compensation	47	38
<b>Total non-current provisions</b>	<b>47</b>	<b>38</b>
<b>Total provisions</b>	<b>65</b>	<b>56</b>

OCPSE is responsible for the payment of workers compensation claims.

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment provided by an external consultancy for the outstanding liability as at 30 June 2021. The provision is calculated in accordance with AASB 137 as the present value of the expense expected to be required to settle obligations incurred at 30 June. No risk margin is included in this estimate.

**7.3. Financial liabilities**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Lease Liabilities	-	1
<b>Total financial liabilities</b>	<b>-</b>	<b>1</b>

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease or Treasury's incremental borrowing rate.

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**8. Other disclosures**

**8.1. Cash flow**

The Department of Treasury and Finance prepares the Business Activity Statement on behalf of OCPSE under the grouping provisions of the GST legislation. Under these provisions, DTF is liable for payments and entitled to receipts associated with GST. GST cash flows applicable to OCPSE are recorded in DTF's Statement of Cash Flows.

**9. Outlook**

**9.1. Unrecognised contractual commitments**

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

**Expenditure commitments**

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
No later than one year	273	246
<b>Total expenditure commitments</b>	<b>273</b>	<b>246</b>

The OCPSE's expenditure commitments are for agreements for:

- Memoranda of Administrative Arrangements with the Department for Infrastructure and Transport for accommodation.

**Other commitments**

The OCPSE's other commitments are primarily agreements for actuarial services and software services.

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	1 507	858
Later than one year and not later than five years	1 116	2 308
<b>Total other commitments</b>	<b>2 623</b>	<b>3 166</b>

**9.2. Contingent assets and liabilities**

**South Australian Government Salary Sacrifice Agreement**

In March 2012, the Government entered into a salary sacrificing agreement with Maxxia Pty Ltd. The agreement allows the Minister or his delegate to withdraw up to a total of \$10 million when an unconditional financial undertaking is present to fund any interim measures to avoid disruption to the salary sacrifice arrangements provided to employees. The financial undertaking is in place until 30 June 2024.

No other Contingent Assets and Liabilities have been identified in the business.

**9.3. Events after the reporting period**

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

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**10. Measurement and risk**

**10.1. Long service leave liability - measurement**

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

The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in measurement of the long service liability. The yield on long-term Commonwealth Government bonds has changed from 2020 (0.75%) to 1.25%.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$167 000 and employee benefits expense of \$167 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by DTF left the salary inflation rate at 2.5% for long service leave liability.

**10.2. Financial instruments**

**Financial risk management**

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

The OCPSE's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

**Liquidity risk**

OCPSE is funded principally from appropriation by the SA Government. OCPSE works with DTF to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to note 7.1 for further information.