

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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To the Acting Industry Advocate Office of the Industry Advocate

Opinion

I have audited the financial report of the Office of the Industry Advocate 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 Industry Advocate 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.

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 Acting Industry Advocate and the Acting Director, Operations and Reform.

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 Industry Advocate. 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 Industry Advocate for the financial report

The Acting Industry Advocate 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 Acting Industry Advocate is responsible for assessing the entity's ability to continue as a going concern, 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 Industry Advocate 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 Industry Advocate's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Acting Industry Advocate

- conclude on the appropriateness of the Acting Industry Advocate'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 Industry Advocate 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.

A handwritten signature in black ink, appearing to read 'Daniel O'Donohue', with a long horizontal flourish extending to the right.

Daniel O'Donohue
Deputy Auditor-General

28 September 2026

Office of the Industry Advocate

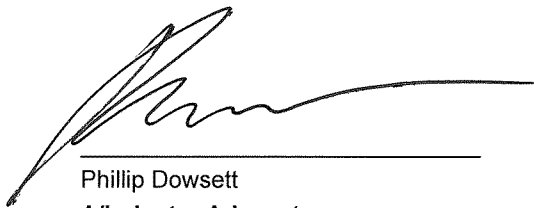
Financial Statements

for the year ended 30 June 2026

Office of the Industry Advocate
Certification of the Financial Statements
for the year ended 30 June 2026

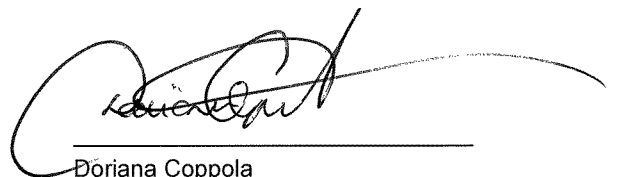
We certify that the:

- financial statements of the Office of the Industry Advocate :
 - are in accordance with the accounts and records of the Office of the Industry Advocate;
 - 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 of the Industry Advocate 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 Industry Advocate for the financial year over its financial reporting and its preparation of financial statements have been effective.



Phillip Dowsett
A/Industry Advocate
September 2026

24.09.2026



Dorian Coppola
A/Director, Operations and Reform
24th September 2026

Office of the Industry Advocate
Statement of Comprehensive Income
for the year ended 30 June 2026

		2026	2025
	Note	\$'000	\$'000
<u>Income</u>			
Intra-government transfers	3.1	2 419	2 269
Resources received free of charge	3.2	22	17
Other income	3.3	611	203
Total income		3 052	2 489
<u>Expenses</u>			
Employee related expenses	4.1	1 960	1 818
Supplies and services	4.2	700	529
Grants and subsidies		29	-
Total expenses		2 689	2 347
Net result		363	142
Total comprehensive result		363	142

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 Industry Advocate
Statement of Financial Position
as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
<u>Current assets</u>			
Cash and cash equivalents	5.1	1 163	763
Receivables	5.2	17	5
Total current assets		1 180	768
Total assets		1 180	768
<u>Current liabilities</u>			
Payables	6.1	31	19
Employee related liabilities	6.2	238	259
Provisions	6.3	3	3
Other liabilities	6.4	52	-
Total current liabilities		324	281
<u>Non-current liabilities</u>			
Employee related liabilities	6.2	203	197
Provisions	6.3	10	10
Total non-current liabilities		213	207
Total liabilities		537	488
Net assets		643	280
<u>Equity</u>			
Retained earnings		643	280
Total equity		643	280

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

Office of the Industry Advocate
Statement of Changes in Equity
for the year ended 30 June 2026

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024	<u>138</u>	<u>138</u>
Net result for 2024-25	<u>142</u>	<u>142</u>
Total comprehensive result for 2024-25	<u>142</u>	<u>142</u>
Balance at 30 June 2025	<u>280</u>	<u>280</u>
Net result for 2025-26	<u>363</u>	<u>363</u>
Total comprehensive result for 2025-26	<u>363</u>	<u>363</u>
Balance at 30 June 2026	<u><u>643</u></u>	<u><u>643</u></u>

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

Office of the Industry Advocate
Statement of Cash Flows
for the year ended 30 June 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
Cash inflows			
Intra-government transfers		2 471	2 269
Other receipts		610	203
Cash generated from operations		3 081	2 472
Cash outflows			
Employee related payments		(1 974)	(1 742)
Payments for supplies and services		(675)	(545)
GST paid to DTF		(3)	(4)
Payments of grants and subsidies		(29)	-
Cash used in operations		(2 681)	(2 291)
Net cash used in operating activities		400	181
Net increase/(decrease) in cash and cash equivalents		400	181
Cash and cash equivalents at the beginning of the period		763	582
Cash and cash equivalents at the end of the period	5.1	1 163	763

The accompanying notes form part of these financial statements

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1. About the Office of the Industry Advocate

The Office of the Industry Advocate (OIA/the Office) is a not for profit statutory authority of the State of South Australia, established pursuant to the *Industry Advocate Act 2017* proclaimed under *Public Sector Notice 2017* (dated 31 October 2017).

The Industry Advocate is appointed by the Governor and is an agency of the Crown.

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.

For the purposes of preparing the financial statements, The Office is not a not-for-profit entity. 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 that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which OIA has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

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 (ATO), 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.

The Office is grouped with the Department of Treasury and Finance (DTF) for GST purposes, and accordingly DTF prepares the Business Activity Statement on behalf of the Office via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure the Office either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from DTF.

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.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2026

1.2. Objectives and programs

The objectives of the Office of the Industry Advocate are to ensure all functions of the *Industry Advocate Act 2017* are exercised, including but not limited to:

- Promote competitive, capable local businesses to government purchasers and private sector companies delivering contracts on behalf of the government.
- Recommend reforms to procurement and contracting practices to ensure local businesses are not disadvantaged.
- Ensure local businesses have a full, fair and reasonable opportunity to win work on major projects under the South Australian Industry Participation Policy.
- To take action to further the objectives of the South Australian Industry Participation Policy.

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the Office include the Minister, the Industry Advocate and one member of the executive team who have responsibility for the strategic direction and management of the Office.

The compensation for key management personnel was \$660 000 (2025: \$521 000).

The compensation disclosed in this note excludes salaries and other benefits the Minister 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*.

Transaction with Key Management Personnel and other related parties

Apart from the remuneration for key management personnel, the Office of the Industry Advocate does not have material transactions with key management personnel, their close family members and/or their controlled or jointly controlled entities.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2026

3. Income

3.1. Intra-government transfers

	2026	2025
	\$'000	\$'000
Intra-government transfers - Department of Treasury and Finance	2 337	2 269
Intra-government transfers - Department of State Development	82	-
Total Intra-government transfers	2 419	2 269

Intra-government transfers from the Department of Treasury and Finance is funding for Office operations. They are recognised as revenues when the Office obtains control over the funding. Control over transfers is normally obtained upon receipt.

Intra-government transfers from the Department of State Development is funding for the Meet the Buyer event in August 2026. They are recognised as revenues when eligible expenditure directly related to the event is incurred.

3.2. Resources received free of charge

	2026	2025
	\$'000	\$'000
Services received free of charge - Shared Services SA	11	9
Services received free of charge - Audit Office of South Australia	11	8
Total resources received free of charge	22	17

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

The Office receives financial accounting, taxation, payroll, accounts payable and accounts receivable services from Shared Services SA. The Office also received audit services free of charge from the Audit Office of South Australia.

A corresponding expense is recognised in the financial statements refer note 4.2.

3.3. Other income

	2026	2025
	\$'000	\$'000
Recoveries	611	195
Derecognition of audit fees payable	-	8
Total other income	611	203

The majority of recoveries relate to salaries and wages, travel expenses and other costs associated with the Industry Advocate's expanded role as the Whyalla Regional Co-ordinator.

Office of the Industry Advocate
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	1 205	1 253
Annual leave	87	169
Long service leave	5	56
Superannuation	554	248
Skills and experience retention leave	2	6
Workers compensation	-	(8)
Other employee related expenses	107	94
Total employee related expenses	1 960	1 818

Employment expenses

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

Superannuation

The Superannuation expense represent the Office 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
\$177 001 - \$197 000	1	-
\$217 001 - \$237 000	1	1
\$277 001 - \$297 000	-	1
\$417 001 - \$437 000	1	-
Total	3	2

The table includes three 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 fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

The total remuneration received by these employees for the year was \$845 000 (2025: \$521 000).

Office of the Industry Advocate
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
Accommodation	231	164
Information technology and communications	80	148
Office administration expenses	93	57
Travel and related expenses	91	48
Contractors	138	47
Staff related expenses	28	39
Consultants	18	11
Audit fees*	11	8
Marketing	6	6
Other	4	1
Total supplies and services	700	529

Accommodation

All of the Office accommodation is provided by the Department of Treasury and Finance. The arrangement does not meet the definition of a lease set out in *AASB 16* and accordingly are expensed (disclosed within 'Accommodation').

* Audit services received from the Audit Office of South Australia for work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

5. Assets

5.1. Cash and cash equivalents

	2026	2025
	\$'000	\$'000
Cash and cash equivalents		
Cash at bank	1 163	763
Total cash and cash equivalents	1 163	763

Special deposit accounts are established under Section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

OIA does not earn interest on its deposits with the Treasurer.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2026

5.2. Receivables

	2026 \$'000	2025 \$'000
Current		
Contractual receivables		
Receivables	10	-
Prepayments	-	1
Total contractual receivables	10	1
Statutory receivables		
GST receivable	7	4
Total statutory receivables	7	4
Total current receivables	17	5
Total receivables	17	5

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 agreement.

Statutory Receivables

Statutory receivables do not arise from contracts with customers. They are related to taxes and tax equivalents as well as statutory fees and charges. Statutory receivables are recognised and measured similarly to contractual receivables. Statutory receivables are not financial assets.

No impairment loss was recognised in relation to statutory receivables.

The net amount of GST recoverable from the ATO is included as part of receivables. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost. The Office did not recognise an allowance for doubtful debts, it is not anticipated that SA Government counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to note 8.1 for further information on risk management.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6. Liabilities

6.1. Payables

	2026 \$'000	2025 \$'000
Current		
Accrued expenses	31	19
Total current payables	31	19
 Total payables	 31	 19

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.

6.2. Employee related liabilities

	2026 \$'000	2025 \$'000
Current		
Accrued salaries and wages	10	5
Annual leave	123	132
Long service leave	65	77
Skills and experience retention leave	3	5
Employment on-costs	37	40
Total current employee related liabilities	238	259
 Non-current		
Long service leave	183	179
Employment on-costs	20	18
Total non-current employee related liabilities	203	197
 Total employee related liabilities	 441	 456

Employee related liabilities are accrued as a result of services provided up to the reporting date that remain unpaid. Non-current employee related liabilities are measured at present value and current employee related liabilities are measured at their nominal amounts.

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 remuneration rates current at reporting date.

The annual leave liability and the skills and experience retention leave liability are expected to be payable within twelve 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 it is assumed that the average sick leave to be taken in future years will be less than the annual entitlement.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6.2. Employee related liabilities (continued)

Long service leave liability - measurement

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.

The expected timing and amount of long service leave payment is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departure and periods of service.

The discount rate used in measuring the liability is reflective 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 4.25% in 2025 to 4.75% in 2026.

The net financial effect of the changes to actuarial assumptions in the current financial year is immaterial. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

Following the actuarial assessment performed by DTF the salary inflation rate has remained at 3.5% in both 2025 and 2026 for long service leave liability.

Employment on-costs

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

The Office 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 scheme.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has remained at 44% in both 2025 and 2026 and the average factor for the calculation of employer superannuation on-costs has remained at 12% in both 2025 and 2026. These rates are used in the employment on-cost calculation.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2026

6.3. Provisions

All Provisions relate to workers compensation.

	2026 \$'000	2025 \$'000
Current		
Workers' compensation	3	3
Total current provisions	3	3
Non-current		
Workers' compensation	10	10
Total non-current provisions	10	10
Total provisions	13	13
Movement in provisions		
Carrying amount at the beginning of the period	13	20
Reductions resulting from re-measurement or settlement without cost	(3)	(7)
Increase in provisions recognised	3	-
Carrying amount at the end of the period	13	13

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 the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due the variety of factors involved. The provision is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

6.4. Other liabilities

	2026 \$'000	2025 \$'000
Current		
Unearned revenue	52	-
Total current other liabilities	52	-
Total other liabilities	52	-

Unspent Department of State Development contributions to the Meet the Buyer event in August 2026 are recognised as unearned revenue.

Office of the Industry Advocate
Notes to and forming part of the financial statements
for the year ended 30 June 2026

7. Outlook

7.1. Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value and are inclusive of non-recoverable GST.

	2026	2025
	\$'000	\$'000
Within one year	160	-
Total expenditure commitments	160	-

The Office's expenditure commitments for 2025-26 relates to contractual commitments for the Meet the Buyer event in August 2026.

7.2. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Office is not aware of any contingent assets and liabilities at reporting date.

7.3. Events after the reporting period

There are no known events after balance date that affect the office.

8. Measurement and risk

8.1. Financial instruments

Classification of financial instruments

The Office of Industry Advocate measures all financial instruments at amortised cost.