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To the Chief Executive Premier's Delivery Unit

Opinion

I have audited the financial report of the Premier's Delivery Unit for the financial year ended 30 June 2024.

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 2024, 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 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- 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 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 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 Premier's Delivery Unit for the financial year ended 30 June 2024.

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 Delivery Unit'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
Assistant Auditor-General (Financial Audit)

30 September 2024

Premier's Delivery Unit

Financial Statements

For the year ended 30 June 2024

**Premier's Delivery Unit
Financial Statements**
for the year ended 30 June 2024

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.



Rik Morris
Chief Executive
Premier's Delivery Unit

27 September 2024



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

27 September 2024

Premier's Delivery Unit
Statement of Comprehensive Income
for the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Appropriation	2.1	1 994	2 000
Other income	2.2	19	1
Total income		<u>2 013</u>	<u>2 001</u>
Expenses			
Employee related expenses	3.2	1 634	1 481
Supplies and services	4.1	232	244
Total expenses		<u>1 866</u>	<u>1 725</u>
Net result		<u>147</u>	<u>276</u>
Total comprehensive result		<u>147</u>	<u>276</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 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash	5.1	1 451	1 200
Total current assets		<u>1 451</u>	<u>1 200</u>
Total assets			
		<u>1 451</u>	<u>1 200</u>
Current liabilities			
Payables	6.1	27	23
Employee related liabilities	3.3	199	178
Provisions	6.2	5	1
Total current liabilities		<u>231</u>	<u>202</u>
Non-current liabilities			
Employee related liabilities	3.3	364	306
Provisions	6.2	21	4
Total non-current liabilities		<u>385</u>	<u>310</u>
Total liabilities			
		<u>616</u>	<u>512</u>
Net assets			
		<u>835</u>	<u>688</u>
Equity			
Retained earnings		835	688
Total equity		<u>835</u>	<u>688</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 2024

	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2022	412	412
Net result for 2022-23	276	276
Total comprehensive result for 2022-23	276	276
Balance at 30 June 2023	688	688
Net result for 2023-24	147	147
Total comprehensive result for 2023-24	147	147
Balance at 30 June 2024	835	835

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 2024

	2024	2023
	Inflows (Outflows)	Inflows (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Appropriation	1 994	2 000
Other receipts	19	1
Cash generated from operating activities	<u>2 013</u>	<u>2 001</u>
Cash outflows		
Employee related payments	(1 534)	(1 200)
Payments for supplies and services	(228)	(240)
Cash used in operating activities	<u>(1 762)</u>	<u>(1 440)</u>
Net cash provided by operating activities	<u>251</u>	<u>561</u>
Net increase in cash	<u>251</u>	<u>561</u>
Cash at the beginning of the reporting period	1 200	639
Cash at the end of the reporting period	<u>5.1</u> <u>1 451</u>	<u>1 200</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 2024

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 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 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.

2. Income

2.1 Appropriation

Appropriation is recognised on receipt.

2.2 Other income

Other income is general recoveries from staff \$1 000 (2023: \$1 000) and contingency funding provided by the Department of Treasury and Finance (DTF) \$18 000.

Premier's Delivery Unit
Notes to and forming part of the financial statements
for the year ended 30 June 2024

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 \$399 000 (2023: \$357 000).

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 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 related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	1 049	810
Long service leave	57	211
Annual leave	93	105
Skills and experience retention leave	6	7
Employment on-costs - superannuation	309	258
Employment on-costs - other	75	69
Workers compensation revaluation	22	5
Other employee related expenses	23	16
Total employee related expenses	1 634	1 481

Employment expenses

PDU's employees are employed under Part 7 of the *Public Sector Act*.

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

Premier's Delivery Unit
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.2 Employee related expenses (continued)

Employee remuneration

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

	2024	2023
	Number	Number
\$ 186 001 - \$ 206 000	1	2
\$ 206 001 - \$ 226 000	1	-
\$ 286 001 - \$ 306 000	1	-
\$ 346 001 - \$ 366 000	-	1
\$ 366 001 - \$ 386 000	1	-
Total	4	3

The total remuneration received by those employees for the year, was \$1.062 million (2023: \$749 000).

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 PDU.

Premier's Delivery Unit
Notes to and forming part of the financial statements
for the year ended 30 June 2024

3.3 Employee related liabilities

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Annual leave	124	116
Long service leave	38	32
Skills and experience retention leave	10	6
Employment on-costs	27	24
Total current employee related liabilities	199	178
<u>Non-current</u>		
Long service leave	330	279
Employment on-costs	34	27
Total non-current employee related liabilities	364	306
Total employee related liabilities	563	484

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.

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 expected timing and amount of long service leave payments is 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 used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds increased to 4.25% in 2024 (2023: 4.0%).

The net financial effect of the changes to the actuarial assumption in the current financial year is an increase in the long service leave liability of \$14 000 and employee related expense of \$14 000.

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

Employment on-costs

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

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 44.0% (2023: 43.0%) and the average factor for the calculation of employer superannuation on-costs is 11.5% (2023: 11.1%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in employment on-costs of \$1 000 and employee related expense of \$1 000.

Premier's Delivery Unit
Notes to and forming part of the financial statements
for the year ended 30 June 2024

4. Expenses

4.1 Supplies and services

	2024	2023
	\$'000	\$'000
Corporate support services	155	152
Contractors	30	29
Audit fees	15	14
Information technology and communication charges	12	8
Staff development and recruitment	6	23
General administration and consumables	4	1
Other expenses	10	17
Total supplies and services	232	244

Audit fees

Audit fees paid/payable to the Audit Office of South Australia relate to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of South Australia.

5. Financial assets

5.1 Cash

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

Premier's Delivery Unit
Notes to and forming part of the financial statements
for the year ended 30 June 2024

6. Liabilities

6.1 Payables

	2024	2023
	\$'000	\$'000
<u>Current</u>		
Contractual payables	12	9
Accrued expenses	15	14
Total current payables	27	23
Total payables	27	23

Payables and accruals are recognised for all amounts owing but unpaid. Contractual 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 Provisions

	2024	2023
	\$'000	\$'000
<i>Reconciliation of workers compensation</i>		
Carrying amount at the beginning of the period	5	-
Additional provisions recognised	21	5
Carrying amount at the end of the period	26	5

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 2024 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.

PDU is responsible for the payment of workers compensation claims.

7. Outlook

7.1 Unrecognised contractual commitments

PDU has no contracted expenditure at the reporting date that is not already recognised as liabilities in the financial report.

7.2 Contingent assets and liabilities

PDU is not aware of any contingent assets or liabilities as at 30 June 2024.

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.