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## To the Interim Commissioner Commission on Excellence and Innovation in Health

### Opinion

I have audited the financial report of the Commission on Excellence and Innovation in Health for the financial year ended 30 June 2023.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Commission on Excellence and Innovation in Health as at 30 June 2023, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Interim Commissioner and the Acting Business Operations 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 the Commission on Excellence and Innovation in Health. 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 Interim Commissioner for the financial report**

The Interim Commissioner is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards – Simplified Reporting Requirements, 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 Interim Commissioner 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 Interim Commissioner 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 Commission on Excellence and Innovation in Health for the financial year ended 30 June 2023.

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 Commission on Excellence and Innovation in Health's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Interim Commissioner
- conclude on the appropriateness of the Interim Commissioner'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 Interim Commissioner 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)**

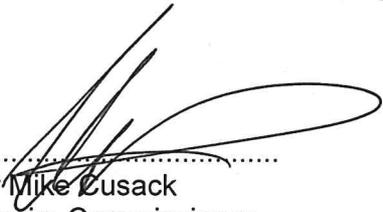
28 September 2023

Req No: A5240252  
File No: 2022- 11027

**Certification of the financial statements**

We certify that the:

- Financial statements of the Commission on Excellence and Innovation in Health:
  - 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 the Commission on Excellence and Innovation in Health over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.

  
 .....  
 Dr Mike Busack  
 Interim Commissioner

Date ..... 28.9.23

  
 .....  
 Grace Wen  
 A/Business Operations Manager

Date ..... 28 Sep 2023

**COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2023**

	Note	2023 \$'000	2022 \$'000
<b>Income</b>			
Revenues from SA Government	2	6,580	5,921
Fees and charges	3	237	200
Grants and contributions	4	1,767	1,341
Resources received free of charge	5	462	504
Other revenues/income	6	43	-
<b>Total income</b>		<b>9,089</b>	<b>7,966</b>
<b>Expenses</b>			
Payments to SA Government	2	-	1,840
Employee benefits expenses	7	5,783	5,443
Supplies and services	8	2,988	2,317
Grants and subsidies	9	222	248
Other expenses	10	35	19
<b>Total expenses</b>		<b>9,028</b>	<b>9,867</b>
<b>Net result</b>		<b>61</b>	<b>(1,901)</b>
<b>Total comprehensive result</b>		<b>61</b>	<b>(1,901)</b>

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

**COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2023**

	Note	2023 \$'000	2022 \$'000
<b>Current assets</b>			
Cash and cash equivalents	11	1,131	454
Receivables	12	86	356
<b>Total current assets</b>		<u>1,217</u>	<u>810</u>
<b>Total assets</b>		<u>1,217</u>	<u>810</u>
<b>Current liabilities</b>			
Payables	13	761	455
Employee benefits	14	652	584
Provisions	15	6	6
<b>Total current liabilities</b>		<u>1,419</u>	<u>1,045</u>
<b>Non-current liabilities</b>			
Payables	13	97	88
Employee benefits	14	962	901
Provisions	15	10	8
<b>Total non-current liabilities</b>		<u>1,069</u>	<u>997</u>
<b>Total liabilities</b>		<u>2,488</u>	<u>2,042</u>
<b>Net assets</b>		<u>(1,271)</u>	<u>(1,232)</u>
<b>Equity</b>			
Retained earnings		(1,271)	(1,232)
<b>Total equity</b>		<u>(1,271)</u>	<u>(1,232)</u>

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

**COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2023**

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	Note	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2021</b>		<u>687</u>	<u>687</u>
Net result for 2021-22		(1,901)	(1,901)
<b>Total comprehensive result for 2021-22</b>		<u>(1,901)</u>	<u>(1,901)</u>
<b>Balance at 30 June 2022</b>		<u>(1,214)</u>	<u>(1,214)</u>
Prior period adjustment	1.6	(18)	(18)
<b>Restated balance at 30 June 2022</b>		<u>(1,232)</u>	<u>(1,232)</u>
Net result for 2022-23		61	61
<b>Total comprehensive result for 2022-23</b>		<u>61</u>	<u>61</u>
Net assets received from an administrative restructure	1.5	(100)	(100)
<b>Balance at 30 June 2023</b>		<u>(1,271)</u>	<u>(1,271)</u>

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

**COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2023**

	Note	2023 \$'000	2022 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Receipts from SA Government		6,580	5,921
Fees and charges		498	60
Grants and contributions		1,767	1,206
Other receipts		43	-
GST recovered from ATO		212	138
<b>Cash generated from operations</b>		<b>9,100</b>	<b>7,325</b>
<b>Cash outflows</b>			
Employee benefits payments		(5,718)	(5,094)
Payments for supplies and services		(2,427)	(1,733)
Payments of grants and subsidies		(229)	(250)
Other payments		(49)	(25)
Payments to SA Government		-	(1,840)
<b>Cash used in operations</b>		<b>(8,423)</b>	<b>(8,942)</b>
<b>Net cash provided by/(used in) operating activities</b>		<b>677</b>	<b>(1,617)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>677</b>	<b>(1,617)</b>
Cash and cash equivalents at the beginning of the period		454	2,071
<b>Cash and cash equivalents at the end of the period</b>	11	<b>1,131</b>	<b>454</b>

The accompanying notes form part of these financial statements.

**COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2023**

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## **1. About The Commission on Excellence and Innovation in Health**

The Commission on Excellence and Innovation in Health (the Commission) is a not-for-profit administrative unit of the State of South Australia, established 6 January 2020 pursuant to *Public Sector Act 2009*. The financial statements include all controlled activities of the Commission.

### **1.1 Objectives and activities**

The Commission provides leadership and advice within SA Government on clinical excellence and innovation with a focus on maximising health outcomes for patients, improving care and safety, monitoring performance, championing evidence-based practice and clinical innovation, and supporting collaboration.

In doing this, the Commission:

- bring together expertise from clinicians, consumers, health partners and other relevant stakeholders to maximise health outcomes for patients,
- is recognised as a centre for excellence, a strong partner for clinical improvement and innovation and will have recognised expertise which can influence design, and
- supports the provision of safer, more innovative and efficient healthcare through empowering clinicians and consumers.

### **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 applying simplified disclosures.

These financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures. There has been no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and losses and other comprehensive income and cash flows of the Commission as a result of the change in the basis of preparation.

The financial statements have been prepared based on a 12 month period and presented in Australian currency. 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 rate 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.

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 below and throughout the notes.

The Commission is liable for fringe benefits tax, goods and services tax (GST) and payroll tax.

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
- receivable and payables, which are stated with the amount of GST included.

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.

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.

The Commission is not subject to income 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.

**COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2023**

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**1.3 Continuity of operations**

As at 30 June 2023, the Commission had working capital deficiency of \$0.202 million. The SA Government is committed and has consistently demonstrated a commitment to ongoing funding of the commission to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

**1.4 Change in accounting policy**

The Commission did not change any of its accounting policies during the year.

**1.5 Changes to administrative unit**

As a result of a minute approved by the Minister, governance of the Health Performance Council (HPC) was transferred from the Department of Health and Wellbeing to the Commission. Net liabilities of \$0.100 million were transferred to the Commission, consisting of payables (\$0.014 million) and employee benefits (\$0.086 million). This included the transfer of 2.0 FTEs.

Net liabilities transferred to the Commission as a result of the administrative restructure were at the carrying amount immediately prior to transfer, and were recognised directly in equity.

**1.6 Prior Period Adjustment**

The prior period error relates to a correction to prepayments of \$0.018 million.

COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 For the year ended 30 June 2023

**2. Revenues from SA Government**

	2023	2022
	\$'000	\$'000
Operating purpose Appropriations from Consolidated Account pursuant to the Appropriation Act	6,566	5,921
Revenues from SA Government--Contingency funding provided by DTF	14	-
<b>Total revenues from SA Government</b>	<b>6,580</b>	<b>5,921</b>
Return of surplus cash pursuant to cash alignment policy	-	(1,840)
<b>Total payments to SA Government</b>	<b>-</b>	<b>(1,840)</b>

Appropriations and intra-governments transfers are recognised upon receipt.

**3. Fees and charges**

	2023	2022
	\$'000	\$'000
Fees for health services	237	200
<b>Total fees and charges</b>	<b>237</b>	<b>200</b>

Recharges for services provided to SA Government entities.

**4. Grants and contributions**

	2023	2022
	\$'000	\$'000
Commonwealth grants and contributions	112	-
Other SA Government grants and contributions	1,655	1,341
<b>Total grant and contributions</b>	<b>1,767</b>	<b>1,341</b>

Funding from the Department for Health and Wellbeing to support the Statewide Patient Reporting Measures program (PRMs) and funding from the Commonwealth to manage the SA Virtual Care Service program in collaboration with the South Australian Health and Medical Research Institute (SAHMRI). The grants received are usually subject to terms and conditions set out in the contract, correspondence, or by legislation and received for a specific purpose.

**5. Resources received free of charge**

	2023	2022
	\$'000	\$'000
Services	182	234
Other	280	270
<b>Total resources received free of charge</b>	<b>462</b>	<b>504</b>

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. The Commission receives Financial Accounting and Taxation, Payroll, Accounts Payable, Accounts Receivable services from Shared Services SA free of charge valued at \$0.175 million (\$0.224 million) and ICT (information and communication technology) services from Department of Premier and Cabinet valued at \$0.008 million (\$0.010 million), following Cabinet's approval to cease intra-government charging. In addition, the Commission received accommodation from the DHW free of charge valued at \$0.280 million (\$0.270 million).

**6. Other revenues/income**

	2023	2022
	\$'000	\$'000
Other	43	-
<b>Total other revenues/income</b>	<b>43</b>	<b>-</b>

Other Revenue includes \$0.021 million (nil) for recoveries of salary overpayments and \$0.020 million (nil) for recoveries of grant funding.

**COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2023**

**7. Employee benefits expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	4,202	3,901
Long service leave	139	266
Annual leave	428	528
Skills and experience retention leave	45	33
Employment on-costs - superannuation*	499	456
Employment on-costs - other	238	208
Workers compensation	3	-
Board and committee fees	226	45
Other employee related expenses	3	6
<b>Total employee benefits expenses</b>	<b>5,783</b>	<b>5,443</b>

\* The superannuation employment on-cost charge represents the Commission's contribution to superannuation plans in respect of current services of current employees. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole-of-government financial statements.

**7.1 Key Management Personnel**

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

Total compensation for KMP for the financial year was \$0.800m (\$0.991m), excluding salaries and other benefits of 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 the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

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

**7.2 Remuneration of Board and Committee members**

	<b>2023</b>	<b>2022</b>
	<b>No. of</b>	<b>No. of</b>
	<b>Members</b>	<b>Members</b>
\$0	502	355
\$1 - \$20,000	38	18
\$20,001 - \$40,000	3	1
<b>Total</b>	<b>543</b>	<b>374</b>

The total remuneration received or receivable by members was \$0.233 million (\$0.045 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, 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 favorable 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 21 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.

**COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2023**

**7.3 Remuneration of employees**

	2023	2022
	No.	No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$157,001 - \$160,000*	n/a	1
\$160,001 - \$180,000	1	-
\$180,001 - \$200,000	-	-
\$200,001 - \$220,000	1	2
\$220,001 - \$240,000	2	-
\$460,001 - \$480,000	-	1
<b>Total number of employees</b>	<b>4</b>	<b>4</b>

The table includes all employees whose normal remuneration is 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. The total remuneration received by those employees for the year was \$0.830m (\$1.045m). \*This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

**8. Supplies and services**

	2023	2022
	\$'000	\$'000
Administration	3	4
Advertising	21	46
Communication	140	71
Computing	230	316
Consultants	26	-
Contract of services	105	-
Contractors	1,596	838
Contractors - agency staff	158	169
Food supplies	4	3
Minor equipment	2	11
Occupancy rent and rates	280	270
Postage	-	1
Printing and stationery	1	1
Rental expense on operating lease	4	4
Repairs and maintenance	-	5
Services from Shared Services SA	175	226
Training and development	56	263
Travel expenses	59	8
Other supplies and services	128	81
<b>Total supplies and services</b>	<b>2,988</b>	<b>2,317</b>

**9. Grants and subsidies**

	2023	2022
	\$'000	\$'000
Recurrent grants	-	100
Funding to non-government organisations	163	146
Other	59	2
<b>Total grants and subsidies</b>	<b>222</b>	<b>248</b>

Grants relate to funding to support the South Australia Medical and Medical Research Institute (Health Translation SA Governance Agreement and Patient Reported Measures Project), Women's and Children Local Health Network (Better Me prototype), and Central Adelaide Local Health Network (SA Clinical Practice Guidelines and Mobile Patient Pathway).

**10. Other expenses**

	2023	2022
	\$'000	\$'000
Other	35	19
<b>Total other expenses</b>	<b>35</b>	<b>19</b>

Other expenses consist of fees paid/payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 of \$0.025 million (\$0.019 million).

**COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2023**

**11. Cash and cash equivalents**

Cash is measured at nominal amounts. The Commission has a deposit account (general operating) of \$1.131m (\$0.454m) with the Treasurer. The Commission does not earn interest on this account. The Government has a policy to align cash balances with the appropriation and expenditure authority.

**12. Receivables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Debtors	17	278
Prepayments	7	69
Sundry receivables and accrued revenue	5	3
GST input tax recoverable	57	6
<b>Total current receivables</b>	<b>86</b>	<b>356</b>

Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Commission'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.

**13. Payables**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Creditors and accrued expenses	653	365
Paid Parental Leave Scheme	4	-
Employment on-costs*	104	90
<b>Total current payables</b>	<b>761</b>	<b>455</b>
<b>Non-current</b>		
Employment on-costs*	97	88
<b>Total non-current payables</b>	<b>97</b>	<b>88</b>
<b>Total payables</b>	<b>858</b>	<b>543</b>

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

\*Employees on-costs include Return to Work SA levies and superannuation contributions and payroll tax are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. The Commission 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 has increased from 2022 (42%) to 43%, and the average factor for the calculation of employer superannuation on-costs has increased from the 2022 rate (10.6%) to 11.1% 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 \$0.007m. 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 20 for information on risk management.

**COMMISSION ON EXCELLENCE & INNOVATION IN HEALTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2023**

**14. Employee benefits**

	2023	2022
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	23	26
Annual leave	495	451
Long service leave	87	80
Skills and experience retention leave	47	27
<b>Total current employee benefits</b>	<b>652</b>	<b>584</b>
<b>Non-current</b>		
Long service leave	962	901
<b>Total non-current employee benefits</b>	<b>962</b>	<b>901</b>
<b>Total employee benefits</b>	<b>1,614</b>	<b>1,485</b>

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.

**14.1 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.

As a result of the actuarial assessment performed by DTF, the salary inflation rate has increased from the 2022 rate (1.5%) to 2.0% for annual leave and skills and experience retention leave liability. As a result, there is an increase in the employee staff benefits liability and employee benefits expenses of \$3,000.

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.

**14.2 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 2022 (3.5%) to 4.0%. 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 increased the salary inflation rate from 2022 (2.5%) to 3.5% for long service leave liability resulting in an increase in the reported long service leave liability.

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 \$0.034m, decrease in payables (employee on-costs) of \$0.002m and decrease in employee benefits expense of \$0.036m. 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.

The split for long service leave between current and non-current is based on the best estimate of the amount to be paid in the current year based on leave taken in prior years.

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**15. Provisions**

The provision consists only of workers compensation.

*Reconciliation of workers compensation (statutory and non-statutory)*

	2023	2022
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	14	14
Increase/ (Decrease) resulting from re-measurement or settlement without cost	2	-
<b>Carrying amount at the end of the period</b>	<b>16</b>	<b>14</b>

*Workers compensation provision (statutory and additional compensation schemes)*

The Commission is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Commission is responsible for the management of workers rehabilitation and compensation, and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2023 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuity 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, the commission of a criminal offence, or which arose from a dangerous situation. There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim and other economic and actuarial assumptions.

**16. Unrecognised contractual commitments**

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

*Other expenditure commitments*

	2023	2022
	\$'000	\$'000
Within one year	103	171
Later than one year but not longer than five years	-	66
<b>Total expenditure commitments</b>	<b>103</b>	<b>237</b>

The Commission expenditure commitments are for agreements for goods and services ordered but not received.

**17. 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.

The Commission is not aware of any contingent assets and liabilities. In addition, the Commission has made no guarantees.

**18. Events after balance date**

The Commission is not aware of any material after balance date events.

**19. Impact of Standards not yet implemented**

The Commission has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and does not expect these to have a material impact on the Commission's financial statements. There are no Accounting Policy Statements that are not yet in effect.

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**20. Financial instruments/financial risk management**

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

The Commission'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.

The Commission is funded principally from appropriation from DTF. The Commission 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.

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**21. 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:

<b>Board/Committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Clinical Network Executive Group Committee	33	Earle-Bandaralage L, Lunawat N, Hourigan K
Clinical Advisory Council Committee	4	Williams H, Yarwood S
Statewide Adolescence Transition Care Clinical Network Committee	16	Dee-Price B, Paterson J, Whannel K, Wright S, Collins C, Wood A, Joseph H, Barrett I, Gow M, Chu Z, Paior-Smith B, Pikusa-Bishop R
Statewide Cancer Clinical Network Committee	31	Corsini N, Haseloff M, Robertson A, Roder D, Ostroff C, Morey K, Calver T, Geoghegan J, Powell S
Statewide Cardiac Care Network Committee	119	Coowar A, Ajaero C, Rowett D, Lau D, Turland F, Young G, Klemm G, Stanek J, Hendriks J, Wanguhu K, Roberts-Thomson K, Roberts L, Ludlow M, Pivetta M, Emami M, Frank O, Sanders P, Mahajan R, French R, Hillcock R, Roberts-Thomson R, Lockwood S, Tucker T, Keech W, Senior D, Nitschke D, Lynch D, Ramage M, Clark R, Norton S, Barnard R, Bruhn D, O'Shaughnessy E, Wyatt D, Beecher I, Kamau L, Northcott J
Statewide Chronic Pain Clinical Network Committee	21	Cox M, Lau K, Shannon E, Wing M, Trotta L, Karran E, Flower J, Edge N, Stratil R
Statewide Palliative Care Clinical Network Committee	43	Gregory A, Amato C, Roach D, Morgan D, Moncrieff D, Wolfenden E, Stone H, Pappin J, Smith J, Hughes J, Hourigan K, Fraser K, Cutting L, King L, Jones L, Brooksbank M, Giles-Clark M, Lock M, Akhlaghi N, Williams R, Plew S, Schutz S, Walleit T, Caughey G, Marshall J, McMahon J, Soriano J, Waters M, Rosa R, Byrne S, Pidgeon T, Mills S, Traverse S
Statewide Surgical and Perioperative Clinical Network Committee	48	Materne K, Coles S, Altmann M, Lyndon E, Nolan M, Marzec M
Statewide Urgent and Emergent Care Clinical Network Committee	20	Pappin J, Whiteway L, Williams J
Statewide Clinical Genomics Network Steering Committee	23	Craig J, Gecz J, Geoghegan J, Kile B, Kimber A, Lower K, Lynn D, Roberts-Thomson A, Suppiah V, Suthers G, White D, Webber D, March L, Corena M, Powell T, Bauer D, Palmer L
Health Performance Council	-	Al-Khafaji M, Duckett S, Hensher M, Lehmann T, Martin K, Searle J, Tyson D, Watson D
Community of Consumers	-	Williams P, Wing M, Haseloff M, Tucker T, Norton S, Klemm G, Powell T, Corena M, Coles S, Whiteway L, Earle-Bandaralage L, Lunawat N
Patient Reported Measures Program Board	17	Bayley A, Brownwood I, Ratcliffe J, Bull C, Ruseckaite R, Tinsley M, Williams A
Youth Advisory Group	-	Law A, Wood A, Joseph H, Barrett I, Sajkunovic J, Gow M, Chu Z, Paior-Smith B, Brown O, Pikusa-Bishop R

Refer to note 7.2 for remuneration of board and committee members