



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
enquiries@audit.sa.gov.au
www.audit.sa.gov.au

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

Opinion

I have audited the financial report of the Office of the Commissioner for Public Sector Employment for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Office of the Commissioner for Public Sector Employment as at 30 June 2026, its financial performance and its cash flows for 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, Office of the Commissioner for Public Sector Employment 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 Commissioner for Public Sector Employment. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Chief Executive 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 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 that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Daniel O'Donohue
Deputy Auditor-General

30 September 2026

**Office of the Commissioner for Public Sector
Employment
(OCPSE)**

Financial Statements

For the year ended 30 June 2026

Office of the Commissioner for Public Sector Employment
Certification of the Financial Statements
for the year ended 30 June 2026

We certify that the:

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



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

30 September 2026



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

30 September 2026

Office of the Commissioner for Public Sector Employment
Statement of Comprehensive Income
for the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
Income			
Appropriation	3.1	3 023	-
Fees and charges	3.2	10 377	9 316
Grants and subsidies	3.3	-	3 119
Intra-government transfers		140	-
Other income	3.4	1 359	1 339
Total income		14 899	13 774
Expenses			
Employee related expenses	4.1	7 349	6 892
Supplies and services	4.2	5 997	5 467
Depreciation and amortisation		143	-
Grants and subsidies		250	175
Total expenses		13 739	12 534
Net result		1 160	1 240
Other comprehensive income			
Items that will not be reclassified to net result:			
Changes in property, plant and equipment asset revaluation surplus		-	257
Total other comprehensive income		-	257
Total comprehensive result		1 160	1 497

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

Office of the Commissioner for Public Sector Employment
Statement of Financial Position
as at 30 June 2026

		2026	2025
	Note	\$'000	\$'000
Current assets			
Cash	5.2	4 067	2 183
Receivables	5.3	450	1 333
Total current assets		4 517	3 516
Non-current assets			
Receivables	5.3	2	2
Property, plant and equipment	5.4	168	311
Total non-current assets		170	313
Total assets		4 687	3 829
Current liabilities			
Payables	6.2	296	608
Employee related liabilities	6.3	661	611
Provisions	6.4	24	21
Total current liabilities		981	1 240
Non-current liabilities			
Employee related liabilities	6.3	1 003	1 045
Provisions	6.4	84	85
Total non-current liabilities		1 087	1 130
Total liabilities		2 068	2 370
Net assets		2 619	1 459
Equity			
Asset revaluation surplus		257	257
Retained earnings		2 362	1 202
Total equity		2 619	1 459

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

Office of the Commissioner for Public Sector Employment
Statement of Changes in Equity
for the year ended 30 June 2026

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024		-	(38)	(38)
Original net result for 2024-25		-	354	354
Prior period adjustments	7.1	-	886	886
Restated net result for 2024-25		-	1 240	1 240
Gain on revaluation of building improvements during 2024-25		257	-	257
Total comprehensive result for 2024-25		257	1 240	1 497
Balance at 30 June 2025		257	1 202	1 459
Net result for 2025-26		-	1 160	1 160
Total comprehensive result for 2025-26		-	1 160	1 160
Balance at 30 June 2026		257	2 362	2 619

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

Office of the Commissioner for Public Sector Employment
Statement of Cash Flows
for the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Appropriation		3 023	-
Fees and charges		11 284	9 007
Grants and subsidies		-	3 119
Intra-government transfers		140	-
Other receipts		1 019	-
Cash outflows			
Employee related payments		(7 339)	(6 894)
Payments for supplies and services		(5 993)	(4 817)
Payments for grants and subsidies		(250)	(175)
Net cash provided by operating activities		1 884	240
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		-	(54)
Net cash used in investing activities		-	(54)
Net increase in cash equivalents		1 884	186
Cash at the beginning of the period		2 183	1 997
Cash at the end of the period	5.2	4 067	2 183

The accompanying notes form part of these financial statements.

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

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

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

OCPSE became an attached office of the Department of the Premier and Cabinet (DPC), pursuant to the *Public Sector Act 2009*, from 1 July 2024.

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

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

1.1. Basis of preparation

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

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards applying simplified disclosures.

The financial statements are 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 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 described 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 OCPSE.

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

1.2. Objectives and programs

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

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

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

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

2. Committees and employees

2.1. Key management personnel

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

The total compensation for key management personnel was \$0.911 million (2025: \$0.912 million).

The compensation disclosed in this note excludes salaries and other benefits received by the Treasurer. The Treasurer's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transaction with key management personnel and other related parties

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

2.2. Committee members

Members during the 2025-26 financial year were:

Remuneration Tribunal of South Australia

Matthew O'Callaghan (President)

Donny Walford

Mark Young

Committee remuneration

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

	2026	2025
\$20 000 - \$39 999	3	3
Total number of members	3	3

The total remuneration received or receivable by members was \$0.094 million (2025: \$0.092 million). Remuneration of members includes all costs paid/payable to board and committee members, such as sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

3. Income

3.1. Appropriation

Appropriation is recognised on receipt.

Appropriation pursuant to the *Appropriation Act* (the Act) consists of \$3.023 million (2025: nil) for operational funding.

3.2. Fees and charges

	2026	2025
	\$'000	\$'000
Leadership development	3 780	3 012
Work health safety injury management	2 011	1 944
Injury management systems and services	1 296	1 202
MyCareer system	722	667
SA Government salary sacrifice arrangements	512	500
I WORK FOR SA jobs board	438	409
SA public sector employee survey	-	46
Other fees and charges	1 618	1 536
Total fees and charges	10 377	9 316

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

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

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

Human resources management systems and services – OCPSE provides injury management, work health safety, recruitment, learning, performance and talent systems and services for the SA Public Sector. Income for these systems and services is recognised on a cost recovery basis with public sector agencies. Any amount remaining unpaid at the end of the reporting period are treated as accounts receivable.

3.3. Grants and subsidies

	2026	2025
	\$'000	\$'000
Operational funding provided by SA Government	-	3 119
Total Grants and subsidies income	-	3 119

SA Government grants and subsidies are recognised as income on receipt.

As a result of a review undertaken by the Department of Treasury and Finance, from 1 July 2025 OCPSE directly received appropriation. For the year ending 30 June 2025 OCPSE received operational funding via DPC Administered Items.

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

3.4. Other income

	2026	2025
	\$'000	\$'000
SA Government salary sacrifice arrangements	1 003	886
Services received free of charge - other entities	340	336
Other income	16	117
Total other income	1 359	1 339

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

OCPSE receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services free of charge from Shared Services SA. OCPSE receives corporate support from DPC as an attached office from 1 July 2024. OCPSE also receives audit services free of charge from the Audit Office of South Australia (AOSA).

Other income includes interest income associated with contractual arrangements for South Australian Government Salary Sacrificing. Interest income is recognised on receipt. In 2025-26 OPCSE received amounts relating to 2024-25 and 2025-26.

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

4. Expenses

4.1. Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	5 620	5 165
Superannuation	728	652
Annual leave	525	429
Board and committee fees	85	82
Skills and experience retention leave	19	22
Long service leave	5	60
Targeted voluntary separation packages	-	114
Other employee related expenses	367	368
Total employee related expenses	7 349	6 892

Employment expenses

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

Superannuation expense represents OCPSE's contribution 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.
\$ 177 001 - \$ 197 000	1	1
\$ 217 001 - \$ 237 000	1	-
\$ 237 001 - \$ 257 000	-	1
\$ 457 001 - \$ 477 000	-	1
\$ 477 001 - \$ 497 000	1	-
Total	3	3

The total remuneration received by these employees for the year was \$0.911 million (2025: \$0.912 million).

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

Targeted voluntary separation packages (TVSPs)

The number of employees who were paid a TVSP during the reporting period was nil (2025: 1).

	2026	2025
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted voluntary separation packages	-	114
Leave paid to separated employees	-	19
Net cost to OCPSE	-	133

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

4.2. Supplies and services

	2026	2025
	\$'000	\$'000
Project management costs	1 924	828
Information technology and communications	1 081	965
General administration and consumables	830	842
Contractors and temporary staff	651	1 064
Consultants	595	421
Accommodation	407	559
Intra government transfers	205	133
Audit fees	115	114
Minor works, maintenance and equipment	55	113
Legal costs	25	212
Other	109	216
Total supplies and services	5 997	5 467

Audit fees

Supplies and services include the fair value of resources received free of charge as disclosed in note 3.4. This includes an amount of \$0.115 million (2025: \$0.114 million) for audit services received from the AOSA for work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the AOSA.

Accommodation

All of the OCPSE's accommodation is provided by the Department for Infrastructure and Transport (DIT) under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease set out in AASB 16 and accordingly are expensed.

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

5. Assets

5.1. Financial assets

	2026	2025
	\$'000	\$'000
Financial assets measured at amortised cost		
Cash	4 067	2 183
Contractual receivables	386	1 293
Total financial assets	4 453	3 476

5.2. Cash

OCPSE 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	2025
	\$'000	\$'000
Current receivables		
Contractual receivables		
Receivables from fees and charges	386	1 293
Total contractual receivables	386	1 293
 Prepayments	 64	 40
Total current receivables	450	1 333
 Non-current receivables		
Statutory receivables		
Workers compensation recoveries	2	2
Total statutory receivables	2	2
 Total non-current receivables	 2	 2
 Total receivables	 452	 1 335

Contractual receivables

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Statutory receivables

Workers compensation recoveries are related to the interim benefits receivable from employees pursuant to Section 32(3) of *Return to Work Act 2014*. This receivable is recognised when the relevant employees' claims are rejected.

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

5.4. Property, plant and equipment

Reconciliation 2025-26	Building improvements \$'000	Plant and equipment \$'000	Work in progress \$'000	Total \$'000
Carrying amount at the beginning of the period	257	-	54	311
Transfers between asset classes	-	54	(54)	-
Depreciation and amortisation	(132)	(11)	-	(143)
Carrying amount at the end of the period	125	43	-	168

	\$'000	\$'000	\$'000	\$'000
Gross carrying amount	257	54		311
Accumulated depreciation	(132)	(11)		(143)
Carrying amount at the end of the period	125	43	-	168

Review of accounting estimates, capitalisation, depreciation and useful life

Property, plant and equipment owned by OCPSE with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed.

Depreciation is calculated on a straight-line basis. Building improvements depreciation is calculated over the remaining estimated useful life of these assets being 1-5 years.

Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate on an annual basis. Changes in the expected useful 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.

Property, plant and equipment owned by OCPSE

Owned property, plant and equipment is subsequently measured at fair value. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Revaluation of building improvements

Revaluation of building improvements is undertaken on a regular cycle and is revalued at least every six years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place.

A site valuation of leasehold improvements was conducted by certified valuers Liquid Pacific Asset Consultants as at 30 June 2025.

Office of the Commissioner for Public Sector Employment
Notes to and forming part of 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	296	608
Total financial liabilities	296	608

6.2. Payables

	2026 \$'000	2025 \$'000
Current		
Contractual payables	296	608
Total current payables	296	608
Total payables	296	608

Contractual payables

Contractual payables are liabilities that arises from contracts. They include trade payables and accrued expenses. Accrued expenses are expenses incurred but not yet invoiced or paid. The balances are transferred to trade payables when invoices are received.

Contractual payables are normally settled within 15 days from the date the invoice is received.

6.3. Employee related liabilities

	2026 \$'000	2025 \$'000
Current		
Annual leave	392	385
Long service leave	118	106
Accrued salaries and wages	46	21
Skills and experience retention leave	12	15
Employment on-costs	93	84
Total current employee related liabilities	661	611
Non-current		
Long service leave	908	946
Employment on-costs	95	99
Total non-current employee related liabilities	1 003	1 045
Total employee liabilities	1 664	1 656

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

Office of the Commissioner for Public Sector Employment
Notes to and forming part of 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 salary and wages is measured as the amount unpaid at the reporting date 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 are measured at the undiscounted amounts 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

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 actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$30 000 and employee related expense of \$30 000.

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

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.

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

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

6.4. Provisions

	2026	2025
	\$'000	\$'000
Reconciliation of workers compensation		
Carrying amount at the beginning of the period	106	51
Additions	-	55
Remeasurements	2	-
Carrying amount at the end of the period	108	106

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 by OCPSE. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

OCPSE is responsible for the payment of workers compensation claims.

7. Other disclosures

7.1 Equity

During 2025-26 OCPSE received interest income associated with the new contractual arrangements for South Australian Government Salary Sacrificing. It was identified that \$0.886 million of this amount related to the 2024-25 financial year. An adjustment has been made to recognise this amount into 2024-25.

Office of the Commissioner for Public Sector Employment
Notes to and forming part of financial statements
for the year ended 30 June 2026

8. Outlook

8.1. Unrecognised commitments

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

Contractual commitments

	2026	2025
	\$'000	\$'000
Within one year	2 601	1 592
Later than one year but not longer than five years	2 728	2 506
Total contractual commitments	5 329	4 098

The OCPSE's contractual commitments are primarily agreements for actuarial services (\$0.831 million) and software services (\$1.234 million) and the Memoranda of Administrative Arrangements with DIT for accommodation (\$0.585 million).

8.2. Contingent assets and liabilities

OCPSE is not aware of any contingent assets or liabilities as at 30 June 2026.

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.