

# SA Ambulance Service Inc

Financial report  
for the year ended  
30 June 2021



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## To the Interim Chief Executive Officer SA Ambulance Service Inc

### Opinion

I have audited the financial report of SA Ambulance Service Inc for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the SA Ambulance Service Inc as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Interim Chief Executive Officer and the Executive Director Corporate Services.

### 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 SA Ambulance Service Inc. 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 Officer for the financial report**

The Interim Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issues 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 Interim Chief Executive Officer 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 Officer 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* and section 55(2) of the *Health Care Act 2008*, I have audited the financial report of the SA Ambulance Service Inc for the financial year ended 30 June 2021.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

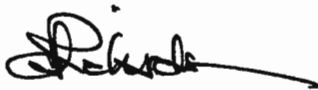
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SA Ambulance Service Inc'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 Officer
- conclude on the appropriateness of the Interim Chief Executive Officer'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 Officer 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**  
20 September 2021

## Certification of the financial statements

We certify that the:

- financial statements of the SA Ambulance Service Inc.:
  - 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 SA Ambulance Service Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



.....  
Robert Elliott  
Interim Chief Executive Officer



.....  
Robert Cox  
Executive Director  
Corporate Services

Date 14 September 2021.

**SA AMBULANCE SERVICE INC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2021**

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Revenues from SA Government	2	194,013	160,474
Fees and charges	3	157,774	148,387
Grants and contributions	4	3,252	3,169
Interest	11	1	16
Resources received free of charge	5	2,727	2,021
Net gain from disposal of non-current and other assets	10	561	-
Other revenues/income	6	5,742	4,797
<b>Total income</b>		<b>364,070</b>	<b>318,864</b>
<b>Expenses</b>			
Staff benefits expenses	7	253,741	233,284
Supplies and services	8	63,914	62,748
Depreciation and amortisation	15,16	13,477	13,773
Borrowing costs	19	271	231
Net loss from disposal of non-current and other assets	10	-	72
Impairment loss on receivables and contract assets	12.1,14.1	2,228	2,168
Other expenses	9	25,774	19,760
<b>Total expenses</b>		<b>359,405</b>	<b>332,036</b>
<b>Net result</b>		<b>4,665</b>	<b>(13,172)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will be reclassified subsequently to net result when specific conditions are met</b>			
Gains or losses recognised directly in equity		46,744	15,124
<b>Total other comprehensive income</b>		<b>46,744</b>	<b>15,124</b>
<b>Total comprehensive result</b>		<b>51,409</b>	<b>1,952</b>

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

SA AMBULANCE SERVICE INC  
STATEMENT OF FINANCIAL POSITION  
As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	11	16,678	10,363
Receivables	12	25,108	26,501
Inventories	13	561	463
Contract assets	14	23,248	5,087
Other assets		23	19
<b>Total current assets</b>		<b>65,618</b>	<b>42,433</b>
<b>Non-current assets</b>			
Receivables	12	9,241	1,956
Property, plant and equipment	15,16	147,695	141,206
Intangible assets	15.5	310	25
<b>Total non-current assets</b>		<b>157,246</b>	<b>143,187</b>
<b>Total assets</b>		<b>222,864</b>	<b>185,620</b>
<b>Current liabilities</b>			
Payables	18	12,292	10,331
Financial liabilities	19	2,350	2,513
Staff benefits	20	37,712	48,522
Provisions	21	3,387	2,251
Contract liabilities and other liabilities	22	3,616	3,643
<b>Total current liabilities</b>		<b>59,357</b>	<b>67,260</b>
<b>Non-current liabilities</b>			
Payables	18	1,884	1,912
Financial liabilities	19	12,915	12,834
Staff benefits	20	47,562	69,934
Provisions	21	32,161	16,104
<b>Total non-current liabilities</b>		<b>94,522</b>	<b>100,784</b>
<b>Total liabilities</b>		<b>153,879</b>	<b>168,044</b>
<b>Net assets</b>		<b>68,985</b>	<b>17,576</b>
<b>Equity</b>			
Retained earnings		(64,365)	(69,030)
Asset revaluation surplus		40,321	40,321
Other reserves		93,029	46,285
<b>Total equity</b>		<b>68,985</b>	<b>17,576</b>

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

SA AMBULANCE SERVICE INC  
 STATEMENT OF CHANGES IN EQUITY  
 For the year ended 30 June 2021

	Note	Asset revaluation surplus \$ '000	Other reserves \$ '000	Retained earnings \$ '000	Total equity \$ '000
<b>Balance at 30 June 2019</b>		<b>40,321</b>	<b>31,161</b>	<b>(59,720)</b>	<b>11,762</b>
Prior period adjustment	1.5.1	-	-	3,862	3,862
Restated balance at 1 July 2019		40,321	31,161	(55,858)	15,624
Net result for 2019-20		-	-	(13,172)	(13,172)
Gain/(loss) on revaluation of defined benefit fund liability		-	15,124	-	15,124
<b>Total comprehensive result for 2019-20</b>		<b>-</b>	<b>15,124</b>	<b>(13,172)</b>	<b>1,952</b>
<b>Balance at 30 June 2020</b>		<b>40,321</b>	<b>46,285</b>	<b>(69,030)</b>	<b>17,576</b>
Net result for 2020-21		-	-	4,665	4,665
Gain/(loss) on revaluation of defined benefit fund liability		-	46,744	-	46,744
<b>Total comprehensive result for 2020-21</b>		<b>-</b>	<b>46,744</b>	<b>4,665</b>	<b>51,409</b>
<b>Balance at 30 June 2021</b>		<b>40,321</b>	<b>93,029</b>	<b>(64,365)</b>	<b>68,985</b>

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



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

	Note	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Receipts from SA Government		217,224	183,260
Fees and charges		110,037	112,011
Grants and contributions		3,324	3,458
Interest received		1	16
GST recovered from ATO		5,019	4,073
Other receipts		1,022	4,816
<b>Cash generated from operations</b>		<b>336,627</b>	<b>307,634</b>
<b>Cash outflows</b>			
Staff benefits payments		(228,017)	(225,042)
Payments for supplies and services		(56,335)	(50,606)
Interest paid		(271)	(231)
Other payments		(25,820)	(19,838)
<b>Cash used in operations</b>		<b>(310,443)</b>	<b>(295,717)</b>
<b>Net cash provided by operating activities</b>		<b>26,184</b>	<b>11,917</b>
<b>Cash flows from investing activities</b>			
<b>Cash inflows</b>			
Proceeds from sale of property, plant and equipment		852	(23)
<b>Cash generated from/(used in) investing activities</b>		<b>852</b>	<b>(23)</b>
<b>Cash outflows</b>			
Purchase of property, plant and equipment		(17,998)	(9,743)
Purchase of intangible assets		(35)	-
<b>Cash used in investing activities</b>		<b>(18,033)</b>	<b>(9,743)</b>
<b>Net cash used in investing activities</b>		<b>(17,181)</b>	<b>(9,766)</b>
<b>Cash outflows</b>			
Repayment of lease liabilities		(2,688)	(2,462)
<b>Cash used in financing activities</b>		<b>(2,688)</b>	<b>(2,462)</b>
<b>Net used in financing activities</b>		<b>(2,688)</b>	<b>(2,462)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,315</b>	<b>(311)</b>
Cash and cash equivalents at the beginning of the period		10,363	10,674
<b>Cash and cash equivalents at the end of the period</b>	11	<b>16,678</b>	<b>10,363</b>
Non-cash transactions	23		

The accompanying notes from part of these financial statements.

**SA AMBULANCE SERVICE INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

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## **1. About SA Ambulance Service**

SA Ambulance Service Inc (SAAS) is a not-for-profit incorporated entity established under section 49 of the *Health Care Act 2008*. The financial statements include all the controlled activities of SAAS. This includes SAAS and SA Ambulance Development Fund. SAAS does not control any other entity and has no interests in unconsolidated structured entities.

The SA Ambulance Development Fund is a Charitable Trust administered by SAAS pursuant to a Declaration of Trust. The fund receives donations, gifts and bequests from the public which are applied by the Trustee to improve the services offered by SAAS. The funds cannot be used for the day to day operating expenses of SAAS.

### **1.1 Objectives and activities**

SAAS is committed to save lives, reduce suffering and enhance quality of life, through the provision of accessible and responsive quality patient care and transport. SAAS is the principal provider of ambulance services in South Australia, is part of SA Health and is responsible to the Minister for Health and Wellbeing.

SAAS works in partnership with their health and emergency service colleagues, and other government agencies to ensure the best outcomes for all South Australians. SAAS is structured to contribute to the outcomes for which the portfolio is responsible by providing pre-hospital medical emergency care and patient transport.

The Chief Executive Officer administers and manages SAAS under delegation from the Chief Executive of the Department for Health and Wellbeing (the Department) and is accountable to the Chief Executive of the Department.

The SA Ambulance Service Volunteer Health Advisory Council (SAASVHAC) was established pursuant to the *Health Care Act 2008*. The role of the Council is to provide advice and advocacy on SAAS volunteer related matters to the Minister for Health and Wellbeing (Minister) and the Chief Executive Officer and management of SAAS. The Council has no powers to direct or make decisions with respect to the management and administration of SAAS.

### **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 have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

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

### **1.3 Taxation**

SAAS is not subject to income tax. SAAS is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

- when the GST incurred on 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.

**SA AMBULANCE SERVICE INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**1.4 Continuity of Operations**

As at 30 June 2021, SAAS had working capital surplus of \$6.261 million (\$24.827 million deficiency). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of SAAS to enable it to perform its functions.

**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 and Defined Benefit Fund Remeasurement.

**1.5.1 Prior Period Adjustment**

During 2020-21 SAAS reconciled certain leave arrangements between the Comprehensive Human Resources Integrated Software (CHRIS 21) and Global Rostering Systems (GRS). This resulted in a prior period adjustment to equity of \$3.862 million. There was no impact on net result or cash flows.

Staff Benefits Liability	Reported 2020 Balance \$'000	Prior Period Adjustment \$'000	Restated 2020 Balance \$'000
Current	51,612	3,090	48,522
Non-Current	70,385	451	69,934
<b>Total</b>	<b>121,997</b>	<b>3,541</b>	<b>118,456</b>

Payables	Reported 2020 Balance \$'000	Prior Period Adjustment \$'000	Restated 2020 Balance \$'000
Current	10,634	303	10,331
Non-Current	1,930	18	1,912
<b>Total</b>	<b>12,564</b>	<b>321</b>	<b>12,243</b>

**1.6 Impact of COVID-19 pandemic on SA Health**

The COVID-19 pandemic continues to have an impact on the SAAS's operations. This includes an increase in costs associated with COVID capacity and preparation, increased demand for personal protective equipment, increased staffing costs (including agency) to ensure necessary compliance measures are followed. Net COVID-19 specific costs for SAAS was \$4.086 million (\$1.423 million).

**1.7 Change in accounting policy**

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

**2. Revenues from SA Government**

	2021 \$'000	2020 \$'000
Operational funding	177,586	150,911
Capital projects funding	16,427	9,563
<b>Total revenues from Department for Health and Wellbeing</b>	<b>194,013</b>	<b>160,474</b>

The Department provides recurrent and capital funding under a service level agreement to SAAS for the provision of general health services. Contributions from the Department are recognised as revenue when SAAS obtains control over the funding. Control over the funding is normally obtained upon receipt.

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

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

**3. Fees and charges**

	2021 \$'000	2020 \$'000
Ambulance cover	31,013	29,471
Ambulance transport	121,967	114,845
Call Direct	922	976
Commissions revenue	14	14
Fees for health services	208	216
Training revenue	400	543
Other user charges and fees	3,250	2,322
<b>Total fees and charges</b>	<b>157,774</b>	<b>148,387</b>

SAAS measures revenue based on the consideration specified in a major contract with a customer 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 SAAS satisfies performance obligations by transferring the promised goods or services to its customers.

Contracts with Customers disaggregated by pattern of revenue recognition and type of customer	2021	2021	2020	2020
	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	-	31,013	-	29,471
Ambulance transport	90,287	-	82,280	-
Call Direct	-	922	-	976
Commissions revenue	14	-	14	-
Fees for health services	59	-	70	-
Training revenue	358	-	376	-
Other user charges and fees	1,037	-	765	-
<b>Total contracts with external customers</b>	<b>91,755</b>	<b>31,935</b>	<b>83,505</b>	<b>30,447</b>
Ambulance transport	31,680	-	32,565	-
Fees for health services	149	-	146	-
Training revenue	42	-	167	-
Other user charges and fees	2,213	-	1,557	-
<b>Total contracts with SA Government customers</b>	<b>34,084</b>	<b>-</b>	<b>34,435</b>	<b>-</b>
<b>Total contracts with customers</b>	<b>125,839</b>	<b>31,935</b>	<b>117,940</b>	<b>30,447</b>

SAAS recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 22). Similarly, if SAAS satisfies a performance obligation before it receives the consideration, SAAS 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 14 and 12 respectively).

For 2021, revenue includes \$3.643 million (\$3.641 million) included in the contract liability balance at the beginning of the period, and \$30.279 million (\$6.445 million) from performance obligations satisfied (or partially satisfied).

SAAS recognises revenue (contract from customers) from the following major sources:

Ambulance cover revenue

SAAS operates the Ambulance cover scheme whereby members pay a subscription to cover themselves against the cost of ambulance transport. Ambulance cover is paid in advance for a twelve-month period commencing on the day after the date of joining for emergency transportation and two months after the date of joining for non-emergency transports. Ambulance cover revenue is recognised as the performance obligation is discharged, which is on a time proportionate basis over the membership period.

Ambulance transport revenue

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.

Call Direct revenue

Call Direct revenue comprises the sale of alarm monitoring units, accessories and monitoring income. Call Direct revenue relating to units and accessories will be recognised once control of the goods passes to the customer. Call Direct rental and monitoring revenue is recognised as the performance obligation is discharged, which is as services are provided.

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

**4. Grants and contributions**

	2021	2020
	\$'000	\$'000
Emergency Services Levy	1,490	1,454
Other SA Government grants and contributions	1,040	1,020
Private sector grants and contributions	722	695
<b>Total grants and contributions</b>	<b>3,252</b>	<b>3,169</b>

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

**5. Resources received free of charge**

	2021	2020
	\$'000	\$'000
Land and buildings	155	-
Services	2,572	2,021
<b>Total resources received free of charge</b>	<b>2,727</b>	<b>2,021</b>

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. SAAS receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$2.113 million (\$2.021million) and ICT services from DPC valued at \$0.458 million (\$Nil), following Cabinet's approval to cease intra-government charging.

In addition, although not recognised, SAAS receives volunteer services associated with ambulance duties in regional SA. There are around thirty eight volunteer crews across six regions in SA, whom provide support services to individuals using SAAS's ambulance services.

**6. Other revenues/income**

	2021	2020
	\$'000	\$'000
Donations	137	133
Health recoveries	4,820	4,315
Insurance recoveries	-	32
Other	785	317
<b>Total other revenues/income</b>	<b>5,742</b>	<b>4,797</b>

**7. Staff benefits expenses**

	2021	2020
	\$'000	\$'000
Salaries and wages	176,706	168,648
Long service leave	923	5,185
Annual leave	28,124	28,428
Skills and experience retention leave	980	915
Staff on-costs - superannuation*	23,009	25,798
Workers compensation	23,801	4,238
Board and committee fees	31	23
Other staff related expenses	167	49
<b>Total staff benefits expenses</b>	<b>253,741</b>	<b>233,284</b>

\* The superannuation employment on-cost charge represents SAAS's contribution to superannuation plans in respect of current services of staff. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole-of-government financial statements except for those SAAS staff who are members of the SAAS defined benefit scheme.

Defined benefit scheme expenses recognised in the profit and loss totalled \$9.250 million (\$10.969 million), comprising current service cost of \$9.024 million (\$10.500 million) and interest cost of \$0.226 million (\$0.469 million).

**SA AMBULANCE SERVICE INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

**7.1 Key Management Personnel**

Key management personnel (KMP) of SAAS includes the Minister, the Chief Executive of the Department and the Chief Executive Officer of SAAS and the seven (eight) members of the Executive Management Group who have responsibility for the strategic direction and management of SAAS.

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 SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*; and
- The Chief Executive of the Department. The Chief Executive is compensated by the Department and there is no requirement for SAAS to reimburse those expenses.

	2021	2020
	\$'000	\$'000
<b>Compensation</b>		
Salaries and other short term employee benefits	1,780	1,950
Other long term employment benefits	-	-
Post-employment benefits	549	326
<b>Total</b>	<b>2,329</b>	<b>2,276</b>

SAAS 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.

**7.2 Remuneration of Board and Committees**

	2021	2020
\$0	17	13
\$1 - \$20,000	18	16
<b>Total</b>	<b>35</b>	<b>29</b>

The total remuneration received or receivable by members was \$0.031million (\$0.023 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax 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 30 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.

**7.3 Remuneration of staff**

	2021	2020
	Number	Number
The number of staff whose remuneration received or receivable falls within the following bands:		
\$154,678 - \$175,000	122	125
\$175,001 - \$195,000	129	100
\$195,001 - \$215,000	40	64
\$215,001 - \$235,000	13	17
\$235,001 - \$255,000	8	4
\$255,001 - \$275,000	8	13
\$275,001 - \$295,000	7	1
\$295,001 - \$315,000	3	4
\$315,001 - \$335,000	3	2
\$335,001 - \$355,000	1	1
\$395,001 - \$415,000	-	1
\$435,001 - \$455,000	-	1
\$455,001 - \$475,000	-	1
\$495,001 - \$515,000	1	-
\$575,001 - \$595,000	1	-
<b>Total</b>	<b>336</b>	<b>334</b>

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

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7.4 Remuneration of staff by classification

The total remuneration received by these staff, included above:

	2021		2020	
	No.	\$'000	No.	\$'000
Executive	5	1,117	6	1,292
Medical (excluding Nursing)	29	7,778	19	5,365
Non-medical (i.e. administration)	1	162	2	318
Nursing	20	3,479	20	3,388
Operational	281	51,638	287	53,606
<b>Total</b>	<b>336</b>	<b>64,174</b>	<b>334</b>	<b>63,969</b>

8. Supplies and services

	2021	2020
	\$'000	\$'000
Administration	169	211
Advertising	306	319
Communication	4,040	3,423
Computing	3,392	3,385
Consultants	261	53
Contract of services	214	207
Contractors	468	579
Contractors - agency staff	3,285	4,744
Cost of goods sold	40	90
Drug supplies	682	626
Electricity, gas and fuel	991	1,108
Food supplies	63	51
Housekeeping	2,403	2,073
Insurance	1,631	1,619
Legal	248	781
Low value lease expense	52	38
Medical, surgical and laboratory supplies	4,918	4,131
Minor equipment	2,413	1,827
Motor vehicle expenses	5,179	5,383
Occupancy rent and rates	978	347
Patient transport	19,760	18,913
Postage	997	724
Printing and stationery	810	727
Repairs and maintenance	3,701	3,630
Security	118	94
Services from Shared Services SA	2,214	2,045
Short term lease expense	-	575
Training and development	860	860
Travel expenses	319	2,189
Other supplies and services*	3,402	1,996
<b>Total supplies and services</b>	<b>63,914</b>	<b>62,748</b>

\*Includes volunteer expenses of \$1.431 million (\$1.562 million).

SAAS 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.

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2021		2020	
	No.	\$'000	No.	\$'000
Below \$10,000	-	-	-	-
Above \$10,000	5	261	4	53
<b>Total</b>	<b>5</b>	<b>261</b>	<b>4</b>	<b>53</b>

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**9. Other expenses**

	2021	2020
	\$'000	\$'000
Debts written off	25,088	18,301
Bank fees and charges	117	111
Other*	569	1,348
<b>Total other expenses</b>	<b>25,774</b>	<b>19,760</b>

\*Includes Audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$0.104 million (\$0.114 million). No other services were provided by the Auditor-General's Department.

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

<b>Land and buildings:</b>	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Proceeds from disposal	-	8
Less carrying amount of assets disposed	(11)	-
<b>Net gain/(loss) from disposal of land and buildings</b>	<b>(11)</b>	<b>8</b>
<b>Plant and equipment:</b>		
Proceeds from disposal	875	60
Less carrying amount of assets disposed	(280)	(49)
Less other costs of disposal	(23)	(91)
<b>Net gain/(loss) from disposal of plant and equipment</b>	<b>572</b>	<b>(80)</b>
This does not include the derecognition of the right of use property, plant and equipment of \$0.004 million.		
<b>Non-current assets held for sale:</b>		
Less other costs of disposal	-	-
<b>Net gain/(loss) from disposal of non-current assets held for sale</b>	<b>-</b>	<b>-</b>
<b>Total assets:</b>		
Total proceeds from disposal	875	68
Less total carrying amount of assets disposed	(291)	(49)
Less other costs of disposal	(23)	(91)
<b>Total net gain/(loss) from disposal of non-current and other assets</b>	<b>561</b>	<b>(72)</b>

Gains or losses on disposal are recognised at the date control of the asset is passed from SAAS 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.

**11. Cash and cash equivalents**

	2021	2020
	\$'000	\$'000
Cash at bank or on hand	332	299
Deposits with Treasurer: general operating	13,983	7,594
Deposits with Treasurer: special purpose funds	2,363	2,470
<b>Total cash and cash equivalents</b>	<b>16,678</b>	<b>10,363</b>

Cash is measured at nominal amounts. SAAS receives specific purpose funds from various sources including government, private sector and individuals. The amounts are controlled by SAAS, and are used to help achieve SAAS objectives, notwithstanding that specific uses can be determined by the grantor or donor. Accordingly, the amounts are treated as revenue at the time they are earned or at the time control passes to SAAS.

SAAS only earns interest on the special deposit account \$0.001 million (\$0.016 million).



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## 12. Receivables

		2021	2020
	Note	\$'000	\$'000
<b>Current</b>			
Debtors		37,149	43,335
Less: allowance for impairment loss on receivables	12.1	(21,015)	(24,460)
Prepayments		7,052	5,409
Workers compensation provision recoverable		1,208	881
Sundry receivables and accrued revenue		610	1,170
GST input tax recoverable		104	166
<b>Total current receivables</b>		<b>25,108</b>	<b>26,501</b>
<b>Non-current</b>			
Debtors		930	456
Workers compensation provision recoverable		2,442	1,500
Superannuation - defined benefit scheme		5,869	-
<b>Total non-current receivables</b>		<b>9,241</b>	<b>1,956</b>
<b>Total receivables</b>		<b>34,349</b>	<b>28,457</b>

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

### 12.1 Impairment of receivables

SAAS has adopted the simplified impairment approach under AASB 9 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:

	2021	2020
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>25,818</b>	<b>23,650</b>
<b>Increase/(Decrease) in allowance recognised in profit or loss</b>	<b>2,228</b>	<b>2,168</b>
<b>Carrying amount at the end of the period</b>	<b>21,015</b>	<b>24,460</b>

Impairment losses relate to receivables arising from contracts with customers that are external to the SA Government. Refer to note 28 for details regarding credit risk and the methodology for determining impairment.

## 13. Inventories

Inventories held for distribution at no or nominal consideration were \$0.561 million (\$0.463 million) 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.

## 14. Contract assets

	2021	2020
	\$'000	\$'000
Contract assets	30,279	6,445
Less: allowance for impairment loss on contract assets	(7,031)	(1,358)
<b>Total contract assets</b>	<b>23,248</b>	<b>5,087</b>

Contract assets primarily relate to SAAS's rights to consideration for work completed but not yet billable at the reporting date on ambulance transport. Any amount previously recognised as a contract asset is transferred to receivables when the rights become unconditional (i.e. at the point at which it is invoiced to the customer).

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**14.1 Impairment of contract assets**

SAAS has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all contract assets using an allowance matrix as a practical expedient to measure the impairment provision.

Movement in the allowance for impairment loss on contract assets:

	2021 \$'000	2020 \$'000
<b>Carrying amount at the beginning of the period</b>	<b>1,358</b>	-
<b>Increase in allowance recognised in profit or loss</b>	<b>5,673</b>	<b>1,358</b>
<b>Carrying amount at the end of the period</b>	<b>7,031</b>	<b>1,358</b>

**15. Property, plant and equipment and intangible assets**

**15.1 Acquisition and recognition**

Property, plant and equipment owned are initially recorded on a cost basis, and are subsequently measured at fair. 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.

SAAS 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 greater than \$5 million for infrastructure assets and \$1 million for other assets.

**15.2 Depreciation and amortisation**

The residual values, useful lives, depreciation and amortisation methods of all major assets held by SAAS are reviewed and adjusted if appropriate on an annual basis. Changes in the 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	40 - 80
Right-of-use buildings	Lease term
Accommodation and leasehold improvements	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	5 - 15
• Computing equipment and software	3 - 5
• Vehicles	2 - 25
• Other plant and equipment	3 - 25
Right-of-use plant and equipment	Lease term
Intangibles	5 - 10

**15.3 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 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 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.

#### 15.4 Impairment

SAAS 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 for impairment of property, plant and equipment, intangibles or investment properties as at 30 June 2021.

#### 15.5 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. SAAS 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.

The carrying amount of computer software at the end of the period was \$0.310 million. The computer software has a gross carrying amount of \$5.990 million with accumulated depreciation of \$5.680 million. Amortisation during the year was \$0.092 million (\$0.012 million).

#### 15.6 Land and buildings

An independent valuation of owned land and buildings, including site improvements, was performed in March 2018 by a Certified Practising Valuer from AssetVal (JLT) Pty Ltd, as at 1 June 2018.

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.

Fair value of buildings and other land 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.

#### 15.7 Plant and equipment

SAAS's plant and equipment assets with a fair value greater than \$1 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 independent valuations performed by a Certified Practising Valuer from Jones Lang Lasalle Pty Ltd. The value of all other plant and equipment is deemed has not been revalued. This is in accordance with APS 116D, the carrying value of these items is deemed to approximate fair value. These assets are classified in Level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

#### 15.8 Leased property, plant and equipment

Right-of-use assets (included concessional arrangements) leased by the Hospital as lessee are measured at cost, and there were no indications for impairment. Additions to right of use assets during 2020-21 were \$2.589 million. Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000, are not recognized as right-of-use assets. The associated lease payments are recognised as an expense and disclosed at Note 8.

Major lease activities include the use of:

- Properties –The major properties leased includes property at Eastwood, Parkside, Ashford, Port Adelaide, Aldgate, Angaston, Gepps Cross and Edwardstown. Generally, property leases are from the private sector and 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.
- 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 three years) or a specified number of kilometres, whichever occurs first.

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SAAS has committed to any lease arrangements that commence from 1 July 2021, which not are included in the lease liability maturity analysis. SAAS has not entered into any sub-lease arrangements and has no concessional lease arrangements.

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 19. Expenses related to right-of-use assets including depreciation and borrowing costs are disclosed at note 16 and 19. Cash outflows related to right-of-use assets are disclosed at note 23.

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**16. Reconciliation of property, plant and equipment**

The following table shows the movement :

2020-21	Land and buildings:				Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation 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	16,993	72,942	13,231	453	8,680	8,703	10,651	1,974	7,579	141,206
Additions	156	121	2,217	1,171	-	17	-	372	16,280	20,334
Assets received free of charge	77	78	-	-	-	-	-	-	-	155
Disposals	-	-	-	-	(11)	-	(280)	(80)	-	(371)
Transfers between asset classes	-	1,382	-	(2,192)	328	1,243	8,723	-	(9,826)	(342)
<b>Subtotal:</b>	<b>17,226</b>	<b>74,523</b>	<b>15,546</b>	<b>(568)</b>	<b>8,997</b>	<b>9,963</b>	<b>19,094</b>	<b>2,266</b>	<b>14,032</b>	<b>161,080</b>
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation and amortisation	-	(2,087)	(1,968)	-	(1,091)	(1,797)	(5,535)	(907)	-	(13,385)
<b>Subtotal:</b>	<b>-</b>	<b>(2,087)</b>	<b>(1,968)</b>	<b>-</b>	<b>(1,091)</b>	<b>(1,797)</b>	<b>(5,535)</b>	<b>(907)</b>	<b>-</b>	<b>(13,385)</b>
<b>Carrying amount at the end of the period</b>	<b>17,226</b>	<b>72,436</b>	<b>13,578</b>	<b>(568)</b>	<b>7,906</b>	<b>8,166</b>	<b>13,559</b>	<b>1,359</b>	<b>14,032</b>	<b>147,695</b>
<b>Gross carrying amount</b>										
Gross carrying amount	17,226	78,711	17,101	(568)	14,703	23,271	47,398	2,690	14,033	214,565
Accumulated depreciation / amortisation	-	(6,275)	(3,523)	-	(6,797)	(15,105)	(33,839)	(1,331)	-	(66,870)
<b>Carrying amount at the end of the period</b>	<b>17,226</b>	<b>72,436</b>	<b>13,578</b>	<b>(568)</b>	<b>7,906</b>	<b>8,166</b>	<b>13,559</b>	<b>1,359</b>	<b>14,033</b>	<b>147,695</b>

All property, plant and equipment are classified in the level 3 fair value hierarchy except for investment property (classified as level 2) and capital works in progress (not classified). Refer to note 19 for details about the lease liability for right-of-use assets.

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2019-20	Land and buildings:				Plant and equipment:					Total \$'000
	Land \$'000	Buildings \$'000	Right-of- use buildings \$'000	Capital works in progress land and buildings \$'000	Accommod- ation 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	16,993	74,989	9,638	256	8,210	10,766	16,139	1,547	128	138,666
Additions	-	-	5,175	1,769	-	182	12	1,457	7,759	16,354
Disposals	-	-	-	-	-	(1)	(48)	(4)	-	(53)
Transfers between asset classes	-	-	-	(1,572)	1,572	246	62	-	(308)	-
<b>Subtotal:</b>	<b>16,993</b>	<b>74,989</b>	<b>14,813</b>	<b>453</b>	<b>9,782</b>	<b>11,193</b>	<b>16,165</b>	<b>3,000</b>	<b>7,579</b>	<b>154,967</b>
Gains/(losses) for the period recognised in net result:										
Depreciation and amortisation	-	(2,047)	(1,582)	-	(1,102)	(2,490)	(5,514)	(1,026)	-	(13,761)
<b>Subtotal:</b>	<b>-</b>	<b>(2,047)</b>	<b>(1,582)</b>	<b>-</b>	<b>(1,102)</b>	<b>(2,490)</b>	<b>(5,514)</b>	<b>(1,026)</b>	<b>-</b>	<b>(13,761)</b>
<b>Carrying amount at the end of the period</b>	<b>16,993</b>	<b>72,942</b>	<b>13,231</b>	<b>453</b>	<b>8,680</b>	<b>8,703</b>	<b>10,651</b>	<b>1,974</b>	<b>7,579</b>	<b>141,206</b>
<b>Gross carrying amount</b>										
Gross carrying amount	16,993	77,130	14,813	453	14,511	22,031	44,900	2,796	7,579	201,206
Accumulated depreciation / amortisation	-	(4,188)	(1,582)	-	(5,831)	(13,328)	(34,249)	(822)	-	(60,000)
<b>Carrying amount at the end of the period</b>	<b>16,993</b>	<b>72,942</b>	<b>13,231</b>	<b>453</b>	<b>8,680</b>	<b>8,703</b>	<b>10,651</b>	<b>1,974</b>	<b>7,579</b>	<b>141,206</b>

All property, plant and equipment are classified in the level 3 fair value hierarchy except for investment property (classified as level 2) and capital works in progress (not classified). Refer to note 19 for details about the lease liability for right-of-use assets.

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## 17. Fair value measurement

SAAS 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.

SAAS's current use is the highest and best use of the asset unless other factors suggest an alternative use. As SAAS did not identify any factors to suggest an alternative use, fair value measurement was based on current use. The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to notes 15 and 17.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

### 17.1 Fair value hierarchy

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

#### Fair value measurements at 30 June 2021

	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements (Note 16)</b>			
Land	1,120	16,106	17,226
Buildings and improvements	4,438	67,998	72,436
Leasehold improvements	-	7,906	7,906
Plant and equipment	-	21,725	21,725
<b>Total recurring fair value measurements</b>	<b>5,558</b>	<b>113,735</b>	<b>119,293</b>

#### Fair value measurements at 30 June 2020

	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Recurring fair value measurements (Note 16)</b>			
Land	1,120	15,873	16,993
Buildings and improvements	4,609	68,333	72,942
Leasehold improvements	-	8,680	8,680
Plant and equipment	-	19,354	19,354
<b>Total recurring fair value measurements</b>	<b>5,729</b>	<b>112,240</b>	<b>117,969</b>

There are no non-recurring fair value measurements.

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

During 2021 and 2020, SAAS had no valuations categorised into Level 1.

In 2018 all land, excluding land at the Hauteville Terrace carpark and Greenhill Road site, was transferred from level 2 to level 3 as 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.

Buildings and improvements at the Hauteville Terrace carpark and Greenhill Road site have been categorised as Level 2 as there are recent market transactions for similar properties and the valuations are based on the amounts for which the properties could be exchanged between willing parties in an arm's length transactions, based on current prices in the active market for similar properties.

### 17.2 Valuation techniques and inputs

The Hauteville Terrace carpark and Greenhill Road land have been valued using the market approach based on direct comparison with market data, adjusted for key attributes such as property size and zoning. These properties are classified as having been valued using level 2 valuation inputs.

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Other land values were derived by using the replacement cost approach, being recent sales transactions of other similar land holdings within the region (or adjacent regions where limited sales evidence was available), adjusted for differences in key attributes such as property size, zoning and any restrictions on use, and then adjusted with a discount factor. For this reason they are deemed to have been valued using Level 3 valuation inputs.

Due to the predominantly specialised nature of health service assets, the majority of building valuations have been undertaken using a cost approach (depreciated replacement cost), an accepted valuation methodology under AASB 13. The extent of unobservable inputs and professional judgment 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.

## 18. Payables

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Creditors and accrued expenses	8,419	7,229
Paid Parental Leave Scheme	6	-
Staff on-costs*	3,472	2,792
Other payables	395	310
<b>Total current payables</b>	<b>12,292</b>	<b>10,331</b>
<b>Non-current</b>		
Staff on-costs*	1,884	1,912
<b>Total non-current payables</b>	<b>1,884</b>	<b>1,912</b>
<b>Total payables</b>	<b>14,176</b>	<b>12,243</b>

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owed and unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received. Staff on-costs are settled when the respective staff benefits that they relate to are discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to their short term nature.

\*Staff on-costs include Return to Work SA levies and superannuation contributions and are settled when the respective staff benefits that they relate to is discharged. SAAS 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.

As a result of an actuarial assessment performed by the DTF, the portion of long service leave taken as leave is unchanged at 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2020 rate (9.8%) to 10.1% to reflect the increase in the superannuation guarantee. These rates are used in the staff on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff benefit expense of \$0.134 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

The Paid Parental Leave Scheme payable is included in other payables and represents amounts which SAAS has received from the Commonwealth Government to forward onto eligible staff via SAAS's standard payroll processes. That is, SAAS is acting as a conduit through which the payment to eligible staff is made on behalf of the Family Assistance Office.

Refer to note 28 for information on risk management.



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**19. Financial liabilities**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Lease liabilities	2,350	2,513
<b>Total current financial liabilities</b>	<b>2,350</b>	<b>2,513</b>
<b>Non-current</b>		
Lease liabilities	12,915	12,834
<b>Total non-current financial liabilities</b>	<b>12,915</b>	<b>12,834</b>
<b>Total financial liabilities</b>	<b>15,265</b>	<b>15,347</b>

Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or Treasury's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year. Borrowing costs associated with leasing activities was \$0.271 million (\$0.231 million).

Refer to note 28 for information on risk management.

Refer note 16 for details about the right of use assets (including depreciation).

*19.1 Concessional lease arrangements*

SAAS has no concessional lease arrangements.

*19.2 Maturity analysis*

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

	2021	2020
	\$'000	\$'000
<b>Lease Liabilities</b>		
1 to 3 years	4,805	6,377
3 to 5 years	4,410	2,495
5 to 10 years	3,613	4,126
More than 10 years	2,624	1,292
<b>Total lease liabilities (undiscounted)</b>	<b>15,452</b>	<b>14,290</b>

**20. Staff benefits**

	2021	2020
	\$'000	\$'000
<b>Current</b>		
Accrued salaries and wages	1,949	1,267
Annual leave	29,733	24,060
Long service leave	4,181	4,498
Skills and experience retention leave	1,846	1,626
Superannuation - defined benefit scheme	-	17,053
Other	3	18
<b>Total current staff benefits</b>	<b>37,712</b>	<b>48,522</b>
<b>Non-current</b>		
Long service leave	47,562	49,705
Superannuation - defined benefit scheme	-	20,229
<b>Total non-current staff benefits</b>	<b>47,562</b>	<b>69,934</b>
<b>Total staff benefits</b>	<b>85,274</b>	<b>118,456</b>

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

**20.1 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 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.

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

No provision has been made for sick leave, as all sick leave is non-vesting, and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

**20.2 Long service leave**

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

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2020 (0.75%) to 1.50%. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an decrease in the reported long service leave liability. The actuarial assessment performed by DTF left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of \$3.795 million, payables (staff on-costs) of \$0.146 million and staff benefits expense of \$3.941 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.

**20.3 Superannuation funds**

A number of SAAS employees are members of the SA Ambulance Service Superannuation Scheme (the "Scheme"). These staff 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.

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.

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	2021	2020
<b>Defined benefit superannuation scheme</b>		
<b>Reconciliation of the present value of the defined benefit obligation:</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance of defined benefit obligation	298,309	323,648
Current service cost	9,024	10,500
Interest cost	2,144	3,801
Contributions by scheme participants	3,208	5,302
Actuarial (gains)/losses	1,958	(20,069)
Benefits paid	(16,452)	(23,434)
Taxes, premiums and expenses paid	(1,358)	(1,677)
Transfers in	239	238
<b>Closing balance of defined benefit obligation</b>	<b>297,072</b>	<b>298,309</b>

	2021	2020
<b>Reconciliation of fair value of scheme assets:</b>	<b>\$'000</b>	<b>\$'000</b>
Opening balance of scheme assets	261,027	276,935
Interest Income	1,918	3,332
Actual return on scheme assets less Interest Income	48,702	(4,945)
Contributions from the employer	5,657	5,276
Contributions by scheme participants	3,208	5,302
Benefits paid	(16,452)	(23,434)
Taxes, premiums and expenses paid	(1,358)	(1,677)
Transfers in	239	238
<b>Closing balance of scheme assets</b>	<b>302,941</b>	<b>261,027</b>

	2021	2020
<b>The amount included in the Statement of Financial Position arising from SAAS's obligations in respect of its defined benefit scheme is as follows:</b>	<b>\$'000</b>	<b>\$'000</b>
Present value of defined benefit obligations	297,072	298,309
Fair value of scheme assets	(302,941)	(261,027)
<b>Net (asset)/liability arising from defined benefit obligations</b>	<b>(5,869)</b>	<b>37,282</b>

	2021	2020
<b>Included in the Statement of Financial Position:</b>	<b>\$'000</b>	<b>\$'000</b>
Superannuation - defined benefit scheme	(5,869)	-
Current provision for employee benefits - defined benefit obligations	-	17,053
Non-current provision for employee benefits - defined benefit obligations	-	20,229
<b>Closing balance of defined benefit obligation</b>	<b>(5,869)</b>	<b>37,282</b>

	2021	2020
	% pa	% pa
Australian equity	32	27
International equity	34	33
Fixed income	11	13
Property	10	11
Alternatives/Other	8	6
Cash	5	10
<b>Total</b>	<b>100</b>	<b>100</b>

The percentage invested in each asset class as at 30 June 2020 is adjusted to be comparable to 30 June 2021. This adjustment is made to align with the new approach where it is assumed that the diversified strategies growth B is 50% Australian equities and 50% International equities, and diversified strategies income is Alternatives/Other.

In accordance with the revised AASB 119 the percentage invested in each asset class as at 30 June 2020 is adjusted to be comparable to 30 June 2021. 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 \$50.62 million (-\$1.613 million), a gain of \$48.70 million resulting from investment returns being significantly higher than previously assumed. The net position has changed from a liability to an asset as a result of such returns. Employer contributions of \$4.952 million are expected to be paid to the scheme for the year ending 30 June 2021. Expected employer contributions reflect the current 9.5% of salary contributions.

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	2021	2020
<b>Principal actuarial assumptions used (and expressed as weighted averages):</b>	<b>% pa</b>	<b>% pa</b>
Discount rate (Defined benefit cost)	0.8	1.3
Expected rate of salary increase (Defined benefit cost)	2.5	4.0
Discount rate (Defined benefit obligation)	1.4	0.8
Expected rate of salary increase (Defined benefit obligation)	2.5	2.5
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Movement in net defined benefit liability</b>		
Net defined benefit liability at start of year	37,282	46,713
Defined benefit cost	9,250	10,969
Remeasurements	(46,744)	(15,124)
Employer contributions	(5,657)	(5,276)
<b>Net defined liability at end of year</b>	<b>(5,869)</b>	<b>37,282</b>

The net financial effect of the changes in the discount rate in the current year is an increase in the superannuation – defined benefits scheme liability and other comprehensive income expense gain of \$10.454 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 2021 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

	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	1.4%	0.9%	1.9%	1.4%	1.4%
Salary increase rate	2.5%	2.5%	2.5%	2.0%	3.0%
Defined benefit obligation (\$'000)	297.072	305.719	289.035	290.061	304.512

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 (South Australian Superannuation Board) 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.

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*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 2017 actuarial investigation of the scheme in a report dated 5 June 2018, 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 Benefits.

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 2018, then
  - 9.50% of salary for all defined benefit members after 1 July 2018, plus
  - Any additional employer contributions agreed between the employer and a member.
- Accumulation members:
  - 9.50% of ordinary time earnings, 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 2021 is 8 years.

## 21. Provisions

### 21.1 Workers Compensation

Provisions consist of only workers compensation provision.

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

	2021	2020
	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>18,335</b>	<b>19,447</b>
Increase resulting from re-measurement or settlement without cost	-	673
Increase/(decrease) in provisions recognised	2,245	(1,102)
Reductions arising from payments/other sacrifices of future economic benefits	(1,109)	(663)
<b>Increase resulting from re-measurement or settlement without cost</b>	<b>16,057</b>	<b>-</b>
<b>Carrying amount at the end of the period</b>	<b>35,528</b>	<b>18,355</b>

*Workers compensation*

SAAS is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, SAAS 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.

Although the Department provides funds to SAAS for the settlement of lump sum and redemption payments, the cost of these claims, together with other claim costs, are met directly by SAAS, and are thus reflected as an expense from ordinary activities in the Statement of Comprehensive Income.

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

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

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

SAAS has recognised an additional compensation provision from 30 June 2018. The additional compensation provision provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

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

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

**22. Contract liabilities and other liabilities**

	2021	2020
	\$'000	\$'000
Current		
Contract liabilities	3,616	3,643
<b>Total current contract liabilities and other liabilities</b>	<b>3,616</b>	<b>3,643</b>
<b>Total contract liabilities and other liabilities</b>	<b>3,616</b>	<b>3,643</b>

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. 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. 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.

**23. Cash flow reconciliation**

Reconciliation of cash and cash equivalents at the end of the reporting period:		
	2021	2020
	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	16,678	10,363
<b>Cash as per Statement of Financial Position</b>	<b>16,678</b>	<b>10,363</b>
<b>Balance as per Statement of Cash Flows</b>	<b>16,678</b>	<b>10,363</b>
Reconciliation of net cash provided by operating activities to net result:		
Net cash provided by (used in) operating activities	26,184	11,917
Add/less non-cash items		
Capital revenues	12	-
Depreciation and amortisation expense of non-current assets	(13,477)	(13,773)
Gain/(loss) on sale or disposal of non-current assets	561	(72)
Gain/(loss) on valuation of defined benefits	(46,744)	(15,124)
Resources received free of charge	155	-
Movement in assets and liabilities		
Increase/(decrease) in contract assets	18,161	(10,538)
Increase/(decrease) in receivables	5,892	10,252
Increase/(decrease) in inventories	98	26
Increase/(decrease) in other current assets	4	(169)
(Increase)/decrease in staff benefits	33,182	5,685
(Increase)/decrease in payables and provisions	(19,390)	(375)
(Increase)/decrease in other liabilities	27	(1,001)
<b>Net result</b>	<b>4,665</b>	<b>(13,172)</b>

Total cash outflows for leases is \$2.688 million (\$2.693) million.

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## 24. Unrecognised contractual commitments

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

### 24.1 Capital commitments

	2021	2020
	\$'000	\$'000
Within one year	2,808	1,562
<b>Total capital commitments</b>	<b>2,808</b>	<b>1,562</b>

SAAS's capital commitments are for plant and equipment ordered but not received and capital works.

### 24.2 Expenditure commitments

	2021	2020
	\$'000	\$'000
Within one year	1,639	1,179
Later than one year but not longer than five years	255	382
<b>Total expenditure commitments</b>	<b>1,894</b>	<b>1,561</b>

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

## 25. 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.

### 25.1 Contingent Assets

SAAS is not aware of any contingent assets.

### 25.2 Contingent Liabilities

The current Enterprise Bargaining agreement has a preserved date of 30 November 2018 for the effective date of any subsequent Agreement to apply. The Agreement negotiations have commenced and any increase will be back dated to 30 November 2018.

In addition, SAAS has made no guarantees.

## 26. Events after balance date

SAAS is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

## 27. Impact of Standards and Statements not yet implemented

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

- Amending Standard AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* will apply from 1 July 2022 and Amending Standard AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates* will apply from 1 July 2023. Although applicable to the SAAS, these amending standards are not expected to have an impact on the SAAS's general purpose financial statements. SA Health will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.
- Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. SAAS continues to assess liabilities e.g. LSL and whether or not SAAS has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

## 28. Financial instruments/financial risk management

### 28.1 Financial risk management

Risk management is managed internally at SAAS. 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 Principles and Guidelines*.

SAAS'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

SAAS is funded principally by the SA Government via the Department. The Department 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, 18 and 19 for further information.

#### Credit risk

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

Refer to notes 12 for further information.

#### Market risk

SAAS does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. SAAS'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.

### 28.2 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, 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.

Financial assets and financial liabilities are measured at amortised cost and carrying amount/fair values throughout the statements. Amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc.) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables at amortised cost are \$11.192 million and \$8.734 million respectively.

### 28.3 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 using a 12 month method. No impairment losses were recognised in relation to contract assets during the year.

A allowance matrix is used 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 SAAS.

To measure the expected credit loss, receivables are grouped based on shared risk characteristics and the days past. When estimating the expected credit loss, SAAS considers reasonable and supportive information that is relevant and available without undue cost and effort. This includes quantitative and qualitative information and analysis based on SAAS'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 losses is a significant estimate. SAAS's historical credit loss experience and forecast of economic conditions may not be representative of customers' actual default in the future.



**SA AMBULANCE SERVICE INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

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:

	30 June 2021			30 June 2020		
	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
<b>Days past due</b>						
Current	0.7-23.2%	11,007	5,157	0.5%-21.1%	5,214	6,111
<30 days	1.3-26.1%	3,426	894	1%- 24.2%	3,598	871
31-60 days	2.9-45.2%	1,973	891	2.3%- 43.1%	3,058	1,318
61-90 days	4.5-57.3%	1,931	1,090	3.5%- 55.1%	2,538	1,391
91-120 days	5.5-63.3%	1,878	1,128	4.3%- 61.6%	2,250	1,383
121-180 days	7.5-67.7%	1,355	903	5.6%- 66.5%	1,919	1,244
181-360 days	10.8-71.3%	10,755	7,608	7.4%-71.1%	14,096	10,009
361-540 days	31.2-89.3%	2,738	2,429	27.7%- 92.9%	1,831	1,700
>540 days	42.6-98.8%	953	915	37.4%- 99.6%	479	433
<b>Total</b>		<b>36,016</b>	<b>21,015</b>		<b>34,983</b>	<b>24,460</b>

**29. Significant transactions with government related entities**

SAAS is controlled by the SA Government.

Related parties of SAAS 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. SAAS received funding from the SA Government via the Department (note 2), and incurred expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 8). SAAS incurred expenditure with the Attorney General's Department for Medstar patient transport (MAC Rescue Helicopter) of \$4.600 million (\$4.625 million) and for the SA Government Radio Network of \$1.900 million (\$1.867 million).

### 30. 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
Adverse Events Committee	3	Cadzow M, Davies G, Hibbert P, Whiteway L
Assurance and Risk Committee	10	Beilby J Professor, Thompson K (Chair) (appointed 1 October 2020)
Clinical Governance Committee	6	Beilby J Professor (appointed 9 February 2021), Cusack M Dr (appointed 9 February 2021), Hibbert P (appointed 9 February 2021), Squirrell D (appointed 9 February 2021).
Consumer and Community Advisory Committee	2	Bain C (resigned 7 July 2020), Bowering N (resigned 19 May 2021), Bunjaku M, Chester M, Kirk P (Co-Chair), Lawrence D (resigned 19 April 2021), McDonald B, Menai J (resigned 7 July 2020), Mercer K, Martini J (resigned 1 January 2021), Squirrell D, Vega L, Edwards H (resigned 1 August 2020), Whiteway L (appointed 10 July 2020), Saunders C (appointed 16 July 2020), Burgess A (appointed 24 March 2021), Thorpe J (resigned 19 May 2021), Pietsch A (appointed 9 June 2021).
Finance Committee	5	Ashley I
Service Delivery Committee	31	Meegan J (appointed 6 January 2021)

Refer to note 7.2 for remuneration of board and committee members.