



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Interim Chief Executive Wellbeing SA

Opinion

I have audited the financial report of Wellbeing SA 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 Wellbeing SA as at 30 June 2023, its financial performance and its 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 – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2023
- a Statement of Financial Position as at 30 June 2023
- a Statement of Changes in Equity for the year ended 30 June 2023
- a Statement of Cash Flows for the year ended 30 June 2023
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Interim Chief Executive and the Business Manager

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of Wellbeing SA. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Interim Chief Executive for the financial report

The Interim 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 – Simplified Reporting Requirements, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Interim Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Interim Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of Wellbeing SA for the financial year ended 30 June 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 Wellbeing SA's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Interim Chief Executive

- conclude on the appropriateness of the Interim 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 Interim Chief Executive about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O’Donohue
Assistant Auditor-General (Financial Audit)

19 September 2023

Certification of the financial statements

We certify that the:

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



Marina Bowshall
Interim Chief Executive



Derek Selby
Business Manager

Date

14/09/2023

WELLBEING SA
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2023

	Note	2023 S'000	2022 S'000
Income			
Revenues from SA Government	2	21,614	16,774
Fees and charges	3	693	1,080
Grants and contributions	4	65,040	80,683
Resources received free of charge	5	268	413
Other revenues/income	6	454	2,140
Total income		88,069	101,090
Expenses			
Employee benefits expenses	7	15,308	15,927
Supplies and services	8	37,676	58,728
Depreciation and amortisation		4	4
Grants and subsidies	9	6,376	8,560
Payments to SA Government	2	16,102	10,697
Other expenses	10	16,221	1,247
Total expenses		91,687	95,163
Net result		(3,618)	5,927
Total comprehensive result		(3,618)	5,927

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

WELLBEING SA
STATEMENT OF FINANCIAL POSITION
As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	11	19,433	23,085
Receivables	12	318	905
Total current assets		19,751	23,990
Non-current assets			
Receivables	12	-	1
Property, plant and equipment	13	1	4
Total non-current assets		1	5
Total assets		19,752	23,995
Current liabilities			
Payables	14	17,488	6,291
Financial liabilities	13	1	4
Employee benefits	15	1,130	2,177
Provisions	16	20	25
Total current liabilities		18,639	8,497
Non-current liabilities			
Payables	14	180	268
Financial liabilities	13	-	1
Employee benefits	15	1,785	2,752
Provisions	16	37	41
Total non-current liabilities		2,002	3,062
Total liabilities		20,641	11,559
Net assets		(889)	12,436
Equity			
Retained earnings		(889)	12,436
Total equity		(889)	12,436

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

WELLBEING SA
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2023

	Retained earnings	Total equity
	\$ '000	\$ '000
Balance at 30 June 2021	<u>7,560</u>	<u>7,560</u>
Net result for 2021-22	<u>5,927</u>	<u>5,927</u>
Total comprehensive result for 2021-22	<u>5,927</u>	<u>5,927</u>
Net assets received from an administrative restructure	<u>(1,051)</u>	<u>(1,051)</u>
Balance at 30 June 2022	<u>12,436</u>	<u>12,436</u>
Net result for 2022-23	<u>(3,618)</u>	<u>(3,618)</u>
Total comprehensive result for 2022-23	<u>(3,618)</u>	<u>(3,618)</u>
Net assets transferred out as a result of an administrative restructure	<u>(9,707)</u>	<u>(9,707)</u>
Balance at 30 June 2023	<u>(889)</u>	<u>(889)</u>

1.6

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

WELLBEING SA
STATEMENT OF CASH FLOWS
For the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		21,614	16,774
Fees and charges		810	1,233
Grants and contributions		65,130	80,710
Other receipts		454	2,144
GST recovered from ATO		4,664	5,434
Cash generated from operations		92,672	106,295
Cash outflows			
Employee benefits payments		(15,512)	(16,150)
Payments for supplies and services		(41,480)	(63,316)
Payments of grants and subsidies		(6,992)	(9,365)
Other payments		(4,468)	(1,257)
Payments to SA Government		(16,102)	(10,697)
Cash used in operations		(84,554)	(100,785)
Net cash provided by/(used in) operating activities		8,118	5,510
Cash outflows			
Repayment of lease liabilities		(4)	(3)
Cash transferred as result of restructuring activities		(11,766)	-
Cash used in financing activities		(11,770)	(3)
Net cash provided by/(used in) financing activities		(11,770)	(3)
Net increase/(decrease) in cash and cash equivalents		(3,652)	5,507
Cash and cash equivalents at the beginning of the period		23,085	17,578
Cash and cash equivalents at the end of the period	11	19,433	23,085
Non-cash transactions			

The accompanying notes form part of these financial statements.

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

1. About Wellbeing SA

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

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

1.1 Objectives and activities

Wellbeing SA is an independent government agency, leading cross-government and cross-sector strategies to support the physical, social and mental health and wellbeing of South Australians. The agency is taking community wide action on the determinants of health and risk factors for good health and wellbeing and seeking to embed prevention across the life course.

1.2 Basis of preparation

These financial statements are general purpose financial statements prepared in accordance with:

- section 23 of the *Public Finance and Audit Act 1987*,
- Treasurer's instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards applying simplified disclosures.

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

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

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

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

1.3 Taxation

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

1.4 Continuity of operations

As at 30 June 2023, Wellbeing SA had working capital surplus of \$1.112 million. The SA Government is committed and has consistently demonstrated a commitment to ongoing funding of Wellbeing SA to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

1.5 Change in accounting policy

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

1.6 Changes to administrative unit

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 Department of Health and Wellbeing (DHW), 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 integrations of the My Home Hospital service and strategic oversight of the SA Community Care program.

Net assets of \$9.707 million were transferred into DHW. 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 and a payment of \$15.990 million to DHW.

Net assets transferred into the Department 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.

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

2. Revenues from / Payments to SA Government

	2023 \$'000	2022 \$'000
Contingency funding provided by Department of Treasury and Finance	66	2
Operating purpose Appropriations from Consolidated Account pursuant to the Appropriation Act	20,952	16,772
Commonwealth recurrent grants received via Department of Treasury and Finance	596	-
Total revenues from SA Government	21,614	16,774

Return of surplus cash pursuant to cash alignment policy	16,102	10,697
Total payments to SA Government	16,102	10,697

Appropriations and intra-government transfers are recognised upon receipt.

3. Fees and charges

	2023 \$'000	2022 \$'000
Commissions revenue	1	-
Fees for health services	263	484
Other user charges and fees	429	596
Total fees and charges	693	1,080

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

4. Grants and contributions

	2023 \$'000	2022 \$'000
SA Government grants and contributions	64,191	80,296
Private sector grants and contributions	849	387
Total grants and contributions	65,040	80,683

SA Government grants and contributions includes commissioned activity funding from the Department for Health and Wellbeing for the provision of the My Home Hospital, SA Community Care, and Priority Care programs.

Grants received from the private sector \$0.849 million (\$0.387 million) are usually subject to terms and conditions set out in the contract or correspondence. Grants consist of contributions for Health Pathways SA, delivery of Priority Care Centres and SA Community Care Services.

5. Resources received free of charge

	2023 \$'000	2022 \$'000
Services	268	311
Accommodation	-	102
Total resources received free of charge	268	413

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated. Wellbeing SA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$0.243 million (\$0.283 million), and ICT (information and communication technology) services from the Department of Premier and Cabinet valued at \$0.025 million (\$0.028 million), following Cabinet's approval to cease intra-government charging. Wellbeing SA did not receive accommodation free of charge from DHW in 2022-23 (\$0.102 million).

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

6. Other revenues/income

	2023	2022
	\$'000	\$'000
Other	454	2,140
Total other revenues/income	454	2,140

Includes revenue from SA Government contributing to the Anti Racism Strategy, \$0.080 million, transfer of unspent program funding from DHW for the Integrum Project, \$0.262 million and revenue for the Aboriginal Health prevention and early intervention initiative, \$0.139 million.

7. Employee benefits expenses

	2023	2022
	\$'000	\$'000
Salaries and wages	11,596	12,245
Targeted voluntary separation packages	-	282
Long service leave	325	(116)
Annual leave	1,180	1,248
Skills and experience retention leave	65	68
Employment on-costs - superannuation*	1,461	1,425
Employment on-costs - other	641	749
Workers compensation	14	3
Board and committee fees	13	10
Other employee related expenses	13	13
Total employee benefits expenses	15,308	15,927

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

7.1 Key Management Personnel

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

Total compensation for KMP for the financial year was \$1.132 million (\$1.285 million), and excludes salaries and other benefits by the Minister. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

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

7.2 Remuneration of Boards and Committees

	2023	2022
	No. of	No. of
	Members	Members
\$0	26	81
\$1 - \$20,000	17	28
Total	43	109

The total remuneration received or receivable by members was \$0.013 million (\$0.010 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid. 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 22 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.

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

7.3 Remuneration of employees

	2023	2022
The number of employees whose remuneration received or receivable falls within the following bands:	No.	No.
\$160,001 - \$180,000	2	2
\$180,001 - \$200,000	1	1
\$200,001 - \$220,000	2	1
\$220,001 - \$240,000	-	1
\$300,001 - \$320,000	1	1
\$420,001 - \$440,000	-	1
\$480,001 - \$500,000	1	-
Total number of employees	7	7

The total remuneration received by those employees for the year was \$1.751 million (\$1.721 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and any related fringe benefits and related fringe benefits tax.

7.4 Targeted voluntary separation packages (TVSP)

	2023	2022
	\$'000	\$'000
Amount paid/payable to separated staff:		
Leave paid/payable to separated employees	-	124
Targeted voluntary separation packages	-	282
Net cost to Wellbeing SA	-	406

The number of staff who received a TVSP during the reporting period	-	6
---	---	---

TVSPs include Nil (6) separations resulting from the Workforce Rejuvenation Program.

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

8. Supplies and services

	2023 \$'000	2022 \$'000
Administration	81	85
Advertising	652	415
Communication	89	96
Computing	551	657
Consultants	209	409
Contract of services	29,550	48,352
Contractors	1,065	2,330
Contractors - agency staff	349	793
Electricity, gas and fuel	4	16
Fee for service	7	265
Food supplies	25	14
Housekeeping	6	4
Insurance	2	18
Legal	12	28
Medical, surgical and laboratory supplies	2	-
Minor equipment	56	26
Motor vehicle expenses	-	1
Occupancy rent and rates	717	682
Postage	8	5
Printing and stationery	43	45
Security	-	2
Services from Shared Services SA	243	283
Training and development	109	204
Travel expenses	90	113
Other supplies and services	3,806	3,885
Total supplies and services	37,676	58,728

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

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

Contract of Services \$29.550 million (\$48.352 million) expenditure mainly includes commissioned activity for SA Community Care \$16.628 million (\$31.929m), and My Home Hospital \$7.662 million (\$9.448m).

9. Grants and subsidies

	2023 \$'000	2022 \$'000
Subsidies	134	194
Funding to non-government organisations	6,242	8,326
Other	-	40
Total grants and subsidies	6,376	8,560

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

10. Other expenses

	2023 \$'000	2022 \$'000
Payment to DHW	15,990	-
Other	231	1,247
Total other expenses	16,221	1,247

Other expenses consist of \$15.990 million payable to DHW for the transition of ICS.

Included are also fees paid/payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 of \$0.051 million (\$0.034 million) and \$0.163 million payables to DHW in relation to the Suicide Prevention program.

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

11. Cash and cash equivalents

Cash is measured at nominal amounts. Wellbeing SA has a deposit account (general operating) of \$19.433 million (\$23.085 million) with the Treasurer. Wellbeing SA does not earn interest on this account. The Government has a policy to align cash balances with the appropriation and expenditure authority.

12. Receivables

	2023	2022
	\$'000	\$'000
Current		
Debtors	92	151
Prepayments	16	74
Sundry receivables and accrued revenue	3	22
GST input tax recoverable	207	658
Total current receivables	318	905
Non-current		
Debtors	-	1
Total non-current receivables	-	1
Total receivables	318	906

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

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

13. Property, plant and equipment

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

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

The following table shows the movement:

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	4	8
Additions	-	-
Disposals	-	-
Transfers between asset classes	-	-
Subtotal:	4	8
Gains/(losses) for the period recognised in net result:		
Depreciation and amortisation	(4)	(4)
Subtotal:	(4)	(4)
Gains/(Losses) for the period recognised in other comprehensive Income:		
Subtotal:	-	-
Carrying amount at the end of the Period	1	4
Gross carrying amount		
Gross carrying amount	11	11
Accumulated depreciation/amortisation	(10)	(7)
Carrying amount at the end of the Period	1	4

The lease liability relating to this right-of-use asset at 30 June 2023 was \$1,000 (\$4,000). Interest expense was \$15 (\$35) and cash outflow relating to this lease was \$3,000 (\$3,000).

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

14. Payables

	2023	2022
	\$'000	\$'000
Current		
Creditors and accrued expenses	17,305	5,958
Paid Parental Leave Scheme	4	3
Employment on-costs*	179	328
Other payables	-	2
Total current payables	17,488	6,291
Non-current		
Employment on-costs*	180	268
Total non-current payables	180	268
Total payables	17,668	6,559

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.

Creditors and accrued expenses include a transfer of \$15.990 million to DHW for ICS.

*Employees on-costs include Return to Work SA levies and superannuation contributions and payroll tax are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Wellbeing SA makes contributions to several State Government superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has increased from 2022 (42%) to 43%, the average factor for the calculation of employer superannuation on-costs has increased from the 2022 rate (10.6%) to 11.1% to reflect the increase in super guarantee. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost liability and employee benefits expenses of \$0.012 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Refer to note 21 for information on risk management.

15. Employee benefits

	2023	2022
	\$'000	\$'000
Current		
Accrued salaries and wages	21	148
Annual leave	889	1,688
Long service leave	161	244
Skills and experience retention leave	59	97
Total current employee benefits	1,130	2,177
Non-current		
Long service leave	1,785	2,752
Total non-current employee benefits	1,785	2,752
Total employee benefits	2,915	4,929

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

The reduction to the employee benefit liability is mainly due to transfer of ICS staff and their related entitlements to DHW.

15.1 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.

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

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 \$0.005 million. The impact 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.

15.2 Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by the DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities and the health sector across government.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2022 (3.5%) to 4.0%. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The actuarial assessment performed by DTF increased the salary inflation rate from 2022 (2.5%) to 3.5% for long service leave liability resulting in an increase in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$0.056 million, payables (employment on-costs) of \$0.003 million and employee benefits expenses of \$0.059 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.

16. Provisions

The provision consists only of workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	2023	2022
	\$'000	\$'000
Carrying amount at the beginning of the period	66	63
Increase/ (Decrease) in provisions recognised	(9)	3
Carrying amount at the end of the period	57	66

Workers compensation provision (statutory and additional compensation schemes)

Wellbeing SA is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, Wellbeing SA is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the costs of workers' compensation claims and the implementation and funding of preventative 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 non-serious injuries sustained in circumstances which involved, or appeared to involve, 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.

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

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

17. Unrecognised contractual commitments

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

17.1 Other Contractual Commitments

	2023	2022
	\$'000	\$'000
Within one year	227	567
Total expenditure commitments	227	567

Wellbeing SA expenditure commitments are for agreements for goods and services ordered but not received.

18. Contingent assets and liabilities

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

19. Events after balance date

The Chief Executive of Wellbeing SA retired on 4 September 2023, with an Interim Chief Executive appointed effective from 5 September 2023. The Minister for Health and Wellbeing announced at the same time that work will commence to establish Preventive Health SA in the near future. The new agency will bring together Wellbeing SA and parts of Drug and Alcohol Services SA (DASSA) to connect all strands of prevention work.

20. Impact of Standards not yet implemented

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

21. Financial instruments/financial risk management

21.1 Financial risk management

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

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

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

22. Board and committee members

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

Board/Committee name:	Government employee members	Other members
Disease Prevention, Health Promotion and Population Health Committee	1	Barredo M, Beckoff M, Elsley N, Lehmann J, Lewis S, Miller B, Moy C, Curlis S
South Australian Maternal and Perinatal Mortality Committee	3	Brown A, Cooper M, Goold J, Hague W, McKendrick L, Parker-Gray K, Wanguhu K, Wheatley B, Wiltshire A
One Stop Screening Shop	-	Weetra R, Clarke P, Rigney J
Suicide Prevention Council	7	Braddock A, Flink B, Curnow C, Boots D, Gill E, Hodges K, Newlands M, Atchison M, Ferguson M, Underdown S, Schrapel S, Wathnak V

Refer to note 7.2 for remuneration of board and committee members