

Teachers Registration Board of South Australia

Financial report
for the year ended
30 June 2021



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To the Presiding Member Teachers Registration Board of South Australia

Opinion

I have audited the financial report of the Teachers Registration Board of South Australia (the Board) 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 Teachers Registration Board of South Australia 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 Presiding Member, the Registrar and the Acting Manager, Corporate Services.

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 Teachers Registration Board of South Australia. 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 Registrar and the Board for the financial report

The Registrar 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 Registrar 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 Registrar is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 18(2) of the *Teachers Registration and Standards Act 2004*, I have audited the financial report of the Teachers Registration Board of South Australia 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 Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Registrar
- conclude on the appropriateness of the Registrar'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 Registrar and Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

7 October 2021

FINANCIAL STATEMENTS

for the year ended

30 June 2021

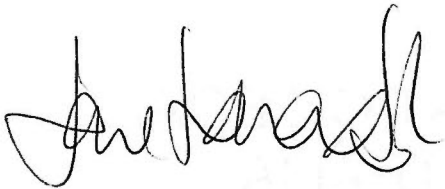
**TEACHERS REGISTRATION BOARD
OF SOUTH AUSTRALIA**

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the attached general purpose financial statements for the Teachers Registration Board of South Australia (the Board):

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards;
- are in accordance with the accounts and records of the Board; and
- present a true and fair view of the financial position of the Board as at 30 June 2021 and the results of its operation and cash flows for the financial year.

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



Jane Lomax-Smith
Presiding Member

30 September 2021



Leonie Paulson
Registrar

30 September 2021



Alan Herman
Acting Manager, Corporate Services

30 September 2021

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Expenses			
Employee and staff benefits expenses	2.3	3,332	3,287
Supplies and services	3.1	1,257	1,180
Depreciation and amortisation expense	3.2	164	132
Total expenses		4,753	4,599
Income			
Fees and charges	4.1	4,531	4,127
Interest revenues		3	53
Other income	4.2	4	36
Total income		4,538	4,216
Net result		(215)	(383)
Total comprehensive Income		(215)	(383)

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note No	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	6.1	9,352	10,108
Receivables	6.2	44	24
Total current assets		9,396	10,132
Non-current assets			
Property, plant and equipment	5.1	27	59
Intangible assets	5.2	500	351
Receivables	6.2	-	1
Total non-current assets		527	411
Total assets		9,923	10,543
Current liabilities			
Employee and staff benefits	2.4	297	301
Payables	7.1	229	207
Total current liabilities		526	508
Non-current liabilities			
Employee and staff benefits	2.4	693	1,073
Payables	7.1	65	108
Total non-current liabilities		758	1,181
Total liabilities		1,284	1,689
Net Assets		8,639	8,854
Equity			
Retained earnings		8,639	8,854
Total Equity		8,639	8,854

The total equity is attributable to the SA Government as owner

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

	Retained earnings \$'000
Balance at 30 June 2019	9,237
Total comprehensive result for 2019-20	(383)
Balance at 30 June 2020	8,854
Total comprehensive result for 2020-21	(215)
Balance at 30 June 2021	8,639

All changes in equity are attributable to the SA Government as owner

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash outflows			
Employee and staff benefit payments		(3,755)	(3,222)
Payments for supplies and services		(1,435)	(1,303)
Cash used in operations		(5,190)	(4,525)
Cash inflows			
Fees and charges		4,532	4,127
Interest received		3	63
Other receipts		-	36
GST recovered from the ATO		164	148
Cash generated from operations		4,699	4,374
Net cash used in operating activities		(491)	(151)
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(15)	-
Purchase of intangible assets		(250)	(124)
Cash used in investing activities		(265)	(124)
Net (decrease)/increase in cash and cash equivalents		(756)	(275)
Cash and cash equivalents at the beginning of the period		10,108	10,383
Cash and cash equivalents at the end of the period		9,352	10,108

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

**NOTES TO
AND
FORMING PART
OF THE FINANCIAL
STATEMENTS**

Contents

FINANCIAL STATEMENTS	1
1. About the Teachers Registration Board of South Australia.....	9
2. Employee and staff benefits	10
3. Expenses	14
4. Income	15
5. Non-financial assets.....	16
6. Financial assets.....	18
7. Liabilities	19
8. Outlook.....	20
9. Measurement and Risk	21

1. About the Teachers Registration Board of South Australia

The Teachers Registration Board (the Board) is an independent statutory authority established under the *Teachers Registration and Standards Act 2004* (the Act) and the *Teachers Registration and Standards Regulations 2016* (the Regulations) to regulate the teaching profession. The object of the Act is to establish and maintain a teacher registration system and professional standards for teachers to safeguard the public interest in the teaching profession whose members are competent educators and fit and proper persons to have care of children.

The functions of the Board are stated in Section 6 of the Act:

- a) To administer the provisions of the Act for the regulation of the teaching profession;
- b) To promote the teaching profession and professional standards for teachers;
- c) To confer and collaborate with teacher education institutions with respect to the appropriateness for registration purposes, of teacher education courses;
- d) To confer and collaborate with teacher employers, the teaching profession, teacher unions or other organisations and other bodies and persons with respect to requirements for teacher registration and professional and other standards for teachers;
- e) To confer and collaborate with other teacher regulatory authorities to ensure effective national exchange of information and promote uniformity and consistency in the regulation of the teaching profession within Australia and New Zealand; and
- f) To keep the teaching profession, professional standards for teachers and other measures for the regulation of the profession under review and to introduce change or provide advice to the Minister of Education as appropriate.

The Board does not control any other entity and has no interests in unconsolidated structured entities. The Board has not entered into any contractual arrangements that involve the sharing of control or significant influence over another entity.

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.

For the purposes of preparing the financial statements, the Board is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

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

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

1.2. Workers compensation

The Board is self-insured for workers compensation purposes. The Board is responsible for the payment of workers compensation claims. For the period from 1 July 2020 to 30 June 2021, the Board received no workers compensation claims.

A provision for workers compensation liabilities has not been included as there are no approved claims or outstanding liabilities as at 30 June 2021.

1.3. Impact of COVID-19 pandemic on the Board

As was the case in the previous financial year, the COVID-19 pandemic has impacted on the operations of the Board.

During lockdowns the Minister for Education approved a minimum number of staff to provide essential services to teachers at the main office site. Those staff were provided with individual letters of authority to attend the main office site.

Other staff worked from home where possible.

There was no material impact on the Board's 2020-21 financial statements as a result of the COVID-19 pandemic.

2. Employee and staff benefits

2.1. Key management personnel

The Board is an independent statutory authority established under the *Teachers Registration and Standards Act 2004* (the Act) and is a wholly owned entity of the Crown.

Key management personnel of the Board include the Minister for Education, the Registrar and Board and Deputy members of the Board who have responsibility for the strategic direction and management of the board. Total compensation for the Board's key management personnel was \$311,000 in 2020-21 and \$295,000 in 2019-20.

The compensation disclosed in this note excludes salaries and other benefits the Minister for Education receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

2.2. Board and committee members

Members during the 2021 financial year were:

Board members

Jane Lomax-Smith - Presiding Member

Mardi Barry* (resigned 28 September 2020)

Lisa Dwiar* (appointed 28 September 2020)

Robert Woodbury*

Joanne Hill

Colleen Tomlian*

David Coulter*

Patricia Cavanagh*

Lynda MacLeod

Bruno Vieceli

Bernadine Bourne

David Freeman

Melissa White* (appointed 23 July 2020)

Julie Clark

Marina Elliott

Kate Cameron

Fiona Brady

Deputy Board members

Leona Graham*

Leona Graham*

Peter Ryan

Shoma Roy*

Geeta Verma*

Marian Nayda*

Karen Roberts*

Meredith Beck

Michael Kenny

Michael Francis

Anthony Haskell

Christine Harford (appointed 23 July 2020)

Victoria Whittington

Ian Lamb*

Monique Russell

David Caruso

The tenure of all members and deputy members was due to expire on 30 March 2021, however this was extended until a new Board was appointed in July 2021.

The total value of remuneration paid or payable to eligible Board members, deputy Board members during the year was \$53,000 (\$60,000). This amount comprised sitting fees for Board attendance including Initial Teacher Education accreditation panels and disciplinary hearings, as well as a total of \$1,000 (\$3,000) paid to superannuation plans for eligible Board members.

As part of these arrangements, legal fees paid to two Board members appointed in their legal capacity during the year was \$7,000 (\$6,000). These legal fees were charged at an hourly rate approved by the Commissioner for Public Employment.

* In accordance with the Department of Premier and Cabinet Circular No. 16, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

The number of members whose remuneration received falls within the following bands during the financial year:	2021	2020
\$0 - \$19,999	15	16
Total number of members	15	16

2.3. Employee and staff benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	2,681	2,471
Long service leave*	(197)	37
Annual leave	173	216
Skills and experience retention leave	16	16
Employee and staff on-costs – superannuation	267	285
Employee and staff on-costs – other	108	117
Board and committee fees	53	60
Other employee and staff related expenses	231	85
Total employee and staff benefits expenses	3,332	3,287

Employee and staff benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

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

In addition to those directly employed by the Board during 2020-21, there was one staff member nominally employed by the Department for Education. The Board reimbursed the Department for Education for this staff member's salaries and superannuation.

*The negative long service leave expense in 2021 has occurred due to a decrease in the long service liability measurement. The reduction in the liability resulted from an increased discount rate applied (refer Note 9.1), and a further reduction due to employees exiting the agency during the year.

Executive remuneration

	2021 No	2020 No
The number of employees and staff whose remuneration received or receivable falls within the following bands:		
\$154 000 to \$174 000	-	1
\$174 001 to \$194 000	1	-
\$254 001 to \$274 000	1	-
Total number of employees and staff	2	1

The total remuneration received by those employees for the year was \$449,000 (\$173,000).

The table includes Board employees and staff who received remuneration equal to or greater than the base executive remuneration level during the year.

The Board has only one executive, however a long-term employee exited during the year and their termination payments are included in the above amounts.

2.4. Employee and staff benefits liability

	2021 \$'000	2020 \$'000
Current		
Accrued salaries and wages	55	48
Annual leave	180	219
Purchase leave	-	2
Skills and experience retention leave	18	17
Long service leave	44	15
Total current employee and staff benefits	297	301
Non-current		
Long service leave	693	1,073
Total non-current employee and staff benefits	693	1,073
Total employee and staff benefits	990	1,374

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

2.5. 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 at note 9.1.

3. Expenses

3.1. Supplies and services

	2021 \$'000	2020 \$'000
Accommodation and cleaning	312	285
Criminal history checks	309	273
Information technology expenses	293	244
Legal costs	157	162
Insurance	11	10
Minor works, maintenance and equipment	5	16
Postage and courier expenses	35	33
Printing, stationery and office consumables	34	35
Professional fees	22	27
Telecommunications	40	39
Sundry operating expenses	26	45
Promotions, research and sponsorship	13	11
Total supplies and services	1,257	1,180

The Board'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 lease set out in AASB 16.

3.2. Depreciation and amortisation

	2021 \$'000	2020 \$'000
Depreciation and amortisation		
Plant and equipment	-	3
Accommodation improvements	47	46
Intangible assets	117	83
Total depreciation and amortisation	164	132

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

Accommodation improvements are capitalised as an asset and depreciated over the remaining term of the accommodation or estimated useful life of the improvement, whichever is shorter.

Useful life

Depreciation and amortisation are calculated on a straight-line basis and are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Plant and equipment	1-7
Computer software	5
Accommodation improvements	Life of MoAA

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

4. Income

4.1. Fees and charges

	2021 \$'000	2020 \$'000
Regulatory fees	4,213	3,837
Other fees and charges	318	290
Total fees and charges	4,531	4,127

Revenues from fees and charges are recognised upon receipt by the Board.

Registration up to 30 June 2021 was for a three-year period, however in the new financial year this will change to a five-year period where teachers will have the option to pay for any period between one and five years. Refer to Note 8.3 for further information.

4.2. Other income

	2021 \$'000	2020 \$'000
Other income	4	36
Total other income	4	36

The Board received salary reimbursement from the Australian Institute for Teaching and School Leadership (AITSL) in 2019-20 for the Registrar to be a member of the expert panel to facilitate a national review of teacher registration.

In 2019-20, the Board also received project funding from AITSL to assist with the implementation of the strategy for all of the "One Teaching Profession" recommendations, and for one AITSL project being a review of provisional to full teacher registration.

In 2020-21, the Board received a reimbursement from AITSL for costs incurred in administering the 2020 Australian Teacher Workforce Data survey.

5. Non-financial assets

5.1. Property, plant and equipment

	2021 \$'000	2020 \$'000
Accommodation improvements		
Accommodation improvements at cost (deemed fair value)	579	579
Accumulated depreciation at the end of the period	(567)	(520)
Total accommodation improvements	12	59
Plant and equipment		
Plant and equipment at cost (deemed fair value)	135	120
Accumulated depreciation at the end of the period	(120)	(120)
Total plant and equipment	15	-
Total property, plant and equipment	27	59

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 the Board's approach to fair value is set out in note 9.2.

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.

Reconciliation 2020-21

	Accommodation improvements	Plant and equipment	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	59	-	59
Additions	-	15	15
Depreciation and amortisation	(47)	-	(47)
Carrying amount at 30 June 2021	12	15	27

5.2. Intangible assets

	2021 \$'000	2020 \$'000
Computer software	1,598	1,469
Accumulated amortisation	(1,304)	(1,187)
Total computer software	294	282
Work in progress	206	69
Total intangible assets	500	351

Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition criteria and when the amount of expenditure is greater than or equal to \$10,000.

The work in progress relates to enhancements to the Board's Customer Relationship Management system to enable it to manage with changes to the Regulations, including the move to a five-year registration term. The project was scheduled to be completed by 30 June 2021, with the enhancements being moved into production for amortisation from 1 July 2021.

Reconciliation 2020-21

	Work in Progress	Computer software	Total
	\$'000	\$'000	\$'000
Carrying amount at 1 July 2020	69	282	351
Additions	206	60	266
Transfer from WIP	(69)	69	-
Depreciation and amortisation	-	(117)	(117)
Carrying amount at 30 June 2021	206	294	500

6. Financial assets

6.1. Cash and cash equivalents

	2021 \$'000	2020 \$'000
Deposits with the Treasurer	9,352	10,107
Imprest account/ cash on hand	-	1
Total cash and cash equivalents	9,352	10,108

The Teachers Registration Board has one deposit account with the Treasurer which is a general operating account. The Board earned interest on its deposits with the Treasurer until October 2020 when the Treasurer advised that the effective interest rate had reduced to 0%.

6.2. Receivables

	2021 \$'000	2020 \$'000
Current		
Trade receivables	4	-
Prepayments	10	10
Accrued revenues	-	1
GST input tax recoverable	30	13
Total current receivables	44	24
Non-current		
Prepayments	-	1
Total non-current receivables	-	1
Total receivables	44	25

7. Liabilities

Employee and staff benefits liabilities are disclosed in note 2.4

7.1. Payables

	2021 \$'000	2020 \$'000
Current		
Trade payables	148	132
Accrued expenses	31	28
Employee and staff on-costs	50	47
Total current payables	229	207
Non-current		
Employee and staff on-costs	65	108
Total non-current payables	65	108
Total payables	294	315

Payables and accruals are raised for all amounts owing but unpaid. Trade 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 represent fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of receivables.

Employment on-costs

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

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

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained at 42% and the individual superannuation rates for employees has been used in the on-cost calculation.

8. Outlook

8.1. Unrecognised contractual commitments

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

Unrecognised contractual commitments are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO). If GST is not payable to, or recoverable from, the ATO the commitments and contingencies are disclosed on a gross basis.

Capital commitments

	2021 \$'000	2020 \$'000
Capital expenditure contracted for at the reporting date but are not recognised as liabilities in the financial report, are payable as follows:		
Within one year	13	-
Total capital commitments	13	-

Expenditure commitments

	2021 \$'000	2020 \$'000
Expenditure commitments as at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	196	241
Later than one year not longer than five years	798	62
More than five years	511	-
Total expenditure commitments	1,505	303

The Board's commitment relates to its office accommodation contracted with the Department of Infrastructure and Transport (DIT). The MoAA arrangement was renewed during the financial year and ends in September 2028.

8.2. Contingent assets and liabilities

The Board did not identify any contingent assets or liabilities as at 30 June 2021. The issue identified in the previous financial statements relating to a worker's compensation claim was finalised during the financial year.

8.3. Events after the reporting period

1. Workers Compensation Claim

The Board has a possible obligation that may require an outflow of resources as a result of a workers' compensation claim received after 30 June 2021. The expenditure, if any, to settle the claim is unknown. The claim will be assessed during the 2021-22 financial year.

2. New Regulations Effective

From 1 July 2021 the new *Teachers Registration and Standards Regulations 2021* took effect. A key change of the new regulations is teachers having the option to pay for registration for one, two, three, four, or five years. Under the previous regulations, teachers were required to pay for a three-year period.

The Teachers Registration Board (TRB) is changing its revenue recognition policy from 1 July 2021 as a result of this change. TRB applies the recognition exemption in AASB 15 for low value licences to registration fee revenue. Up to 30 June 2021, the TRB's accounting policy has been to recognise all revenue on receipt of the fees from teachers.

The 2021-22 financial statements will change the accounting policy to only recognise registration fee revenue that cover the period of the financial year. Registration fee revenue paid by teachers relating to future registration periods will be recorded as a revenue received in advance liability and brought to the revenue account in subsequent periods.

9. Measurement and Risk

9.1. Long service leave liability – measurement

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

The actuarial assessment performed by the Department of Treasury and Finance 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. These assumptions are based on employee data over SA Government entities.

AASB 119 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 2020 (0.75%) to 2021 (1.25%).

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability of \$62,000.

The actuarial assessment performed by the Department of Treasury and Finance has left the salary inflation rate at 2.5% for long term employee benefits.

The portion of the long service leave provision classified as current is estimated in accordance with the average amounts of long service leave taken over the past three years.

9.2. 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.

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

Property, plant and equipment

All items of property, plant and equipment had a fair value at the time of acquisition less than \$1.5 million. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items is deemed to approximate fair value.

9.3. Financial Instruments

Financial risk management

Risk management is managed by the Board and risk management policies are in accordance with the *SA Government Risk Management Guide* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Board'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

The fees paid by teachers fund the operation of the Board and there is no financial support from external sources, including the South Australian or Commonwealth Governments, other than reimbursement of expenditure incurred. Financial sustainability is critical for the Board with prudent financial modelling over a three-year period, aligning with the registration cycle for teachers.

Refer to note 7.1 for further information.