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**Government
of South Australia**

**OFFICE OF THE SOUTH AUSTRALIAN
PRODUCTIVITY COMMISSION
2022-23 Annual Report**



**Government of
South Australia**

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To: The Hon Peter Malinauskas MP
Premier of South Australia

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Office of the South Australian Productivity Commission
by:

Steve Whetton
Chief Executive

Date 29/09/2023

Signature



From the Chair



The South Australian Productivity Commission exists to provide the Premier with independent, evidence-based advice on how to improve our state's economic growth and in turn increase the incomes of South Australians.

In delivering this role the Commission is supported by the Office of the South Australian Productivity Commission.

The support delivered by the Office over 2022-23 was excellent. In particular the Office's support in helping to deliver the Commission's inquiry 'Turning Research to Economic Competitiveness for South Australia' contributed to, in my opinion, an insightful and well researched report being delivered to the Premier on schedule in May 2023.

I take this opportunity to thank Mr Steve Whetton and his team at the OSAPC for the support they have delivered to the Commission throughout 2022-23.

A stylized handwritten signature in blue ink, consisting of a large 'A' with a horizontal line extending to the right and a loop at the bottom left.

Adrian Tembel

Chair

South Australian Productivity Commission

From the Chief Executive



In this, its fourth year of operations the Office of the SAPC (OSAPC) continues to support the South Australian Productivity Commission in providing high quality, evidence based, advice to the Premier and the South Australian Government to improve the productivity and well-being of the state.

The Commission and OSAPC has continued delivering their research program into the key drivers of, and impediments to, South Australia's economic wellbeing and productivity.

I would like to thank the staff of OSAPC for their dedication and professionalism in delivering high quality analytical work to support the inquiry and research program over 2022-23, and in adjusting effectively to the reduction in staff needed to achieve the efficiency savings we were asked to deliver.

I would also like to thank the businesses, community groups, universities, government agencies and members of the public who have contributed to the Commission's inquiry 'Turning Research into Economic Competitiveness for South Australia'. These contributions were invaluable in ensuring that the inquiry's findings were based on solid evidence and the recommendations are feasible and well-targeted at the problem they aim to address.

A handwritten signature in black ink, appearing to read 'Steve Whetton', with a long horizontal line extending to the right.

Steve Whetton

Chief Executive

Office of the South Australian Productivity Commission

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Overview: about the agency

Our strategic focus

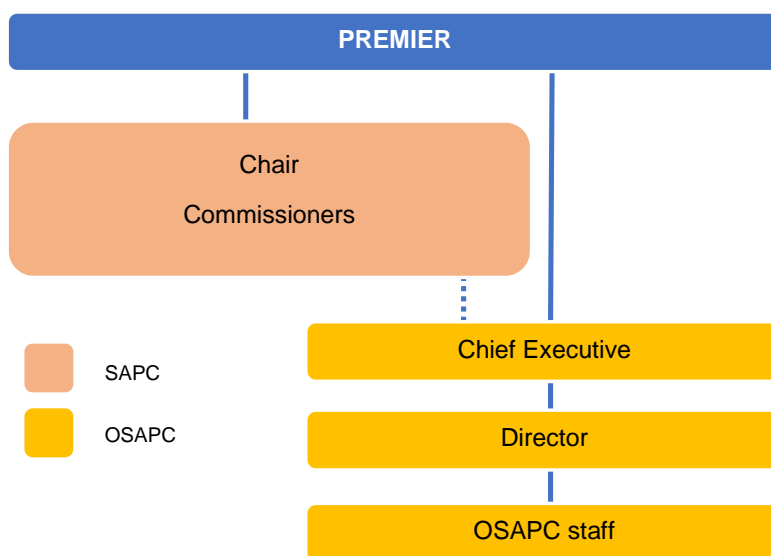
The Office of the South Australian Productivity Commission (OSAPC) supports the South Australian Productivity Commission (the Commission) in undertaking its functions and delivering its objectives. OSAPC is an attached agency of the Department of the Premier and Cabinet.

The functions and objectives of the Commission are as follows:

Our Purpose	The Commission's central purpose is to provide the Premier with independent, evidence based, advice on how to improve our State's economic growth and, in turn, South Australian household incomes.
Our Vision	Improved productivity, increased economic growth and higher standards of living for South Australians.
Our Values	Independence, high quality advice, effective engagement, capable and committed staff.
Our functions, objectives and deliverables	<p>The objectives of the Commission are to:</p> <ul style="list-style-type: none"> i) improve the rate of economic growth and productivity of the South Australian economy in order to achieve higher living standards for South Australians ii) improve the accessibility, efficiency and quality of services delivered or funded by government iii) improve South Australia's competitiveness for private sector investment iv) reduce the cost of regulation v) facilitate structural economic changes whilst minimising the social and economic hardship that may result from those changes vi) take into account the interests of industries, employees, consumers and the community vii) increase employment viii) promote regional development, and ix) develop South Australia in a way that is ecologically sustainable. <p>The Commission's functions to further its objects are to:</p> <ul style="list-style-type: none"> i) hold inquiries and report to the Premier on matters referred by the Premier,

	<ul style="list-style-type: none"> ii) advise the Premier on any matter referred by the Premier (including undertaking a commissioned report), iii) promote public understanding of the objects of the Commission, iv) conduct a policy and research program that is developed in consultation with the Premier, v) perform any other function conferred on the Commission by the Premier, and vi) do anything incidental to any of the preceding functions.
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Our organisational structure



Changes to the agency

There were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes in 2022-23.

Our Minister

OSAPC reports to the Premier, The Honourable Peter Malinauskas MP, being the Minister also responsible for the Commission.

The Commission**Mr Adrian Tembel, Chairman of the Commission, July 2021 – July 2024**

Adrian Tembel is the Chairman of the South Australian Productivity Commission. He was previously a Commissioner (November 2018 – July 2021)

Adrian also serves as the Chief Executive Partner of South Australian headquartered national law firm Thomson Geer. Adrian was a specialist corporate and technology lawyer and Partner at Thomson Geer for more than 15 years prior to his appointment as the firm's Chief Executive Partner in April 2009.

Adrian studied at the University of Adelaide, receiving a degree in Economics and an honours degree in Law.

Professor Christopher Findlay AM, Commissioner, May 2019 – May 2025

Professor Christopher Findlay was appointed Commissioner in May 2019. He was previously the Executive Dean of the Faculty of the Professions at the University of Adelaide (2011 – 2018). Earlier positions include Professor of Economics at the Australian National University (1999 – 2005) and Head of the School of Economics at the University of Adelaide (2005 – 2011).

His Membership in the General Division of the Order of Australia (AM) (2007) was for 'service to international relations in the Asia-Pacific region, to economic co-operation in trade, transportation and economic reform, and to education.'

Professor Findlay is currently Vice-Chair of the Australian Committee for Pacific Economic Cooperation (AUSPECC); he has been involved in the Pacific Economic Cooperation Council (PECC), since 1980.

Our Executive team**Mr Steve Whetton, Chief Executive**

The Chief Executive leads the agency and supports the Commission in delivering their objects and functions. The CE also establishes the forward work program for OSAPC, leads inquiry teams and advises on any other matters relevant to the operation of the OSAPC.

Dr Philip Chang, Director

The Director is responsible for leading research programs and assisting with the administration of the agency.

Legislation administered by the agency

The Office of the South Australian Productivity Commission does not administer any legislation.

Other related agencies (within the Minister's area/s of responsibility)

The Office of the South Australian Productivity Commission is an attached office of the Department of the Premier and Cabinet.

The agency's performance

Performance at a glance

The Commission's and OSAPC's role is to provide the Premier with independent, evidence-based, advice on how to improve our State's economic growth and, in turn, South Australian household incomes. This is predominantly achieved through undertaking inquiries referred to the Commission by the Premier.

Key Highlights for the 2022-23 financial year:

- the Commission published the final report of the inquiry into 'South Australia's Renewable Energy Competitiveness';
- the Commission submitted the final report of the inquiry 'Turning Research into Economic Competitiveness for South Australia' to the Premier in May 2023 (published in August 2023).

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Provide independent advice to government to facilitate productivity growth, unlock new economic opportunities, support job creation and remove existing regulatory barriers.	Support the Commission in completing inquiries on matters referred by the Premier and in delivering a final report containing findings and recommendations that provide independent, evidence based, advice on how to improve our State's economic growth and, in turn, South Australian household incomes.	The final report of the Commission's inquiry 'Turning Research into Economic Competitiveness for South Australia' recommended that the Government implement long-term reforms to support the State's Universities on their journey to becoming entrepreneurial universities that value their economic and social impacts as much as they value their excellent teaching and high-quality, internationally connected, research. The report provided 48 findings and 17 recommendations as part of a framework for this important economic reform.

Agency objectives	Indicators	Performance
Facilitate structural economic changes whilst minimising the social and economic hardship that may result from those changes and taking into account the interests of industries, employees, consumers and the community.	Support provided to the Commission enables inquiry reports that are informed by extensive consultations with relevant stakeholders.	The findings and recommendations in the Commission's most recent inquiry were informed by extensive consultations with university management and staff, businesses, peak bodies, SA and Commonwealth Government agencies, and members of the community.
Improve the accessibility, efficiency and quality of services delivered or funded by Government.	OSAPC compliance with government policies and guidelines.	100%
	Inquiries referred to the Commission are completed by the due date.	100%

Inquiries and reviews

The Premier instructs the Commission to undertake an inquiry by issuing a notice of inquiry to the Chair of the Commission. The written notice of inquiry includes the terms of reference and sets out the issue(s) or matters to be examined, the inquiry process, and the associated timelines for key outputs such as draft and final reports. The duration of an inquiry varies depending on the complexity and scope of the matters to be investigated.

Each inquiry or review is assigned a team of OSAPC staff, led by an inquiry lead. The team supports the Commissioners who are assigned to that inquiry.

In addressing the terms of reference, the inquiry team gives consideration to relevant and appropriate policy frameworks (including intergovernmental arrangements), legislation and regulation, reforms to improve community-wide net benefits, and specific technical issues.

OSAPC facilitates and undertakes extensive consultation with interest groups, individuals, businesses, and government departments throughout the inquiry process to identify and clarify issues, obtain relevant information and data and test conclusions.

The final report is made available on the Commission's website within 90 days of its delivery to the Premier. Any government response is linked on the Commission's website.

The two most recent inquiries undertaken by the Commission are:

Turning Research into Economic Competitiveness for South Australia

The Commission was asked to undertake an inquiry into how research is turned into increased competitiveness for South Australia, including:

- the importance of research and knowledge diffusion for economic competitiveness;
- the effectiveness of current links between research institutions (including universities) and business, and of government programs supporting research and innovation; and
- what the State Government can do (including in collaboration with others) to help bridge the gap between the generation of knowledge and those who could put it to use.

The terms of reference also required the Commission to provide advice on good practice models for the State Government to enable the process of turning research into economic competitiveness.

The final report of this inquiry was submitted to the Premier on 12 May 2023 and published on the Commission website on 10 August 2023.

South Australia's Renewable Energy Competitiveness

The Commission was asked to undertake an inquiry into SA's renewable energy competitiveness to assess SA's actual or potential renewable energy competitive advantage (both within Australia and globally) in terms of renewable energy cost, location, quantity, reliability and/or emissions levels. The Commission was also asked to recommend any further actions the SA Government could take to create or enhance the actual or potential competitive advantage and what areas of potential economic development warrant further thorough investigation by the SA Government.

The final report of this inquiry was published on 9 November 2022.

Corporate performance summary

OSAPC has in place service-level agreements (SLAs) with the Department of the Premier and Cabinet (DPC) for the provision of the following corporate services:

- Human Resources, Work Health & Safety, Injury Management, and Learning and Development;
- Procurement Services;
- Risk and Audit Services;
- Objective Support and Records Management Services;
- Freedom of Information Services;
- Facilities and Accommodation Services;
- Financial Services;
- Communications Services;
- ICT Business Application Services;
- ICT Infrastructure Services;
- ICT Service Desk;

- ICT Service Management; and
- ICT Cyber Security.

Employment opportunity programs

Program name	Performance
Aboriginal and Torres Strait Islander Employment	OSAPC has adopted the DPC Reconciliation Action Plan, and participates in DPC lead programs to facilitate employment and leadership opportunities for Aboriginal and Torres Strait Islanders.

Agency performance management and development systems

Performance management and development system	Performance
DPC Connect	As at 30 June 2023, 6 employees (100% of headcount at that point in time) had formal performance reviews.
WHS Online Training	As at 30 June 2023, staff had completed 74 per cent of the WHS online training requirements.

Work health, safety and return to work programs

No OSAPC staff have participated in any work health, safety and return to work programs in 2022-23.

Workplace injury claims	2022-23	2021-22	% Change (+ / -)
Total new workplace injury claims	0	0	Nil
Fatalities	0	0	Nil
Seriously injured workers*	0	0	Nil
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	Nil

**number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)*

Work health and safety regulations	2022-23	2021-22	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	Nil
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	Nil

Return to work costs**	2022-23	2021-22	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	Nil
Income support payments – gross (\$)	0	0	Nil

**before third party recovery

Data for previous years is available at: [OSAPC - WHS 2022 - 2023 - Dataset - data.sa.gov.au](https://data.sa.gov.au/data/osapc-whs-2022-2023-dataset)

Executive employment in the agency

Executive classification	Number of executives
EXECOF	1
SAES1	1

Data for previous years is available at: [OSAPC - Executive Employment 2022-2023 - Dataset - data.sa.gov.au](https://data.sa.gov.au/data/osapc-executive-employment-2022-2023-dataset).

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2022-2023 are attached to this report.

Statement of Comprehensive Income	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Total Income	2,520	2,519	0	3,012
Total Expenses	2,520	2,069	0	2,426
Net Result	0	449	0	586
Total Comprehensive Result	0	449	0	586

Statement of Financial Position	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Current assets	1,021	1,428	407	1,021
Non-current assets	10	10	-	10
Total assets	1,031	1,438	407	1,031
Current liabilities	186	175	(11)	186
Non-current liabilities	152	115	(37)	152
Total liabilities	338	290	(48)	338
Net assets	693	1,148	455	693
Equity	693	1,148	455	693

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
Professor Hein Roelfsema	Review the draft report of the inquiry to provide strategic advice on framing of the argument and potential recommendations to address the problems identified based on Professor Roelfsema's experience of the relative effectiveness of, and evidence base for, international innovation policy settings.	\$8,500.00
	Total	\$8,500.00

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
The University of Adelaide	Undertake analysis of available economic data on the research workforce in South Australia and on the structure of the SA business community to support the SAPC's Inquiry 'Turning Research into Economic Competitiveness for South Australia'.	\$ 25,200.00
University of South Australia	Prepare a report on 'University Functions for Economic Development: Principles and Guidelines' for the South Australian Productivity Commission to support the Inquiry 'Turning Research into Economic Competitiveness for SA'. This research will take an alternate approach from the standard measures of output metrics, such as patents and commercialised research income, or the input measures of grant income, to portray the key elements of system effectiveness of the functions that universities perform.	\$ 38,985.00
	Total	\$ 64,185.00

Data for previous years is available at: [OSAPC - Consultants tables 2022-23 - Dataset - data.sa.gov.au](#).

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
Hays Recruitment	Salary & wages for temporary staff	\$ 7,314.11
	Total	\$ 7,314.11

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Nil		
	Total	\$ Nil

Data for previous years is available at: [OSAPC - Contractors table 2022-2023 - Dataset - data.sa.gov.au](#).

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#).

The website also provides details of [across government contracts](#).

Risk management

Risk and audit at a glance

Fraud detected in the agency

Category/nature of fraud	Number of instances
Not applicable	0

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

Policies and procedures	<p>OSAPC has zero tolerance to fraud, corruption and other criminal conduct, misconduct and maladministration.</p> <p>A key strategy for managing the risk of fraud, corruption and other criminal conduct, misconduct and maladministration is the proactive prevention of such conduct through the facilitation of a sound ethical culture.</p> <p>OSAPC has adopted and promotes the Code of Ethics for the South Australian Public Sector, which provides guidance to employees on appropriate behaviour.</p> <p>OSAPC has also adopted the Department of the Premier and Cabinet's (DPC) policies and procedures preventing, detecting and responding to the risks of fraud. These are documented in DPC's Corruption and Maladministration Control Policy and Corruption and Maladministration Control Strategy which is consistent with the across government Fraud and Corruption Control Policy issued by the Commissioner for Public Sector Employment.</p> <p>DPC Finance also supports OSAPC in the maintenance of an effective internal control environment by ensuring compliance with relevant legislation and regulations, namely the <i>Public Finance and Audit Act 1987</i>, applicable Treasurer's Instructions and Australian Accounting Standards.</p>
Internal processes	<p>Processes are in place for identifying, recording, analysing, reporting, and escalating fraud and corruption loss events and control failures.</p> <p>These processes are supported by mechanisms to prevent, detect, and respond to the risks of fraud, including:</p> <ul style="list-style-type: none"> • annual internal audit plans. • monthly Executive Financial Performance Reports. • management certification of internal controls as part of OSAPC's participation in DPC's Financial

	<p>Management Compliance Program and the end of financial year annual financial statements preparation process which includes the completion of fraud declarations by Key Management Personnel.</p> <ul style="list-style-type: none"> • regular reviews of financial and human resource delegation instruments. • the maintenance of financial authorisations within the e-Procurement and EMS purchase card management systems including the performance of regular user access and transactional reviews. • managing the risks regarding the issue of grants through robust due diligence processes which support the assessment of grant applications (including verifying the validity of the applicant). • annual stocktakes are performed on physical assets. • closing balances of assets and liabilities are reconciled against movements during the year and/or year-end adjustments. • regular reviews of each divisions' revenue and expenditure actuals compared to budget, including the investigation of major variances. • conflict of interest declarations when employees undertake recruitments, procurements and the management of contracts. • reporting of gifts and benefits offered to and received by employees. • pre-employment screening • delegate approval required when employees seek to engage in outside employment. • internal and external audits. • disclosure of suspected or actual fraudulent behaviour. <p>The Chief Executive is also the principal decision maker for any investigation and/or disciplinary decisions.</p>
Annual financial report	<p>The annual financial report is supported by a system of internal controls that are monitored and assessed during the financial year through DPC's internal assurance processes and other processes undertaken by Shared Services SA as the external service provider.</p>
Employee induction and online training	<p>OSAPC's induction process ensures that all new employees are made aware of the Code of Ethics for the South Australian Public Sector and the DPC Corruption and Maladministration Control Policy. This policy clearly stipulates a "zero tolerance" position in respect to fraud and corruption. Information is provided to all employees relating to the Code of Ethics on the DPC intranet.</p>

	<p>New employees and those returning from a period of extended leave must undergo a mandatory induction process upon their commencement of employment in the form of a DPC Online Induction and an online Code of Ethics Awareness training course.</p> <p>A Fraud and Corruption Awareness online course is made available and mandated for all employees to complete every three years, with any new starters required to complete the course as part of an induction program within six months of commencement.</p>
Financial Management Compliance Program	<p>Appropriate business practices are reinforced through the implementation within OSAPC of DPC's Financial Management Compliance Program (FMCP) as mandated by Treasurer's Instruction 28. The FMCP was undertaken through a control self-assessment comprising a series of questions which assess relevant policies, procedures, systems, internal controls, risk management, and statutory / financial / management reporting that is in operation across all business units within the department.</p> <p>An independent risk-based validation of the results is undertaken, and results reported to the relevant business units and the Risk and Performance Committee.</p>
Risk assessments	<p>The OSAPC executive undertakes regular fraud and corruption risk assessments on the agency's operations and are also required to identify, assess and monitor those risks and document mitigating actions in the OSAPC risk registers which are subject to six-monthly reviews and monitoring throughout the year.</p> <p>An annual assurance mapping review compliments the risk management assessments by providing additional assurance around the state of governance, risk management and internal controls within OSAPC.</p> <p>An annual review of strategic risks was also undertaken during the year to ensure they continue to reflect the current risk environment.</p> <p>Once every three years DPC, including OSAPC as an attached agency, is required to conduct a comprehensive assessment of the risk of fraud and corruption within the department's business operations in accordance with the Corruption and Maladministration Control Policy. The next review is due to be completed in 2024-25.</p>

Data for previous years is available at: [OSAPC - Fraud Detected in the Agency 2022 - 2023 - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/osapc-fraud-detected-in-the-agency-2022-2023).

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

0

Data for previous years is available at: [OSAPC - Public Interest Disclosures 2022 - 2023 - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/osapc-public-interest-disclosures-2022-2023).

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Government's progress on previous inquiry recommendations and advice

Premier and Cabinet Circular PC046 states that:

5) d) iv) The Commission will monitor and report annually on progress by the government in implementing its responses to Commission reports through the annual report of the OSAPC.

An update has been sought from all agencies responsible for implementing supported recommendations from earlier inquiries and reviews on the progress made during 2022-23.

A summary of the status of implementation of the previous inquiries completed in the past three years is presented in the table below.

Inquiry	Date final report submitted to Premier	Number of recommendations (including parts)	Government response	Status of - Implementation (of supported)
Inquiry into SA's regulatory framework	28/10/ 2021	13 (28 parts)	21 supported 6 supported in principle 1 not supported	6 completed 21 unknown
Development referrals review	11/10/ 2021	6	6 supported	5 completed 1 ongoing
Tourism regulation review	28/10/ 2021	9	9 supported	5 completed 4 underway
Extractive industry supply chain review	28/8/2020	15 (45 parts)	35 Supported 10 Partially supported	22 implemented 23 underway or under consideration
Health and medical research inquiry	13/11/2020	12 (40 parts)	10 Supported 9 Supported in principle 20 Further investigation 1 Not supported	39 underway or under consideration
Research and development inquiry	18/01/2021	9	5 Supported 2 Supported in principle 1 Partially supported 1 Further investigation	6 Underway 1 under investigation 2 completed

Inquiry into SA's regulatory framework

The Commission's inquiry into South Australia's regulatory framework commenced on 29 January 2021 with the receipt of the notice of inquiry from the Premier and concluded on 28 October 2021, following the delivery of the final report to the Premier.

The inquiry examined the way in which the state regulates businesses, with the aim of identifying opportunities for enhancing support for investment, reversing negative productivity trends, fostering economic growth, and protecting the public interest. The state's regulatory framework was examined against leading international and national practice. The Commission concluded that, despite some deviations from OECD best practice, the overall regulatory framework serves South Australia well.

The areas of regulatory practice identified as in greatest need of reform included *ex ante* assessment of regulatory proposals and *ex post* evaluation of regulation, both of which are central to effective and efficient regulation. Other areas in need of improvement included the coherence, transparency and speed of regulator decision-making, overlap and duplication between regulators, and business access to clear information on regulatory requirements.

At this point in time no additional progress in implementing the remaining parts of the supported recommendations has been reported by DPC.

Development referrals review

A review into regulation and practice governing the referrals processes that are part of the state's development assessment and approval system was completed in late 2021.

The review focused on code assessed and impact assessed planning projects. The review also focussed on the referral activities of selected state referral agencies in the areas of environmental significance, native vegetation, and transport routes and corridors. The review made recommendations to improve the regulatory practice of referral bodies and enhance major project assessment processes through:

- Clarifying the assistance applicants can expect from referral bodies in relation to pre-application and early engagement processes.
- Publishing consistent standards of referral body guidance materials through the state's planning portal.
- Improvements in the tracking and reporting of the benefits of the state's planning reforms.
- Formalising standard operating procedures for major project assessments, capturing key performance data, applying continuous improvement cycles and assessing the economic effects of major projects to better reflect proportional regulatory practice while supporting ministerial decision-making.

All six recommendations of the review were supported in full. Planning and Land Use Services (PLUS) has completed implementation of the Government's response to five of the recommendations in 2022-23, with the response to the final recommendation – strengthening the state's capacity to consider impact assessed proposals for economic effects – ongoing.

Tourism regulation review

The review of tourism regulations in South Australia was undertaken in 2021 examining the effect of regulations on the tourism industry, focusing on nature-based and agriculture-based tourism activities.

The Commission delivered the final report to the Premier in October 2021 containing eight recommendations including better and simpler information for businesses on regulatory requirements, a lead agency to coordinate information for each tourism subsector, improved governance framework for Crown lands relevant to tourism and strengthening the role of the state in improving capability and consistency in food regulation by local government. The government supported all the recommendations of the review.

The Department for Environment and Water has completed its evaluation of the Nature-based Tourism Co-investment Fund and insights from the evaluation will inform future project delivery.

PLUS has completed a Development Referral Review which includes additional information and details for stakeholders on the referral process.

The Department of Health and Wellbeing have implemented a number of measures to strengthen communication mechanisms between tourism businesses, local government, and key regulators regarding food safety, including establishing an online food complaints and enquiries form. The form provides a platform for complaints to be received from food businesses and the general public on the application of food safety regulations by local government.

Extractive industry supply chain review

The Commission undertook a six-month review into the extractives (quarry) industry in South Australia in 2020. A Government response to the final report was published on 26 November 2020, indicating that 78 per cent of the recommendations were fully supported and 22 per cent partially supported.

The review terms of reference required the Commission to identify and evaluate barriers and reform opportunities in the approvals process for quarries, the use of quarry outputs in construction and elsewhere, and rehabilitation and post-closure land use.

Work continues on implementing the 23 of the 45 parts of the recommendations that have not yet been implemented. In particular, following significant consultation with relevant stakeholders including those in the extractives industry, a proposed *Explosives Bill 2021* was introduced in the Legislative Council on 4 May 2023.

Health and Medical research Inquiry

The health and medical research inquiry commenced on 6 February 2020 on receipt of the notice of inquiry from the Premier and concluded on 13 November 2020 when the final report was delivered to the Premier.

The inquiry investigated health and medical research in the state and identified a number of factors that appear to influence its ability to attract funding for research, the level of research activity, and the translation of that research into improved health and economic outcomes.

The inquiry also considered the potential for policy, regulatory, research governance and other reforms to improve the state's competitiveness and performance in health and medical research.

The main focus for implementation of the accepted recommendations by the Department of Health and Wellbeing has been the ongoing work to develop a South Australian Health and Medical Research Strategy (the Strategy). A Discussion Paper: Developing a South Australian Health and Medical Research Strategy was released in September 2022. Development of the Strategy has been supported by an expert advisory group and has involved extensive stakeholder consultations.

The Green Paper: Delivering the South Australian Health and Medical Research Strategy is to be released soon for public consultation.

Other implementation work in 2022-23 has included the LHN's collection and publication of ethics and governance approval times, and the development of an 'Honorary Research Affiliate' process to enable appropriate non-SA Health researchers to access the Electronic Medical Record (EMR) of consenting patients. The SA government has commenced activity to transition the SA/NT datalink functions and services into government. Initially the SA/NT datalink will be housed in SA Health, with further work being undertaken to determine a longer-term strategy.

Research and development Inquiry

The research and development inquiry began on 6 February 2020 on receipt of the Premier's notice of inquiry and concluded on 18 January 2021 on delivery of the final report to the Premier.

The inquiry examined the trends in public and private expenditure on research and development in SA, as well as how research and development contribute to long term productivity gains and economic growth. The inquiry made recommendations on actions to raise the contribution of research and development to the state's long-term productivity and economic growth rates.

As the lead agency for implementation of those recommendations supported by the government, the Department for Industry, Innovation and Science has advised that work continues on implementing the accepted recommendations of the inquiry.

In 2022-23 this has included finalising a register of key R&D assets, and undertaking strategic planning around the R&D workforce, South Australia's research strengths, R&D infrastructure, and innovation districts. R&D is an important enabler of all of the missions set out in the South Australian Economic Statement and responses to the recommendations will feed into the implementation framework being developed for the Economic Statement.

The response to recommendation 7.3 on establishment of a strategic architecture for maximising the benefits of R&D for the state's economy was completed in 2022-23.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	0
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	0
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Service quality	Information	Incorrect, incomplete, out-dated or inadequate information; not fit for purpose	0
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	0
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	0

Additional Metrics	Total
Number of positive feedback comments	0
Number of negative feedback comments	0
Total number of feedback comments	0
% complaints resolved within policy timeframes	n/a

Data for previous years is available at: [OSAPC - Number of Public Complaints Reported 2022 - 2023 - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/osapc-number-of-public-complaints-reported-2022-2023).

Service Improvements

OSAPC actively seeks feedback and suggestions from its stakeholders on the way it conducts the inquiries and reviews. There is a link on the Commission website encouraging stakeholders to provide feedback on each activity or customer service.

Compliance Statement

OSAPC is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
OSAPC has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees.	Y

Appendix: Audited financial statements 2022-23



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To the Chief Executive Office of the South Australian Productivity Commission

Opinion

I have audited the financial report of the Office of the South Australian Productivity Commission for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Office of the South Australian Productivity Commission as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with the relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Director of the Office of the South Australian Productivity 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 Office of the South Australian Productivity 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.

**Office of the South Australian Productivity
Commission**

Financial Statements

For the year ended 30 June 2023

Office of the South Australian Productivity Commission
Certification of the Financial Statements
for the year ended 30 June 2023

We certify that the:

- financial statements of the Office of the South Australian Productivity Commission:
 - 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 office 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 South Australian Productivity Commission for the financial year over its financial reporting and its preparation of financial statements have been effective.



Steve Whetton
Chief Executive
Office of the SA Productivity Commission
27 September 2023



Dr Philip Chang
Director
Office of the SA Productivity Commission
27 September 2023

Office of the South Australian Productivity Commission
Statement of Comprehensive Income
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Income			
Appropriation	2.1	2 277	3 000
SA Government grants, subsidies and transfers	2.2	242	-
Other income		-	12
Total income		2 519	3 012
Expenses			
Employee benefits expenses	3.2	1 630	1 736
Supplies and services	4.1	439	687
Depreciation	5.1	3	3
Total expenses		2 072	2 426
Net result		447	586
Total comprehensive result		447	586

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 South Australian Productivity Commission
Statement of Financial Position
as at 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Current assets			
Cash	6.1	1 425	1 016
Receivables		4	5
Total current assets		1 429	1 021
Non-current assets			
Property, plant and equipment	5.1	7	10
Receivables		3	-
Total non-current assets		10	10
Total assets		1 439	1 031
Current liabilities			
Payables	7.1	79	51
Employee benefits	3.3	103	133
Provisions	7.2	2	2
Total current liabilities		184	186
Non-current liabilities			
Payables	7.1	10	13
Employee benefits	3.3	99	133
Provisions	7.2	6	6
Total non-current liabilities		115	152
Total liabilities		299	338
Net assets		1 140	693
Equity			
Retained earnings		1 140	693
Total equity		1 140	693

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

Office of the South Australian Productivity Commission
Statement of Changes in Equity
for the year ended 30 June 2023

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2021	107	107
Net result for 2021-22	586	586
Total comprehensive result for 2021-22	586	586
Balance at 30 June 2022	693	693
Net result for 2022-23	447	447
Total comprehensive result for 2022-23	447	447
Balance at 30 June 2023	1 140	1 140

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

Office of the South Australian Productivity Commission
Statement of Cash Flows
for the year ended 30 June 2023

		2023	2022
		Inflows	Inflows
		(Outflows)	(Outflows)
Note		\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
	Appropriation	2 277	3 000
	SA Government grants, subsidies and transfers	242	-
	Other receipts	-	12
	Cash generated from operating activities	2 519	3 012
Cash outflows			
	Employee benefits payments	(1 700)	(2 174)
	Payments for supplies and services	(410)	(750)
	Cash used in operating activities	(2 110)	(2 924)
	Net cash provided by operating activities	409	88
	Net increase in cash	409	88
	Cash at the beginning of the reporting period	1 016	928
	Cash at the end of the reporting period	1 425	1 016

6.1

The accompanying notes form part of these financial statements.

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2023

1. About the Office of the South Australian Productivity Commission

The Office of the South Australian Productivity Commission (OSAPC) is an attached office of the Department of the Premier and Cabinet (DPC) which came into operation on 22 October 2018, pursuant to the *Public Sector Act 2009*. OSAPC is an administrative unit acting on behalf of the Crown.

OSAPC provides independent recommendations to improve the rate of economic growth and productivity of the South Australian economy through extensive inquiry processes.

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.

The financial statements have been prepared based on a 12-month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

Significant accounting policies are set out throughout the notes.

Cash flows are exclusive of Goods and Services Tax (GST). The GST component of cash flows which is recoverable from, or payable to, the Australian Taxation Office is classified as part of operating cash flows of DPC, not OSAPC.

1.2 Objectives

OSAPC has been established to examine and make recommendations on matters referred to it by government that facilitate productivity growth, unlock new economic opportunities, support job creation and remove existing regulatory barriers within South Australia.

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2023

2. Income

2.1 Appropriation

Appropriations of \$2.3 million (2022: \$3 million) include \$16 000 (2022: \$3 000) received from the Governor's Appropriation Fund.

Appropriations are recognised on receipt.

2.2 SA Government grants, subsidies and transfers

SA Government grants, subsidies and transfers are recognised on receipt and comprise recoveries from the Department of Treasury and Finance (DTF) for targeted voluntary separation packages.

3. Employees

3.1 Key management personnel

Key management personnel of OSAPC include the Premier, Chief Executive and the two members of the Executive team, who have responsibility for the strategic direction and management of OSAPC.

Total compensation for key management personnel was \$571 000 (2022: \$616 000).

The compensation disclosed in this note excludes salaries and other benefits the Premier receives. The Premier'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 DTF under section 6 of the *Parliamentary Remuneration Act 1990*.

See DPC's Financial Statements for disclosures of the Premier's remuneration paid and recovered from the Consolidated Account.

Transactions with key management personnel and other related parties

There were no significant related party transactions.

3.2 Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	969	1 299
Long service leave	(37)	(159)
Annual leave	63	62
Skills and experience retention leave	1	7
Employment on-costs - superannuation	321	442
Employment on-costs - other	75	84
Targeted voluntary separation payments	237	-
Workers compensation revaluation	(1)	-
Other employee related expenses	2	1
Total employee benefits expenses	1 630	1 736

Employment expenses

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

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

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.2. Employee benefits expenses (continued)

Employee remuneration

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

	2023	2022
	No	No
\$180 001 – \$200 000	-	1
\$200 001 – \$220 000	-	1
\$220 001 – \$240 000	-	1
\$240 001 – \$260 000	1	-
\$320 001 – \$340 000	1	-
Total	2	3

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

The total remuneration received by employees for the year, listed above, was \$571 000 (2022: \$637 000).

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 3.

	2023	2022
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	237	-
Leave paid to separated employees	89	-
Recovery from the Department of Treasury and Finance	(242)	-
Net cost to OSAPC	84	-

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2023

3.3 Employee benefits liability

	2023	2022
	\$'000	\$'000
Current		
Annual leave	87	112
Long service leave	12	14
Skills and experience retention leave	4	7
Total current employee benefits	103	133
Non-current		
Long service leave	99	133
Total non-current employee benefits	99	133
Total employee benefits	202	266

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 the 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.

The salary inflation rate applied in the calculation of the annual leave and SERL calculations increased to 2% in 2023 from 1.5% in 2022.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by 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.

AASB 119 *Employee Benefits* contains the calculation methodology for the 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 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2022 (3.5%) to 2023 4.0%.

The net financial effect of the changes to the actuarial assumption in the current financial year is a decrease in the long services liability of \$5 000 and employee benefits expense of \$5 000.

The salary inflation rate applied in the actuarial assessment performed by DTF for the long service leave liability is 3.5% (2022 2.5%).

The non-current portion of long service leave reflects the estimate of leave to be taken in greater than 12 months.

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2023

4. Expenses

4.1 Supplies and services

	2023	2022
	\$'000	\$'000
Corporate support services	289	310
Consultants	73	192
Information technology and communication charges	21	18
Audit fees	14	14
General administration and consumables	8	9
Temporary staff	7	6
Staff development and recruitment	1	28
Contractors	-	82
Other	26	28
Total supplies and services	439	687

Consultants

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

	2023	2023	2022	2022
	Number	\$'000	Number	\$'000
Below \$10 000	1	9	-	-
\$10 000 or above	2	64	6	192
Total	3	73	6	192

Audit fees

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

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2023

5. Non-financial assets

5.1 Property, plant and equipment

Property, plant and equipment with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment is recorded at fair value. Detail about OSAPC's approach to fair value is set out in note 9.1.

Reconciliation 2022-23

	Plant and equipment \$'000	Total \$'000
Carrying amount at 1 July 2022	10	10
Losses for the period recognised in net result:		
Depreciation	(3)	(3)
Subtotal:	(3)	(3)
Carrying amount at the end of the period	7	7
Gross carrying amount		
Gross carrying amount	13	13
Accumulated depreciation	(6)	(6)
Carrying amount at the end of the period	7	7

Impairment

Property, plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity.

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2023

6. Financial assets

6.1 Cash

OSAPC does not earn interest on its deposits with the Treasurer. Cash is measured at nominal amounts.

7. Liabilities

7.1 Payables

	2023	2022
	\$'000	\$'000
Current		
Accrued expenses	62	31
Employment on-costs	17	20
Total current payables	79	51
Non-current		
Employment on-costs	10	13
Total non-current payables	10	13
Total payables	89	64

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.

Employment on-costs

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has increased to 43% (2022 42%) and the average factor for the calculation of employer superannuation on-costs has increased to 11.1% (2022: 10.6%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost of \$1 000 and employee benefits expense of \$1 000.

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2023

7.2 Provisions

Workers compensation provision

	2023 \$'000	2022 \$'000
Current		
Provision for workers compensation	2	2
Total current provisions	2	2
Non-current		
Provision for workers compensation	6	6
Total non-current provisions	6	6
Total provisions	8	8
<i>Reconciliation of workers compensation (statutory and non-statutory)</i>		
Carrying amount at the beginning of the period	8	8
Additional provisions recognised	-	-
Carrying amount at the end of the period	8	8

OSAPC is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, OSAPC 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 (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are nonserious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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 a variety of factors involved. The liability is impacted by OSAPC's 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 South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2023

8. Outlook

8.1 Unrecognised contractual commitments

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

Other contractual commitments

Expenditure contracted for at the reporting date but not recognised as liabilities in the financial report, are payable as follows:

	2023	2022
	\$'000	\$'000
Within one year	-	10
Total other contractual commitments	-	10

OSAPC's other contractual commitments for 2021-22 relate to network licences.

8.2 Contingent assets and liabilities

OSAPC is not aware of any contingent assets or liabilities as at 30 June 2023.

8.3 Events after the reporting period

There were no events occurring after the end of the reporting period that had a material financial implication on these financial statements.

9. Measurement and risk

9.1 Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition of less than \$1.5 million and have not been revalued. The carrying value of these items are deemed to approximate fair value.

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 for the financial report

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

In preparing the financial report, the 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 South Australian Productivity Commission for the financial year ended 30 June 2023.

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

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

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



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

27 September 2023