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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 2026.

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 2026, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and the 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 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.

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 Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and 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 2026.

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
Deputy Auditor-General

30 September 2026

Office of the South Australian Productivity Commission

Financial Statements

For the year ended 30 June 2026

Office of the South Australian Productivity Commission
Certification of the Financial Statements
for the year ended 30 June 2026

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

29 September 2026



Claire Hodgetts
Director, Finance and Procurement
Department of the Premier and Cabinet

29 September 2026

Office of the South Australian Productivity Commission
Statement of Comprehensive Income
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
Appropriation	3.1	2 327	2 284
Intra-government transfers	3.2	30	10
Other income	3.3	21	30
Total income		2 378	2 324
Expenses			
Employee related expenses	4.1	1 700	1 749
Supplies and services	4.2	398	401
Depreciation	5.4	4	4
Total expenses		2 102	2 154
Net result		276	170
Total comprehensive result		276	170

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 2026

	Note	2026 \$'000	2025 \$'000
Current assets			
Cash	5.2	2 288	2 007
Total current assets		2 288	2 007
Non-current assets			
Receivables	5.3	1	1
Plant and equipment	5.4	11	15
Total non-current assets		12	16
Total assets		2 300	2 023
Current liabilities			
Payables	6.2	2	3
Employee related liabilities	6.3	194	177
Provisions	6.4	6	6
Total current liabilities		202	186
Non-current liabilities			
Employee related liabilities	6.3	152	166
Provisions	6.4	23	24
Total non-current liabilities		175	190
Total liabilities		377	376
Net assets		1 923	1 647
Equity			
Retained earnings		1 923	1 647
Total equity		1 923	1 647

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 2026

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024	1 477	1 477
Net result for 2024-25	170	170
Total comprehensive result for 2024-25	170	170
Balance at 30 June 2025	1 647	1 647
Net result for 2025-26	276	276
Total comprehensive result for 2025-26	276	276
Balance at 30 June 2026	1 923	1 923

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 2026

		2026	2025
		Inflows	Inflows
		(Outflows)	(Outflows)
Note		\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
		2 327	2 284
Appropriation		30	10
Intra-government transfers		6	-
Other receipts			
Cash generated from operating activities		2 363	2 294
Cash outflows			
		(1 698)	(1 668)
Employee related payments		(384)	(402)
Payments for supplies and services			
Cash used in operating activities		(2 082)	(2 070)
Net cash provided by operating activities		281	224
Net increase in cash		281	224
Cash at the beginning of the reporting period		2 007	1 783
Cash at the end of the reporting period	5.2	2 288	2 007

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 2026

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 reporting 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 12-month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Material accounting policies are set out throughout the notes.

Cash flows are 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 2026

2. Board and committees

2.1 Key management personnel

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

Total compensation for key management personnel was \$0.570 million (2025: \$0.579 million).

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. Income

3.1 Appropriation

Appropriation is recognised on receipt.

3.2 Intra-government transfers

Intra-government transfers are recognised on receipt and comprise of contingency funding from DTF.

3.3 Other income

	2026	2025
	\$'000	\$'000
Services received free of charge	15	15
Recoveries	6	-
Other income	-	15
Total other income	21	30

OSAPC receives audit services free of charge from the Audit Office of South Australia (AOSA) in relation to work performed under the *Public Finance and Audit Act 1987*. OSAPC received audit services from AOSA valued at \$0.015 million (2025: \$0.015 million).

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4. Expenses

4.1 Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	1 346	1 290
Superannuation	176	228
Annual leave	94	120
Long service leave	(9)	34
Skills and experience retention leave	4	4
Workers compensation revaluation	-	(9)
Other employee related expenses	89	82
Total employee related expenses	1 700	1 749

Employment expenses

OSAPC employees are employed under Part 7 of the *Public Sector Act 2009*.

The superannuation expense represents OSAPC's contributions to superannuation plans in respect of current services of current employees.

Employee remuneration

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

	2026	2025
	No	No
\$197 001 to \$217 000	1	-
\$217 001 to \$237 000	-	1
\$337 001 to \$357 000	-	1
\$357 001 to \$377 000	1	-
Total	2	2

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 \$0.571 million (2025: \$0.579 million).

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

4.2 Supplies and services

	2026	2025
	\$'000	\$'000
Corporate support services	311	304
General administration and consumables	19	10
Audit fees	15	15
Staff development and recruitment	10	3
Information technology and communication charges	23	26
Temporary staff	-	13
Other	20	30
Total supplies and services	398	401

Audit fees

Supplies and services include the fair value of services received free of charge from the AOSA which is \$0.015 million (2025: \$0.015 million) as disclosed in note 3.3 for work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the AOSA.

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5. Assets

5.1 Financial assets

	2026 \$'000	2025 \$'000
Financial assets measured at amortised cost		
Cash	2 288	2 007
Total financial assets	2 288	2 007

5.2 Cash

OSAPC has a non-interest bearing deposit account held with the Treasurer, which must be used in accordance with its approved purpose. Cash is measured at nominal amounts.

5.3 Receivables

	2026 \$'000	2025 \$'000
Non-current		
Statutory receivables		
Workers compensation recoveries	1	1
Total statutory receivables	1	1
 Total receivables	 1	 1

Statutory receivables relate to recoveries determined by the workers compensation actuarial assessment, refer to note 6.4.

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5.4 Plant and equipment owned by OSAPC

Plant and equipment owned by OSAPC with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Plant and equipment is recorded at fair value.

All items of plant and equipment owned by OSAPC that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

Reconciliation 2025-26

	Plant and equipment \$'000	Total \$'000
Carrying amount at 1 July 2025	15	15
Depreciation	(4)	(4)
Carrying amount at the end of the period	11	11
Gross carrying amount		
Gross carrying amount	20	20
Accumulated depreciation	(9)	(9)
Carrying amount at the end of the period	11	11

Impairment

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.

Useful life and depreciation

Depreciation is calculated on a straight-line basis. Plant and equipment depreciation is calculated over the estimated useful life of 5 years.

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6. Liabilities

6.1 Financial liabilities

	2026 \$'000	2025 \$'000
Financial liabilities measured at amortised cost		
Contractual payables	2	3
Total financial liabilities	2	3

6.2 Payables

	2026 \$'000	2025 \$'000
Current		
Contractual payables	2	3
Total current payables	2	3
Total payables	2	3

Payables and accrued expenses are recognised for all amounts owing but unpaid. Contractual payables are normally settled within 15 days from the date the invoice is first received. All payables are non-interest bearing.

6.3 Employee related liabilities

	2026 \$'000	2025 \$'000
Current		
Annual leave	133	122
Long service leave	18	17
Accrued salaries and wages	11	6
Employment on-costs	28	27
Skills and experience retention leave	4	5
Total current employee related liabilities	194	177
Non-current		
Long service leave	138	150
Employment on-costs	14	16
Total non-current employee related liabilities	152	166
Total employee related liabilities	346	343

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Apart from long service leave liability, employee related liabilities are measured at nominal amounts.

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6.3 Employee related liabilities (continued)

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

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

The annual leave liability and the SERL liability are expected to be paid within 12 months and is measured at the undiscounted amounts expected to be paid. The salary inflation rate applied to the annual leave and SERL liabilities increased to 3.5% in 2026 from 3.2% in 2025.

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

Long service leave liability 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. The expected timing and amount of long service leave payments are determined through whole-of-government actuarial calculations, which are 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. The discount rate is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds increased to 4.75% (2025: 4.25%).

The net financial effect of the changes to the actuarial assumption in the current financial year is immaterial.

The salary inflation rate applied in the actuarial assessment performed by DTF for the long service leave liability has remained unchanged at 3.5% (2025: 3.5%).

The current portion of long service leave reflects DPC's 5-year average experience of long service leave which is expected to continue in the future.

Employment on-costs liabilities

Employment on-costs liabilities include payroll tax and superannuation contributions that are settled when the respective employee related liabilities that they relate to are discharged. These on-costs liabilities primarily relate to the balance of leave owing to employees. The estimated proportion of long-service leave to be taken as leave, rather than to be paid on termination, affects the amount of on-costs liabilities recognised as a consequence of long service leave liabilities.

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

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has remained unchanged at 44% (2025: 44%) and the average factor for the calculation of employer superannuation on-costs has remained unchanged at 12% (2025: 12%). These rates are used in the employment on-cost calculation. There were no changes during 2025-26.

Office of the South Australian Productivity Commission
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6.4 Provisions

Workers compensation provision

	2026	2025
	\$'000	\$'000
<i>Reconciliation of workers compensation</i>		
Carrying amount at the beginning of the period	30	39
Remeasurement	(1)	(9)
Carrying amount at the end of the period	29	30

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2026 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

OSAPC is responsible for the payment of workers compensation claims.

7. Outlook

7.1 Unrecognised contractual commitments

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

Contractual commitments

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

	2026	2025
	\$'000	\$'000
Within one year	-	311
Total contractual commitments	-	311

Commitments comprise the service level agreement between OSAPC and DPC for corporate support services. There were nil commitments as at 30 June 2026.

7.2 Contingent assets and liabilities

OSAPC does not have any contingent assets or liabilities as at 30 June 2026.

7.3 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.