

Wellbeing SA

Financial report
for the year
ended 30 June
2021

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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To the Chief Executive Wellbeing SA

Opinion

I have audited the financial report of Wellbeing SA for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of Wellbeing SA as at 30 June 2021, its financial performance and its cash flows for the period 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 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive and the Business Manager.

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 Wellbeing SA. 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, 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 Wellbeing SA for the financial year ended 30 June 2021.

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 Wellbeing SA'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.



Andrew Richardson

Auditor-General

24 September 2021

Certification of the financial statements

We certify that the:

- financial statements of Wellbeing SA:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by Wellbeing SA over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Lyn Dean
Chief Executive



Derek Selby
Business Manager

Date 17 September 2021

WELLBEING SA
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Revenues from SA Government	2	69,004	27,626
Fees and charges	3	943	154
Grants and contributions	4	533	287
Resources received free of charge	5	735	176
Total income		71,215	28,243
Expenses			
Employee benefits expenses	6	13,460	5,050
Supplies and services	7	42,445	18,954
Depreciation and amortisation		3	2
Grants and subsidies	8	7,248	4,019
Other expenses		46	36
Total expenses		63,202	28,061
Net result		8,013	182
Total comprehensive result		8,013	182

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

WELLBEING SA
STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	9	17,578	6,238
Receivables	10	1,214	1,128
Property, plant and equipment	11	-	1
Total current assets		18,792	7,367
Non-current assets			
Receivables	10	1	-
Property, plant and equipment	11	8	-
Total non-current assets		9	-
Total assets		18,801	7,367
Current liabilities			
Payables	12	6,693	4,276
Financial liabilities	11	3	1
Employee benefits	13	1,821	1,365
Provisions	14	27	28
Total current liabilities		8,544	5,670
Non-current liabilities			
Payables	12	231	180
Financial liabilities	11	5	-
Employee benefits	13	2,425	1,933
Provisions	14	36	37
Total non-current liabilities		2,697	2,150
Total liabilities		11,241	7,820
Net assets		7,560	(453)
Equity			
Retained earnings		7,560	(453)
Total equity		7,560	(453)

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

WELLBEING SA
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2021

	Retained earnings	Total equity
	\$ '000	\$ '000
Balance at 6 January 2020	<u>-</u>	<u>-</u>
Net result for 2019-20	<u>182</u>	<u>182</u>
Total comprehensive result for 2019-20	<u>182</u>	<u>182</u>
Net assets received from an administrative restructure	<u>(635)</u>	<u>(635)</u>
Balance at 30 June 2020	<u>(453)</u>	<u>(453)</u>
Net result for 2020-21	<u>8,013</u>	<u>8,013</u>
Total comprehensive result for 2020-21	<u>8,013</u>	<u>8,013</u>
Balance at 30 June 2021	<u>7,560</u>	<u>7,560</u>

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

WELLBEING SA
STATEMENT OF CASH FLOWS
For the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		69,004	27,626
Fees and charges		797	154
Grants and contributions		877	49
GST recovered from ATO		4,048	628
Cash generated from operations		<u>74,726</u>	<u>28,457</u>
Cash outflows			
Employee benefits payments		(12,397)	(4,176)
Payments for supplies and services		(43,574)	(16,060)
Payments of grants and subsidies		(7,348)	(4,019)
Other payments		(64)	-
Cash used in operations		<u>(63,383)</u>	<u>(24,255)</u>
Net cash provided by/(used in) operating activities		<u>11,343</u>	<u>4,202</u>
Cash flows from financing activities			
Cash inflows			
Cash received from restructuring activities		-	2,038
Cash generated from financing activities		<u>-</u>	<u>2,038</u>
Cash outflows			
Repayment of lease liabilities		(3)	(2)
Cash used in financing activities		<u>(3)</u>	<u>(2)</u>
Net cash provided by/(used in) financing activities		<u>(3)</u>	<u>2,036</u>
Net increase/(decrease) in cash and cash equivalents		11,340	6,238
Cash and cash equivalents at the beginning of the period		6,238	-
Cash and cash equivalents at the end of the period	9	<u>17,578</u>	<u>6,238</u>

The accompanying notes form part of these financial statements.

WELLBEING SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

1. About Wellbeing SA

Wellbeing SA was established on 6 January 2020 pursuant to Public Sector Act 2009 as an attached office to the Department for Health and Wellbeing (DHW). Wellbeing SA is an administrative unit acting on behalf of the Crown. Wellbeing SA does not control any other entities and has no interests in unconsolidated structured entities.

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

1.1 Objectives and activities

Wellbeing SA has a long-term vision to create a balanced health and wellbeing system that supports improved physical, mental and social wellbeing for all South Australians. Using a population health approach, Wellbeing SA leads community wide action on the determinants and risk factors of good health and wellbeing and models of care in the community.

1.2 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 with reduced disclosure requirements.

The financial statements have been prepared based on a 12 month period and presented in Australian currency. The comparative period is from 6 January 2020 to 30 June 2020. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). Any transactions in foreign currency are translated into Australian dollars at the exchange rates at the date the transaction occurs.

The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Significant accounting policies are set out below and throughout the notes.

1.3 Taxation

Wellbeing SA is not subject to income tax. Wellbeing SA is liable for fringe benefits tax (FBT), goods and services tax (GST) and payroll tax. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

1.4 Impact of COVID-19 pandemic on Wellbeing SA

The COVID-19 pandemic continues to have an impact on Wellbeing SA's operations. During 2020-21, the pandemic limited Wellbeing SA's capacity to engage with vendors and contract with providers to deliver on core elements of the Strategic Plan. Opportunities to engage with community organisations were diminished due to the uncertainty in planning large scale events. Wellbeing SA employees were also redirected to supporting COVID operations during this time.

Net COVID-19 specific costs for Wellbeing SA were \$3.012 million (\$0.998 million).

1.5 Change in accounting policy

Wellbeing SA did not change any of its accounting policies during the year.

2. Revenues from SA Government

	2021	2020
	\$'000	\$'000
Contingency funding provided by Department of Treasury and Finance	-	278
Operating purpose Appropriations from Consolidated Account pursuant to the Appropriation Act	20,427	1,996
Intra-Government Transfers	48,577	25,352
Total revenues from SA Government	69,004	27,626

Appropriations and intra-government transfers are recognised upon receipt.

WELLBEING SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

3. Fees and charges

	2021	2020
	\$'000	\$'000
Commissions revenue	1	-
Recoveries of salaries and wages	528	5
Other user charges and fees	414	149
Total fees and charges	943	154

All revenue from fees and charges is revenue recognised from contracts with customers. Revenue is recognised at a point in time when Wellbeing SA satisfies performance obligations by rendering services to its customers. These services include the Suicide Prevention Networks and data collection for Population Health Survey Module System (PHSMS).

4. Grants and contributions

	2021	2020
	\$'000	\$'000
Private sector grants and contributions	533	287
Total grants and contributions	533	287

Grants received are usually subject to terms and conditions set out in the contract or correspondence. Grants consist of contributions for Health Pathways SA, STAAR SA and funding arrangement for the delivery of Priority Care Centre SA.

5. Resources received free of charge

	2021	2020
	\$'000	\$'000
Services	249	32
Accommodation	486	144
Total resources received free of charge	735	176

Contribution 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. Wellbeing SA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$0.222 million (\$0.032 million), and ICT (information and communication technology) services from Department of Premier and Cabinet valued at \$0.027 million (\$Nil), following Cabinet's approval to cease intra-government charging. In addition, Wellbeing SA receives accommodation from DHW free of charge.

6. Employee benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	10,199	3,911
Long service leave	735	97
Annual leave	1,144	396
Skills and experience retention leave	53	21
Employment on-costs - superannuation*	1,193	451
Employment on-costs - other	101	144
Workers compensation	13	16
Board and committee fees	14	5
Other employee related expenses	8	9
Total employee benefits expenses	13,460	5,050

*The superannuation employment on-cost charge represents Wellbeing SA's contribution to superannuation plans in respect of current services of employees. DTF centrally recognises the superannuation liability in the whole-of-government financial statements..

6.1 Key Management Personnel

Key management personnel (KMP) of Wellbeing SA includes the Minister for Health and Wellbeing (the Minister), the Chief Executive and three members of the Executive Management Group who have responsibility for the strategic direction and management of Wellbeing SA.

Total compensation for KMP for the financial year was \$1.180 million (\$0.526 million), and excludes salaries and other benefits by the Minister. 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 DTF) under section 6 of the Parliamentary Remuneration Act 1990.

Wellbeing SA did not enter into any transactions with KMP or their close family during the reporting period.

WELLBEING SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

6.2 Remuneration of Boards and Committees

	2021 No. of Members	2020 No. of Members
\$0	59	46
\$1 - \$20,000	40	23
Total	99	69

The total remuneration received or receivable by members was \$0.014 million (\$0.005 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that it is reasonable to expect the entity would have adopted if dealing with the related party at arm's length in the same circumstances.

Refer to note 20 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

6.3 Remuneration of employees

	2021 No.	2020 No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$154,678 - \$175,000	1	-
\$175,001 - \$195,000	-	1
\$195,001 - \$215,000	1	-
\$215,001 - \$235,000	1	-
\$295,001 - \$315,000	1	-
\$435,001 - \$455,000	1	-
Total number of employees	5	1

The total remuneration received by those employees for the year was \$1.347 million (\$0.194 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 fringe benefits and any related fringe benefits tax.

7. Supplies and services

	2021 \$'000	2020 \$'000
Administration	67	33
Advertising	755	1,013
Communication	57	30
Computing	377	138
Consultants	751	20
Contract of services	34,658	14,908
Contractors	1,989	1,025
Contractors - agency staff	871	151
Food supplies	22	-
Health surveys	1,343	870
Housekeeping	9	4
Low value lease expense	-	9
Minor equipment	17	62
Motor vehicle expenses	9	5
Occupancy rent and rates	597	200
Printing and stationery	54	81
Repairs and maintenance	18	3
Services from Shared Services SA	222	32
Short term lease expense	94	49
Training and development	133	43
Travel expenses	92	44
Other supplies and services	310	234
Total supplies and services	42,445	18,954

WELLBEING SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

Accommodation – a part of Wellbeing SA’s accommodation is provided by DIT under MoAA issued in accordance with Government wide accommodation policies. The arrangement does not meet the definition of a lease and accordingly expensed (disclosed within Occupancy rent and rates).

Wellbeing SA recognises lease payments associated with short term leases (12 months or less) and leases (other than SAFA vehicles) for which the underlying asset is low value (less than \$15,000) as an expense on a straight line basis over the lease term. Lease commitments for short term leases is similar to short term lease expenses disclosed.

Consultants

The number of consultancies and dollar amount paid/payable (included in supplies and service expense) to consultants was:

	2021		2020	
	No.	\$'000	No.	\$'000
Below \$10,000	1	1	-	-
Above \$10,000	11	750	1	20
Total	12	751	1	20

8. Grants and subsidies

	2021	2020
	\$'000	\$'000
Funding to non-government organisations	7,060	4,019
Other	188	-
Total grants and subsidies	7,248	4,019

Grants consist of contributions for the delivery of Priority Care Centre initiatives, Community Wellbeing and Resilience projects, Wellbeing Hub initiative, Chronic Disease Integrated Partnership Grants, SA Healthy Towns program and other community projects.

9. Cash and cash equivalents

Cash is measured at nominal amounts. Wellbeing SA has a deposit account (general operating) of \$17.578 million (\$6.238 million) with the Treasurer. Wellbeing SA does not earn interest on this account. The Government has a policy to align cash balances with the appropriation and expenditure authority.

10. Receivables

	2021	2020
	\$'000	\$'000
Current		
Debtors	260	123
Prepayments	78	93
Grants	-	256
Sundry receivables and accrued revenue	9	1
GST input tax recoverable	867	655
Total current receivables	1,214	1,128
Non-current		
Debtors	1	-
Total non-current receivables	1	-
Total receivables	1,215	1,128

Receivables arise in the normal course of selling goods and services to other agencies and to the public. Wellbeing SA’s trading terms for receivables are generally 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

WELLBEING SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

11. Property, plant and equipment

Right-of-use asset leased by Wellbeing SA as a lessee is measured at cost and there are no indicators of impairment.

Wellbeing SA has a motor vehicle lease with the South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. The lease is non-cancellable, for a 3 year period with rental payment monthly in arrears.

The following table shows the movement:

	2021 \$'000	2020 \$'000
Carrying amount at the beginning of the period	1	3
Additions	11	-
Disposals	(1)	-
Subtotal:	11	3
Gains/(losses) for the period recognised in net result:		
Depreciation and amortisation	(3)	(2)
Subtotal:	(3)	(2)
Carrying amount at the end of the period	8	1

The lease liability relating to this right-of-use asset at 30 June 2021 was \$8,000 (\$1,000). Interest expense was \$37 (\$66) and cash outflow relating to this lease was \$3,000 (\$2,000).

12. Payables

	2021 \$'000	2020 \$'000
Current		
Creditors and accrued expenses	6,415	4,068
Employment on-costs*	278	208
Total current payables	6,693	4,276
Non-current		
Employment on-costs*	231	180
Total non-current payables	231	180
Total payables	6,924	4,456

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owed and unpaid. Sundry creditors 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 approximates net fair value due to their short term nature.

*Employment on-costs include Return to Work SA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. Wellbeing SA makes contributions to several State Government 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 South Australian Superannuation Board.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged at 42%, and the average factor for the calculation of employer superannuation on-costs has increased from the 2020 rate (9.8%) to 10.1% to reflect the increase in super guarantee. 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 the employment on-cost liability and employee benefits expenses of \$0.008 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Refer to note 19 for information on risk management.

WELLBEING SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

13. Employee benefits

	2021	2020
	\$'000	\$'000
Current		
Accrued salaries and wages	325	243
Annual leave	1,222	876
Long service leave	213	175
Fringe benefits tax	2	5
Skills and experience retention leave	59	66
Total current employee benefits	1,821	1,365
Non-current		
Long service leave	2,425	1,933
Total non-current employee benefits	2,425	1,933
Total employee benefits	4,246	3,298

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

13.1 Salaries and wages, annual leave, skills and experience retention leave and sick leave

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

The actuarial assessment performed by DTF left the salary inflation rate at 2.0% for annual leave and skills and experience retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

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.

13.2 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 long service leave liability. The actuarial assessment performed by the DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities and the health sector across government.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2020 (0.75%) to 1.25%. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The actuarial assessment performed by DTF left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

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 \$0.298 million, payables (employment on-costs) of \$0.013 million and employee benefits expenses of \$0.311 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

WELLBEING SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

14. Provisions

The provision consists only of workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	65	-
Increase resulting from re-measurement or settlement without cost	-	5
Increase/ (Decrease) in provisions recognised	(2)	60
Carrying amount at the end of the period	63	65

Workers compensation

Wellbeing SA, as a self-insurer, is responsible for the payment of workers compensation claims and the implementation and funding of preventative programs.

A liability has been reported to reflect unsettled workers compensation claims. The provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The liability was calculated in accordance with AASB 137 as the present value of the expenditures expected to be required to settle obligations incurred as at 30 June 2021. No risk margin is included in this estimate.

There is a significant degree of uncertainty associated with estimating future claim and expense payments. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions.

Additional compensation for certain work-related injuries or illnesses (additional compensation)

Wellbeing SA has recognised an additional compensation provision from 30 June 2020. The additional compensation provision provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, of a criminal offence, or which arose from a dangerous situation.

The additional compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment. The liability was calculated in accordance with AASB 137 as the present value of the expenditures expected to be required to settle obligations incurred at 30 June 2021. The liability comprises an estimate for known claims and an estimate of incurred but not reported applications. No risk margin is included in the estimate.

There is a significant degree of uncertainty associated with this estimate. In addition, to the general uncertainties associated with estimating future claim and expense payments, the additional compensation provision is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meet, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate. Assumption used will continue to be refined to reflect emerging experience.

15. Unrecognised contractual commitments

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

15.1 Expenditure Commitments

	2021	2020
	\$'000	\$'000
Within one year	245	114
Later than one year but not longer than five years	-	298
Total expenditure commitments	245	412

Wellbeing SA expenditure commitments are for agreements for goods and services ordered but not received and an arrangement for the use of property at 60 Hindmarsh Square Adelaide.

Wellbeing SA also has arrangements to provide funding for SA Community Care program and My Home Hospital Services program. The value of these commitments as at 30 June 2021 is uncertain and has not been included.

16. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed within this note and, if quantifiable are measured at nominal value. Wellbeing SA is not aware of any contingent assets and liabilities. In addition, Wellbeing SA has made no guarantees.

17. Events after balance date

Wellbeing SA is not aware of any after balance date events.

18. Impact of Standards not yet implemented

Wellbeing SA has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There are no Accounting Policy Statements that are not yet in effect.

•AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* is a new single standard containing all the disclosure requirements for an entity preparing General Purpose Financial Statements (GPFS) under Tier 2 and will apply to Wellbeing SA from 1 July 2021. This Standard will only apply to disclosures and Wellbeing SA has assessed it will have a minimal impact on the GPFS.

19. Financial instruments/financial risk management

19.1 Financial risk management

Risk management is overseen by DHW's Risk and Audit Committee and risk management policies are in accordance with the Risk Management Policy Statement issued by the Treasurer and the Premier and the principles established in the Australian Standard Risk Management Principles and Guidelines.

Wellbeing SA's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held. Financial instruments are measured at amortised cost. Wellbeing SA is funded principally from appropriations by the SA Government and intra-government transfers from DHW. Wellbeing SA works with DTF to determine cash flows associated with its Government approved program of works. The carrying amount of assets are detailed throughout the notes.

WELLBEING SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2021

20. Board and committee members

Members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with the APS 124 B were:

Board/Committee name:	Government employee members*	Other members
Bushfire Mental Health Project Advisory Group	3	Forsayeth V, Harris G, Martin K, McFarlane S, Patten S, Teasdale G, Tons J, Tydeman C, Warren K
Community Advisory Committee	-	Albrecht L, Banders A (resigned 12/08/2020), Bennell C (commenced 10/02/2021), Bolton N, Cornes G, Gosden A, Hodges E, Hughes K (commenced 05/03/2021), Kelly L, Oudih E, Post D, Rault R (resigned 08/07/2020), Robelin K (resigned 14/10/2020), Ryan B, Santamaria A (commenced 10/02/2021), Whitehead S (commenced 10/02/2021), Whiteway L
Disease Prevention, Health Promotion and Population Health Committee	4	Beckoff M, Benson J, Curlis S, Elsley N, Johns R, Johnson D, Lehmann J, Lewis S, Meyers K, Miller B, Moy C, Robinson J, Young E
COVID-19 Project Advisory Group	-	Lai S, Hodges E, Oudih E, Post D, Ryan B, Teasdale G, Whiteway L
COVID-19 International Student Project Advisory Group	-	Aggarwal K, Hasan M, Lee T, Nguyen N, Setiobudi K, Sit E J, Wong A
South Australian Maternal and Perinatal Mortality Committee	15	Bradbury T, Brown A, Goold J, Hague W, Hardy T, Khong Y, Manton N, McKendrick L, Mibus G, Oehler A, Parker-Gray K, Wanguhu K, Wheatley B, Wiltshire A
Youth Advisory Group	-	Sweeting C (Chair) (resigned 30/11/2020), Abio F (resigned 30/11/2020), Boulton Z, Clifford J, Chamlagai M (commenced 01/03/2021), Fannon E (commenced 28/01/2021), Fisher S (commenced 28/01/2021), Hannam I (commenced 28/01/2021), Huser G, Lai S, Lochert T (resigned 30/11/2020), Lynn C (resigned 30/11/2020), Nicmanis M (commenced 28/01/2021), Peden R (commenced 28/01/2021), Phillips B (commenced 28/01/2021), Richards A, Saji C (commenced 01/03/2021), Troughton E (commenced 28/01/2021)

Refer to note 6.2 for remuneration of board and committee members