



Level 9  
State Administration Centre  
200 Victoria Square  
Adelaide SA 5000

Tel +618 8226 9640  
Fax +618 8226 9688

ABN 53 327 061 410

audgensa@audit.sa.gov.au  
www.audit.sa.gov.au

## To the Acting Chief Executive Premier's Delivery Unit

### Opinion

I have audited the financial report of the Premier's Delivery Unit for the year ending 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Premier's Delivery Unit as at 30 June 2022, 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 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Acting Chief Executive and the Acting Director, Finance and Procurement, Department of the Premier and Cabinet.

### 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 Premier's Delivery Unit. 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 Acting Chief Executive for the financial report**

The Acting 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 Acting 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 Acting 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 Premier's Delivery Unit for the financial year ended 30 June 2022.

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 Premier's Delivery Unit's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Chief Executive
- conclude on the appropriateness of the Acting 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 Acting 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)**

30 September 2022

# **Premier's Delivery Unit**

## **Financial Statements**

For the year ended 30 June 2022

**Premier's Delivery Unit**  
**Certification of the Financial Statements**  
*for the year ended 30 June 2022*

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We certify that the:

- financial statements of the Premier's Delivery Unit:
  - 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 Premier's Delivery Unit for the financial year over its financial reporting and its preparation of financial statements have been effective.



Deahna Haltis  
**Acting Chief Executive**  
**Premier's Delivery Unit**  
29 September 2022



Kylie Allanson  
**Acting Director, Finance and Procurement**  
**Department of the Premier and Cabinet**  
29 September 2022

**Premier's Delivery Unit**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2022*

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	Note	2022 \$'000
<b>Income</b>		
Appropriation	2.1	750
<b>Total income</b>		<u>750</u>
<b>Expenses</b>		
Employee benefits expenses	3.2	314
Supplies and services	4.1	24
<b>Total expenses</b>		<u>338</u>
<b>Net result</b>		<u>412</u>
<b>Total comprehensive result</b>		<u><u>412</u></u>

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

**Premier's Delivery Unit**  
**Statement of Financial Position**  
*as at 30 June 2022*

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	Note	2022 \$'000
<b>Current assets</b>		
Cash	5.1	639
Receivables	5.2	2
<b>Total current assets</b>		<u>641</u>
<b>Total assets</b>		<u>641</u>
<b>Current liabilities</b>		
Payables	6.1	34
Employee benefits	3.3	95
<b>Total current liabilities</b>		<u>129</u>
<b>Non-current liabilities</b>		
Payables	6.1	9
Employee benefits	3.3	91
<b>Total non-current liabilities</b>		<u>100</u>
<b>Total liabilities</b>		<u>229</u>
<b>Net assets</b>		<u>412</u>
<b>Equity</b>		
Retained earnings		<u>412</u>
<b>Total equity</b>		<u>412</u>

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

**Premier's Delivery Unit**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2022*

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	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 30 June 2021</b>	-	-
Net result for 2021-22	412	412
<b>Total comprehensive result for 2021-22</b>	<b>412</b>	<b>412</b>
<b>Balance at 30 June 2022</b>	<b>412</b>	<b>412</b>

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



**Premier's Delivery Unit**  
**Statement of Cash Flows**  
*for the year ended 30 June 2022*

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	2022
	Inflows
	(Outflows)
Note	\$'000
<b>Cash flows from operating activities</b>	
<b>Cash inflows</b>	
Appropriation	750
<b>Cash generated from operating activities</b>	<u>750</u>
<b>Cash outflows</b>	
Employee benefits payments	(106)
Payments for supplies and services	(5)
<b>Cash used in operating activities</b>	<u>(111)</u>
<b>Net cash provided by operating activities</b>	<u>639</u>
<b>Net increase in cash</b>	<u>639</u>
<b>Cash at the end of the reporting period</b>	5.1 <u><u>639</u></u>

The accompanying notes form part of these financial statements.

# Premier's Delivery Unit

## Notes to and forming part of the financial statements

### For the year ended 30 June 2022

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#### 1. About the Premier's Delivery Unit

The Premier's Delivery Unit (PDU) is an attached office of the Department of the Premier and Cabinet (DPC) which came into operation on 14 April 2022, pursuant to the *Public Sector Act 2009*. PDU is an administrative unit acting on behalf of the Crown.

PDU will ensure the timely delivery of the government's election commitments and other major policies, projects and reforms as identified by Cabinet.

#### 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 (ATO) is classified as part of operating cash flows of DPC, not PDU.

#### 1.2 Objectives

The PDU is an independent office established to oversee the delivery of identified Government priorities, including all election commitments.

#### 1.3 Impact of COVID-19 pandemic on PDU

The COVID-19 pandemic has had no material impact on the operations of PDU during 2021-22.

**Premier's Delivery Unit**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**2. Income**

**2.1 Appropriation**

	2022 \$'000
Appropriation from Consolidated Account pursuant to the <i>Appropriation Act</i>	750
<b>Total appropriation</b>	<b>750</b>

Appropriations are recognised on receipt.

**3. Employees**

**3.1 Key management personnel**

Key management personnel of PDU include the Premier and the Chief Executive who has responsibility for the strategic direction and management of PDU.

Total compensation for key management personnel was \$67 000.

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 Department of Treasury and Finance (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**

	2022 \$'000
<b>3.2: Employee benefits expenses</b>	
Salaries and wages	78
Long service leave	101
Annual leave	85
Skills and experience retention leave	1
Employment on-costs - superannuation	34
Employment on-costs - other	15
<b>Total employee benefits expenses</b>	<b>314</b>

***Employment on-costs - superannuation***

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

***Employee remuneration***

Due to the commencement of the operations of the Premier's Delivery Unit on 14 April 2022, no employee received remuneration equal to or greater than the base executive remuneration level during the year.

**Premier's Delivery Unit**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**3.3 Employee benefits liability**

	2022 \$'000
<b><u>Current</u></b>	
Annual leave	84
Long service leave	10
Skills and experience retention leave	1
<b>Total current employee benefits</b>	<b>95</b>
 <b><u>Non-current</u></b>	
Long service leave	91
<b>Total non-current employee benefits</b>	<b>91</b>
 <b>Total employee benefits</b>	<b>186</b>

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

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

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

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 for 2022 is 3.5%.

The actuarial assessment performed by DTF applied a salary inflation rate of 2.5% for the long service leave liability.

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

**Premier's Delivery Unit**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**4. Expenses**

**4.1 Supplies and services**

	2022
	\$'000
Contractors	5
Audit fees	14
Information technology and communication charges	5
<b>Total supplies and services</b>	<b>24</b>

***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.

**5. Financial assets**

**5.1 Cash**

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

**5.2 Receivables**

Receivables are normally settled within 30 days after the issue of an invoice. Receivables and prepayments are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

**Premier's Delivery Unit**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**6. Liabilities**

**6.1 Payables**

	2022 \$'000
<b><u>Current</u></b>	
Trade payables	5
Accrued expenses	14
Employment on-costs	15
<b>Total current payables</b>	<b>34</b>
<b><u>Non-current</u></b>	
Employment on-costs	9
<b>Total non-current payables</b>	<b>9</b>
<b>Total payables</b>	<b>43</b>

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

**Employment on-costs**

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

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is 42% and the average factor for the calculation of employer superannuation cost on-costs is 10.6%. These rates are used in the employment on-cost calculation.

**7. Cash flow**

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

**8. Outlook**

**8.1 Unrecognised contractual commitments**

	2022 \$'000
Within one year	108
Later than one year but not longer than five years	217
<b>Total expenditure commitments</b>	<b>325</b>

PDU's expenditure commitments for 2021-22 relate to strategic advisory and support services.

**Premier's Delivery Unit**  
**Notes to and forming part of the financial statements**  
*For the year ended 30 June 2022*

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**8.2 Contingent assets and liabilities**

PDU is not aware of any contingent assets or liabilities as at 30 June 2022.

**8.3 COVID-19 pandemic outlook on PDU**

PDU does not expect any material impacts as a result of the COVID-19 pandemic in 2022-23.

**8.4 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.