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To the Chief Executive Department for Health and Wellbeing

Opinion

I have audited the financial report of the Department for Health and Wellbeing and the consolidated entity comprising the Department for Health and Wellbeing and its controlled entities 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 Department for Health and Wellbeing and its controlled entities as at 30 June 2023, their financial performance and their cash flows for the year then ended in accordance with the 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 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 Chief Executive and the Chief Finance Officer.

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 Department for Health and Wellbeing and its controlled entities. 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 the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's and consolidated 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 Department for Health and Wellbeing and its controlled entities 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 Department for Health and Wellbeing'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

21 September 2023

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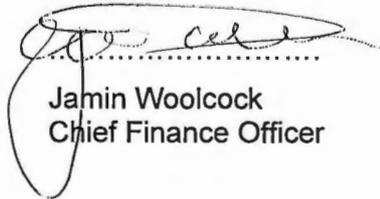
Certification of the financial statements

We certify that the:

- financial statements of the Department for Health and Wellbeing:
 - 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 Department for Health and Wellbeing for the financial year over its financial reporting and its preparation of financial statements have been effective.



Dr Robyn Lawrence
Chief Executive



Jamin Woolcock
Chief Finance Officer

Date 18-9-2023

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THE DEPARTMENT FOR HEALTH AND WELLBEING
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2023

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Income					
Revenues from SA Government	2	5,248,944	4,845,446	5,248,944	4,845,446
Fees and charges	3	729,557	738,227	229,441	275,956
Grants and contributions	4	2,452,127	2,447,899	1,961,252	2,003,715
Interest	5	10,560	372	2,255	4
Resources received free of charge	6	79,728	76,994	40,293	33,665
Net gain from disposal of non-current and other assets	13	7,158	340	8,514	-
Other revenues/income	7	49,966	37,737	210,872	169,719
Total income		8,578,040	8,147,015	7,701,571	7,328,505
Expenses					
Employee benefits expenses	8	5,048,397	4,677,395	215,373	241,155
Supplies and services	9	2,768,002	2,754,644	718,696	925,034
Depreciation and amortisation	20,21	299,528	311,381	11,898	12,174
Grants and subsidies	10	130,787	118,523	6,738,110	5,985,935
Borrowing costs	11	190,705	130,412	420	434
Payments to SA Government	2	-	431,854	-	431,854
Impairment loss on receivables	15.1,18	3,227	11,389	899	2,419
Other expenses	12	121,362	63,062	38,222	32,809
Total expenses		8,562,008	8,498,660	7,723,618	7,631,814
Net result		16,032	(351,645)	(22,047)	(303,309)
Other Comprehensive Income					
Items that will be reclassified subsequently to net result when specific conditions are met					
Gains or losses recognised directly in equity		(11,178)	26,936	-	-
Total other comprehensive income		(11,178)	26,936	-	-
Total comprehensive result		4,854	(324,709)	(22,047)	(303,309)

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

THE DEPARTMENT FOR HEALTH AND WELLBEING
STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Note	Consolidated		Parent	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Current assets					
Cash and cash equivalents	14	920,356	825,410	563,098	515,078
Receivables	15	430,120	437,128	234,474	238,888
Other financial assets	16	109,793	108,051	-	-
Inventories	17	105,329	125,924	64,150	86,720
Contract assets	18	13,158	13,432	-	-
Other assets		27	18	-	-
Total current assets		1,578,783	1,509,963	861,722	840,686
Non-current assets					
Receivables	15	24,526	35,424	83	23
Other financial assets	16	4,080	3,979	-	-
Property, plant and equipment	19,20	5,884,118	5,875,072	55,545	57,785
Investment property	19,20	29,975	25,750	-	-
Intangible assets	19,21	43,771	53,524	28,883	32,693
Total non-current assets		5,986,470	5,993,749	84,511	90,501
Total assets		7,565,253	7,503,712	946,233	931,187
Current liabilities					
Payables	23	532,503	501,446	245,206	223,508
Financial liabilities	24	89,133	87,942	1,151	1,105
Employee benefits	25	706,693	648,579	23,695	25,255
Provisions	26	60,540	55,998	22,160	21,695
Contract liabilities and other liabilities	27	124,677	122,676	2,965	3,408
Total current liabilities		1,513,546	1,416,641	295,177	274,971
Non-current liabilities					
Payables	23	32,254	30,642	31,121	23,636
Financial liabilities	24	2,612,862	2,671,938	17,837	18,940
Employee benefits	25	710,087	701,383	32,407	32,722
Provisions	26	251,922	253,158	113,240	112,198
Contract liabilities and other liabilities	27	73	102	73	102
Total non-current liabilities		3,607,198	3,657,223	194,678	187,598
Total liabilities		5,120,744	5,073,864	489,855	462,569
Net assets		2,444,509	2,429,848	456,378	468,618
Equity					
Contributed capital		1,700,853	1,700,853	1,700,853	1,700,853
Retained earnings		109,322	81,536	(1,276,409)	(1,264,169)
Asset revaluation surplus		524,818	526,765	31,934	31,934
Other reserves		109,516	120,694	-	-
Total equity		2,444,509	2,429,848	456,378	468,618

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

THE DEPARTMENT FOR HEALTH AND WELLBEING
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2023

CONSOLIDATED

	Note	Contributed capital \$ '000	Asset revaluation surplus \$ '000	Other reserves \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2021		1,700,853	526,757	93,758	432,138	2,753,506
Net result for 2021-22		-	-	-	(351,645)	(351,645)
Gain/(loss) on revaluation of other financial assets		-	-	(262)	-	(262)
Gain/(loss) on revaluation of defined benefit fund liability	25.3	-	-	27,198	-	27,198
Total comprehensive result for 2021-22		-	-	26,936	(351,645)	(324,709)
Transfer between equity components		-	8	-	(8)	-
Net assets transferred out as a result of an administrative restructure	1.6	-	-	-	1,051	1,051
Balance at 30 June 2022		1,700,853	526,765	120,694	81,536	2,429,848
Net result for 2022-23		-	-	-	16,032	16,032
Gain/(loss) on revaluation of other financial assets		-	-	96	-	96
Gain/(loss) on revaluation of defined benefit fund liability	25.3	-	-	(11,274)	-	(11,274)
Total comprehensive result for 2022-23		-	-	(11,178)	16,032	4,854
Transfer between equity components		-	(1,947)	-	1,947	-
Net assets received from an administrative restructure	1.6	-	-	-	9,707	9,707
Net assets transferred out as a result of an administrative restructure	1.6	-	-	-	100	100
Balance at 30 June 2023		1,700,853	524,818	109,516	109,322	2,444,509

PARENT

	Note	Contributed capital \$ '000	Asset revaluation surplus \$ '000	Other reserves \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2021		1,700,853	31,934	-	(960,860)	771,927
Net result for 2021-22		-	-	-	(303,309)	(303,309)
Total comprehensive result for 2021-22		-	-	-	(303,309)	(303,309)
Balance at 30 June 2022		1,700,853	31,934	-	(1,264,169)	468,618
Net result for 2022-23		-	-	-	(22,047)	(22,047)
Total comprehensive result for 2022-23		-	-	-	(22,047)	(22,047)
Net assets received from an administrative restructure	1.6	-	-	-	9,707	9,707
Net assets transferred out as a result of an administrative restructure	1.6	-	-	-	100	100
Balance at 30 June 2023		1,700,853	31,934	-	(1,276,409)	456,378

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

THE DEPARTMENT FOR HEALTH AND WELLBEING
STATEMENT OF CASH FLOWS
For the year ended 30 June 2023

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		5,248,944	4,845,446	5,248,944	4,845,446
Fees and charges		755,308	771,385	96,504	152,511
Grants and contributions		2,457,848	2,452,430	1,961,304	2,008,487
Interest received		8,749	226	2,255	4
Residential aged care bonds received		36,420	30,569	-	-
GST recovered from ATO		250,346	238,305	82,371	99,477
Other receipts		56,421	37,054	20,110	2,427
Cash generated from operations		8,814,036	8,375,415	7,411,488	7,108,352
Cash outflows					
Employee benefits payments		(4,976,155)	(4,733,093)	(218,714)	(245,591)
Payments for supplies and services		(2,925,901)	(2,888,119)	(724,310)	(999,436)
Payments of grants and subsidies		(179,491)	(157,700)	(6,431,168)	(5,694,597)
Interest paid		(182,398)	(121,359)	(420)	(434)
Residential aged care bonds refunded		(24,281)	(27,197)	-	-
Other payments		(36,775)	(32,986)	(6,920)	(4,947)
Payments to SA Government		-	(431,854)	-	(431,854)
Cash used in operations		(8,325,001)	(8,392,308)	(7,381,352)	(7,376,859)
Net cash provided by/(used in) operating activities		489,035	(16,893)	29,956	(268,507)
Cash flows from investing activities					
Cash inflows					
Proceeds from sale of property, plant and equipment		16,260	640	15,053	-
Proceeds from sale/maturities of investments		6,845	13,330	-	-
Cash generated from investing activities		23,105	13,970	15,053	-
Cash outflows					
Purchase of property, plant and equipment		(324,084)	(237,386)	(1,792)	(2,437)
Purchase of intangible assets		(6,110)	(5,815)	(5,850)	(5,014)
Purchase of investments		(7,554)	(9,410)	-	-
Cash used in investing activities		(337,748)	(252,611)	(7,642)	(7,451)
Net cash provided by/(used in) investing activities		(314,643)	(238,641)	7,411	(7,451)
Cash flows from financing activities					
Cash inflows					
Cash received from restructuring activities		11,766	-	11,766	-
Proceeds from borrowings		-	-	-	17
Cash generated from financing activities		11,766	-	11,766	17
Cash outflows					
Repayment of borrowings		-	-	-	-
Cash transferred as a result of restructuring activities		-	-	-	-
Repayment of lease liabilities		(91,212)	(91,263)	(1,113)	(275)
Cash used in financing activities		(91,212)	(91,263)	(1,113)	(275)
Net cash provided by/(used in) financing activities		(79,446)	(91,263)	10,653	(258)

THE DEPARTMENT FOR HEALTH AND WELLBEING
STATEMENT OF CASH FLOWS
For the year ended 30 June 2023

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Net increase/(decrease) in cash and cash equivalents		94,946	(346,797)	48,020	(276,216)
Cash and cash equivalents at the beginning of the period		825,410	1,172,207	515,078	791,294
Cash and cash equivalents at the end of the period	14	920,356	825,410	563,098	515,078
Non-cash transactions	28				

The accompanying notes form part of these financial statements.

1. About SA Health

The Consolidated Entity – SA Health

The not-for-profit Consolidated Entity known as SA Health, consists of the following controlled entities:

- The Department for Health and Wellbeing (Parent);
- Barossa Hills Fleurieu Local Health Network Incorporated;
- Central Adelaide Local Health Network Incorporated (includes the subsidiary AusHealth Corporate Pty Ltd (AusHealth));
- Eyre and Far North Local Health Network Incorporated;
- Flinders and Upper North Local Health Network Incorporated;
- Limestone Coast Local Health Network Incorporated;
- Northern Adelaide Local Health Network Incorporated;
- Riverland Mallee Coorong Local Health Network Incorporated;
- SA Ambulance Service Inc (includes SA Ambulance Development Fund);
- Southern Adelaide Local Health Network Incorporated;
- Women’s and Children’s Health Network Incorporated; and
- Yorke and Northern Local Health Network Incorporated;

with transactions occurring between these entities.

The Consolidated Entity operates within the *Public Sector Act 2009* and the *Health Care Act 2008*.

The consolidated financial statements have been prepared in accordance with AASB 10 *Consolidated Financial Statements*. Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the Consolidated Entity have been eliminated in full. Information on the consolidated entity’s interests in other entities is at note 37.

Administered items

The Consolidated Entity has administered activities and resources. Transactions and balances relating to administered resources are presented separately and are disclosed in the Schedules of Administered Items – refer note 39. Except as otherwise disclosed administered items are accounted for on the same basis and using the same accounting policies as for the Consolidated Entity transactions.

The Department for Health and Wellbeing (the Department) – Parent Entity

The Department is a not-for-profit government department of the State of South Australia, established pursuant to the *Public Sector Act 2009* as an administrative unit acting on behalf of the Crown.

The Department is responsible for the overall management and strategic direction of the South Australian health system. The local health networks are responsible for the provision of health services in accordance with the *Health Care Act 2008* and performance agreements.

1.1 Objectives and activities

1.1.1 Objectives of the Department for Health and Wellbeing

SA Health is the brand name for the health portfolio of services and agencies (i.e. Consolidated Entity) responsible to the Minister for Health and Wellbeing (the Minister). SA Health is committed to protecting and improving the health of all South Australians by providing leadership in health reform, public health services, health and medical research, policy development and planning, with an increased focus on wellbeing, illness prevention, early intervention and quality care.

The Department (i.e. Parent Entity) assists the Minister and supports the delivery of public health services, formulates health policy, facilitates public and consumer consultation on health issues, and monitors the performance of South Australia’s health system by providing timely advice, research and administrative support.

The Department is comprised of six core divisions and one operating entity:

- Strategy and Governance;
- Clinical System Support and Improvement;
- Commissioning and Performance;
- Corporate Services;
- Chief Psychiatrist;
- Public Health;
- Digital Health SA.

THE DEPARTMENT FOR HEALTH AND WELLBEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

1.1.2 Activities of the Consolidated Entity

In achieving its objectives, the Consolidated Entity provides a range of goods and services classified into the following activities:

Policy, Clinical Services, System Improvement and Administration

Responsible for health policy and promotion, clinical services and administration associated with the provision of health services across South Australia. This activity largely reflects the activities of the Department itself (refer to Parent column on the face of the Statements and the notes accompanying the Statements).

Health Services

The provision of hospital-based tertiary care and other acute services as well as rehabilitation, mental health and other community health services within the metropolitan and country areas, the provision of grants to non-government organisations for the provision of health services, and responsibility for Aboriginal controlled primary health services in Ceduna, Port Augusta and surrounding country areas. This activity largely reflects the activities of the Local Health Networks (LHNs) and SA Ambulance Service (SAAS), refer to the Consolidated Entity column less the Parent column on the face of the Statements and the notes accompanying the Statements.

Accordingly, additional disaggregated disclosure schedules by major class of income, expense, asset and liability have not been included in the financial statements, as information can be reliably determined from the face of the Statements and the notes accompanying the Statements. It is noted that there are minor and immaterial variances between the two Activities due to inter-entity eliminations upon consolidation, with the exceptions of supplies and services and grants (expenditure), fees and charges (income), inter-entity loans receivable (asset) and workers compensation payable (liability) - refer to notes 3, 9, 10, 15.2 and 23 respectively for further information.

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.

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 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.

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.

1.3 Taxation

The Consolidated Entity is not subject to income tax. The Consolidated Entity is liable for fringe benefits tax (FBT) and goods and services tax (GST). The Department is additionally liable for payroll tax and emergency services levy.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The 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.

1.4 Continuity of operations

As at 30 June the Consolidated Entity had working capital of \$65.237 million (\$93.322 million). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Consolidated Entity, via the Department of Treasury and Finance (DTF), to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annual *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.

THE DEPARTMENT FOR HEALTH AND WELLBEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

1.5 Equity

The asset revaluation surplus is used to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

Other reserves include Branch Reserves, Country Capital Reserves, Defined Benefit Fund Remeasurement and Investment Revaluation Reserve.

1.6 Changes to SA Health

2022-23

As a result of administrative arrangements outlined in the Chief Executive Agreement, governance of the Integrated Care Systems (ICS) Directorate was transferred from Wellbeing SA to the Department, effective 20 December 2022. ICS delivers key strategies related to hospital avoidance, hospital substitution, hospital discharge, demand management and system reform initiatives; including ongoing development and integration of the My Home Hospital service and strategic oversight of the SA Community Care program. Net assets of \$9.707 million were transferred into the Department, consisting of cash (\$11.766 million) less payables (\$0.226 million), employee benefits (\$1.809 million) and provisions (\$0.024 million). This included the transfer of 67 employees. The Department recovered \$15.990 million from Wellbeing SA for expenditure incurred (refer note 7).

As approved by the Minister, governance of the Health Performance Council (HPC) was transferred from the Department to the Commission on Excellence and Innovation in Health (CEIH), effective 1 July 2022. Net liabilities of \$0.100 million were transferred out of the Department, consisting of payables (\$0.014 million) and employee benefits (\$0.086 million). This included the transfer of 2 employees.

Net assets and liabilities transferred into and out of the Department, and the Consolidated Entity, as a result of the administrative restructures were at the carrying amount immediately prior to transfer, and treated as distributions to the SA Government as owner.

2021-22

As a result of administrative arrangements outlined in the Chief Executive Agreement (4 April 2022), the Metropolitan Referral Unit was transitioned from the Southern Adelaide Local Health Network to Wellbeing SA, effective 26 March 2022. Net liabilities of \$1.051 million were transferred out of the Consolidated Entity, consisting of payables (\$0.060 million) and staff benefits (\$0.991 million). This included the transfer of 32 employees.

Net liabilities transferred by the Consolidated Entity as a result of the administrative restructure were at the carrying amount immediately prior to transfer, and treated as a distribution to the SA Government as owner.

2. Revenues from SA Government

	Consolidated		Parent	
	2023	2022	2023	2022
Revenues from SA Government	\$'000	\$'000	\$'000	\$'000
Contingency funding provided by DTF	94,437	3,682	94,437	3,682
Recovery from DTF for TVSPs	992	2,577	992	2,577
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	5,117,657	4,780,265	5,117,657	4,780,265
Commonwealth capital grants received via DTF	6,090	22,780	6,090	22,780
Commonwealth recurrent grants received via DTF	29,768	36,142	29,768	36,142
Total revenues from SA Government	5,248,944	4,845,446	5,248,944	4,845,446

Payments to SA Government

Return of surplus cash pursuant to cash alignment policy	-	431,854	-	431,854
Total payments to SA Government	-	431,854	-	431,854

The Department is the administrative unit of the Consolidated Entity and as such receives all appropriation from DTF. Appropriations are recognised upon receipt. The Department provides recurrent and capital funding under a service level agreement to the LHNs and SAAS for the provision of services.

Transactions with the SA Government as owner are set out in Statement of Changes in Equity.

THE DEPARTMENT FOR HEALTH AND WELLBEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2023

3. Fees and charges

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Ambulance cover	31,528	31,179	-	-
Ambulance transport	91,396	91,040	-	-
Business services	1,005	1,797	1,005	1,797
Call Direct	633	773	-	-
Car parking revenue	14,184	9,586	15	35
Commissions revenue	396	401	244	264
Fines, fees and penalties	2,004	1,802	1,830	1,615
Interstate patient transfers	78,255	82,323	78,252	82,319
Patient and client fees	346,006	337,943	-	-
Private practice fees	46,689	43,453	4,666	4,308
Fees for health services	45,518	43,457	5,007	3,916
Quarantine - hotel user charges	-	15,833	-	15,833
Residential and other aged care charges	28,415	27,166	-	-
Royalty income	855	679	-	-
Sale of goods - medical supplies	1,387	11,160	136,804	163,249
Training revenue	1,711	2,849	659	1,704
Other user charges and fees	39,575	36,786	959	916
Total fees and charges	729,557	738,227	229,441	275,956

Due to inter-entity eliminations upon consolidation, revenue from fees and charges of \$141.650 million (\$158.542 million) between the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

The Consolidated Entity measures revenue based on the consideration specified in major contracts with customers and excludes amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time, when (or as) the Consolidated Entity satisfies performance obligations by transferring the promised goods or services to its customers.

All revenue from fees and charges is revenue recognised from contracts with customers except for fines, fees and penalties.

Consolidated Contracts with Customers disaggregated by pattern of revenue recognition and type of customer	2023	2023	2022	2022
	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time
Ambulance cover	-	31,528	-	31,179
Ambulance transport	89,124	-	87,030	-
Business services	993	-	1,779	-
Call Direct	-	633	-	773
Car parking revenue	11,540	2,644	9,483	103
Commissions revenue	160	-	149	-
Interstate patient transfers	78,255	-	82,323	-
Patient and client fees	311,230	-	311,824	-
Private practice fees	46,689	-	43,453	-
Fees for health services	39,730	-	36,767	-
Quarantine - hotel user charges	-	-	15,833	-
Residential and other aged care charges	28,415	-	27,166	-
Royalty income	855	-	679	-
Sale of goods - medical supplies	1,378	-	9,975	-
Training revenue	1,518	-	2,684	-
Other user charges and fees	36,404	16	34,830	8
Total contracts with external customers	646,291	34,821	663,975	32,063
Ambulance transport	2,272	-	4,010	-
Business services	12	-	18	-
Commissions revenue	236	-	252	-
Patient and client fees	34,776	-	26,119	-
Fees for health services	5,788	-	6,690	-
Sale of goods - medical supplies	9	-	1,185	-
Training revenue	193	-	165	-
Other user charges and fees	3,154	1	1,948	-
Total contracts with SA Government customers	46,440	1	40,387	-
Total contracts with customers	692,731	34,822	704,362	32,063

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The Consolidated Entity recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 27). Similarly, if the Consolidated Entity satisfies a performance obligation before it receives the consideration, the Consolidated Entity recognises either a contract asset or a receivable, depending on whether something other than the passage of time is required before the consideration is due (refer to note 18 and 15 respectively).

The Consolidated Entity recognises revenue (contract from customers) from the following major sources:

Patient and client fees

Public health care is free for Medicare eligible customers. Non-Medicare eligible customers pay in arrears to stay overnight in a public hospital and to receive medical assessment, advice, treatment and care from a health professional. These charges may include doctors, surgeons, anaesthetists, pathology, radiology services etc. Revenue from these services is recognised on a time-and-material basis as services are provided. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

Ambulance transport

Ambulance transport revenue comprises revenue earned from the provision of first aid and patient transportation that are considered non-emergency and are not covered by Medicare. Ambulance transport revenue recognition occurs under AASB 15 *Revenue from Contracts with Customers* at the point in time that the performance obligation is discharged, which will be once the service is provided.

Private practice fees

SA Health grants employed salaried medical consultants the ability to provide billable medical services relating to the assessment, treatment and care of privately referred outpatients or private inpatients in SA Health sites. Fees derived from undertaking private practice is income derived in the hands of the specialist. The specialist appoints the Consolidated Entity as an agent in the rendering and recovery of accounts of the specialist's private practice. SA Health disburses amounts collected on behalf of the specialist to the specialist via payroll (fortnightly) or accounts payable (monthly) depending on the rights of private practice scheme. Revenue from these services is recognised as it is collected as per the Rights of Private Practice Agreement.

Interstate patient Transfers

Under the National Health Reform Agreement – When a resident of one state/territory receives hospital treatment in another state/territory, the 'resident state/territory' compensates the treating or 'provider state/territory' for the cost of that care via a 'cross-border' payment. Contributions by the resident state/territory are made to the 'provider state/territory' through the National Health Funding Pool via activity estimates.

4. Grants and contributions

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Commonwealth aged care subsidies	55,841	45,958	-	-
Pharmaceutical Benefits Scheme Commonwealth subsidy	246,394	229,012	-	-
Commonwealth National Health Reform Agreement	1,668,249	1,646,071	1,668,249	1,646,071
Department of Veterans' Affairs (Commonwealth)	40,800	50,079	40,800	50,079
Commonwealth Transition Care Program	26,353	24,748	26,353	24,748
Commonwealth National Partnership on COVID-19 Response	196,635	255,803	196,635	255,803
Other Commonwealth grants and contributions	136,726	128,343	18,171	17,379
SA Government Community Development Fund	7,000	7,000	7,000	7,000
SA Government capital contributions	189	18	-	-
Emergency Services Levy	1,565	1,527	-	-
Other SA Government grants and contributions	14,102	14,844	2,236	1,898
Private sector capital contributions	1,234	1,073	-	-
Private sector grants and contributions	57,039	43,423	1,808	737
Total grants and contributions	2,452,127	2,447,899	1,961,252	2,003,715

Commonwealth financial assistance via the National Partnership on COVID-19 Response expired on 31 December 2022.

The grants received are usually subject to terms and conditions set out in the contract, correspondence, or by legislation and recognised on receipt.

Of the \$2,452.127 million (\$2,447.899 million) received during the reporting period \$2,154.782 million (\$2,171.353 million) was provided for specific purposes, including State and Commonwealth Health Initiatives-Health reforms, research and other associated activities.

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5. Interest

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest on operating accounts	5,827	370	2,255	4
Interest from SAFA on investments	35	2	-	-
Interest on Special Purpose Funds	4,698	-	-	-
Total interest	10,560	372	2,255	4

6. Resources received free of charge

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Land and buildings	-	-	5,000	-
Plant and equipment	-	205	-	-
Inventory	32,324	30,302	32,324	30,302
Services	47,404	46,471	2,969	3,363
Other	-	16	-	-
Total resources received free of charge	79,728	76,994	40,293	33,665

Property, plant and equipment is recorded at fair value. During the 2022-23 financial year the Department received donated land from CALHN in relation to surplus land at 275 North Terrace, Adelaide valued at \$5.000 million (nil).

Inventory includes immunisation drugs received from the Commonwealth recorded at their fair value. Where inventory is received free of charge, all amounts held are recognised as an asset during the period. COVID-19 vaccines are not recognised in the inventory balance (refer note 17 for further information).

Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Consolidated Entity receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$37.512 million (\$35.852 million) (Parent \$2.497 million (\$2.940 million)), ICT services valued at \$9.661 million (\$10.619 million) (Parent \$0.379 million (\$0.423 million)) and media monitoring services (from 2022-23) valued at \$0.118 million (Parent \$0.093 million) from the Department of the Premier and Cabinet following Cabinet's approval to cease intra-government charging.

Although not recognised, the Consolidated Entity receives volunteer services from numerous volunteers who provide patient and staff support services to individuals using hospital and ambulance services. The services include but are not limited to: childcare, respite care, transport, therapeutic activities, patient liaison, gift shop, kiosk and café support.

7. Other revenues/income

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Dividend revenue	193	587	-	-
Donations	8,605	8,244	159	53
Gain on revaluation of investment property	4,225	2,250	-	-
Health recoveries	-	-	146,726	129,186
Insurance recoveries	231	159	46,869	38,070
Recoveries from Wellbeing SA	15,990	-	15,990	-
Other	20,722	26,497	1,128	2,410
Total other revenues/income	49,966	37,737	210,872	169,719

Due to inter-entity eliminations upon consolidation, health recoveries and insurance recoveries between the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

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8. Employee benefits expenses

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	4,013,171	3,794,091	152,449	175,998
Targeted voluntary separation packages	1,318	7,617	986	1,801
Long service leave	87,066	(32,827)	2,065	1,491
Annual leave	406,463	384,708	14,285	16,913
Skills and experience retention leave	18,815	18,016	765	936
Employment on-costs - superannuation*	457,524	411,671	19,754	21,691
Employment on-costs - other	7,871	8,790	7,422	8,331
Workers compensation	46,515	75,077	8,352	6,043
Board and committee fees	3,344	3,189	417	381
Other employee related expenses	6,310	7,063	8,878	7,570
Total employee benefits expenses	5,048,397	4,677,395	215,373	241,155

* The superannuation employment on-cost charge represents the Consolidated Entity'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 except for SAAS staff who are members of the SAAS defined benefit scheme.

8.1 Key Management Personnel

Key management personnel (KMP) of the Consolidated Entity and the Department includes the Minister, the Chief Executive and nine members of the Executive Management team who have responsibility for the strategic direction and management of the Consolidated Entity.

The compensation detailed below excludes salaries and other benefits received by the Minister. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of South Australia, respectively, and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

Compensation	2023	2022
	\$'000	\$'000
Salaries and other short term employee benefits	3,295	3,827
Post-employment benefits	985	1,413
Other long-term employment benefits	97	-
Total	4,377	5,240

The Consolidated Entity did not enter into any transactions with key management personnel or their close family during the reporting period that were not consistent with normal procurement arrangements.

8.2 Remuneration of Boards and Committees (Consolidated Entity)

	2023	2022
	No. of Members	No. of Members
\$0	1,498	1,434
\$1 - \$20,000	257	222
\$20,001 - \$40,000	57	51
\$40,001 - \$60,000	12	20
\$60,001 - \$80,000	5	3
\$80,001 - \$100,000	-	2
Total	1,829	1,732

The total remuneration received or receivable by members was \$3.572 million (\$3.364 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 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 38 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.

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8.3 Remuneration of employees

The number of employees whose remuneration received or receivable falls within the following bands:	Consolidated		Parent	
	2023 Number	2022 Number	2023 Number	2022 Number
\$157,001 - \$160,000*	n/a	102	n/a	14
\$160,001 - \$180,000	1,093	985	29	35
\$180,001 - \$200,000	785	616	10	22
\$200,001 - \$220,000	470	378	18	15
\$220,001 - \$240,000	299	218	6	7
\$240,001 - \$260,000	244	198	9	4
\$260,001 - \$280,000	199	156	6	5
\$280,001 - \$300,000	139	120	4	7
\$300,001 - \$320,000	122	108	3	3
\$320,001 - \$340,000	107	90	-	1
\$340,001 - \$360,000	109	86	2	5
\$360,001 - \$380,000	82	102	2	1
\$380,001 - \$400,000	93	69	-	1
\$400,001 - \$420,000	69	81	1	1
\$420,001 - \$440,000	83	59	1	1
\$440,001 - \$460,000	106	86	1	1
\$460,001 - \$480,000	87	93	-	-
\$480,001 - \$500,000	74	73	2	1
\$500,001 - \$520,000	55	77	-	2
\$520,001 - \$540,000	62	43	1	-
\$540,001 - \$560,000	49	45	-	-
\$560,001 - \$580,000	33	45	-	-
\$580,001 - \$600,000	46	38	1	1
\$600,001 - \$620,000	34	46	-	1
\$620,001 - \$640,000	27	29	-	-
\$640,001 - \$660,000	30	20	-	-
\$660,001 - \$680,000	11	17	-	-
\$680,001 - \$700,000	19	18	1	-
\$700,001 - \$720,000	10	7	-	-
\$720,001 - \$740,000	3	11	-	-
\$740,001 - \$760,000	6	9	-	-
\$760,001 - \$780,000	3	13	-	-
\$780,001 - \$800,000	5	6	-	-
\$800,001 - \$820,000	1	3	-	-
\$820,001 - \$840,000	2	1	-	-
\$840,001 - \$860,000	-	1	-	-
\$860,001 - \$880,000	-	3	-	-
\$900,001 - \$920,000	2	-	-	-
\$920,001 - \$940,000	2	1	-	-
\$960,001 - \$980,000	-	1	-	-
\$1,000,001 - \$1,020,000	1	-	-	-
\$1,040,001 - \$1,060,000	1	-	-	-
\$1,060,001 - \$1,080,000	-	1	-	1
\$1,280,001 - \$1,300,000	-	1	-	-
\$1,400,001 - \$1,420,000	1	-	-	-
\$1,480,001 - \$1,500,000	-	1	-	-
Total number of employees	4,564	4,057	97	129

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2021-22.

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, termination payments, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid.

In accordance with a new SAAS Enterprise Agreement, eligible employees are entitled to salary increases of 2.5% per annum, back-dated to the first full pay period after 31 December 2018. The backpay was processed in September 2022 contributing to a significant increase in operational employee remuneration for 2022-23.

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8.4 Remuneration of employees by classification

The total remuneration received by these employees, included above:

	Consolidated				Parent			
	2023		2022		2023		2022	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	129	33,624	132	34,061	52	14,418	55	15,571
Medical (excluding Nursing)	3,044	963,152	3,050	963,336	17	4,192	15	4,336
Non-medical (i.e. administration)	118	21,521	155	27,759	14	2,415	37	6,386
Nursing	541	95,354	446	77,751	14	2,350	22	3,949
Operational	732	150,014	274	51,250	-	-	-	-
Total	4,564	1,263,665	4,057	1,154,157	97	23,375	129	30,242

8.5 Targeted voluntary separation packages (TVSP)

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Amount paid/payable to separated employees:				
Targeted voluntary separation packages	1,318	7,664	986	1,801
Leave paid/payable to separated employees	476	4,501	323	1,203
	1,794	12,165	1,309	3,004
Recovery from DTF	986	2,557	986	-
Net cost to the entity	808	9,588	323	3,004

The number of employees who received a TVSP during the reporting period	13	150	9	44
Number of TVSPs resulting from the Workforce Rejuvenation Scheme	-	118	-	44

9. Supplies and services

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Administration	7,526	7,719	1,358	1,429
Advertising	9,101	11,691	3,881	7,872
Communication	32,908	37,010	10,275	12,444
Computing	160,291	145,708	137,983	127,647
Consultants	8,478	6,760	3,392	1,592
Contract of services	205,514	166,905	136,975	111,743
Contractors	52,258	53,837	27,899	23,386
Contractors - agency staff	168,418	156,207	52,561	65,304
Cost of goods sold	10,098	49,404	152,923	219,976
Drug supplies	325,635	296,951	4,893	4,463
Electricity, gas and fuel	46,927	41,515	179	281
Fee for service	327,019	260,085	-	-
Food supplies	46,754	41,117	68	379
Hotel quarantine - accommodation costs	1,738	71,840	1,737	71,822
Housekeeping	101,001	113,115	1,024	16,506
Insurance	53,416	37,281	50,688	34,257
Interstate patient transfers	61,155	64,560	61,085	64,533
Legal	14,757	13,274	11,062	10,500
Low value lease expense	13,709	9,831	13,483	9,730
Medical, surgical and laboratory supplies	413,615	471,214	1,990	28,908
Minor equipment	35,901	50,216	3,088	8,630
Motor vehicle expenses	14,734	14,661	299	939
Occupancy rent and rates	39,851	44,563	13,150	16,084
Patient transport	47,040	35,750	-	3,170
Postage	20,137	27,768	4,235	9,519
Printing and stationery	17,312	18,534	1,206	1,879
Public Private Partnership operating expenses	125,960	81,236	-	-
Repairs and maintenance	131,088	125,887	1,244	2,240
Security	73,011	97,370	1,624	24,798
Services from Shared Services SA	38,112	35,757	2,550	3,047
Short term lease expense	4,279	3,768	555	1,093
Training and development	53,903	48,232	4,772	3,319
Travel expenses	29,783	12,323	983	1,264
Other supplies and services	76,573	102,555	11,534	36,280
Total supplies and services	2,768,002	2,754,644	718,696	925,034

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Due to inter-entity eliminations upon consolidation, supplies and services of \$17.802 million (\$20.539 million) between the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

The Consolidated Entity's accommodation is provided by the Department for Infrastructure and Transport (DIT) under MoAA issued in accordance with Government wide accommodation policies. These arrangements do not meet the definition of a lease and accordingly are expensed (disclosed within Occupancy rent and rates).

The Consolidated Entity recognises lease payments associated with short term leases (12 months or less) and leases 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.

Cost of goods sold and medical, surgical and laboratory supplies includes rapid antigen tests (RATs) and personal protective equipment (PPE) distributed to the South Australian community and used by the Consolidated Entity.

10. Grants and subsidies

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Operational funding to incorporated Health Services	10.1	-	-	6,299,775	5,645,401
Capital funding to incorporated Health Services	10.1	-	-	312,607	225,892
Subsidies		93,921	88,968	92,732	88,717
Funding to non-government organisations		35,426	28,178	31,753	24,656
Other		1,440	1,377	1,243	1,269
Total grants and subsidies		130,787	118,523	6,738,110	5,985,935

10.1 Funding by the Department (Parent) to incorporated Health Services

	Operational		Capital Projects	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Barossa Hills Fleurieu Local Health Network Incorporated	287,995	236,788	22,675	19,048
Eyre and Far North Local Health Network Incorporated	126,492	96,264	2,614	2,443
Flinders and Upper North Local Health Network Incorporated	147,371	131,875	2,674	955
Riverland Mallee Coorong Local Health Network Incorporated	144,753	126,237	2,176	2,544
Limestone Coast Local Health Network Incorporated	163,281	143,784	2,019	2,980
Yorke and Northern Local Health Network Incorporated	167,376	144,197	3,943	4,036
SA Ambulance Service Inc	279,591	184,387	36,820	14,490
Southern Adelaide Local Health Network Incorporated	1,291,654	1,170,962	35,677	49,448
Central Adelaide Local Health Network Incorporated	2,246,302	2,096,775	121,468	46,193
Women's and Children's Health Network Incorporated	536,284	489,008	51,539	35,371
Northern Adelaide Local Health Network Incorporated	908,676	825,124	31,002	48,384
Total funding to incorporated Health Services	6,299,775	5,645,401	312,607	225,892

The grants given are usually subject to terms and conditions set out in the contract, correspondence, or by legislation.

Due to inter-entity eliminations upon consolidation, operational and capital funding to incorporated Health Services of \$6,612.382 million (\$5,871.293 million) between the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

11. Borrowing costs

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	190,705	130,412	420	434
Total borrowing costs	190,705	130,412	420	434

The Consolidated Entity does not capitalise borrowing costs. Included in the lease costs is a reduction in contingent rental amounts of \$146.743 million (\$105.537 million) relating to Central Adelaide Local Health Network. Refer to note 24 for more information on financial liabilities.

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12. Other expenses

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Debts written off	27,456	23,630	61	430
Bank fees and charges	423	516	10	77
Donated assets expense	-	28	-	28
Donated drug vaccine expense	31,080	28,006	31,080	28,006
Impairment expense	-	700	-	-
Net loss on revaluation of investments	-	891	-	-
Net loss on sale of investments	115	98	-	-
Project de-recognition	46,106	-	-	-
Service recoveries paid to other SA Government entities	1,139	3,862	1,139	3,862
Write-down of inventory	7,327	1,110	4,668	573
Other*	7,716	4,221	1,264	(167)
Total other expenses	121,362	63,062	38,222	32,809

* Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$3.119 million (\$2.673 million). No other services were provided by the Auditor-General's Department. Also includes fees paid or payable to Galpins Accountants, Auditors and Business Consultants of \$0.223 million (\$0.216 million) for audits of the Health Advisory Council's (HACs) and aged care and BDO for audit services for AusHealth of \$0.039 million (\$0.036 million).

Donated drug vaccine expense

Donated drug expense includes various anti-viral and highly specialised drugs to health providers to distribute free of charge to the South Australian community. COVID-19 vaccines are not recognised in the donated drug vaccine expense (refer note 17 for further information).

Project de-recognition

The SA Government announced on 27 September 2022 the construction of the new Women's and Children's Hospital (WCH) would be relocated to the current SA Police Barracks site. The project de-recognition relates to write off of capitalised expenses which related to the former SA Governments plans to construct the new WCH on the RAH west site, as the plans do not translate to the new site.

13. Net gain/(loss) from disposal of non-current and other assets

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Land and buildings:				
Proceeds from disposal	130	-	-	-
Less carrying amount of assets disposed	(1,067)	(108)	-	-
Less other costs of disposal	(22)	-	-	-
Net gain/(loss) from disposal of land and buildings	(959)	(108)	-	-
Plant and equipment:				
Proceeds from disposal	1,170	710	53	-
Less carrying amount of assets disposed	(1,674)	(192)	(178)	-
Less other costs of disposal	(18)	(70)	-	-
Net loss from disposal of plant and equipment	(522)	448	(125)	-
Intangibles:				
Less carrying amount of assets disposed	(1,361)	-	(1,361)	-
Net gain from disposal of intangibles	(1,361)	-	(1,361)	-
Non-current assets held for sale:				
Proceeds from disposal	15,000	-	15,000	-
Less carrying amount of assets disposed	(5,000)	-	(5,000)	-
Net gain/(loss) from disposal of non-current assets held for sale	10,000	-	10,000	-
Total assets:				
Total proceeds from disposal	16,300	710	15,053	-
Less total carrying amount of assets disposed	(9,102)	(300)	(6,539)	-
Less other costs of disposal	(40)	(70)	-	-
Total net gain/(loss) from disposal of non-current and other assets	7,158	340	8,514	-

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Gains or losses on disposal are recognised at the date control of the asset is passed from the Consolidated Entity and are determined after deducting the carrying amount of the asset from the proceeds at that time. When revalued assets are disposed, the revaluation surplus is transferred to retained earnings.

The net gain on disposal for the Department includes a gain of \$10.000 million (nil) on the sale of surplus land to the Urban Renewal Authority, which had been donated free of charge by CALHN (refer to note 6 for further information).

14. Cash and cash equivalents

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	51,396	43,183	5,193	5,987
Deposits with Treasurer: general operating	300,662	297,066	189,960	198,990
Deposits with Treasurer: accrual appropriation excess funds	367,945	310,101	367,945	310,101
Deposits with Treasurer: special purpose funds	200,353	175,060	-	-
Total cash	920,356	825,410	563,098	515,078

Cash is measured at nominal amounts. The Government has a policy to align agency cash balances with the appropriation and expenditure authority.

Although the Consolidated Entity controls the money reported above in the Accrual Appropriation Excess Funds Account, its use must be approved by the Treasurer. The Consolidated Entity earns interest on the special purpose funds account.

15. Receivables

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Patient/client fees: compensable	10,242	13,880	-	-
Patient/client fees: aged care	4,306	4,083	-	-
Patient/client fees: other	67,324	59,437	-	-
Debtors	131,327	114,719	34,796	24,041
Less: allowance for impairment loss on receivables	(53,031)	(50,243)	(3,671)	(2,772)
Interstate patient transfers	149,250	168,197	149,250	168,197
Prepayments	36,698	41,756	20,424	22,485
Dividends	23	40	-	-
Interest	1,708	155	-	-
Grants	220	109	-	-
Sundry receivables and accrued revenue	45,927	55,248	747	863
GST input tax recoverable	36,126	29,747	32,928	26,074
Total current receivables	430,120	437,128	234,474	238,888
Non-Current				
Debtors	3,097	3,631	83	23
Prepayments	1,376	1,432	-	-
Superannuation - defined benefit scheme	20,053	30,361	-	-
Total non-current receivables	24,526	35,424	83	23
Total receivables	454,646	472,552	234,557	238,911

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

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

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Interstate patient transfers

Under the National Health Reform Agreement - When a resident of one state/territory receives hospital treatment in another state/territory, the 'resident state/territory' compensates the treating or 'provider state/territory' for the cost of that care via a 'cross-border' payment. Contributions by the resident state/territory are made to the provider state/territory through the National Health Funding Pool via activity estimates. Consistent with past years, the amounts disclosed are current estimates and may change. The Department adjusts its calculations of receivables and payables based on the cross-border activity from the latest data available and the national efficient pricing rates from each year accrued. The current year receivable is based on the actual data outcomes for 2021-22 for NSW, Queensland and Tasmania, and the average data outcomes for 2019-20 and 2021-22 for all other states and territories. The current year payable is based on the actual data outcomes for 2021-22 for NSW and NT, and the average data outcomes for 2019-20 and 2021-22 for all other states and territories. Refer to note 23 for more information interstate patient transfers payable.

Receivables between state and territory governments are expected to have an insignificant, and therefore immaterial, level of credit risk exposure, accordingly the Department has not measured or recognised an allowance for impairment loss on this receivable.

15.1 Impairment of receivables

The Consolidated Entity has adopted the simplified impairment approach under AASB 9 *Financial Instruments* and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment provision.

Movement in the allowance for impairment loss on receivables:	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	50,243	35,667	2,772	353
Increase/(Decrease) in allowance recognised in profit or loss	2,788	14,576	899	2,419
Carrying amount at the end of the period	53,031	50,243	3,671	2,772

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 34 for details regarding credit risk and the methodology for determining impairment.

16. Other financial assets

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits	104,260	103,115	-	-
Other investments FVPL	5,533	4,936	-	-
Total current financial assets	109,793	108,051	-	-
Non-current				
Joint venture	2,671	2,671	-	-
Other investments FVOCI	1,409	1,308	-	-
Total non-current financial assets	4,080	3,979	-	-
Total financial assets	113,873	112,030	-	-

The Consolidated Entity measures term deposits at amortised cost, listed equities and other investments are measured at fair value represented by market value. This includes shares in other corporations, floating rate notes, listed securities, managed funds not present in consolidation. Included in term deposits is \$64.440 million (\$65.995 million) related to aged care refundable deposits held by regional LHNs.

The joint venture represents the Consolidated Entity's share of beneficial entitlement of Flinders Reproductive Medicine Pty Ltd as trustee for Flinders Charitable Trust, trading as Flinders Fertility and equity interest in property at Cleve.

According to the terms of the joint venture, profit earned during the financial year is to be distributed to the beneficiaries, resulting in immaterial net assets being held by the trust. However, it has previously been agreed that rather than paying out these distributions, they be retained in Flinders Fertility as a liability to the beneficiaries to facilitate growth within the business. Therefore, the Consolidated Entity recognises their ownership interest of the distribution as a financial asset. Refer to note 37 for further information on interests in other entities.

The Consolidated Entity has a 12.28% equity interest in property at Whyte Street, Cleve in the State of South Australia by way of a mortgage on certificate of title volume 5902 folio 901. The registered proprietor of the property is the Cornerstone Housing Ltd, formerly Lutheran Community Housing Support Unit Inc.

Refer to note 37 for information on interests in other entities.

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17. Inventories

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Drug supplies	31,551	25,795	12,546	8,306
Medical, surgical and laboratory supplies	4,231	4,063	-	-
Food and hotel supplies	819	753	-	-
Engineering supplies	37	20	-	-
SA Health Distribution Centre and bulk warehouses	51,591	78,174	51,591	78,174
Inventory imprest stock	15,861	15,429	-	-
Other	1,239	1,690	13	240
Total current inventories - held for distribution	105,329	125,924	64,150	86,720

Inventories are held for distribution at no or nominal consideration and are measured at the lower of average weighted cost and replacement cost.

The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised as an expense reduction.

As part of the Consolidated Entity's responsibility for coordinating the COVID-19 pandemic response in South Australia, the Department purchased and distributed RATs and PPE for use by the Consolidated Entity and the South Australian Community. Included in the Distribution Centre and bulk warehouses inventories is \$5.902 million (\$14.716 million) of RATs and \$30.582 million (\$50.024 million) of PPE. RATs received free of charge from the Commonwealth Government have not been valued.

COVID-19 Vaccines

In accordance with the Australian COVID-19 Vaccination Policy, the Commonwealth Government is responsible for purchasing and safely transporting the vaccine doses to storage and administration sites within each state. Once the doses are delivered to these state storage and administration sites, the state is responsible for the physical safety and appropriate storage and handling of those doses. Due to strict confidentiality agreements with the vaccine suppliers, the Commonwealth Government has not disclosed the cost of the vaccine doses, and accordingly the Department cannot reliably value the doses on hand and associated medical supplies for administration of vaccines.

18. Contract assets

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Contract assets	17,441	17,276	-	-
Less: allowance for impairment loss on contract assets	4,283	3,844	-	-
Total contract assets	13,158	13,432	-	-

Contract assets primarily relate to the Consolidated Entity's rights for work completed but not yet billable at the reporting date. The Consolidated Entity has recognised revenue for pathology services and ambulance services provided but not yet processed through the billing system. Payments for pathology and ambulance services are not due from the customer until the services are correctly coded and therefore a contract asset is recognised over the period in which pathology and ambulance services are performed to represent the Consolidated Entity's right for the services transferred to date. Any amounts previously recognised as a contract asset are transferred to receivables when the rights become unconditional (i.e. at the point at which it is invoiced to the customer).

There was an increase in allowance for impairment loss on contract assets of \$0.439 million (\$3.187 million decrease) during the reporting period.

19. Property, plant and equipment, investment property and intangible assets

19.1 Acquisition and recognition

Property, plant and equipment owned are initially recorded on a cost basis, and subsequently measured at fair value. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal value as part of a restructure of administrative arrangements, the assets are recorded at the value held by the transferor public authority prior to the restructure.

The Consolidated Entity capitalises owned property, plant and equipment with a value equal to or in excess of \$10,000. Assets recorded as works in progress represent projects physically incomplete as at the reporting date. Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or in excess of \$5 million for infrastructure assets and \$1 million for other assets.

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19.2 Depreciation and amortisation

The residual values, useful lives, depreciation and amortisation methods of all major assets held by the Consolidated Entity are reviewed and adjusted if appropriate on an annual basis. Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Depreciation and amortisation is calculated on a straight line basis.

Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	10 – 200
Right of use buildings	2 – 99
Accommodation and leasehold improvements	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2 – 25
• Computing equipment	3 – 5
• Vehicles	2 – 25
• Other plant and equipment	3 – 50
Right of use plant and equipment	2 – 3
Intangibles	5 – 30

19.3 Revaluation

All non-current tangible assets are subsequently measured at fair value after allowing for accumulated depreciation (written down current cost).

Revaluation of non-current assets or a group of assets is only performed when the owned asset's fair value at the time of acquisition is greater than \$1.500 million and the estimated useful life exceeds three years. Revaluations are undertaken on a regular cycle. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value. If at any time management considers that the carrying amount of an asset greater than \$1.500 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset. Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

19.4 Impairment

The Consolidated Entity holds its property, plant and equipment and intangible assets for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. For revalued assets, fair value is assessed each year.

There were no indications of impairment for property, plant and equipment, investment properties as at 30 June 2023.

19.5 Intangible assets

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed on an annual basis. The Consolidated Entity has intangibles with indefinite useful lives, amortisation is not recognised against these intangible assets.

The acquisition of, or internal development of, software is capitalised only when the expenditure meets the definition criteria and recognition criteria, and when the amount of expenditure is greater than or equal to \$10,000. Capitalised software is amortised over the useful life of the asset.

19.6 Land and buildings

An independent valuation of land and buildings owned by the Consolidated Entity was performed in March and April 2018 by Certified Practising Valuers from Jones Lang Lasalle (SA) Pty Ltd and AssetVal (JLT) Pty Ltd as at 1 June 2018, within the regular valuation cycle. Consistent with *Treasurer's Instructions*, a public authority must at least every 6 years obtain a valuation appraisal from a qualified valuer, the timing and process of which will be considered in the 2023-24 financial year.

Fair value of unrestricted land was determined using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

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Fair value of buildings was determined using depreciated replacement cost due to there not being an active market. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature and restricted use of the assets; their size, condition, and location. The valuation was based on a combination of internal records, specialised knowledge and acquisitions/transfer costs.

19.7 Plant and equipment

The Consolidated Entity's plant and equipment assets with a fair value greater than \$1.500 million or had an estimated useful life of greater than three years were revalued using fair value methodology, as at 1 June 2018, based on an independent valuation performed by Certified Practising Valuers from Jones Lang Lasalle (SA) Pty Ltd and Australian Valuation Solutions Pty Ltd. The value of all other plant and equipment has not been revalued, this is in accordance with APS 116.D, the carrying value of these items is deemed to approximate fair value.

19.8 Investment property

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as income or expense in the period that they arise. The properties are not depreciated and are not tested for impairment.

An independent valuation was performed on the investment property at Unit 1, 27 Kermode Street North Adelaide by certified practicing valuers for AssetVal, a business of Marsh Pty Ltd, as at 30 June 2023. Fair value has been determined by the capitalised income approach, whereby an appropriate yield is applied to the property's income based on sales analysis of comparable properties.

The valuation of investment property located at Dalglish St, Thebarton was performed by a Certified Practising Valuer from Knight Frank Valuations, as at March 2020. The valuer arrived at a fair value based on recent market transactions for similar properties in the area taking into account zoning and restricted use.

Amounts recognised in profit or loss

The Consolidated Entity recognised rental income from investment properties during the period of \$1.733 million (\$1.284 million).

19.9 Leased property, plant and equipment

Right-of-use assets (including concessional arrangements) leased by the Consolidated Entity are measured at cost and there were no indications for impairment. Short-term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 9.

The Consolidated Entity has a number of lease agreements including concessional. Major lease activities include the use of:

- Properties – non-DIT provided office accommodation, community health offices, medical centres, health clinics, SA Pathology collection centres, primary health, dental clinics and staff accommodation are generally leased from the private sector. Most property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally linked to CPI increases. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.
- Distribution Centre (Parent) – lease commenced in April 2021 and is for 15 years with two options to renew for five years.
- Health Facilities
 - Royal Adelaide Hospital (RAH) lease commenced in June 2011, achieved commercial acceptance in June 2017, and is for 35 years. The SA Health Partnership Consortium trading as Celsus entered into an arrangement to finance, design, build, operate and maintain the new RAH. Under the arrangement, Celsus will maintain and provide non-medical support services including facilities management by Spotless and information and communication technology (ICT) support and maintenance by DXC Technology for the duration of the contract. The arrangement is referred to as a Public Private Partnership (PPP). At the conclusion of the contract in 2046, the Consolidated Entity will take full ownership of the RAH. Celsus have an obligation to deliver the RAH in a condition fit for its intended purpose and fully maintained in accordance with the agreed asset management plan.
 - Mount Gambier Hospital lease commenced in June 1997, initially for 25 years, with an option to renew for 10 years. The underlease was renewed until 29 June 2032, with the rental increasing by 3.5% each financial year.
 - Port Augusta Hospital lease commenced in June 1997 and is for 25 years with an option to renew for 10 years. The base rental for the 25-year term increases according to CPI each quarter. For the 10-year renewal the rental is determined according to a different method related to a valuation of the property and its replacement cost. The Consolidated Entity is currently in negotiation to establish a new lease agreement. This is expected to be finalised in 2023-24.
- Motor vehicles – leased from the South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. The leases are non-cancellable and the vehicles are leased for a specified time period (usually 3 years) or a specified number of kilometres, whichever occurs first.
- Plant and equipment – leases for material handling equipment are cancellable and renewable every 2 years.

The Consolidated entity has entered into two sub-lease arrangements outside of the Consolidated Entity/SA Health.

The lease liabilities related to the right-of-use assets and the maturity analysis are disclosed in note 24. Expenses related to right-of-use assets include depreciation and interest expense are disclosed at note 20 and 11. Cash flows related to right-of-use assets are disclosed at note 28.

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20. Reconciliation of property, plant and equipment and investment property

The following tables show the movement:

Consolidated

2022-23

	Land and buildings:			Plant and equipment:							Investment property \$'000	Total \$'000
	Land \$'000	Buildings \$'000	Right-of-use buildings \$'000	Capital works in progress land and buildings \$'000	Accommo- dation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000			
Carrying amount at the beginning of the period	326,587	2,283,984	2,587,314	201,008	57,753	126,900	34,109	224,837	32,580	25,750	5,900,822	
Additions	24,639	-	13,628	248,183	-	15,542	1,304	6,257	33,361	-	342,914	
Disposals	(32)	(913)	-	(68)	(54)	(795)	(744)	(38)	(148)	-	(2,792)	
Transfers between asset classes	-	127,330	-	(130,335)	1,921	22,557	13,188	-	(34,637)	-	24	
Reclassified to held for sale	(5,000)	-	-	-	-	-	-	-	-	-	(5,000)	
Remeasurement	-	-	5,163	-	-	-	-	-	-	-	5,163	
Transfer to expenses	-	-	-	(46,106)	-	-	-	-	(105)	-	(46,211)	
Subtotal:	346,194	2,410,401	2,606,105	272,682	59,620	164,204	47,857	231,056	31,051	25,750	6,194,920	
Gains/(losses) for the period recognised in net result:												
Depreciation and amortisation	-	(144,615)	(69,301)	-	(4,358)	(40,405)	(11,159)	(15,214)	-	-	(285,052)	
Revaluation increment / (decrement)	-	-	-	-	-	-	-	-	-	4,225	4,225	
Subtotal:	-	(144,615)	(69,301)	-	(4,358)	(40,405)	(11,159)	(15,214)	-	4,225	(280,827)	
Carrying amount at the end of the period	346,194	2,265,786	2,536,804	272,682	55,262	123,799	36,698	215,842	31,051	29,975	5,914,093	
Gross carrying amount												
Gross carrying amount	346,194	2,946,809	2,890,868	272,682	99,189	486,986	145,605	278,402	31,051	29,975	7,527,761	
Accumulated depreciation / amortisation	-	(681,023)	(354,064)	-	(43,927)	(363,187)	(108,907)	(62,560)	-	-	(1,613,668)	
Carrying amount at the end of the period	346,194	2,265,786	2,536,804	272,682	55,262	123,799	36,698	215,842	31,051	29,975	5,914,093	

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Consolidated 2021-22	Land and buildings:			Plant and equipment:							Investment property \$'000	Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommo- dation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000			
Carrying amount at the beginning of the period	326,334	2,200,130	2,646,242	243,892	56,836	151,340	29,291	233,382	25,426	23,500	5,936,373	
Additions	253	20	6,176	189,484	-	14,936	1,064	6,701	33,380	-	252,014	
Assets received free of charge	-	-	-	-	-	92	-	-	-	-	92	
Disposals	-	-	-	-	(108)	(40)	(152)	(50)	-	-	(350)	
Transfers between asset classes	-	222,246	-	(232,368)	5,586	14,572	15,526	-	(26,226)	-	(664)	
Remeasurement	-	-	3,529	-	-	-	-	-	-	-	3,529	
Subtotal:	326,587	2,422,396	2,655,947	201,008	62,314	180,900	45,729	240,033	32,580	23,500	6,190,994	
Gains/(losses) for the period recognised in net result:												
Depreciation and amortisation	-	(138,412)	(68,633)	-	(4,561)	(54,000)	(11,620)	(15,196)	-	-	(292,422)	
Revaluation increment / (decrement)	-	-	-	-	-	-	-	-	-	2,250	2,250	
Subtotal:	-	(138,412)	(68,633)	-	(4,561)	(54,000)	(11,620)	(15,196)	-	2,250	(290,172)	
Carrying amount at the end of the period	326,587	2,283,984	2,587,314	201,008	57,753	126,900	34,109	224,837	32,580	25,750	5,900,822	
Gross carrying amount												
Gross carrying amount	326,587	2,820,550	2,872,071	201,008	97,389	473,411	150,355	277,137	32,580	25,750	7,276,838	
Accumulated depreciation / amortisation	-	(536,566)	(284,757)	-	(39,636)	(346,511)	(116,246)	(52,300)	-	-	(1,376,016)	
Carrying amount at the end of the period	326,587	2,283,984	2,587,314	201,008	57,753	126,900	34,109	224,837	32,580	25,750	5,900,822	

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Parent 2022-23	Land and buildings:			Plant and equipment:							Investment property \$'000	Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommo- dation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000			
Carrying amount at the beginning of the period	25,198	1,586	18,214	2,057	5,444	141	3,990	209	946	-	57,785	
Additions	-	-	-	633	-	-	-	93	848	-	1,574	
Assets received free of charge	5,000	-	-	-	-	-	-	-	-	-	5,000	
Disposals	-	-	-	-	-	-	(178)	(37)	-	-	(215)	
Transfers between asset classes	-	-	-	(2,690)	1,543	-	1,739	-	(592)	-	-	
Reclassified to held for sale	(5,000)	-	-	-	-	-	-	-	-	-	(5,000)	
Subtotal:	25,198	1,586	18,214	-	6,987	141	5,551	265	1,202	-	59,144	
Gains/(losses) for the period recognised in net result:												
Depreciation and amortisation	-	(126)	(1,325)	-	(646)	(40)	(1,335)	(127)	-	-	(3,599)	
Subtotal:	-	(126)	(1,325)	-	(646)	(40)	(1,335)	(127)	-	-	(3,599)	
Carrying amount at the end of the period	25,198	1,460	16,889	-	6,341	101	4,216	138	1,202	-	55,545	
Gross carrying amount												
Gross carrying amount	25,198	3,530	19,870	-	12,105	199	31,656	372	1,202	-	94,132	
Accumulated depreciation / amortisation	-	(2,070)	(2,981)	-	(5,764)	(98)	(27,440)	(234)	-	-	(38,587)	
Carrying amount at the end of the period	25,198	1,460	16,889	-	6,341	101	4,216	138	1,202	-	55,545	

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Parent 2021-22	Land and buildings:			Plant and equipment:							Investment property \$'000	Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommo- dation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000			
Carrying amount at the beginning of the period	25,198	1,712	19,384	7,525	783	181	2,315	200	769	-	58,067	
Additions	-	-	-	2,190	-	-	-	146	863	-	3,199	
Disposals	-	-	-	-	-	-	-	(6)	-	-	(6)	
Transfers between asset classes	-	-	-	(7,658)	5,129	-	3,215	-	(686)	-	-	
Remeasurement	-	-	157	-	-	-	-	-	-	-	157	
Subtotal:	25,198	1,712	19,541	2,057	5,912	181	5,530	340	946	-	61,417	
Gains/(losses) for the period recognised in net result:												
Depreciation and amortisation	-	(126)	(1,327)	-	(468)	(40)	(1,540)	(131)	-	-	(3,632)	
Subtotal:	-	(126)	(1,327)	-	(468)	(40)	(1,540)	(131)	-	-	(3,632)	
Carrying amount at the end of the period	25,198	1,586	18,214	2,057	5,444	141	3,990	209	946	-	57,785	
Gross carrying amount												
Gross carrying amount	25,198	3,530	19,870	2,057	10,562	199	38,128	438	946	-	100,928	
Accumulated depreciation / amortisation	-	(1,944)	(1,656)	-	(5,118)	(58)	(34,138)	(229)	-	-	(43,143)	
Carrying amount at the end of the period	25,198	1,586	18,214	2,057	5,444	141	3,990	209	946	-	57,785	

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21. Reconciliation of intangible assets

The following table shows the movement:

	2022-23				2021-22			
	Computer software \$'000	Bed licences \$'000	Capital works in progress intangibles \$'000	Total \$'000	Computer software \$'000	Bed licences \$'000	Capital works in progress intangibles \$'000	Total \$'000
Consolidated								
Carrying amount at the beginning of the period	46,942	-	6,581	53,523	58,213	700	7,791	66,704
Additions	-	-	6,110	6,110	-	-	5,815	5,815
Disposals	-	-	(1,361)	(1,361)	-	-	-	-
Amortisation	(14,477)	-	-	(14,477)	(18,959)	-	-	(18,959)
Impairment (losses) / reversals	-	-	-	-	-	(700)	-	(700)
Transfers between asset classes	298	-	(322)	(24)	7,689	-	(7,025)	664
Carrying amount at the end of the period	32,763	-	11,008	43,771	46,943	-	6,581	53,524
Gross carrying amount								
Gross carrying amount	219,649	-	11,008	230,657	219,476	-	6,581	226,057
Accumulated amortisation	(186,886)	-	-	(186,886)	(172,533)	-	-	(172,533)
Carrying amount at the end of the period	32,763	-	11,008	43,771	46,943	-	6,581	53,524
Parent								
Carrying amount at the beginning of the period	26,736	-	5,957	32,693	30,790	-	5,431	36,221
Additions	-	-	5,850	5,850	-	-	5,014	5,014
Disposals	-	-	(1,361)	(1,361)	-	-	-	-
Amortisation	(8,299)	-	-	(8,299)	(8,542)	-	-	(8,542)
Transfers between asset classes	-	-	-	-	4,488	-	(4,488)	-
Carrying amount at the end of the period	18,437	-	10,446	28,883	26,736	-	5,957	32,693
Gross carrying amount								
Gross carrying amount	134,300	-	10,446	144,746	134,300	-	5,957	140,257
Accumulated amortisation	(115,863)	-	-	(115,863)	(107,564)	-	-	(107,564)
Carrying amount at the end of the period	18,437	-	10,446	28,883	26,736	-	5,957	32,693

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22. Fair value measurement

The Consolidated Entity classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets, and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market, and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market, and are derived from unobservable inputs.

The Consolidated Entity's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Consolidated Entity did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of owned non-financial assets with a fair value at the time of acquisition that was less than \$1.500 million or an estimated useful life that was less than three years is deemed to approximate fair value.

Refer to notes 19 and 22.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

22.1 Fair value hierarchy

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Consolidated Entity categorises non-financial assets measured at fair value into the hierarchy based on the level of inputs used in measurement as follows:

Fair value measurements at 30 June 2023

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements						
Land	27,468	318,726	346,194	25,198	-	25,198
Buildings and improvements	4,322	2,261,464	2,265,786	-	1,460	1,460
Leasehold improvements	-	55,262	55,262	-	6,341	6,341
Plant and equipment	-	160,497	160,497	-	4,317	4,317
Investment property	29,975	-	29,975	-	-	-
Total	61,765	2,795,949	2,857,714	25,198	12,118	37,316

Fair value measurements at 30 June 2022

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements						
Land	27,468	299,119	326,587	25,198	-	25,198
Buildings and improvements	4,322	2,279,662	2,283,984	-	1,586	1,586
Leasehold improvements	-	57,753	57,753	-	5,444	5,444
Plant and equipment	-	161,009	161,009	-	4,131	4,131
Investment property	25,750	-	25,750	-	-	-
Total	57,540	2,797,543	2,855,083	25,198	11,161	36,359

The Consolidated Entity's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

22.2 Valuation techniques and inputs

The Consolidated Entity had no valuations categorised into level 1. Land assets of the Parent entity and SAAS have been classified as level 2, as there were observable inputs, and one building asset for SAAS have been classified as level 2.

Land fair values were derived by using the market approach, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use, and then adjusted with a discount factor. To the extent that land has had any restrictions on use and been adjusted with a discount factor these assets are classified as level 3. All other land has been classified as level 2.

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Due to the predominantly specialised nature of health service assets, the majority of building and plant and equipment valuations have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13 *Fair Value Measurement*. The extent of unobservable inputs and professional judgement required in valuing these assets is significant, and as such they are deemed to have been valued using level 3 valuation inputs.

Unobservable inputs used to arrive at final valuation figures included:

- Estimated remaining useful life, which is an economic estimate and by definition, is subject to economic influences;
- Cost rate, which is the estimated cost to replace an asset with the same service potential as the asset undergoing valuation (allowing for over-capacity), and based on a combination of internal records including: refurbishment and upgrade costs, historical construction costs, functional utility users, industry construction guides, specialised knowledge and estimated acquisition/transfer costs;
- Characteristics of the asset, including condition, location, any restrictions on sale or use and the need for ongoing provision of Government services;
- Effective life, being the expected life of the asset assuming general maintenance is undertaken to enable functionality but no upgrades are incorporated which extend the technical life or functional capacity of the asset; and
- Depreciation methodology, noting that AASB 13 dictates that regardless of the depreciation methodology adopted, the exit price should remain unchanged.

Investment property has been valued using the income approach, based on capitalised net income at an appropriate yield, and is classified as level 2.

23. Payables

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors and accrued expenses	321,428	309,743	111,985	94,937
Paid Parental Leave Scheme	961	996	27	31
Health Service workers compensation	-	-	13,311	11,161
Interstate patient transfers	113,289	110,909	113,289	110,909
Employment on-costs*	89,264	69,874	6,511	6,349
Other payables	7,561	9,924	83	121
Total current payables	532,503	501,446	245,206	223,508
Non-current				
Health Service workers compensation	-	-	28,284	20,834
Employment on-costs*	32,197	30,569	2,837	2,802
Other payables	57	73	-	-
Total non-current payables	32,254	30,642	31,121	23,636
Total payables	564,757	532,088	276,327	247,144

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.

* Employment on-costs include payroll tax, Return to Work SA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. The Consolidated Entity 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 South Australian Superannuation Board and externally managed superannuation schemes. Also included is FBT payable to the ATO.

Inter-entity transactions between the Department and Health Services workers compensation (redemption and lump sum) payables amount to \$41.595 million (\$31.995 million). Refer to note 1.1.2 for further information.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has increased from 2022 (42%) to 43% for the Department and remained unchanged at 38% for the LHNs and SAAS, 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 \$3.966 million (Parent increase of \$0.195 million). The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

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Refer to note 15 for information on interstate patient transfers.

Refer to note 34 for information on risk management.

24. Financial liabilities

	Consolidated		Parent	
	2023	2022	2023	2022
Current	\$'000	\$'000	\$'000	\$'000
Lease liabilities	89,133	87,942	1,151	1,105
Total current financial liabilities	89,133	87,942	1,151	1,105
Non-current				
Lease liabilities	2,612,862	2,671,938	17,837	18,940
Total non-current financial liabilities	2,612,862	2,671,938	17,837	18,940
Total financial liabilities	2,701,995	2,759,880	18,988	20,045

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

Refer to note 11 for information on borrowing costs, notes 19 and 20 for information on right-of-use assets (including depreciation) and note 34 for information on risk management.

24.1 Concessional lease arrangements for right-of-use assets

The Consolidated Entity has concessional lease arrangements for right-of-use assets, as lessee, with other government entities (eg local councils, universities and the Commonwealth government) and with not-for-profit entities.

Right-of-use asset	Nature of arrangements	Details
Buildings and improvements	Terms are up to 94 years Payment is nominal	Concessional building arrangements include the use of premises for dental services, pathology collection, breast screen services, community health services, GP Plus arrangements, Drug and Alcohol Services clinics and Child/Family/Women's/Mental Health services.

24.2 Maturity analysis

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	Consolidated		Parent	
	2023	2022	2023	2022
Lease Liabilities	\$'000	\$'000	\$'000	\$'000
1 to 3 years	959,350	949,185	4,626	4,503
3 to 5 years	620,374	625,834	3,180	3,093
5 to 10 years	1,434,141	1,473,676	8,761	8,523
More than 10 years	3,125,578	3,384,239	5,349	7,197
Total lease liabilities (undiscounted)	6,139,443	6,432,934	21,916	23,316

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25. Employee benefits

	Consolidated		Parent	
	2023	2022	2023	2022
Current	\$'000	\$'000	\$'000	\$'000
Accrued salaries and wages	112,779	96,713	953	1,957
Annual leave	496,015	457,554	18,492	19,064
Long service leave	64,471	62,352	2,929	2,896
Skills and experience retention leave	32,951	31,460	1,311	1,342
Other	477	500	10	(4)
Total current employee benefits	706,693	648,579	23,695	25,255
Non-current				
Long service leave	710,087	701,383	32,407	32,722
Total non-current employee benefits	710,087	701,383	32,407	32,722
Total employee benefits	1,416,780	1,349,962	56,102	57,977

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

25.1 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 \$2.550 million (Parent increase of \$0.097 million) for the current financial year. The impacts on future periods is impractical to estimate.

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.

25.2 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 (3.50%) to 4.00% for the Department and (3.75%) to 4.00% for LHNs and SAAS. 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 (2.50%) to 3.50% 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 \$14.271 million (Parent \$1.043 million), payables (employment on-costs) of \$0.610 million (Parent \$0.052 million) and employee benefits expense of \$14.881 million (Parent \$1.095 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.

25.3 Superannuation funds

A number of SAAS employees are members of the SA Ambulance Service Superannuation Scheme (the "Scheme"). These employees are eligible to receive a benefit from the Scheme. A benefit is payable on retirement, death, disablement or leaving SAAS, in accordance with the Scheme's trust deed and rules. The Scheme provides lump sum benefits based on a combination of defined benefits which depend on years of service and final salary and accumulation benefits which depend on the accumulation of member and employer contributions adjusted for appropriate earnings and expenses. The liability for this Scheme has been determined via an actuarial valuation by Mercer Investment Nominees Limited using the projected unit credit method.

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The expected payment to settle the obligation has been determined using national government bond market yields with terms and conditions that match, as closely as possible, to estimated cash outflows.

Actuarial gains and losses are recognised in other comprehensive income in the Statement of Comprehensive Income, in the period in which they occur. The superannuation expense comprising interest cost and other costs of the defined benefit plan is measured in accordance with AASB 119 and is recognised as and when contributions fall due.

The South Australian Superannuation Board was appointed Trustee of the Scheme effective 1 July 2006. The Scheme was closed to new members as at 30 June 2008. For those staff who are not members of the Scheme, SAAS pays contributions in accordance with the relevant award or contract of employment to other nominated Superannuation funds in compliance with the superannuation guarantee legislation. Contributions are charged as expenditure as they are made. Members are not required to make contributions to these funds.

The defined benefit liability has been recognised in the Statement of Financial Position in accordance with AASB 119 and is held in SAAS.

Defined benefit superannuation scheme

Reconciliation of the present value of the defined benefit obligation:	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	265,853	297,072
Current service cost	5,761	8,020
Interest cost	8,486	3,801
Contributions by scheme participants	3,266	2,974
Actuarial (gains)/losses	13,236	(29,615)
Benefits paid	(30,489)	(15,303)
Taxes, premiums and expenses paid	(2,249)	(1,239)
Transfers in	71	143
Carrying amount at the end of the period	263,935	265,853

Reconciliation of fair value of scheme assets:

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	296,214	302,941
Interest Income	9,528	3,916
Actual return on scheme assets less Interest Income	1,962	(2,417)
Contributions from the employer	5,685	5,199
Contributions by scheme participants	3,266	2,974
Benefits paid	(30,489)	(15,303)
Taxes, premiums and expenses paid	(2,249)	(1,239)
Transfers in	71	143
Carrying amount at the end of the period	283,988	296,214

The amount included in the Statement of Financial Position arising from Consolidated Entity's obligations in respect of its defined benefit scheme is as follows:

Present value of defined benefit obligations	263,935	265,853
Fair value of scheme assets	(283,988)	(296,214)
Net liability arising from defined benefit obligations	(20,053)	(30,361)

Included in the Statement of Financial Position:

Non-current receivable - superannuation - defined benefit scheme	20,053	30,361
Closing balance of defined benefit assets	20,053	30,361

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	% invested by asset class	
	2023	2022
	%	%
Australian equity	25	27
International equity	26	28
Fixed income	7	10
Property	10	11
Diversified Strategies Income	8	8
Diversified Strategies Growth	10	9
Alternatives/other	5	5
Cash	9	2
Total	100	100

In accordance with the revised AASB 119 the percentage invested in each asset class as at 30 June 2023 is adjusted to be comparable to 30 June 2022. This adjustment is made to align with the new approach where Diversified Strategies Growth and Diversified Strategies Income are identified as separate asset classes.

The actual return on scheme assets was \$11.490 million (\$1.49 million), a loss of \$11.274 million resulting from investment returns being significantly lower than previously assumed. Employer contributions of \$4.577 million are expected to be paid to the scheme for the year ending 30 June 2023.

	2023	2022
	% pa	% pa
Principal actuarial assumptions used (and expressed as weighted averages):		
Discount rate (defined benefit cost)	3.6	1.4
Expected rate of salary increase (defined benefit cost)	2.5	2.5
Discount rate (defined benefit obligation)	4.0	3.6
Expected rate of salary increase (defined benefit obligation)	3.5	2.5

	2023	2022
	\$'000	\$'000
Movement in net defined benefit liability		
Carrying amount at the beginning of the period	(30,361)	(5,869)
Defined benefit cost	4,719	7,905
Remeasurements	11,274	(27,198)
Employer contributions	(5,685)	(5,199)
Carrying amount at the end of the period	(20,053)	(30,361)

The net financial effect of the changes in the discount rate in the current year is an decrease in the superannuation – defined benefits scheme liability and other comprehensive income expense loss of \$4.554 million. The impact on future periods is impracticable to estimate as the superannuation – defined benefits scheme liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

Sensitivity analysis

The defined benefit obligation as at 30 June 2023 under several scenarios is presented below.

Scenarios A and B relate to discount rate sensitivity. Scenarios C and D relate to salary increase rate sensitivity.

Scenario A: 0.5% p.a. lower discount rate assumption

Scenario B: 0.5% p.a. higher discount rate assumption

Scenario C: 0.5% p.a. lower salary increase rate assumption

Scenario D: 0.5% p.a. higher salary increase rate assumption

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	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-0.5% pa discount rate	+0.5% pa discount rate	-0.5% pa salary increase rate	+0.5% pa salary increase rate
Discount Rate	4.0%	3.5%	4.5%	4.0%	4.0%
Salary increase rate	3.5%	3.5%	3.5%	3.0%	4.0%
Defined benefit obligation (\$'000)	263,935	270,173	258,892	259,575	269,270

Description of the regulatory framework

The scheme operates in accordance with its Trust Deed. The scheme is considered to be an exempt public sector scheme.

Description of other entities' responsibilities for the governance of the Scheme

The scheme's trustee is responsible for the governance of the scheme. The trustee has a legal obligation to act solely in the best interests of scheme beneficiaries. The trustee has the following roles:

- administration of the scheme and payment to the beneficiaries from scheme assets when required in accordance with the scheme rules;
- management and investment of the scheme assets; and
- compliance with superannuation law and other applicable regulations.

Description of risks

There are a number of risks to which the scheme exposes the employer. The more significant risks relating to the defined benefits are:

Investment risk

The risk that investment returns will be lower than assumed and the employer will need to increase contributions to offset this shortfall.

Salary growth risk

The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

Legislative risk

The risk that legislative changes could be made which increase the cost of providing the defined benefits.

The scheme assets are invested in the Funds SA Balanced Investment option. The assets are diversified within this investment option and therefore the Scheme has no significant concentration of investment risk.

Funding arrangements

The financing objective adopted at the 30 June 2020 actuarial investigation of the scheme, in a report dated 20 April 2021, is to maintain the value of the scheme's assets at least equal to:

- 100% of accumulation account balances, plus
- 105% of defined benefit vested benefit.

In that valuation, it was recommended that the employer contribute to the scheme as follows:

- Defined Benefit members:
 - 12.00% of salary for all defined benefit members until 30 June 2021, then
 - 9.50% of salary for all defined benefit members after 1 July 2021, plus
 - Any additional employer contributions agreed between the employer and a member.
- Accumulation members:
 - 9.50% of ordinary time earnings from 1 July 2020 to 30 June 2021, increasing in line with future Superannuation Guarantee rates from 1 July 2021; plus
 - Any additional employer contributions agreed between the employer and a member.

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation as at 30 June 2023 is seven years.

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26. Provisions

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$'000	\$'000	\$'000	\$'000
Current					
Insurance	26.2	21,089	21,055	21,089	21,055
Workers compensation	26.1	39,451	34,943	1,071	640
Total current provisions		60,540	55,998	22,160	21,695
Non-current					
Insurance	26.2	109,848	111,068	109,848	111,068
Workers compensation	26.1	142,074	142,090	3,392	1,130
Total non-current provisions		251,922	253,158	113,240	112,198
Total provisions		312,462	309,156	135,400	133,893

26.1 Workers Compensation

Reconciliation of workers compensation (statutory and additional compensation):

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	177,033	149,875	1,770	1,315
Payments	(28,739)	(29,542)	(422)	(449)
Remeasurement	(5,960)	21,253	2,304	264
Additions	39,191	35,447	811	640
Carrying amount at the end of the period	181,525	177,033	4,463	1,770

The Department is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Consolidated Entity 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 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 nonserious 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 sizes and other economic and actuarial assumptions.

26.2 Insurance

The Department is responsible for the management of the Consolidated Entity's insurance program. The Department is a participant in the State Government's insurance program. The Department pays a premium to SA Government Financing Authority (SAFA) for professional indemnity insurance (including medical malpractice), public liability and property insurance, and is responsible for the management claim for amounts up to an agreed amount (the deductible). SAFA provides the balance of funding for claims in excess of the deductible. For professional indemnity (including medical malpractice) claims after 1 July 1994 and general public liability and property claims after 1 July 1999 the deductible per claim is \$1 million. For claims incurred prior to these dates the deductible per claim is \$50,000.

Professional indemnity and general public liability claims arising from the LHNs and SAAS's operations are managed as part of the State Government Insurance Program. The LHNs and SAAS pay an annual premium to the Department. These transactions are eliminated on consolidation in accordance with the requirements of AASB 10.

The determination of the medical malpractice professional indemnity insurance provision was carried out through an actuarial assessment in accordance with AASB 1023 *General Insurance Contracts*, conducted by Brett & Watson Pty Ltd. Current and non-current liabilities of the Department are determined by taking into account prudential margins, inflation, taxes, claims incurred but not reported and current claim values. The discount rate, which is used to discount expected future payments to the valuation date, increased to 4.1% (3.7%).

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The provision for claims for professional indemnity (other), general public liability and property insurance is a management assessment.

Reconciliation of insurance

The following table shows the movement of insurance during the period for the Consolidated Entity and Parent:

	Medical malpractice	Professional indemnity (Other)	Public liability	Property	Total
2022-23	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	126,901	103	1,695	3,424	132,123
Increase to provision due to new claims	14,218	27	69	1,942	16,256
Reduction due to payments	(12,927)	(4)	(38)	(579)	(13,548)
Net revision of estimates	(2,536)	(29)	(145)	(1,184)	(3,894)
Carrying amount at the end of the period	125,656	97	1,581	3,603	130,937

27. Contract liabilities and other liabilities

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current				
Unclaimed monies	139	130	-	2
Unearned revenue	1,300	3,475	-	907
Contract liabilities	23,165	30,936	2,937	2,470
Residential aged care bonds	98,988	86,897	-	-
Accommodation and lease incentive*	28	24	28	24
Other	1,057	1,214	-	5
Total current contract liabilities and other liabilities	124,677	122,676	2,965	3,408
Non-current				
Accommodation and lease incentive*	73	102	73	102
Total non-current contract liabilities and other liabilities	73	102	73	102
Total contract liabilities and other liabilities	124,750	122,778	3,038	3,510

*Accommodation incentives relate to arrangements with DIT for office accommodation. These arrangements are not leases and accordingly the accommodation incentives are not financial liabilities. The benefit of incentives is spread over the accommodation term so that each year reported accommodation expenses reflect the economic substance of the arrangement and related benefits provided.

Contract liabilities are recognised for revenue relating to home care packages, training programs, drug and alcohol abuse support, SA Dental services co-payment, grant funded projects/programs and other health programs received in advance and is realised as agreed milestones/service obligations have been achieved. A contract liability is recognised for revenue relating to ambulance cover at the time of the initial sales transaction and is released over the service period. Revenue relating to maintenance services for call direct and ambulance cover is recognised over time although the customer pays up front in full for these services. All performance obligations from these existing contracts (deferred service income) will be satisfied during the next reporting period and accordingly all amounts will be recognised as revenue.

Residential Aged Care Bonds are accommodation bonds, refundable accommodation contributions and refundable accommodation deposits. These are non-interest bearing deposits made by aged care facility residents to the Consolidated Entity upon their admission to residential accommodation. The liability for accommodation is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less applicable deductions for fees and retentions pursuant to the *Aged Care Act 1997*. Residential Aged Care Bonds are classified as current liabilities as the Consolidated Entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The obligation to settle could occur at any time. Once a refunding event occurs the other liability becomes interest bearing. The interest rate applied is the prevailing interest rate at the time as prescribed by the Commonwealth Department of Health.

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28. Cash flow reconciliation

Reconciliation of cash and cash equivalents at the end of the reporting period	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	920,356	825,410	563,098	515,078
Cash as per Statement of Financial Position	920,356	825,410	563,098	515,078
Balance as per Statement of Cash Flows	920,356	821,410	539,147	515,078
Reconciliation of net cash provided to net result:				
Net cash provided by (used in) operating activities	489,035	(16,893)	29,956	(268,507)
Add/less non-cash items				
Capitalised interest expense on finance lease	(8,307)	(9,053)	-	-
Depreciation and amortisation expense of non-current assets	(299,528)	(311,381)	(11,898)	(12,174)
Gain/(loss) on sale or disposal of non-current assets	7,158	340	8,514	-
Gain/(loss) on valuation of defined benefits	11,274	(27,198)	-	-
Impairment of non-current assets	-	(700)	-	-
Increments/(decrements) on revaluation of non-current assets	(41,986)	2,250	-	-
Interest credited directly to investments	258	102	-	-
Resources received free of charge	-	221	5,000	-
Revaluation of investments	1,037	(661)	-	-
Administrative Restructure	1,959	(1,051)	1,959	-
Movement in assets and liabilities				
Increase/(decrease) in contract assets	(274)	8,097	-	-
Increase/(decrease) in receivables	(17,898)	(10,605)	(4,354)	(32,421)
Increase/(decrease) in inventories	(20,595)	5,363	(22,570)	2,634
Increase/(decrease) in other current assets	9	(5)	-	-
(Increase)/decrease in employee benefits	(68,155)	107,538	1,875	2,785
(Increase)/decrease in payables and provisions	(35,975)	(90,054)	(31,101)	5,677
(Increase)/decrease in other liabilities	(1,980)	(7,955)	472	(1,303)
Net result	16,032	(351,645)	(22,047)	(303,309)

Total cash outflows for leases is \$291.598 million (\$226.222 million) for the consolidated entity, and \$15.571 million (\$11.529 million) for the Department.

29. Unrecognised contractual commitments

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

29.1 Contractual commitments to acquire property, plant and equipment

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Within one year	25,271	21,920	1,604	4,019
Total capital commitments	25,271	21,920	1,604	4,019

The Consolidated Entity's contractual commitments to acquire property, plant and equipment are for plant and equipment ordered but not received and capital works. Contractual commitments to acquire property, plant and equipment for major infrastructure works are recognised in the DIT financial statements.

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29.2 Other contractual commitments

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Within one year	397,109	493,622	103,582	169,371
Later than one year but not longer than five years	679,279	618,817	89,717	32,641
Later than five years	2,131,884	2,175,664	48,132	-
Total expenditure commitments	3,208,272	3,288,103	241,431	202,012
Less contingent rentals	(1,111,836)	(1,131,528)	-	-
Net expenditure commitments	2,096,436	2,156,575	241,431	202,012

The Consolidated Entity's other contractual commitments are for agreements for goods and services ordered but not received and memorandum of administrative arrangements with DIT for accommodation.

Included in other contractual commitments above is \$2,523.411 million (\$2,605.205 million), including contingent rentals, which relates directly to the PPP operations and maintenance commitments.

The Consolidated Entity also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2023 has not been quantified.

29.3 Expected rental income from lessor arrangements

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Within one year	448	82	-	-
Later than one year but not longer than five years	1,418	-	-	-
Total expected rental income from lessor arrangements	1,866	82	-	-

Refer note 19.8 for information about property the Consolidated Entity leases out to external parties. The table above sets out a maturity analysis of operating lease payments receivable, showing undiscounted lease payments to be received after the reporting date. These amounts are not recognised as assets.

30. Trust funds

The Consolidated Entity holds money in trust on behalf of consumers that reside in LHN facilities whilst the consumer is receiving residential mental health services, residential drug and alcohol rehabilitation services, or residential aged care services. As the Consolidated Entity only performs custodial role in respect of trust monies, they are excluded from the financial statements as the Consolidated Entity cannot use these funds to achieve its objectives.

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Carry amount at the beginning of period	728	640	-	-
Client trust receipts	1,246	1,342	-	-
Client trust payments	1,120	1,254	-	-
Carrying amount at the end of the period	854	728	-	-

31. 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.

31.1 Contingent assets

The new RAH project is being delivered under a public-private partnership agreement with Celsus. The new RAH PPP agreement contains a number of indexation elements which relate to adjustments to certain service payments i.e. interest rate and refinancing service payment adjustments. Where the indexation element is closely related to a lease contract, such as the interest rate payment adjustment, it is not required to be separately accounted for as a derivative. The change in interest rate is accounted for as a contingent rental and expensed in the period incurred.

Like the interest rate service payment adjustment, the refinancing element is an embedded derivative. However, the economic characteristics and risks of this embedded derivative are not closely related to the lease contract and are required to be accounted for separately in the financial statements. The refinancing element could be considered akin to a purchase option in that the Hospital benefits from a portion of gains without exposure to any of the losses. The valuation of this derivative would be derived via the present value of the estimated future cash flows over the life of the project based on observable interest yield curves, basis spread, credit spreads and option pricing models, as appropriate, adjusted for Celsus's credit risk, (i.e. forward curve of credit risk margin).

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The estimated value of the contingent asset is unable to be fully determined because of the following uncertain future events that will have an impact on Celsus's credit margin:

- Celsus's credit risk profiling and the number of times Celsus will refinance during the term of the PPP arrangement;
- The type of finance Celsus sources e.g. short term debt from the banking market vs longer term debt potentially sourced via a private placement;
- Uncertainty around the margin negotiated and whether it will be higher or lower than those assumed margins in the financial modelling;
- Whether the State Government will make a capital contribution during the first or any refinancing points; and
- The lodgement and resolution of any claims under the PPP agreement.

31.2 Contingent liabilities

On 1 August 2017, Hansen Yuncken Pty Ltd and CBP Contractors Pty Ltd (formerly known as Leighton Contractors Pty Ltd) filed legal proceedings in the Federal Court of Australia against Celsus Pty Ltd (formerly known as SA Health Partnership Nominees Pty Ltd) and the Crown in right of the State of South Australia for alleged breaches of contract in relation to the construction of the new RAH. In December 2017 the respondents to the builder's Federal Court proceedings successfully obtained a stay of the proceedings pending the outcome of an arbitration process. At the time of this report, the arbitration process was still in progress. It is not possible to estimate the dollar effect of this claim or whether it will be successful.

On 20 February 2023, the first pre-action legal claim was received by SA Health's insurer (South Australian Financing Authority) in respect of an undermapping issue concerning the Women's and Children's Health Network's Cochlear Implant Program. As of 7 September 2023, 14 pre-action claims have been received. Discussions between the parties continue in respect of these legal claims.

31.3 Guarantees

The Consolidated Entity has made no guarantees.

32. Events after balance date

Following an independent review in 2022, it was identified that since 2006 there had been 208 children that received care through the Women's and Children's Health Network's (WCHN) Cochlear Implant Program (CIP), with a proportion of children's cochlear implants under-mapped. Recognising the impact of this issue on these children and their families, the Government announced on Monday 21 August 2023 that it would make available, to impacted families involved in the CIP from 2006, one-off payments. As announced, payments would be available to families of \$5,000 per child, who were part of the WCHN CIP but had not been under-mapped and \$50,000 per child who were under-mapped as part of the CIP. These announced payments do not mitigate a family's entitlement to compensation claims in the future in relation to the implant under-mapping issues identified.

33. Impact of Standards not yet effective

Australian Accounting Standards and Interpretations not yet effective have not been adopted by the Consolidated Entity for the reporting period ended 30 June 2023, except for AASB 2021-2 which was adopted from 1 July 2021.

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* will apply from 1 July 2024. Given the complexity and level of judgement required in applying AASB 13 and the new amending standard, together with the need to liaise with valuers, the Consolidated Entity has not yet determined the impact.

The Consolidated Entity does not expect any other standards issued but not yet effective to have a material impact on the financial statements.

34. Financial instruments/financial risk management

34.1 Financial risk management

Risk management is managed by the Department's Risk and Assurance Services section. Risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management – Guidelines*.

The Consolidated Entity's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

The Consolidated Entity is funded principally from appropriation by the SA Government. The Consolidated Entity works with DTF to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to notes 1, 4, 23 and 24 for further information.

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Credit risk

The Consolidated Entity has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Consolidated Entity has minimal concentration of credit risk. No collateral is held as security and no credit enhancements relate to financial assets held by the Consolidated Entity.

Refer to notes 15, 16 and 34.2 for further information.

Market risk

The Consolidated Entity does not engage in hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. The Consolidated Entity's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks. There have been no changes in risk exposure since the last reporting period.

34.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, maturity analysis and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.

The carrying amounts of each of the following categories of financial assets and liabilities: financial assets measured at amortised cost; financial assets measured at fair value through profit or loss; financial assets measured at fair value through other comprehensive income; and financial liabilities measured at amortised cost are detailed below. All of the resulting fair value estimates are included in level 2 as all significant inputs required are observable.

A financial asset is measured at amortised cost if:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

	Notes	Consolidated		Parent	
		2023 Carrying amount/ Fair value \$'000	2022 Carrying amount/ Fair value \$'000	2023 Carrying amount/ Fair value \$'000	2022 Carrying amount/ Fair value \$'000
Category of financial asset and financial liability					
Financial assets					
Cash and equivalent					
Cash and cash equivalents	14, 28	920,356	825,410	563,098	515,078
Amortised Cost					
Receivables ⁽¹⁾⁽²⁾	15	377,380	395,921	181,104	190,323
Other financial assets	16	106,931	105,786	-	-
Fair value through statement of comprehensive income					
Other financial assets	16	1,409	1,308	-	-
Fair value through profit and loss					
Other financial assets	16	5,533	4,936	-	-
Total financial assets		1,411,609	1,333,361	744,202	705,401
Financial liabilities					
Financial liabilities at amortised cost					
Payables ⁽¹⁾	23	439,328	427,815	266,151	237,215
Lease liabilities	24, 29	2,701,995	2,759,880	18,988	20,045
Other financial liabilities	27	100,285	88,359	101	133
Total financial liabilities		3,241,608	3,276,054	285,240	257,393

(1) Receivable and payable amounts disclosed exclude amounts relating to statutory receivables and payables. This includes Commonwealth State and Local Government taxes and fees and charges. This is in addition to employee related receivables and payables such as payroll tax, fringe benefits tax etc. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the disclosure requirements of AASB 7 *Financial Instruments: Disclosures* will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

(2) Receivable amount disclosed excludes prepayments as they are not financial assets.

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34.3 Credit risk exposure and impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. Loss allowances for contract assets are measured at an amount equal to an expected credit loss method using a 12 month method. For the Department, no impairment losses were recognised in relation to contract assets during the year. For the Consolidated Entity, impairment losses were recognised in relation to contract assets during the year (refer to note 18).

The Consolidated Entity uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors. The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties. Impairment losses are presented as net impairment losses within net result. Subsequent recoveries of amounts previously written off are credited against the same line item.

The carrying amount of receivables approximates net fair value due to being receivable on demand. Receivables are written off when there is no reasonable expectation of recovery and not subject to enforcement activity. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Department.

To measure the expected credit loss, receivables are grouped based on shared risk characteristics and the days past due. When estimating expected credit loss, the Consolidated Entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Consolidated Entity's historical experience and informed credit assessment, including forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Consolidated Entity's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default in the future.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor. The following table provides information about the credit risk exposure and expected credit loss for non-government debtors:

CONSOLIDATED	30 June 2023			30 June 2022		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.1 – 25.2%	53,971	8,404	0.1 – 24.6%	49,230	8,049
<30 days	0.2 – 28.3%	25,724	2,629	0.2 – 27.7%	23,481	2,464
31-60 days	0.4 – 48.2%	11,989	2,152	0.4 – 48.1%	12,115	1,854
61-90 days	0.6 – 62.3%	8,052	2,135	0.6 – 62.2%	10,385	2,443
91-120 days	0.9 – 69.1%	6,664	1,803	0.9 – 69.0%	7,869	2,144
121-180 days	1.7 – 73.9%	7,283	2,124	1.6 – 74.5%	9,606	2,126
181-360 days	3.4 – 77.7%	22,997	13,797	2.8 – 100.0%	26,933	14,942
361-540 days	4.7 – 100.0%	11,209	8,677	4.8 – 100.0%	11,426	6,372
>540 days	5.5 – 100.0%	19,558	11,310	5.5 – 100.0%	13,599	9,849
Total		167,447	53,031		164,644	50,243

PARENT	30 June 2023			30 June 2022		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.2%	3,063	7	0.2%	1,385	3
<30 days	0.4%	86	-	0.4%	2,102	8
31-60 days	1.0%	58	1	1.0%	293	3
61-90 days	1.8%	5	-	1.7%	1,384	23
91-120 days	3.0%	10	-	2.9%	1,041	30
121-180 days	4.3%	66	3	4.1%	1,721	71
181-360 days	11.6%	154	18	10.8%	5,050	548
361-540 days	32.1%	1,212	389	31.3%	5,027	1,572
>540 days	37.2%	8,751	3,253	36.4%	1,414	514
Total		13,405	3,671		19,417	2,772

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35. Budget performance

The budget performance table compares the Consolidated Entity's outcomes against budget information presented to Parliament in the original budget financial statements (2022-23 Budget Paper 4). The budget amounts have not been adjusted to reflect budgets or administrative restructures. The budget process is not subject to audit.

Consolidated	Original Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Statement of Comprehensive Income			
Income			
Revenues from SA Government	4,838,806	5,248,944	410,138
Fees and charges	762,023	729,557	(32,466)
Grants and contributions	2,295,314	2,452,127	156,813
Interest	2,963	10,560	7,597
Resources received free of charge	79,305	79,728	423
Net gain/(loss) from disposal of non-current and other assets	582	7,158	6,576
Other revenues/income	25,489	49,966	24,477
Total Income	(a) 8,004,482	8,578,040	573,558
Expenses			
Staff benefits expenses	4,657,620	5,048,397	(390,777)
Supplies and services	2,408,723	2,768,002	(359,279)
Depreciation and amortisation	298,591	299,528	(937)
Grants and subsidies	89,025	130,787	(41,762)
Borrowing costs	173,448	190,705	(17,257)
Impairment loss on receivables	5,153	3,227	1,926
Other expenses	55,214	121,362	(66,148)
Total Expenses	(b) 7,687,774	8,562,008	(874,234)
Net result	316,708	16,032	(300,676)
Other Comprehensive Income			
Items that will be reclassified subsequently to net result when specific conditions are met			
Gains/(losses) recognised directly in equity	-	(11,178)	(11,178)
Total Other Comprehensive Income	-	(11,178)	(11,178)
Total Comprehensive Result	316,708	4,854	(311,854)

(a) Favourable variance for income: attributed to Revenues from SA Government increases for the outcome of Enterprise Agreements, increased funding for additional hospital activity and additional resources to support the transition from the height of the pandemic response to a 'living with COVID' framework. Partly offset by reduced funding associated with the carryover of funding from 2022-23 for various investing projects originally planned to occur in 2022-23.

(b) Unfavourable variance for expenses: attributed to increased expenditure across a range of areas and hence are not separately disclosed in this note and relate to the de-recognition of capital work in progress expenditure directly attributable to the previous work on the new Women's and Children's Hospital and the increased cost of providing hospital services including:

- increased costs associated with the outcomes of Enterprise Agreements including the Nursing/Midwifery (South Australian Public Sector) Enterprise Agreement 2022 and SA Ambulance Service Enterprise Agreement 2022;
- additional hospital activity; and
- additional resources to support the transition from pandemic response to 'living with COVID' framework.

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	Original Budget 2023 \$'000	Actual 2023 \$'000	Variance \$'000
Investing expenditure summary			
Total new projects	72,123	54,238	17,885
Total existing projects	406,073	215,040	191,033
Total annual programs	53,156	59,862	(6,706)
Total leases	15,144	19,885	(4,741)
Total investing expenditure	(c) 546,496	349,025	197,471

(c) The favourable variance between original budget and actual amounts for investing expenditure mainly relates to reprofiling of projects into future years due to delays in completing projects or changes in the delivery approach.

New Projects

Specific projects that have contributed to the \$17.9 million variance include:

Metropolitan mental health beds	\$9.7 million
New Mount Barker Hospital	\$4.8 million
Women's and Children's Hospital Upgrade - Additional Sustainment	\$2.8 million

Existing Projects

Specific projects that have contributed to the \$191.0 million variance include:

New Women's and Children's Hospital	\$121.8 million
New Older Persons Mental Health Facility - Modbury	\$18.6 million
Country Health SA Sustainment and Compliance	\$13.8 million
Crisis Stabilisation Centre - Northern Suburbs	\$11.6 million
Psychiatric Intensive Care Beds (discontinued)	\$8.9 million
Electronic Medical Records System	\$6.6 million
Gawler Emergency Department Expansion	\$5.9 million

Annual Projects

The unfavourable variance of \$6.7 million between original budget and actuals mainly relates to spend of \$9.4 million on capital items funded from current investment projects funded from own source revenue and approved expenditure under the Special Purpose Funds (SPF) policy offset by underspend of \$2.6 million in SPF capital purchases funded by external grants.

36. Significant transactions with government related entities

The Consolidated Entity is controlled by the SA Government.

Related parties of the Consolidated Entity include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

Significant transactions with the SA Government are identifiable throughout this financial report. The Consolidated Entity received funding from the SA Government (note 2), and incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for capital works of \$162.636 million (\$151.191 million) and occupancy rent and rates of \$15.790 million (\$14.704 million) (note 9). At reporting date the Consolidated Entity has unrecognised contractual expenditure commitments with DIT for accommodation of \$132.583 million (\$58.406 million) (note 29).

Refer to notes 3, 9, 10, 15 and 23 for information about transactions between the Department and the LHNs and SAAS.

In addition, the Consolidated Entity has lease arrangements (both as lessee and as lessor) with other SA Government controlled entities. The premises are provided/received at nil or nominal rental with outgoings such as utilities being paid by the lessee.

37. Interests in other entities

The Consolidated Entity through its control of the LHNs has interests in a number of other entities as detailed below.

Controlled Entities

Central Adelaide Local Health Network Incorporated has a 100% interest (1,150,000 shares) in AusHealth. AusHealth is a national provider of on-site health and safety services delivered by qualified and experienced professional staff to businesses throughout Australia. AusHealth also manages patient payment solutions for Australian hospitals and commercialises hospital research into leading edge medical technologies and treatments.

From 1 July 2023 AusHealth will become a health charity known as The AusHealth Hospital Research Fund (AHRF). AusHealth, as a trading entity, will fall under the umbrella of AHRF. Under its new charity status, AusHealth's business model will comprise three divisions —AusHealth Work, AusHealth Hospitals, and AusHealth Research.

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Regional LHNs have effective control over, and a 100% interest in, the net assets of the Health Advisory Councils (HACs). The HACs were established as a consequence of the *Health Care Act 2008* being enacted and certain assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in them with the remainder being vested in the respective LHN.

By proclamation dated 26 June 2008, the following assets, rights and liabilities were vested in the HACs:

- all real property, including any estate, interest or right in, over or in respect of such property except for all assets, rights and liabilities associated with any land;
- all real property, including any estate, interest or right in, over or in respect of such property except for all assets, rights and liabilities associated with any land dedicated under any legislation dealing with Crown land; and
- all funds and personal property held on trust and bank accounts and investments that are solely constituted by the proceeds of fundraising except for all gift funds, and other funds or personal property constituting gifts or deductible contributions under the *Income Tax Assessment Act 1997* (Commonwealth).

The above assets, rights and liabilities of the former Hospitals whose HAC elected not to be incorporated were vested in the Country Health Gift Fund Health Advisory Council Inc.

The HACs have no powers to direct or make decisions with respect to the management and administration of LHNs.

Joint arrangements

The Consolidated Entity participates in the following joint operations:

Name of arrangement	Nature of the arrangement	Principal activity	Location	Interest
Adelaide Health Innovation Partnership	Company limited by guarantee comprising of four members – South Australia Health and Medical Research Institute, Central Adelaide Local Health Network, Women’s and Children’s Health Network and The University of Adelaide.	Advocates for change, innovation and improvements in health service delivery, medical research, education and patient care.	Adelaide SA	50%
Centre for Cancer Biology Alliance	Agreement between the University of South Australia and Central Adelaide Local Health Network Incorporated	Undertake health and medical research in South Australia as an integrated clinical, educational and research activity, with a focus on cancer research.	Adelaide SA	50%
South Australian Immunogenomics Cancer Institute	Agreement between The University of Adelaide and Central Adelaide Local Health Network Incorporated (CALHN)	Established as an independently governed Institute that operates as a discrete academic unit within The University of Adelaide’s Faculty of Health and Medical Sciences, supported by an alliance with CALHN.	Adelaide SA	50%

The Consolidated Entity participates in the following joint venture:

Name of arrangement	Nature of the arrangement	Principal activity	Location	Interest
Flinders Reproductive Medicine Pty Ltd (as Trustee for Flinders Charitable Trust, trading as Flinders Fertility)	Agreement between Flinders Reproductive Medicine Pty Ltd and Southern Adelaide Local Health Network Incorporated	Provision of equitable and accessible fertility treatment.	Adelaide SA	50%

Flinders Fertility is structured as a private trust which is not a reporting entity and is not publicly listed. The Consolidated Entity and Flinders University each have a 50% beneficial entitlement to the net assets of the trust. Accordingly, the interest is classified as a joint venture with the investment measured using the equity accounting method.

The Consolidated Entity’s share in the equity of Flinders Fertility is calculated based on the draft financial statements provided as at the reporting period and subsequently adjusted when the final audited financial statements are available.

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The following table summarises the financial information of Flinders Fertility based on currently available information:

	2023	2022
Percentage ownership interest	50 %	50 %
	\$'000	\$'000
Current assets	1,512	1,996
Current liabilities	(1,404)	(1,531)
Non-current assets	2,919	2,347
Non-current liabilities	(5,460)	(5,620)
Net assets	(2,433)	(2,808)
Share of beneficial entitlement	2,601	2,601
Carrying amount of interest in joint venture	2,601	2,601
Expenses	(6,666)	(6,540)
Revenue	7,039	6,810
Profit/(loss) and total comprehensive income	373	270
Entity's share of profit/(loss) and total comprehensive income (50%)	186	135

Structured entities

CALHN participates in the unconsolidated structured entity, CTM@CRC Ltd - the CRC for Cell Therapy Manufacturing (CTM). CTM is a cooperative research centre designed to implement research to provide new treatments and develop new materials-based manufacturing technologies to increase the accessibility, affordability and efficacy of cell therapies for previously incurable, or difficult to treat diseases.

CTM is funded by cash and in-kind resources from a number of partners in the health and research sectors throughout Australia in addition to a \$20.000 million grant from the Australian Government. CTM's headquarters are at the University of South Australia's Mawson Lakes campus.

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38. 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 APS 124.B were:

Board/committee name	Government employee members	Other members
Department for Health and Wellbeing - Clinical Expert Committee	23	Solomon S (appointed 18/08/2022), Corcoran M (appointed 18/08/2022), Dabars E Adj Assoc Prof (appointed 18/08/2022), Sawyer B Dr (appointed 18/08/2022)
Department for Health and Wellbeing - Controlled Substances Advisory Council	11	Ng D, Reynolds C Dr, Reeve M Dr, Smith J, White J Prof, Johns R
Department for Health and Wellbeing - COVID-19 Mental Health Response Oversight Committee (Board ceased 15/09/2022)	10	Hofhuis C, Harris G, McGregor T, Kennedy J
Department for Health and Wellbeing - Electronic Medical Record (EMR) Project Board	11	Solomon S (Chair)
Department for Health and Wellbeing - Viral Hepatitis Subcommittee (HAPI Group)	10	Grant J (Chair), Landers D, Tran D, Patterson K, William E, Safi S, Safi A, Znader B, Rafique M, Wright S, Hutt T, Holly C, Bartlett S, Morrison K, Riessen J, Thorpe C, Bellifemini L, Shipley T, Harris D
Department for Health and Wellbeing - Human Research Ethics Committee	3	Braunacker-Mayer A Prof (Chair), Needs K, Hewitt A Rev, Jones M, Najar R (resigned 31/01/2023), Ross-Taylor S, Haynes C, Strickland A, Bell G, Thompson S Rev, Teh Kym Dr, Scheibner J, Roder D Prof, Milazzo A Dr, Parrella A Dr, Harrison N, Grant J, Buckley E Dr, Gibson T A/Prof, Bradley C Dr, Carter D Dr, Stephens J Dr, Rundle N Rev, Sharrad S Dr, Elliott J A/Prof, Palmer L Prof, Berg S, Bte Mohamed Rahim N, Kennedy R, Butler M Dr, Sharplin G Dr
Department for Health and Wellbeing - Human Rights and Coercion Reduction Committee	9	Harris G, Simpson T, Williams J, Jureidini J, Lockett A, English L
Department for Health and Wellbeing - Lived Experience Advisory Group	3	Hofhuis C (resigned 31/03/2023), Khateeb H (resigned 18/10/2022), English L (Co-chair), Ahmed U (resigned 18/10/2022), O'Loughlin E, Meegan J (resigned 18/10/2022), Singh L, Haydon J, Gayler M, Jovanov S (resigned 18/04/2023)
Department for Health and Wellbeing - NDIS Psychosocial Disability Transition Task Force	18	Hofhuis C, Lee D, Callahan D, Strapp E, Harris G, Naughtin G, Meegan J, Cuthbert J, Burtnik L (resigned 31/08/2022), Leggett M, Corcoran M, Creedon P, Sutton S, Arlidge S, Spencer V, Nowak Z, Nielsen H
Department for Health and Wellbeing - Prescribed Psychiatric Treatment Panel	2	Camilleri C Dr, Coyne T Dr, Paterson T Dr, Simpson T, Smith J, Elliott J A/Prof
Department for Health and Wellbeing - Psychotropic Drugs Committee	15	Hume C, Suppiah V, Brown J
Department for Health and Wellbeing - Risk Management and Audit Committee	-	Stubbs T Dr, Deegan V, Phillips P Prof, Evans J (Chair)
Department for Health and Wellbeing - SA Cancer Plan Project Board	20	Gorp K, Edwards S (appointed 4/07/2022), Miller S (appointed 11/07/2022), Dixon K (appointed 15/07/2022), Rej L, McKay M, Edge N (appointed 22/08/2022), Morey K

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Board/committee name	Government employee members	Other members
Department for Health and Wellbeing - SA Sexual Health Services Review Project Advisory Group	14	Carroll C, Betts S, Huang R Dr, Oliver-Landry E Dr, Rafique M, Rutland A, Porcino A, Ryan L, Shrubsole C, Miliotis N, Morrison K, Myers L, Bartlett S
Department for Health and Wellbeing - SA Teletriads Advisory Committee (all members appointed 10/11/2022)	16	Misan G, Roberts I, Goode S, Best K Dr, Hughes J Prof, Gonzalez-Chica D A/Prof, Williams J Dr, Leonard J Dr, Keech W, Jones M A/Prof, Stocks N Prof, Tenorio F, McKay C, Bowden B Prof, Standing C
Department for Health and Wellbeing - SA Voluntary Assisted Dying Review Board (board appointed on 01/09/2022 and commenced its formal role on 31/01/2023)	1	Stone H, Dawkins J, Hunt R Dr, Jozeps R, May G, Smith M, Walker H
Department for Health and Wellbeing - Safety Learning System (SLS) Communities of Practice	37	Bickley B, Cole B
Department for Health and Wellbeing - South Australia Health Outpatient Redesign Steering Committee	17	Whiteway L
Department for Health and Wellbeing - South Australian Formulary Committee	11	Whiteway L
Department for Health and Wellbeing - South Australian Medical Education and Training Health Advisory Council	22	Forsyth K Prof, Jones A A/Prof, Craig J Prof, Skourletos R, Llewellyn A Dr, Boumelha P E/Prof
Department for Health and Wellbeing - South Australian Medical Education and Training Health Advisory Council Accreditation Committee	9	Boumelha P E/Prof. (Chair), Kuruppu P Dr, Need P Dr, Hillen J Dr, Ooi E Dr, Murphy R
Department for Health and Wellbeing - South Australian Medicines Advisory Committee	24	Kardachi G, Stocks N Prof, Wiley J, Whiteway L, Lee D
Department for Health and Wellbeing - STI and HIV Subcommittee	8	Miliotis N (Chair), Morrison K, Betts S, Carroll C, Gollin M, Leane K, Williams E, Rafique M, Rutland A, Bartlett S, Hutt T, Tsephe A, Shrubsole C
Department for Health and Wellbeing - Strategic Mental Health Quality Improvement	23	Keys D, Camilleri C Dr, Husband K, Lucas G
Department for Health and Wellbeing - Towards Zero Suicide Project Committee	9	Kuys J
Department for Health and Wellbeing - Trauma Informed Practice Working Group	2	Hofhuis C
Department for Health and Wellbeing - Viral Hepatitis Model of Care Reference Group	31	Larkin M, Oliver-Landry E Dr, Oudih E, Warneke-Arnold D, Williams E, Carroll C, Rafique M, Riessen J, Sebey B, Vnuk J
Department for Health and Wellbeing - Voluntary Assisted Dying Implementation Taskforce	10	Moy C Dr, Barkla C, Coombe F, Hunt R Dr, Jachmann N, Okninski M Dr, Richards B A/Prof, Simpson T, Smith M, Stone H, Wanganeen R

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Board/committee name	Government employee members	Other members
Department for Health and Wellbeing - Mental Health Leadership Group	17	English L, Braund S (resigned 20/02/2023), Haydon J (appointed 17/04/2023)
Department for Health and Wellbeing - Mental Health Services Plan Implementation Steering Committee	12	Coulls J, Camilleri C Dr, Braund S, Oudih E, Burgess A, English L, Nowak H
Department for Health and Wellbeing - Mental Health 72 Rehabilitation Beds Project Committee	13	Reynolds J, Hodges E, Braund S, Harris G, English L
Department for Health and Wellbeing - Pharmacy Election Commitments Project Steering Committee	9	Smith M Dr, Kardachi G, Panayiaris N, Seda V, Inglis P, Smith J, Kilmartin J Dr
Department for Health and Wellbeing - Primary Healthcare Subcommittee	5	Jasoria V Dr, Sawyer B Dr, Smith M Dr, Williams J Dr, Whiteway L
Barossa Hills Fleurieu Local Health Network - Country Health Gift Fund Health Advisory Council Inc	-	Fuller J (Chair), Mackay M, Mcarthur A.
Barossa Hills Fleurieu Local Health Network - Governing Board	-	Blackwell P, Cantley K (resigned 30/06/2022), Curran J, Fuller J, Gaston C, Hazel J (Chair), Russell G, Williams H (appointed 01/07/2023).
Barossa Hills Fleurieu Local Health Network - Fleurieu Audit and Risk Committee	-	Powell D (Chair), Gaston C, Russell G
Barossa Hills Fleurieu Local Health Network - Rural Support Service Governance Committee	-	Batt R (Chair), Cook L, Ottaway M, Voumard J.
Central Adelaide Local Health Network - Allied Health Directorate Clinical Governance Committee	17	Heydrich S
Central Adelaide Local Health Network - AusHealth Corporate Pty Ltd	1	Bechta-Metti K (resigned 15/05/2023), Hayden S (appointed 14/05/2023), Johansen G, Livesey S Dr, Reid M
Central Adelaide Local Health Network - BreastScreen SA State Quality Committee	7	Eaton M Dr, Kerrins E, Roder D Prof
Central Adelaide Local Health Network - Care and Management of Aboriginal Remains Task Force	7	Wanganeen F
Central Adelaide Local Health Network - 260 Currie Street Governance Committee	5	Bruce-Gordon S (appointed 31/01/2023), Caldwell B (appointed 30/03/2023), Massey A (appointed 01/03/2023), Robinson M (appointed 03/02/2023)
Central Adelaide Local Health Network - Clinical Ethics Committee	10	Cardinali R (appointed 01/11/2022), Carter D Dr, Digance A, Lambert A, Merlin T Prof (resigned 02/03/2023)
Central Adelaide Local Health Network - Consumer Carer Advisory Group	3	Bickley B, Burns T, Earl-Bandaralage L, Law D, Lucas G, Meegan J (resigned 01/10/2022), Smith E (resigned 09/05/2023), Thai L (appointed 14/02/2023), Vega L
Central Adelaide Local Health Network - Critical Care & Perioperative Program Intensive Care Services Quality and Governance Committee	-	Bampton J, Bickley B, Bruce K, How C, Johns P (appointed 06/12/2022), Kelly P (appointed 01/02/2023), Venhoek J, Workman D, Yeend K

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Board/committee name	Government employee members	Other members
Central Adelaide Local Health Network - Critical Care & Perioperative Program Perioperative Services Quality and Governance Committee	35	Sheehy H
Central Adelaide Local Health Network - Drug and Therapeutics Committee	39	Cullen M
Central Adelaide Local Health Network - Executive Quality Governance Committee	41	Bruce K, Fyfe D, Knight S (appointed 01/03/2023)
Central Adelaide Local Health Network - Geriatric Safety and Quality Committee	37	Curry M
Central Adelaide Local Health Network - Governing Board	-	Beilby J Prof, Cockram A Dr, Dwyer J Prof, Hanlon P (appointed 20/02/2023), Haythorpe I (appointed 20/02/2023), Reid M, Spencer R (Chair), Wanganeen G (resigned 30/06/2023), Yuile J (resigned 06/05/2023)
Central Adelaide Local Health Network - Governing Board Audit and Risk Committee	13	Batt R, Haythorpe I (Chair - appointed 20/02/2023), Reid M
Central Adelaide Local Health Network - Governing Board Clinical Governance Committee	2	Beilby J Prof (Chair), Dwyer J Prof, Fyfe D
Central Adelaide Local Health Network - Governing Board Consumer and Community Engagement Committee	-	Benwell N, Fyfe D, McWhinnie S, Touli S
Central Adelaide Local Health Network - Governing Board Finance and Investment Committee	-	Cantley K
Central Adelaide Local Health Network - Governing Board People and Culture Committee	-	Beilby J Prof, Dwyer J Prof, McEwen K (appointed 07/11/2022), Wanganeen G (resigned 30/06/2023)
Central Adelaide Local Health Network - Human Research Ethics Committee	10	Air T, Bonython J, Crabb A, Crockett J, Cullen J, Digance A, Fisher A, Greenberg Z, Hackett J (resigned 30/01/2023), Lu L, Need A A/Prof, Newsham P, Parry C, Partridge G, Phillips C, Ruediger C, Slater H
Central Adelaide Local Health Network - Integrated Care Clinical Governance Committee	-	Beaumont J, Wing M
Central Adelaide Local Health Network - Pelvic Mesh Specialists Group	14	Blieschke, K, Lilley D, Short K, Williamson W
Central Adelaide Local Health Network - Clinical Governance and Quality Committee	13	Touli S
Central Adelaide Local Health Network - CNARTS Transplant Management Committee	46	Myers D (resigned 25/11/2022), Palk N (appointed 01/07/2022)
Central Adelaide Local Health Network - Critical Care and Periop Safety and Quality Leadership Consumer Representative	15	Yeend K

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Board/committee name	Government employee members	Other members
Central Adelaide Local Health Network - General Medicine Safety and Quality Committee	40	Cardinali R, Klemm G
Central Adelaide Local Health Network - Heart and Lung Safety and Quality Committee	19	Klemm G (appointed 01/07/2022, resigned 17/1/2023), Lane B (appointed 17/01/2023), McWhinnie S
Central Adelaide Local Health Network - Learning from Dying Committee	28	Anderson R
Central Adelaide Local Health Network - Priority Care Committee: Communicating for Safety	43	Curry M, Raschella F
Central Adelaide Local Health Network - Priority Care Committee: Comprehensive Care	46	Anderson R, Bickley B, Coates P, Curry M, Messing L
Central Adelaide Local Health Network - Priority Care Committee: Managing Deterioration	40	Bampton J, Bickley B, Raschella F (resigned 2023)
Central Adelaide Local Health Network - Priority Care Committee: Patient Blood Management	-	Venhoek J, Johns P
Central Adelaide Local Health Network - Priority Care Committee: Standard 2 Consumer Partnering	-	Anderson R (resigned 14/03/2023), Bampton J (appointed 14/03/2023), Curry M, Klemm G, McMahon J
Central Adelaide Local Health Network - Renal Community of Practice Steering Committee	18	Lester R, Robson B, Weber D, Williams K
Central Adelaide Local Health Network - Royal Adelaide Hospital Joint Services Review Committee	-	Klemm G
Central Adelaide Local Health Network - SA Brain Injury Rehabilitation Service Consumer Advisory Group	3	Bollella D, Crawford S, Francese L, Hoile L (appointed 08/06/2023), Long J (appointed 13/04/2023), Morgan T (Chair)
Central Adelaide Local Health Network - SA Dental Services Consumer Advisory Panel	2	Costa D Dr, Ireland K, Kerekes E (resigned 04/05/2023), Matiasz S Dr, Millier P (resigned 12/04/2023), Saunders C, Sutherland R (resigned 01/12/2022), Whiteway L, Zerna J
Central Adelaide Local Health Network - Statewide Clinical Support Services Committee	4	Beilby J Prof, Cockram A Dr (resigned 01/09/2022), Haslam R (resigned 30/06/2023), Smith M, Spencer R (Chair)
Central Adelaide Local Health Network - Statewide Clinical Support Services Risk Management & Audit Committee	11	Christley S Dr, Davies T (Chair)
Central Adelaide Local Health Network - Stroke Community of Practice Strategic Executive Committee	33	Chamberlain S, McGrath A (resigned 01/07/2022)
Central Adelaide Local Health Network - The Queen Elizabeth Hospital Emergency Department Steering Committee	24	Myers A (appointed 26/10/2022)

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Board/committee name	Government employee members	Other members
Central Adelaide Local Health Network - Youth Cancer Advisory Group	3	Binns T, Custance B, Dix M, Edwards S, Gascoigne S, Gogel C, Hassall N, Kincaid J, Lawson A, Roth E (appointed 14/12/2022), Tyson H, Winston T
Eyre and Far North Local Health Network - Governing Board	-	Smith M (Chair), Dunchue L, Mills D Dr, Siviour J, Sweet C, Thyer C, Smith T, Auhl P (appointed 01/07/2022)
Eyre and Far North Local Health Network - Audit and Risk Management Committee	-	van der Wel O (Chair - resigned 31/12/2022), Sweet C (Chair), Smith T, Auhl P
Eyre and Far North Local Health Network - Clinical Governance Committee	-	Mills D Dr (Chair), Blacker P, Jackson T (resigned 30/11/2022)
Eyre and Far North Local Health Network - Finance and Performance Committee	-	Dunchue L (Chair), Sweet C, Auhl P
Eyre and Far North Local Health Network - Consumer, Community and Clinician Engagement Committee		Siviour J (Co Chair), Thyer C (Co Chair)
Flinders and Upper North Local Health Network - Governing Board	-	Whitfield M (Chair), Brady G (resigned 30/06/2022), Graham S, Lynch J (appointed 30/06/2023), Malone G, Reid K (resigned 30/06/2023), Cogan S, Ward R (appointed 14/03/2023), Warren C (appointed 14/03/2023)
Flinders and Upper North Local Health Network - Risk Management and Audit Committee	-	Prestwich P, Plew S, Walters C
Flinders and Upper North Local Health Network - Consumer and Community Engagement Committee	-	Shute J, Screen A, Misan G
Limestone Coast Local Health Network - Governing Board	-	King G (Chair), Birtwistle-Smith A, Brown G, Cook L, Irving J, Johnson A (ceased 18/11/2022), Saies A
Limestone Coast Local Health Network - Audit and Risk Management Committee	-	Kortum D, Brown G, Irving J, Saies A
Limestone Coast Local Health Network - Engagement Strategy Oversight Committee	-	Gerds R (appointed 28/06/2022), Sage R (appointed 01/08/2022)
Northern Adelaide Local Health Network - Governing Board	1	Blight R (Chair), Burgess A, Forwood M, Lampard F, Patetsos M, Roesler C
Northern Adelaide Local Health Network - Clinical Governance Committee	-	Patetsos M (Chair), Dennis C, Roesler C, Burgess A
Northern Adelaide Local Health Network - Consumer Advisory Board	-	White A (Chair), Dahal K, Mossop J, Putsey P, Spargo J
Northern Adelaide Local Health Network - Consumer Community	5	Baker K, Bonato K, Cately P, Chester M, Coleman L, Dahal K, Damgaard H, Dimitropoulos T, Foong J, Gadd R, Grinter M, Hassan R, Irvine S, MacFarlan C, Maiorana B, Mossop J, Putsey P, Radic S, Raina M, Rowa J, Simpson T, Spargo J, Streiber N, Swietek W, Wegener M, White A, Whittle S, Balagengadaran C (appointed 01/09/2022), Radoslovich H (appointed 16/09/2022)

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Board/committee name	Government employee members	Other members
Northern Adelaide Local Health Network - Risk Management & Audit Committee	-	Patetsos M (Chair), Connor G, Forwood M
Northern Adelaide Local Health Network and Department for Health and Wellbeing Aboriginal Consumer Reference Group	-	Wanganeen K (Chair), Stengle A, Wanganeen E, Chisholm K, Sinclair N, Weetra R, Varcoe E, Lamont J, O'Brien M, Turner B
Riverland Mallee Coorong Local Health Network - Governing Board	-	Joyner P (Chair), Ashworth E, Goldsmith C, Ottaway M, Toogood F.
Riverland Mallee Coorong Local Health Network - Risk and Audit Committee	-	Brass P (Chair), Goldsmith C, Joyner P, Ottaway M
SA Ambulance Service Inc - Assurance and Risk Committee	-	Beilby J Professor (Chair), Deally Y, Mcllroy A (appointed 15/03/2023), Thompson K (Chair - ceased 01/10/2022)
SA Ambulance Service Inc - Clinical Governance Committee	11	Beilby J Professor, Hibbert P, Squirrell D (ceased 16/11/2022), Marshall J
SA Ambulance Service Inc - Consumer and Community Advisory Committee	1	Ashley I, Caldwell B, Chester M, Cook C, Earle-Bandaralage L, Kirk P, Marshall J, McDonald B (ceased 12/08/2022), Mercer K, Pietsch A, Pilkington I, Saunders C, Squirrell D (ceased 16/11/2022), Vega L, Whiteway L, Burgess A
SA Ambulance Service Inc - Finance Committee	-	Murray R, Mcllroy A (appointed 15/03/2023)
SA Ambulance Service Inc - ICT Governance Committee	-	Deally Y
SA Ambulance Service Inc - NSQHS Steering Committee	-	Kirk P
SA Ambulance Service Inc - Service Delivery Committee	-	Braund S
Southern Adelaide Local Health Network - Governing Board	-	Butcher M (Chair), Hickey V, Mackean T, Mitchell J, Noble J, Richter J (Deputy Chair), Sherbon A, Searle J (appointed 01/07/2022)
Southern Adelaide Local Health Network - DASSA Clinical Executive Committee	11	Newrick K
Southern Adelaide Local Health Network - DASSA Community Advisory Council	2	Bealing D, Cornish M (ceased 25/09/2022), Dwyer Scott (Chair - appointed 28/09/2022), Halls A, Holly C, Honeyman L (appointed 28/09/2022), Mclean J, Moncrieff D (appointed 28/09/2022), Newrick K (ceased 27/05/2023), Nimmo E, O'Brien J, Petracco C, Randle M (ceased 25/09/2022), Sherif M, Vega L, Whiteway L, Cotter B (appointed 31/05/2023)
Southern Adelaide Local Health Network - DASSA Drug and Therapeutics Committee (Sub Committee of the DASSA Clinical Executive Committee)	12	Randle M (ceased 28/06/2023)
Southern Adelaide Local Health Network - DASSA Executive Group	11	O'Brien J
Southern Adelaide Local Health Network - DASSA Audit and Risk Committee	4	Davies T

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Board/committee name	Government employee members	Other members
Southern Adelaide Local Health Network - Consumer & Community Operational Committee (formerly Partnering with Consumer Advisory Group)	26	King P (Co Chair), Ball R, Dame T, Duke J (ceased 27/06/2023), Hofhius C (ceased 30/04/2023), Hoiles J (ceased 30/04/2023), Klinge N (ceased 30/04/2023), Oudih E (ceased 30/04/2023), Pascoe P, Rankine J (ceased 28/02/2023), Voss D, Gray H (appointed 01/06/2023), Wharton J (appointed 01/06/2023)
Southern Adelaide Local Health Network - Mental Health Consumer and Carer Advisory Group	10	Braund S, Clarke W, Corena M, Harrison J, Hofhuis C, Hopkins R, King P
Southern Adelaide Local Health Network - Southern Adelaide Clinical Human Research Ethics Committee	23	Arnold G, Cahalan P, Dykes L, Berg M, Ingleson V (ceased 18/01/2023), Lange B (Deputy Chair), Lister C, Lower K, McEvoy M, Miliotis B, Mudd A, Phillips C, Putsey T, Sharma S, Shephard S, Souzeau E, Spencer M, Thomas J, Treloar H (ceased 25/06/2023), Trethewey C, Trethewey Y, Van Lueven J, Velayudham P, Watt B, Were L, Yip L, Zhou Y
Southern Adelaide Local Health Network - Asset and Infrastructure Planning Sub-Committee	-	Butcher M (Chair), Mitchell J, Richter J, Sherbon A
Southern Adelaide Local Health Network - Audit and Risk Sub Committee (Sub Committee of the Governing Board)	-	Hickey V (Chair), Forman A, Noble J
Southern Adelaide Local Health Network - Clinical Council	53	Dame T, Duong M
Southern Adelaide Local Health Network - Clinical Governance (Sub-Committee of the Governing Board)	-	Richter J (Chair), Baggoley C, Eckert M, Mackean T, Searl J, Voss D, Mitchell J (appointed 03/11/2022)
Southern Adelaide Local Health Network - Communicating for Patient Safety Committee	41	Dame T
Southern Adelaide Local Health Network - Community Engagement (Sub-Committee of the Governing Board)	-	Mitchell J (Chair), Butcher M, King P
Southern Adelaide Local Health Network - Comprehensive Care Committee	38	Stankowski C
Southern Adelaide Local Health Network - Drugs and Therapeutics Committee	31	Burdenuik C (appointed 23/01/2023)
Southern Adelaide Local Health Network - End of Life Steering Committee	15	Barrington D, Phelan C
Southern Adelaide Local Health Network - Falls Prevention Management Committee	36	Cohen M (ceased 06/06/2023)
Southern Adelaide Local Health Network - Marion Lived Experience Group Mental Health Services	4	Brooke B (Chair), English L, Hofhuis C (Chair - ceased 17/04/2023), Police D
Southern Adelaide Local Health Network - Mental Health Services Noarlunga Lived Experience Group	3	Buer S (Chair), Healy S, Hopkins R, Hutchison S (appointed 01/02/2023), Smith K

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Board/committee name	Government employee members	Other members
Southern Adelaide Local Health Network - New Technology and Clinical Practice Innovation Committee	12	Holly C, Kaambwa B, King P, Burtnik L (appointed 23/11/2022)
Southern Adelaide Local Health Network - Older Persons Lived Experience Group Mental Health Services	11	Clark W (Chair), Eckert N, Lillecrapp D, Schettters J, Wener J (appointed 01/07/2022), Whitmore A, Cavenett K (ceased 01/05/2023)
Southern Adelaide Local Health Network - SEDS	1	Corena M (Chair), McGregor A, Goddard G, James S (appointed 02/03/2023), Rouvray L, Woolford L, Braund S, Witt K (appointed 02/03/2023), Higgins K (appointed 04/05/2023)
Southern Adelaide Local Health Network - Veterans Lived Experience Group Mental Health Services	4	Frampton R (Chair - appointed 28/02/2023), Daley G, Damare M, Hall R, Hill-Paul C, O'Malley J, Royals N, Schofield M, Tregea J (ceased 01/07/2022), Warren S
Southern Adelaide Local Health Network - Finance and Performance Committee (Sub-Committee of the Governing Board)	-	Richter J (Chair), Sherbon T, Noble J, Fletcher A
Southern Adelaide Local Health Network - Board Executive Committee (Sub-Committee of the Governing Board)	-	Butcher M (Chair), Mitchell J
Southern Adelaide Local Health Network - Ramping Committee (Sub-Committee of the Governing Board)	-	Butcher M (Chair), Richter J, Sherbon T
Women's and Children's Health Network - Audit and Risk Committee	-	Connor G (Chair), Daw S, Haslam R
Women's and Children's Health Network - Clinical Governance Group	-	Daw S (Chair), Cadzow M, Christley S, Griffin L, Glover K, Healey T (appointed 01/02/2023)
Women's and Children's Health Network - Consumer and Community Engagement Committee (Abolished)	-	Gray R, Griffin L, Hurrell E, Sands S
Women's and Children's Health Network - Women's and Children's Governing Board	-	Bastian J (ceased 30/06/2023), Birch J (ceased 31/01/2023), Christley S, Daw S, Glover K (ceased 30/06/2023), Haslam R (ceased 30/06/2023), Miller S, Wilson B, Dennis C (Chair - appointed 01/02/2023)
Yorke and Northern Local Health Network - Governing Board	1	Voumard J (Chair), Badenoch J, Banham D, Coulthard G, Malcolm E, O'Connor J
Yorke and Northern Local Health Network - Audit and Risk Committee	-	Voumard J (Chair), Banham D, Traeger E, O'Connor J

Refer to note 8.2 for remuneration of board and committee members.

39. Schedules of administered items

39.1 Basis of preparation

The basis of preparation for the schedule of administered items is the same as the basis outlined in note 1.

39.2 Categories of administered items

Special Acts (Parent) administered items include the following:

- Minister for Health and Wellbeing's salary and allowances and revenues from SA Government received/receivable for these expenses; and
- Health and Community Services Complaints Commissioner's remuneration and revenues from SA Government received/receivable for these expenses.

Health and Medical Research Fund (HMRF) (Parent) represents royalty income received from commercialisation of intellectual property and contribution of funds for the purposes of health and medical research in South Australia.

Private Practice represents funds billed on behalf of salaried medical officers and subsequently distributed to the LHNs and salaried medical officers according to individual Rights of Private Practice Deeds of Agreement.

Other administered items include the following:

- SA Medical Boards;
- Medical Centres - represents fees and charges collected on behalf of doctors that work in Regional LHN owned Medical Centres;
- Research;
- Nurses education;
- Fund raising; and
- Strata Corp.

The Consolidated Entity cannot use these administered funds for the achievement of its objectives.

39.3 Administered items - budgetary reporting

Budget information for Special Acts and HMRF is presented to Parliament; 2022-23 Budget Paper 4 includes a statement of comprehensive income for administered items for the Department. The budget process is not subject to audit.

39.4 Administered contingent assets and liabilities

The Consolidated Entity has no administered contingent assets and liabilities.

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39.5 Schedules of administered items

Consolidated	Special Acts		HMRF		Private Practice		Other		Total	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Schedule of Administered Expenses and Income</u>										
<u>Administered income</u>										
Revenues from SA Government	655	615	-	-	-	-	-	-	655	615
Revenues from fees and charges	-	-	-	-	86,732	88,711	3,097	4,023	89,829	92,734
Other revenues	-	-	-	-	-	-	43	49	43	49
Total Administered income	655	615	-	-	86,732	88,711	3,140	4,072	90,527	93,398
<u>Administered expenses</u>										
Employee benefits expenses	655	615	-	-	-	-	59	121	714	736
Supplies and services	-	-	-	-	245	-	276	312	521	312
Depreciation expense	-	-	-	-	-	-	3	3	3	3
Other expenses	-	-	-	-	87,079	89,144	2,918	3,656	89,997	92,800
Total Administered expenses	655	615	-	-	87,324	89,144	3,256	4,092	91,235	93,851
Net result	-	-	-	-	(592)	(433)	(116)	(20)	(708)	(453)
<u>Schedule of Administered Assets and Liabilities</u>										
<u>Administered current assets</u>										
Cash and cash equivalents	(100)	(90)	10,278	10,278	10,097	10,629	2,707	1,587	22,982	22,404
Receivables	100	90	-	-	8,007	6,914	64	142	8,171	7,146
Total Administered current assets	-	-	10,278	10,278	18,104	17,543	2,771	1,729	31,153	29,550
<u>Administered non-current assets</u>										
Property, plant and equipment	-	-	-	-	-	-	24	27	24	27
Total Administered non-current assets	-	-	-	-	-	-	24	27	24	27
Total Administered assets	-	-	10,278	10,278	18,104	17,543	2,795	1,756	31,177	29,577
<u>Administered current liabilities</u>										
Payables	-	-	-	-	7,751	7,073	2,687	1,126	10,438	8,199
Employee benefits	-	-	-	-	6	-	-	27	6	27
Other current provisions/liabilities	-	-	-	-	21	20	-	-	21	20
Total Administered current liabilities	-	-	-	-	7,778	7,093	2,687	1,153	10,465	8,246
Total Administered liabilities	-	-	-	-	7,778	7,093	2,687	1,153	10,465	8,246
Net Administered assets/equity	-	-	10,278	10,278	10,326	10,450	108	603	20,712	21,331

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Schedule of Administered Cash Flows

	2023	2022
	\$'000	\$'000
Cash flows from operating activities		
Cash inflows		
Receipts from SA Government	665	572
Fees and charges	88,804	86,792
Other revenues	43	-
Total Cash inflows	89,512	87,364
Cash outflows		
Employee benefits payments	741	734
Supplies and services	520	312
Other payments	87,673	85,817
Total Cash outflows	88,934	86,863
Net cash provided by operating activities	578	501
Net increase/(decrease) in cash held	578	501
Cash at the beginning of the reporting period	22,404	21,903
Cash at the end of the reporting period	22,982	22,404