

# Department for Health and Wellbeing

Financial report  
for the year ended  
30 June 2021



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## To the Chief Executive Department for Health and Wellbeing

### Opinion

I have audited the financial report of the Department for Health and Wellbeing and the consolidated entity comprising the Department for Health and Wellbeing and its controlled entities for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Department for Health and Wellbeing and its controlled entities as at 30 June 2021, their financial performance and their cash flows for 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 Chief Executive and the Chief Finance Officer.

### Basis for opinion

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

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

### **Responsibilities of the Chief Executive for the financial report**

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the financial report of the Department for Health and Wellbeing and its controlled entities 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.

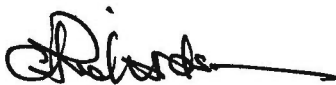
As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- 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 Department for Health and Wellbeing's and its controlled entities' internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

**Auditor-General**

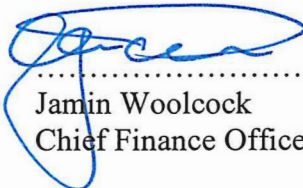
24 September 2021

## Certification of the financial statements

We certify that the:

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

  
.....  
Chris McGowan  
Chief Executive

  
.....  
Jamin Woolcock  
Chief Finance Officer

Date 17.9.2021

**THE DEPARTMENT FOR HEALTH AND WELLBEING**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2021**

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Revenues from SA Government	2	4,553,938	4,328,640	4,553,938	4,328,640
Fees and charges	3	771,242	636,912	293,514	166,917
Grants and contributions	4	2,115,132	2,083,751	1,683,610	1,683,791
Interest	5	1,135	5,529	329	2,671
Resources received free of charge	6	78,277	63,975	38,802	31,803
Net gain from disposal of non-current and other assets	13	1,767	-	2,023	-
Other revenues/income	7	29,949	50,090	155,826	156,136
<b>Total income</b>		<b>7,551,440</b>	<b>7,168,897</b>	<b>6,728,042</b>	<b>6,369,958</b>
<b>Expenses</b>					
Employee benefits expenses	8	4,394,298	4,247,291	194,511	172,088
Supplies and services	9	2,332,034	2,096,473	744,644	583,940
Depreciation and amortisation	20,21	307,964	317,461	11,285	16,585
Grants and subsidies	10	115,985	132,916	5,628,102	5,375,128
Borrowing costs	11	121,297	152,552	111	98
Payments to SA Government	2	-	136,944	-	136,944
Net loss from disposal of non-current and other assets	13	-	2,539	-	6
Impairment loss on receivables and contract assets	15.1,18	5,752	2,326	290	(8)
Other expenses	12	74,274	58,995	42,108	29,565
<b>Total expenses</b>		<b>7,351,604</b>	<b>7,147,497</b>	<b>6,621,051</b>	<b>6,314,346</b>
<b>Net result</b>		<b>199,836</b>	<b>21,400</b>	<b>106,991</b>	<b>55,612</b>
<b>Other Comprehensive Income</b>					
<b>Items that will not be reclassified to net result</b>					
Changes in property, plant and equipment asset revaluation surplus		(7,431)	-	-	-
<b>Items that will be reclassified subsequently to net result when specific conditions are met</b>					
Gains or losses recognised directly in equity		47,060	14,908	-	-
<b>Total other comprehensive income</b>		<b>39,629</b>	<b>14,908</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive result</b>		<b>239,465</b>	<b>36,308</b>	<b>106,991</b>	<b>55,612</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.

**THE DEPARTMENT FOR HEALTH AND WELLBEING**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2021**

	Note	Consolidated		Parent	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current assets</b>					
Cash and cash equivalents	14	1,172,207	1,069,611	791,294	769,206
Receivables	15	454,039	348,884	271,334	178,258
Other financial assets	16	112,685	113,326	-	-
Inventories	17	120,561	66,607	84,086	29,223
Contract assets	18	24,037	11,651	-	-
Other assets	23	-	19	-	-
<b>Total current assets</b>		<b>1,883,552</b>	<b>1,610,098</b>	<b>1,146,714</b>	<b>976,687</b>
<b>Non-current assets</b>					
Receivables	15	10,408	3,358	15	25
Other financial assets	16	4,239	4,446	-	-
Property, plant and equipment	19,20	5,912,873	5,938,033	58,067	48,783
Investment property	19,20	23,500	23,500	-	-
Intangible assets	19,21	66,704	77,657	36,221	39,054
<b>Total non-current assets</b>		<b>6,017,724</b>	<b>6,046,994</b>	<b>94,303</b>	<b>87,862</b>
<b>Total assets</b>		<b>7,901,276</b>	<b>7,657,092</b>	<b>1,241,017</b>	<b>1,064,549</b>
<b>Current liabilities</b>					
Payables	23	423,264	386,643	222,002	187,526
Financial liabilities	24	86,785	86,361	253	781
Employee benefits	25	655,442	649,294	28,315	23,319
Provisions	26	46,014	38,725	16,757	13,622
Contract liabilities and other liabilities	27	114,719	109,631	2,111	2,890
<b>Total current liabilities</b>		<b>1,326,224</b>	<b>1,270,654</b>	<b>269,438</b>	<b>228,138</b>
<b>Non-current liabilities</b>					
Payables	23	33,434	33,575	19,780	17,527
Financial liabilities	24	2,739,082	2,786,696	19,770	98
Employee benefits	25	804,082	849,110	34,457	34,444
Provisions	26	244,852	201,971	125,549	119,104
Contract liabilities and other liabilities	27	96	1,045	96	302
<b>Total non-current liabilities</b>		<b>3,821,546</b>	<b>3,872,397</b>	<b>199,652</b>	<b>171,475</b>
<b>Total liabilities</b>		<b>5,147,770</b>	<b>5,143,051</b>	<b>469,090</b>	<b>399,613</b>
<b>Net assets</b>		<b>2,753,506</b>	<b>2,514,041</b>	<b>771,927</b>	<b>664,936</b>
<b>Equity</b>					
Contributed capital		1,700,853	1,700,853	1,700,853	1,700,853
Retained earnings		432,138	230,832	(960,860)	(1,067,851)
Asset revaluation surplus		526,757	535,658	31,934	31,934
Other reserves		93,758	46,698	-	-
<b>Total equity</b>		<b>2,753,506</b>	<b>2,514,041</b>	<b>771,927</b>	<b>664,936</b>

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

**THE DEPARTMENT FOR HEALTH AND WELLBEING**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2021**

**CONSOLIDATED**

Note	Asset		Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
	Contributed capital \$'000	revaluation surplus \$'000			
<b>Balance at 30 June 2019</b>	<b>1,700,853</b>	<b>536,908</b>	<b>31,790</b>	<b>239,661</b>	<b>2,509,212</b>
Adjustments on initial adoption of Accounting Standards	-	-	-	(41,252)	(41,252)
<b>Adjusted balance at 1 July 2019</b>	<b>1,700,853</b>	<b>536,908</b>	<b>31,790</b>	<b>198,409</b>	<b>2,467,960</b>
<b>Net result for 2019-20</b>	-	-	-	<b>21,400</b>	<b>21,400</b>
Gain/(loss) on revaluation of other financial assets	-	-	(216)	-	(216)
Gain/(loss) on revaluation of defined benefit fund liability	-	-	15,124	-	15,124
<b>Total comprehensive result for 2019-20</b>	-	-	<b>14,908</b>	<b>21,400</b>	<b>36,308</b>
Transfer between equity components	-	(1,250)	-	1,250	-
Net assets transferred out as a result of an administrative restructure	-	-	-	5,911	5,911
<b>Balance at 30 June 2020</b>	<b>1,700,853</b>	<b>535,658</b>	<b>46,698</b>	<b>226,970</b>	<b>2,510,179</b>
Prior period adjustment	-	-	-	3,862	3,862
<b>Restated balance at 30 June 2020</b>	<b>1,700,853</b>	<b>536,908</b>	<b>46,698</b>	<b>230,832</b>	<b>2,514,041</b>
<b>Net result for 2020-21</b>	-	-	-	<b>199,836</b>	<b>199,836</b>
Gain/(loss) on revaluation of land and buildings	-	(7,431)	-	-	(7,431)
Gain/(loss) on revaluation of other financial assets	-	-	316	-	316
Gain/(loss) on revaluation of defined benefit fund liability	-	-	46,744	-	46,744
<b>Total comprehensive result for 2020-21</b>	-	<b>(7,431)</b>	<b>47,060</b>	<b>199,836</b>	<b>239,465</b>
Transfer between equity components	-	(1,470)	-	1,470	-
<b>Balance at 30 June 2021</b>	<b>1,700,853</b>	<b>526,757</b>	<b>93,758</b>	<b>432,138</b>	<b>2,753,506</b>

**PARENT**

Note	Asset		Other reserves \$'000	Retained earnings \$'000	Total equity \$'000
	Contributed capital \$'000	revaluation surplus \$'000			
<b>Balance at 30 June 2019</b>	<b>1,700,853</b>	<b>31,934</b>	-	<b>(1,135,081)</b>	<b>597,706</b>
<b>Net result for 2019-20</b>	-	-	-	<b>55,612</b>	<b>55,612</b>
<b>Total comprehensive result for 2019-20</b>	-	-	-	<b>55,612</b>	<b>55,612</b>
Net assets transferred out as a result of an administrative restructure	-	-	-	11,618	11,618
<b>Balance at 30 June 2020</b>	<b>1,700,853</b>	<b>31,934</b>	-	<b>(1,067,851)</b>	<b>664,936</b>
<b>Net result for 2020-21</b>	-	-	-	<b>106,991</b>	<b>106,991</b>
<b>Total comprehensive result for 2020-21</b>	-	-	-	<b>106,991</b>	<b>106,991</b>
<b>Balance at 30 June 2021</b>	<b>1,700,853</b>	<b>31,934</b>	-	<b>(960,860)</b>	<b>771,927</b>

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



**THE DEPARTMENT FOR HEALTH AND WELLBEING**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2021**

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Cash inflows</b>					
Receipts from SA Government		4,553,938	4,328,640	4,553,938	4,328,640
Fees and charges		671,771	708,970	74,193	95,547
Grants and contributions		2,129,318	2,088,638	1,687,470	1,686,408
Interest received		922	5,167	329	2,664
Residential aged care bonds received		25,642	25,217	-	-
GST recovered from ATO		214,045	178,975	82,419	53,780
Other receipts		28,612	48,578	1,561	390
<b>Cash generated from operations</b>		<b>7,624,248</b>	<b>7,384,185</b>	<b>6,399,910</b>	<b>6,167,429</b>
<b>Cash outflows</b>					
Employee benefits payments		(4,346,458)	(4,143,920)	(190,640)	(171,468)
Payments for supplies and services		(2,503,550)	(2,239,731)	(807,408)	(574,928)
Payments of grants and subsidies		(160,597)	(162,290)	(5,375,642)	(5,135,875)
Interest paid		(110,605)	(140,512)	(111)	(98)
Residential aged care bonds refunded		(22,040)	(21,771)	-	-
Other payments		(41,498)	(33,150)	(4,945)	(1,960)
Payments to SA Government		-	(136,944)	-	(136,944)
<b>Cash used in operations</b>		<b>(7,184,748)</b>	<b>(6,878,318)</b>	<b>(6,378,746)</b>	<b>(6,021,273)</b>
<b>Net cash provided by operating activities</b>		<b>439,500</b>	<b>505,867</b>	<b>21,164</b>	<b>146,156</b>
<b>Cash flows from investing activities</b>					
<b>Cash inflows</b>					
Proceeds from sale of property, plant and equipment		13,401	378	12,341	3
Proceeds from sale/maturities of investments		12,425	8,207	-	-
<b>Cash generated from investing activities</b>		<b>25,826</b>	<b>8,585</b>	<b>12,341</b>	<b>3</b>
<b>Cash outflows</b>					
Purchase of property, plant and equipment		(258,228)	(182,946)	(7,674)	(7,856)
Purchase of intangible assets		(4,032)	(946)	(3,216)	-
Purchase of investments		(10,785)	(6,266)	-	-
<b>Cash used in investing activities</b>		<b>(273,045)</b>	<b>(190,158)</b>	<b>(10,890)</b>	<b>(7,856)</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>(247,219)</b>	<b>(181,573)</b>	<b>1,451</b>	<b>(7,853)</b>
<b>Cash flows from financing activities</b>					
<b>Cash inflows</b>					
Proceeds from borrowings		-	-	179	3,227
<b>Cash generated from financing activities</b>		<b>-</b>	<b>-</b>	<b>179</b>	<b>3,227</b>
<b>Cash outflows</b>					
Repayment of borrowings		-	(3,007)	-	(3,007)
Cash transferred as a result of restructuring activities		-	(1,337)	-	(1,337)
Repayment of lease liabilities		(89,685)	(90,281)	(706)	(1,340)
<b>Cash used in financing activities</b>		<b>(89,685)</b>	<b>(94,625)</b>	<b>(706)</b>	<b>(5,684)</b>
<b>Net cash provided by/(used in) financing activities</b>		<b>(89,685)</b>	<b>(94,625)</b>	<b>(527)</b>	<b>(2,457)</b>

**THE DEPARTMENT FOR HEALTH AND WELLBEING**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2021**

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>102,596</b>	<b>229,669</b>	<b>22,088</b>	<b>135,846</b>
Cash and cash equivalents at the beginning of the period		1,069,611	839,942	769,206	633,360
<b>Cash and cash equivalents at the end of the period</b>	14	<b>1,172,207</b>	<b>1,069,611</b>	<b>791,294</b>	<b>769,206</b>
Non-cash transactions	28				

The accompanying notes form part of these financial statements.

**THE DEPARTMENT FOR HEALTH AND WELLBEING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

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## **1. About SA Health**

### **The Consolidated Entity – SA Health**

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

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

with transactions occurring between these entities.

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

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

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

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

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

#### *Administered items*

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

### **1.1 Objectives and activities**

#### **1.1.1 Objectives of the Department for Health and Wellbeing**

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

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

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

- Health Regulation and Protection;
- System Leadership and Design;
- Commissioning and Performance;
- Corporate and System Support Services;
- Office of the Chief Psychiatrist / Mental Health;
- Digital Health SA (Operating entity).

**THE DEPARTMENT FOR HEALTH AND WELLBEING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2021**

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**1.1.2 Activities of the Consolidated Entity**

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

*Policy, Clinical Services, System Improvement and Administration*

Responsible for health policy and promotion, clinical services and administration associated with the provision of health services across South Australia.

This Activity largely reflects the activities of the Department itself (refer to Parent column on the face of the Statements and also the notes accompanying the Statements).

*Health Services*

The provision of hospital-based tertiary care and other acute services as well as rehabilitation, mental health and other community health services within the metropolitan and country areas, the provision of grants to non-government organisations for the provision of health services, and responsibility for Aboriginal controlled primary health services in Ceduna, Port Augusta and surrounding country areas.

This Activity largely reflects the activities of the Local Health Networks (LHNs) and SA Ambulance Service (SAAS), refer to the Consolidated Entity column less the Parent column on the face of the Statements and the notes accompanying the Statements.

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

**1.2 Basis of preparation**

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

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and accounting policy statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

The financial statements have been prepared based on a 12 month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). Any transactions in foreign currency are translated into Australian dollars at the exchange rates at the date the transaction occurs. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout the notes.

**1.3 Taxation**

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

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

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

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

**1.4 Continuity of operations**

As at 30 June 2021, the Consolidated Entity had working capital of \$557.328 million (\$339.444 million). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Consolidated Entity to enable it to perform its functions.

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**1.5 Equity**

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

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

**1.5.1 Prior Period Adjustment**

During 2020-21 SAAS reconciled certain leave arrangements between the Comprehensive Human Resources Integrated Software (CHRIS 21) with the 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.

	<b>2020 Balance \$'000</b>	<b>Prior Period Adjustment \$'000</b>	<b>Restated 2020 Balance \$'000</b>
<b>Current</b>			
Staff benefits liability	652,384	3,090	649,294
Payables	386,946	303	386,643
<b>Non-Current</b>			
Staff benefits liability	849,561	451	849,110
Payables	33,593	18	33,575

**1.6 Changes to SA Health**

2020-21

There were no transfers during this period.

2019-20

Transferred Out

- As a result of administrative arrangements outlined in the Chief Executive Agreement (28 June 2019), the Department relinquished responsibility for Health Accounting and Taxation Services, a business unit of the Department. Assets and liabilities relating to this business unit were transferred to Department of Treasury and Finance (DTF) effective 1 July 2019. Net liabilities of \$3.947 million were transferred out of the Department, consisting of payables (\$0.345 million) and employee benefits (\$3.602 million). This included the transfer of 86 employees from the Department.
- As a result of administrative arrangements outlined in the Chief Executive Agreement (2 December 2019), the Department relinquished responsibility for Oracle Debt Management and Receipting, a business unit of the Department. Assets and liabilities relating to this business unit were transferred to DTF effective 1 December 2019. Net liabilities of \$0.241 million were transferred out of the Department, consisting of payables (\$0.019 million), employee benefits (\$0.216 million) and provisions (\$0.006 million). This included the transfer of 15 employees from the Department.
- As a result of administrative arrangements outlined in the *Public Sector (Reorganisation of Public Sector Operations)* Gazettal (5 December 2019), the Department relinquished responsibility for Wellbeing SA, a business unit of the Department. Assets and liabilities relating to this business unit were transferred to Wellbeing SA effective 6 January 2020. Net liabilities of \$1.091 million were transferred out of the Department, consisting of cash (\$1.192 million), receivables (\$0.570 million), property plant and equipment (\$0.003 million), payables (\$0.277 million), employee benefits (\$2.530 million), provisions (\$0.046 million) and lease liability (\$0.003 million). This included the transfer of 81 employees from the Department.
- As a result of administrative arrangements outlined in the *Public Sector (Reorganisation of Public Sector Operations)* Gazettal (5 December 2019), the Department relinquished responsibility for Commission on Excellence and Innovation in Health, a business unit of the Department. Assets and liabilities relating to this business unit were transferred to Commission on Excellence and Innovation in Health effective 6 January 2020. Net liabilities of \$0.632 million were transferred out of the Department, consisting of cash (\$0.145 million), payables (\$0.077 million), employee benefits (\$0.691 million) and provisions (\$0.009 million). This included the transfer of 17 employees from the Department.
- Net assets transferred by the Department as a result of the administrative restructures were at the carrying amount immediately prior to the transfer. The net assets transferred were treated as a distribution to the Government as owner.

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

The Commonwealth and States have committed to working together to respond to the outbreak of COVID-19 and minimise the risk to the people of South Australia and keep the community safe, in line with existing government responsibilities for the health system.

The Commonwealth has provided financial assistance of \$66.638 million (\$115 million) via the National Partnership on COVID-19 response. Noting an addendum to the agreement has been finalised for the vaccine program.

As lead agency, SA Health is responsible for coordinating the pandemic response in the State. This response includes the coordination of contact tracing, testing clinics, hotel quarantine, vaccination program, ensuring public and private hospital system capacity and public education.

The material impact on the Department's financial performance and financial position are outlined below:

- Salary, wages and agency costs specifically related to COVID-19 of \$32.989 million (\$3.210 million)
- Security of \$35.014 million (\$0.355 million)
- Border force, airport screening and quarantine of \$61.030 million (\$2.252 million), offset by \$36.361 million (\$Nil) fees and charges associated with returned travellers
- Housekeeping of \$12.435 million (\$0.016 million)
- Advertising and communication of \$7.534 million (\$2.550 million)
- Hospital and office lease costs of \$6.844 million (\$3.703 million)
- Personal protective equipment of \$6.024 million (\$1.374 million)
- ICT and equipment costs of \$5.073 million (\$4.486 million)
- COVID-19 support grants of \$2.793 million (\$1.038 million)
- Service contractors of \$9.774 million (\$0.522 million)
- Contractors – contract management of \$4.737 million (\$0.537 million)
- Other of \$16.533 million (\$8.885 million)

In addition to the Departments costs, the COVID-19 pandemic continues to have an impact on the LHN's operations. This includes an increase in costs associated with COVID capacity and preparation, the readiness of COVID-19 testing clinics, establishment of vaccine clinics, increased demand for personal protective equipment, increased staffing costs (including agency) to ensure necessary compliance measures are followed. Net COVID-19 specific costs for the LHNs was \$136.455 million (\$40.176 million).

**1.8 Change in accounting policy**

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

**2. Revenues from SA Government**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Revenues from SA Government</b>				
Contingency funding provided by DTF	-	39,021	-	39,021
Recovery from DTF for TVSPs	7,604	20,818	7,604	20,818
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	4,520,532	4,241,121	4,520,532	4,241,121
Commonwealth capital grants received via DTF	14,350	5,350	14,350	5,350
Commonwealth recurrent grants received via DTF	11,452	22,330	11,452	22,330
<b>Total revenues from SA Government</b>	<b>4,553,938</b>	<b>4,328,640</b>	<b>4,553,938</b>	<b>4,328,640</b>

**Payments to SA Government**

Return of surplus cash pursuant to cash alignment policy	-	136,944	-	136,944
<b>Total payments to SA Government</b>	<b>-</b>	<b>136,944</b>	<b>-</b>	<b>136,944</b>

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

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

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**3. Fees and charges**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Ambulance cover	31,013	29,471	-	-
Ambulance transport	93,905	86,286	-	-
Business services	1,415	1,540	1,415	1,540
Call Direct	922	976	-	-
Car parking revenue	10,368	18,514	46	47
Commissions revenue	147	241	13	15
Fines, fees and penalties	1,349	1,428	1,211	1,162
Interstate patient transfers	112,601	49,989	112,601	49,989
Patient and client fees	331,218	288,549	-	-
Private practice fees	43,049	52,648	3,475	4,210
Fees for health services	41,095	38,064	3,401	2,229
Quarantine - hotel user charges	36,360	0	36,360	-
Residential and other aged care charges	26,541	26,861	-	-
Royalty income	1,219	4,372	-	-
Sale of goods - medical supplies	1,757	1,816	129,567	104,835
Training revenue	2,564	1,498	1,728	627
Other user charges and fees	35,719	34,659	3,697	2,263
<b>Total fees and charges</b>	<b>771,242</b>	<b>636,912</b>	<b>293,514</b>	<b>166,917</b>

Due to inter-entity eliminations upon consolidation, revenue from fees and charges of \$133.122 million (\$109.096 million) between the Activities of the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

The Consolidated Entity measures revenue based on the consideration specified in 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 Consolidated Entity satisfies performance obligations by transferring the promised goods or services to its customers.

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

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Consolidated

Contracts with Customers disaggregated by pattern of revenue recognition and type of customer	2021 Goods/Services transferred at a point in time	2021 Goods/Services transferred over a period of time	2020 Goods/Services transferred at a point in time	2020 Goods/Services transferred over a period of time
Ambulance cover	-	31,013	-	29,471
Ambulance transport	90,615	-	82,321	-
Business services	1,407	-	1,537	-
Call Direct	-	922	-	976
Car parking revenue	10,293	75	9,783	8,717
Commissions revenue	143	-	236	-
Interstate patient transfers	112,601	-	49,989	-
Patient and client fees	299,097	-	263,311	-
Private practice fees	43,049	-	52,648	-
Fees for health services	37,762	-	35,577	-
Quarantine - hotel user charges	36,360	-	-	-
Residential and other aged care charges	26,541	-	26,861	-
Royalty income	1,219	-	4,372	-
Sale of goods - medical supplies	1,732	-	1,798	-
Training revenue	2,476	-	1,295	-
Other user charges and fees	33,810	10	33,899	6
<b>Total contracts with external customers</b>	<b>697,105</b>	<b>32,020</b>	<b>563,627</b>	<b>39,170</b>
Ambulance transport	3,290	-	3,965	-
Business services	8	-	3	-
Car parking revenue	-	-	14	-
Commissions revenue	4	-	5	-
Patient and client fees	32,121	-	25,238	-
Fees for health services	3,333	-	2,487	-
Sale of goods - medical supplies	25	-	18	-
Training revenue	88	-	203	-
Other user charges and fees	1,899	-	754	-
<b>Total contracts with SA Government customers</b>	<b>40,768</b>	<b>-</b>	<b>32,687</b>	<b>-</b>
<b>Total contracts with customers</b>	<b>737,873</b>	<b>32,020</b>	<b>596,314</b>	<b>39,170</b>

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

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

*Patient and Client Fees*

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

*Ambulance transport*

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

*Private practice fees*

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



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*Interstate patient Transfers*

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

**4. Grants and contributions**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Commonwealth grants and donations	-	993	-	-
Commonwealth aged care subsidies	43,987	43,786	-	-
Pharmaceutical Benefits Scheme Commonwealth subsidy	226,927	206,333	-	-
Commonwealth National Health Reform Agreement	1,478,411	1,480,120	1,478,411	1,480,120
Department of Veterans' Affairs (Commonwealth)	40,626	36,840	40,626	36,840
Commonwealth Transition Care Program	25,670	25,065	25,670	25,065
Other Commonwealth grants and contributions	186,593	226,580	80,312	132,555
SA Government Community Development Fund	7,000	7,000	7,000	7,000
SA Government capital contributions	168	(76)	-	-
Emergency Services Levy	1,490	1,454	-	-
Other SA Government grants and contributions	66,438	16,141	50,827	1,410
Private sector capital contributions	728	603	-	-
<b>Private sector grants and contributions</b>	<b>37,094</b>	<b>38,912</b>	<b>764</b>	<b>801</b>
<b>Total grants and contributions</b>	<b>2,115,132</b>	<b>2,083,751</b>	<b>1,683,610</b>	<b>1,683,791</b>

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

Of the \$2,115.132 million (\$2,083.751 million) received during the reporting period \$1,604.532 million (\$1,452.977 million) was provided for specific purposes, including State and Commonwealth Health Initiatives-Health reforms, research and other associated activities.

**5. Interest**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest on operating accounts	1,067	4,579	327	2,589
Interest from SAFA on investments	2	13	-	-
Interest on financial liabilities	-	-	2	82
<b>Interest on Special Purpose Funds</b>	<b>66</b>	<b>937</b>	<b>-</b>	<b>-</b>
<b>Total interest</b>	<b>1,135</b>	<b>5,529</b>	<b>329</b>	<b>2,671</b>

**6. Resources received free of charge**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Land and buildings	155	-	4,573	-
Plant and equipment	70	193	-	-
Inventory	29,771	29,312	29,771	29,312
Services	45,829	34,470	3,097	2,491
Other	2,452	-	1,361	-
<b>Total resources received free of charge</b>	<b>78,277</b>	<b>63,975</b>	<b>38,802</b>	<b>31,803</b>

Property, plant and equipment is recorded at fair value. During the 2020-21 financial year the Department received donated land from NALHN in relation to Oakden crown land valued at \$4.550 million (\$ Nil) and SALHN in relation to a compulsory land acquisition of Daws Road at the Repatriation General Hospital valued at \$0.023 million (\$ Nil).

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

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Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Consolidated Entity receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$35.469 million (Parent \$2.685) million (\$34.470 million (Parent \$2.491 million)) and ICT services from DPC valued at \$10.359 million (Parent \$0.412 million) (\$ Nil), following Cabinet's approval to cease intra-government charging.

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

**7. Other revenues/income**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Dividend revenue	275	240	-	-
Donations	9,596	9,444	-	-
Gain on revaluation of investment property	-	1,488	-	-
Health recoveries	-	-	118,150	119,765
Insurance recoveries	340	191	36,918	35,786
Other	19,738	38,727	758	585
<b>Total other revenues/income</b>	<b>29,949</b>	<b>50,090</b>	<b>155,826</b>	<b>156,136</b>

**8. Employee benefits expenses**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	3,518,808	3,354,695	137,222	121,182
Targeted voluntary separation packages (refer below)	9,000	30,689	2,562	903
Long service leave	35,102	87,693	2,476	2,952
Annual leave	347,660	342,128	13,638	12,161
Skills and experience retention leave	16,603	16,493	796	745
Employment on-costs - superannuation*	369,849	364,271	16,809	14,861
Employment on-costs - other	7,316	6,221	6,960	5,894
Workers compensation	80,427	34,784	5,452	4,654
Board and committee fees	2,743	2,936	311	370
Other employee related expenses	6,790	7,381	8,285	8,366
<b>Total employee benefits expenses</b>	<b>4,394,298</b>	<b>4,247,291</b>	<b>194,511</b>	<b>172,088</b>

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

Expenses recognised in profit and loss for the Consolidated Entity in respect of the SAAS defined benefit scheme was \$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).

**8.1 Key Management Personnel**

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

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

	2021	2020
	\$'000	\$'000
<b>Compensation</b>		
Salaries and other short term employee benefits	2,806	2,524
Post-employment benefits	1,248	1,006
<b>Total</b>	<b>4,054</b>	<b>3,530</b>

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

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**8.2 Remuneration of Boards and Committees**

	2021	2020
	No. of	No. of
	Members	Members
\$0	1,423	1,007
\$1 - \$20,000	257	261
\$20,001 - \$40,000	52	57
\$40,001 - \$60,000	10	7
\$60,001 - \$80,000	3	6
\$80,001 - \$100,000	1	1
<b>Total</b>	<b>1,746</b>	<b>1,339</b>

The total remuneration received or receivable by members was \$2.878 million (\$3.046 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 38 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

**8.3 Remuneration of employees**

	Consolidated		Parent	
	2021	2020	2021	2020
The number of employees whose remuneration received or receivable falls within the following bands:	Number	Number	Number	Number
\$154,678 - \$175,000	963	854	35	30
\$175,001 - \$195,000	631	500	16	6
\$195,001 - \$215,000	310	290	10	7
\$215,001 - \$235,000	189	178	4	4
\$235,001 - \$255,000	161	157	3	2
\$255,001 - \$275,000	132	119	5	4
\$275,001 - \$295,000	104	109	1	-
\$295,001 - \$315,000	119	111	5	4
\$315,001 - \$335,000	95	74	3	2
\$335,001 - \$355,000	93	103	2	2
\$355,001 - \$375,000	92	82	2	-
\$375,001 - \$395,000	92	89	-	2
\$395,001 - \$415,000	78	83	1	1
\$415,001 - \$435,000	104	105	-	-
\$435,001 - \$455,000	68	77	1	2
\$455,001 - \$475,000	79	78	1	2
\$475,001 - \$495,000	66	51	1	-
\$495,001 - \$515,000	47	49	-	-
\$515,001 - \$535,000	45	47	-	-
\$535,001 - \$555,000	42	31	-	-
\$555,001 - \$575,000	54	47	1	1
\$575,001 - \$595,000	41	31	1	-
\$595,001 - \$615,000	28	15	-	-
\$615,001 - \$635,000	15	24	-	-
\$635,001 - \$655,000	25	18	-	-
\$655,001 - \$675,000	10	12	-	-
\$675,001 - \$695,000	10	6	-	-
\$695,001 - \$715,000	6	11	-	-
\$715,001 - \$735,000	7	5	-	-
\$735,001 - \$755,000	6	3	-	-
\$755,001 - \$775,000	3	2	-	-
\$775,001 - \$795,000	5	2	-	-
\$795,001 - \$815,000	3	1	-	-
\$835,001 - \$855,000	1	-	-	-
\$855,001 - \$875,000	1	1	-	-
\$895,001 - \$915,000	-	1	-	-
\$975,001 - \$995,000	-	1	-	-
\$1,135,001 - \$1,155,000	1	-	-	-

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	Consolidated		Parent	
	2021	2020	2021	2020
The number of employees whose remuneration received or receivable falls within the following bands:	Number	Number	Number	Number
\$1,235,001 - \$1,255,000	-	1	-	-
\$1,355,001 - \$1,375,000	-	1	-	-
\$1,395,001 - \$1,415,000	1	-	-	-
<b>Total number of employees</b>	<b>3,727</b>	<b>3,369</b>	<b>92</b>	<b>69</b>

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

**8.4 Remuneration of employees by classification**

The total remuneration received by these employees, included above:

	Consolidated				Parent			
	2021		2020		2021		2020	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	122	29,719	110	26,187	45	11,522	43	10,634
Medical (excluding Nursing)	2,823	865,260	2,619	804,044	8	2,460	7	2,184
Non-medical (i.e. administration)	111	20,481	102	18,526	28	5,033	16	2,727
Nursing	393	67,018	251	42,409	11	1,795	3	472
Operational	278	51,137	287	53,606	-	-	-	-
<b>Total</b>	<b>3,727</b>	<b>1,033,615</b>	<b>3,369</b>	<b>944,772</b>	<b>92</b>	<b>20,810</b>	<b>69</b>	<b>16,017</b>

**8.5 Targeted voluntary separation packages (TVSP)**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Amount paid/payable to separated employees:				
Targeted voluntary separation packages	8,908	30,689	2,562	903
Leave paid/payable to separated employees	4,253	14,448	1,148	337
	<b>13,161</b>	<b>45,137</b>	<b>3,710</b>	<b>1,240</b>
Recovery from DTF	7,604	20,818	2,573	903
<b>Net cost to the Consolidated entity</b>	<b>5,557</b>	<b>24,319</b>	<b>1,137</b>	<b>337</b>

The number of employees who received a TVSP during the reporting period	93	393	27	9
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9. Supplies and services

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Administration	11,038	11,222	1,499	3,386
Advertising	8,248	6,616	4,466	3,078
Communication	32,368	25,459	11,210	12,511
Computing	129,732	112,756	113,897	100,637
Consultants	6,029	9,503	2,480	4,072
Contract of services	139,448	139,237	104,547	103,235
Contractors	36,606	34,370	18,364	8,427
Contractors - agency staff	94,799	83,181	36,582	25,711
Cost of goods sold	16,841	3,103	144,302	105,530
Drug supplies	291,677	278,485	4,670	9,173
Electricity, gas and fuel	42,323	48,081	367	198
Fee for service	201,333	194,772	-	550
Food supplies	37,001	35,205	363	98
Hotel quarantine - accommodation costs	60,341	2,085	60,328	2,085
Housekeeping	87,647	81,217	3,072	708
Insurance	60,720	44,640	56,659	42,286
Interstate patient transfers	60,037	95,731	59,981	95,718
Legal	14,351	14,571	11,880	12,260
Low value lease expense	6,604	3,447	6,308	3,408
Medical, surgical and laboratory supplies	385,927	322,362	8,917	686
Minor equipment	36,037	27,806	5,616	7,389
Motor vehicle expenses	12,209	12,487	413	181
Occupancy rent and rates	40,950	35,785	19,790	15,007
Patient transport	31,145	31,119	307	57
Postage	18,596	16,697	3,461	3,653
Printing and stationery	17,230	16,738	1,559	1,237
Public Private Partnership operating expenses	98,108	94,943	-	-
Repairs and maintenance	109,266	103,234	1,603	935
Security	88,391	44,775	35,550	1,013
Services from Shared Services SA	35,907	35,167	2,704	2,559
Short term lease expense	2,524	2,617	328	265
Training and development	37,156	48,019	2,834	3,050
Travel expenses	7,133	11,171	861	1,511
Other supplies and services	74,312	69,872	19,726	13,326
<b>Total supplies and services</b>	<b>2,332,034</b>	<b>2,096,473</b>	<b>744,644</b>	<b>583,940</b>

Due to inter-entity eliminations upon consolidation, supplies and services of \$18.875 million (\$13.503 million) between the Activities of the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

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

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

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:

	Consolidated				Parent			
	2021		2020		2021		2020	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Below \$10,000	21	121	21	88	5	34	3	23
Above \$10,000	61	5,908	90	9,415	23	2,446	31	4,049
<b>Total</b>	<b>82</b>	<b>6,029</b>	<b>111</b>	<b>9,503</b>	<b>28</b>	<b>2,480</b>	<b>34</b>	<b>4,072</b>

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**10. Grants and subsidies**

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
Recurrent grants		342	-	-	-
Operational funding to incorporated Health Services	10.1	-	-	5,277,306	5,081,425
Capital funding to incorporated Health Services	10.1	-	-	239,027	168,041
Subsidies		74,267	106,131	74,119	105,742
Funding to non-government organisations		40,027	25,330	36,352	18,544
Other		1,349	1,455	1,298	1,376
<b>Total grants and subsidies</b>		<b>115,985</b>	<b>132,916</b>	<b>5,628,102</b>	<b>5,375,128</b>

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

	Operational		Capital Projects	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Barossa Hills Fleurieu Local Health Network Incorporated	219,301	189,400	17,069	3,515
Eyre and Far North Local Health Network Incorporated	84,261	80,836	2,368	2,000
Flinders and Upper North Local Health Network Incorporated	123,892	113,585	2,061	3,159
Riverland Mallee Coorong Local Health Network Incorporated	117,993	109,036	9,131	13,654
Limestone Coast Local Health Network Incorporated	133,199	118,871	4,282	4,831
Yorke and Northern Local Health Network Incorporated	131,799	121,549	6,670	7,298
SA Ambulance Service Incorporated	177,586	150,911	16,427	9,563
Southern Adelaide Local Health Network Incorporated	1,098,345	1,045,341	59,363	25,828
Central Adelaide Local Health Network Incorporated	1,943,387	1,950,257	27,043	30,847
Women's and Children's Health Network Incorporated	465,414	451,735	37,312	30,085
Northern Adelaide Local Health Network Incorporated	782,129	749,904	57,301	37,261
<b>Total funding to incorporated Health Services</b>	<b>5,277,306</b>	<b>5,081,425</b>	<b>239,027</b>	<b>168,041</b>

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

Due to inter-entity eliminations upon consolidation, grants and subsidies of \$5,516.333 million (\$5,249.466 million) between the Activities of the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

**11. Borrowing costs**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	121,297	152,477	111	23
Interest paid/payable on liabilities measured at amortised cost	-	74	-	74
Other finance charges	-	1	-	1
<b>Total borrowing costs</b>	<b>121,297</b>	<b>152,552</b>	<b>111</b>	<b>98</b>

The Consolidated Entity does not capitalise borrowing costs. Included in the lease costs is a reduction in contingent rental amounts of \$135.240 million (\$110.092 million) relating to Central Adelaide Local Health Network.

**12. Other expenses**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Debts written off	28,520	21,369	103	56
Bank fees and charges	373	366	-	-
Donated assets expense	4,550	-	8,656	-
Donated drug vaccine expense	28,955	27,930	28,955	27,930
Net loss on revaluation of investments	-	196	-	-
Net loss on sale of investments	-	23	-	-
Royalty payments	3,046	2,587	-	-
Other*	8,830	6,524	4,394	1,579
<b>Total other expenses</b>	<b>74,274</b>	<b>58,995</b>	<b>42,108</b>	<b>29,565</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 \$2.538 million (\$3.215 million). No other services were provided by the Auditor-General's Department. Also

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includes fees paid or payable to Galpins Accountants, Auditors and Business Consultants of \$0.200 million (\$0.219 million) for audits of the HACs and aged care and BDO for audit services for AusHealth of \$0.030 million (\$0.029 million).

**Donated assets expense**

Donated assets expense of the Department includes land donated to the Department of Environment and Water of \$4.550 million (\$ Nil) in relation to Oakden crown land; solar PV cells to the value of \$3.912 million (\$ Nil) donated to NALHN (\$1.552 million); CALHN (\$0.690 million); and SALHN (\$1.670 million) and a variety of other plant and equipment donated to LHNs of \$0.194 million (\$ Nil).

**Donated drug vaccine expense**

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

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Land and buildings:</b>				
Proceeds from disposal	12,305	143	12,300	-
Less carrying amount of assets disposed	(10,315)	(2,209)	(10,282)	-
Less other costs of disposal	-	(17)	-	-
<b>Net gain/(loss) from disposal of land and buildings</b>	<b>1,990</b>	<b>(2,083)</b>	<b>2,018</b>	<b>-</b>
<b>Plant and equipment:</b>				
Proceeds from disposal	1,080	345	-	3
Less carrying amount of assets disposed	(1,296)	(708)	(13)	(9)
Less other costs of disposal	(25)	(93)	-	-
<b>Net loss from disposal of plant and equipment</b>	<b>(241)</b>	<b>(456)</b>	<b>(13)</b>	<b>(6)</b>
<b>Non-current assets held for sale:</b>				
Proceeds from disposal	41	-	41	-
Less carrying amount of assets disposed	(23)	-	(23)	-
<b>Net gain/(loss) from disposal of non-current assets held for sale</b>	<b>18</b>	<b>-</b>	<b>18</b>	<b>-</b>
<b>Total assets:</b>				
Total proceeds from disposal	13,426	488	12,341	3
Less total carrying amount of assets disposed	(11,634)	(2,917)	(10,318)	(9)
Less other costs of disposal	(25)	(110)	-	-
<b>Total net gain/(loss) from disposal of assets</b>	<b>1,767</b>	<b>(2,539)</b>	<b>2,023</b>	<b>(6)</b>

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

The net gain on disposal for the Department includes a gain of \$2.018 million (\$ Nil) on the sale of Oakden surplus land owned by the Department to the Urban Renewal Authority and a gain of \$0.018 million (\$ Nil) on the sale of land to DIT in relation to a compulsory land acquisition of Daws Road at the Repatriation General Hospital.

**14. Cash and cash equivalents**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	31,831	501,337	5,145	473,600
Deposits with Treasurer: general operating	701,693	199,803	518,044	83,794
Deposits with Treasurer: accrual appropriation excess funds	268,105	211,812	268,105	211,812
Deposits with Treasurer: special purpose funds	170,578	156,659	-	-
<b>Total cash</b>	<b>1,172,207</b>	<b>1,069,611</b>	<b>791,294</b>	<b>769,206</b>

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

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

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15. Receivables

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Patient/client fees: compensable	16,380	11,792	-	-
Patient/client fees: aged care	3,436	4,660	-	-
Patient/client fees: other	54,671	49,694	-	-
Debtors	89,541	73,842	22,949	3,102
Less: allowance for impairment loss on receivables	(35,667)	(35,586)	(353)	(63)
Interstate patient transfers	203,006	137,704	203,006	137,704
Prepayments	33,652	29,271	18,795	15,860
Loans	-	-	17	178
Dividends	13	19	-	-
Interest	111	172	-	-
Grants	40	4	-	-
Sundry receivables and accrued revenue	59,655	54,292	578	911
GST input tax recoverable	29,201	23,020	26,342	20,566
<b>Total current receivables</b>	<b>454,039</b>	<b>348,884</b>	<b>271,334</b>	<b>178,258</b>
<b>Non-Current</b>				
Debtors	3,051	1,814	15	7
Prepayments	1,488	1,544	-	-
Loans	-	-	-	18
Superannuation - defined benefit scheme	5,869	-	-	-
<b>Total non-current receivables</b>	<b>10,408</b>	<b>3,358</b>	<b>15</b>	<b>25</b>
<b>Total receivables</b>	<b>464,447</b>	<b>352,242</b>	<b>271,349</b>	<b>178,283</b>

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

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

**Interstate patient transfers**

Under the National Health Reform Agreement - When a resident of one state/territory receives hospital treatment in another state/territory, the 'resident state/territory' compensates the treating or 'provider state/territory' for the cost of that care via a 'cross-border' payment. Contributions by the resident state/territory are made to the provider state/territory through the National Health Funding Pool via activity estimates. Consistent with past years, the amounts disclosed are current estimates and may change. The Department is continuing to refine its calculations of receivables and payables, which are based on the cross-border activity from the latest data available and the national efficient pricing rates from each year accrued. The current year receivable is based on the average of the actual data outcomes for 2016-17 to 2019-20.

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

**15.1 Impairment of receivables**

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

Movement in the allowance for impairment loss on receivables:

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>35,586</b>	<b>34,619</b>	<b>63</b>	<b>71</b>
Increase/(Decrease) in allowance recognised in profit or loss	81	967	290	(8)
<b>Carrying amount at the end of the period</b>	<b>35,667</b>	<b>35,586</b>	<b>353</b>	<b>63</b>

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



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15.2 Reconciliation of loans receivable by the Parent and related movements

	Health Services		Back-to-Back	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	196	3,423	-	3,007
Principal repayments	(179)	(3,227)	-	(3,007)
<b>Balance at 30 June</b>	<b>17</b>	<b>196</b>	<b>-</b>	<b>-</b>

As at 30 June 2021 the Department has financed two Health Services with loans of \$0.017 million (\$0.196 million) for aged care housing. The loan for aged care housing at Bordertown has reached maturity during the year.

Due to inter-entity eliminations upon consolidation, loans receivables of \$0.017 million (\$0.196 million) between the Activities of the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

16. Other financial assets

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Term deposits	105,390	103,060	-	-
Other investments FVPL	7,295	10,266	-	-
<b>Total current financial assets</b>	<b>112,685</b>	<b>113,326</b>	<b>-</b>	<b>-</b>
<b>Non-current</b>				
Term deposits	-	80	-	-
Joint venture	2,671	2,670	-	-
Other investments FVOCI	1,568	1,248	-	-
Other investments FVPL	-	448	-	-
<b>Total non-current financial assets</b>	<b>4,239</b>	<b>4,446</b>	<b>-</b>	<b>-</b>
<b>Total financial assets</b>	<b>116,924</b>	<b>117,772</b>	<b>-</b>	<b>-</b>

The Consolidated Entity measures term deposits at amortised cost, listed equities and other investments are measured as fair value represented by market value. This includes shares in other corporations, floating rate notes, listed securities, managed funds not present in consolidation. The Consolidated Entity holds term deposits of \$105.390 million (\$103.140 million) of which \$65.446 million relates to aged care refundable deposits within Regional SA LHNs.

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

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

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

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

17. Inventories

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Drug supplies	23,277	26,159	6,766	7,227
Medical, surgical and laboratory supplies	3,373	2,792	-	-
Food and hotel supplies	699	636	-	-
Engineering supplies	19	21	-	-
SA Health Distribution Centre and bulk warehouses	77,277	21,975	77,277	21,975
Inventory imprest stock	14,739	13,234	-	-
Other	1,177	1,790	43	21
<b>Total current inventories - held for distribution</b>	<b>120,561</b>	<b>66,607</b>	<b>84,086</b>	<b>29,223</b>

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

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

**COVID-19 Vaccines**

In accordance with the Australian COVID-19 Vaccination Policy, the Commonwealth Government is responsible for purchasing and safely transporting the vaccine doses to storage and administration sites within each state. Once the doses are delivered to these state storage and administration sites, the state is responsible for the physical safety and appropriate storage and handling of those doses. Due to strict confidentiality agreements with the vaccine suppliers, the Commonwealth Government has not disclosed the cost of the vaccine doses, and accordingly the Department cannot reliably value the doses on hand as at 30 June 2021.

**18. Contract assets**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Contract assets	31,068	13,009	-	-
Less: allowance for impairment loss on contract assets	7,031	1,358	-	-
<b>Total contract assets</b>	<b>24,037</b>	<b>11,651</b>	-	-

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

There was an impairment loss of \$7.031 million (\$1.358 million) for contract assets in the reporting period. Refer to note 15.1 for further information.

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

**19.1 Acquisition and recognition**

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

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

**19.2 Depreciation and amortisation**

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

Depreciation and amortisation is calculated on a straight line basis.

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

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

### 19.3 Revaluation

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

Revaluation of non-current assets or a group of assets is only performed when the owned asset's fair value at the time of acquisition is greater than \$1 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.

### 19.4 Impairment

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

There were no indications of impairment for property, plant and equipment or intangibles held by the Consolidated Entity as at 30 June 2021.

### 19.5 Intangible assets

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

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

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

### 19.6 Land and buildings

An independent valuation of land and buildings owned by the Consolidated Entity was performed in March and April 2018 by Certified Practising Valuers from Jones Lang Lasalle (SA) Pty Ltd and AssetVal (JLT) Pty Ltd as at 1 June 2018.

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.

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**19.7 Plant and equipment**

The Consolidated Entity'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 (SA) Pty Ltd. The value of all other plant and equipment 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 as Level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

**19.8 Investment property**

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

An independent valuation was performed on the investment property at Unit 1, 27 Kermode Street North Adelaide, by AssetVal (JLT) Pty Ltd, as at 30 June 2020. Fair value has been determined by the income approach, where the net income is capitalised at an appropriate yield with recent experience in the local market and equivalent properties. There is no change in the fair value as a result of fair value measurement as at 30 June 2021.

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

Where there is a recent market transaction for similar properties, the valuations are based on the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in the active market for similar properties. These investment properties have been categorised as Level 2.

*Amounts recognised in profit or loss*

The Consolidated Entity recognised rental income from investment property during the period of \$1.412 million (\$2.060 million).

**19.9 Leased property, plant and equipment**

Right-of-use assets (including concessional arrangements) leased by the Consolidated Entity are measured at cost and there were no indications for impairment. Additions to right-of-use assets during 2020-21 were \$30.951 million (\$17.101 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 recognised as right-of-use assets. The associated lease payments are recognised as an expense and disclosed in note 9.

The Consolidated Entity has a number of lease agreements including concessional. Lease terms vary in length from 2 to 99 years. Major lease activities include the use of:

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

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The Consolidated Entity has committed to lease arrangements that commence from 1 July 2021, which are included in the lease liability analysis.

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

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

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

The following tables show the movement:

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2020-21	Land and buildings:				Plant and equipment:						Investment property \$'000	Total \$'000
	Land \$'000	Buildings \$'000	Right-of-use buildings \$'000	Capital works in progress land and buildings \$'000	Accommodation and Leasehold improvements \$'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	344,306	2,260,737	2,689,014	137,717	52,181	163,840	27,304	243,129	19,805	23,500	5,961,533	
Additions	1,256	643	24,678	195,651	114	32,201	1,030	6,271	26,818	-	288,662	
Assets received free of charge	77	78	-	-	-	71	-	-	-	-	226	
Disposals	(10,282)	-	(35)	(23)	(10)	(844)	(450)	(239)	-	-	(11,883)	
Donated assets disposal	(4,550)	-	-	-	-	-	-	-	-	-	(4,550)	
Transfers between asset classes	-	78,384	-	(89,453)	9,452	8,490	12,693	-	(21,197)	-	(1,631)	
Reclassified to held for sale	(23)	-	-	-	-	-	-	-	-	-	(23)	
Other movements	-	-	1,459	-	-	-	-	-	-	-	1,459	
<b>Subtotal:</b>	<b>330,784</b>	<b>2,339,842</b>	<b>2,715,116</b>	<b>243,892</b>	<b>61,737</b>	<b>203,758</b>	<b>40,577</b>	<b>249,161</b>	<b>25,426</b>	<b>23,500</b>	<b>6,233,793</b>	
<b>Gains/(losses) for the period recognised in net result:</b>												
Depreciation and amortisation	-	(136,728)	(68,874)	-	(4,901)	(52,418)	(11,286)	(15,779)	-	-	(289,986)	
<b>Subtotal:</b>	<b>-</b>	<b>(136,728)</b>	<b>(68,874)</b>	<b>-</b>	<b>(4,901)</b>	<b>(52,418)</b>	<b>(11,286)</b>	<b>(15,779)</b>	<b>-</b>	<b>-</b>	<b>(289,986)</b>	
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>												
Impairment (losses) / reversals	(4,450)	(2,984)	-	-	-	-	-	-	-	-	(7,434)	
<b>Subtotal:</b>	<b>(4,450)</b>	<b>(2,984)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,434)</b>	
<b>Carrying amount at the end of the period*</b>	<b>326,334</b>	<b>2,200,130</b>	<b>2,646,242</b>	<b>243,892</b>	<b>56,836</b>	<b>151,340</b>	<b>29,291</b>	<b>233,382</b>	<b>25,426</b>	<b>23,500</b>	<b>5,936,373</b>	
<b>Gross carrying amount</b>												
Gross carrying amount	326,334	2,602,101	2,864,899	243,892	91,965	450,627	138,174	276,287	25,426	23,500	7,043,205	
Accumulated depreciation / amortisation	-	(401,971)	(218,657)	-	(35,129)	(299,287)	(108,883)	(42,905)	-	-	(1,106,832)	
<b>Carrying amount at the end of the period</b>	<b>326,334</b>	<b>2,200,130</b>	<b>2,646,242</b>	<b>243,892</b>	<b>56,836</b>	<b>151,340</b>	<b>29,291</b>	<b>233,382</b>	<b>25,426</b>	<b>23,500</b>	<b>5,936,373</b>	

\*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$27.468 million, buildings valued at \$4.438 million (classified as level 2, ) investments valued at \$23.500 million (classified as level 2, ) and capital works in progress (not classified). Refer to note 24 for details about the lease liability for right-of-use assets.

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2019-20	Land and buildings:			Plant and equipment:							Investment property \$'000	Total \$'000
	Land \$'000	Buildings \$'000	Right-of-use buildings \$'000	Capital works in progress land and buildings \$'000	Accommodation and Leasehold improvements \$'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	344,347	2,354,312	2,748,242	49,380	55,083	184,503	42,502	252,932	10,495	22,012	6,063,808	
Additions	-	507	10,902	136,286	23	15,760	512	6,199	27,166	-	197,355	
Assets received free of charge	-	-	-	-	-	193	-	-	-	-	193	
Disposals	(41)	(2,169)	(118)	-	-	(531)	(166)	(196)	(11)	-	(3,232)	
Donated assets disposal	-	-	-	-	-	-	-	-	-	-	-	
Transfers between asset classes	-	46,408	-	(47,949)	1,913	16,561	849	-	(17,782)	-	-	
Other movements	-	-	(466)	-	-	-	-	-	(63)	-	(529)	
<b>Subtotal:</b>	<b>344,306</b>	<b>2,399,058</b>	<b>2,758,560</b>	<b>137,717</b>	<b>57,019</b>	<b>216,486</b>	<b>43,697</b>	<b>258,935</b>	<b>19,805</b>	<b>22,012</b>	<b>6,257,595</b>	
<b>Gains/(losses) for the period recognised in net result:</b>												
Depreciation and amortisation	-	(138,321)	(69,546)	-	(4,838)	(52,646)	(16,393)	(15,806)	-	-	(297,550)	
Revaluation increment / (decrement)	-	-	-	-	-	-	-	-	-	1,488	1,488	
<b>Subtotal:</b>	<b>-</b>	<b>(138,321)</b>	<b>(69,546)</b>	<b>-</b>	<b>(4,838)</b>	<b>(52,646)</b>	<b>(16,393)</b>	<b>(15,806)</b>	<b>-</b>	<b>1,488</b>	<b>(296,062)</b>	
<b>Gains/(losses) for the period recognised in other comprehensive income:</b>												
Impairment (losses) / reversals	-	-	-	-	-	-	-	-	-	-	-	
<b>Subtotal:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Carrying amount at the end of the period*</b>	<b>344,306</b>	<b>2,260,737</b>	<b>2,689,014</b>	<b>137,717</b>	<b>52,181</b>	<b>163,840</b>	<b>27,304</b>	<b>243,129</b>	<b>19,805</b>	<b>23,500</b>	<b>5,961,533</b>	
<b>Gross carrying amount</b>												
Gross carrying amount	344,306	2,528,450	2,842,288	137,717	82,622	426,153	132,634	274,196	19,805	23,500	6,811,671	
Accumulated depreciation / amortisation	-	(267,713)	(153,274)	-	(30,441)	(262,313)	(105,330)	(31,067)	-	-	(850,138)	
<b>Carrying amount at the end of the period</b>	<b>344,306</b>	<b>2,260,737</b>	<b>2,689,014</b>	<b>137,717</b>	<b>52,181</b>	<b>163,840</b>	<b>27,304</b>	<b>243,129</b>	<b>19,805</b>	<b>23,500</b>	<b>5,961,533</b>	

\*All property, plant and equipment are classified in the level 3 fair value hierarchy except for land valued at \$37.750 million, buildings valued at \$4.609 million (classified as level 2, ) investments valued at \$23.500 million (classified as level 2, ) and capital works in progress (not classified). Refer to note 24 for details about the lease liability for right-of-use assets.

\*\*Revaluations increment includes gains recognised directly in equity of \$0.550 million – refer to the Statement of changes in equity and gains on revaluation of investment property of \$0.938 million – refer to note 12.

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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	Accommo- dation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	Investment property \$'000		
Carrying amount at the beginning of the period	35,480	1,838	624	5,513	1,242	54	1,715	250	2,067	-	48,783	
Additions	-	-	19,713	5,938	113	199	403	152	1,057	-	27,575	
Assets received free of charge	4,573	-	-	-	-	-	-	-	-	-	4,573	
Disposals	(10,282)	-	-	-	-	-	(13)	(15)	-	-	(10,310)	
Donated assets disposal	(4,550)	-	-	(3,912)	-	(34)	-	-	(147)	-	(8,643)	
Transfers between asset classes	-	-	-	(14)	14	(20)	1,361	-	(2,208)	-	(867)	
Reclassified to held for sale	(23)	-	-	-	-	-	-	-	-	-	(23)	
Other movements	-	-	-	-	-	-	-	-	-	-	-	
<b>Subtotal:</b>	<b>25,198</b>	<b>1,838</b>	<b>20,337</b>	<b>7,525</b>	<b>1,369</b>	<b>199</b>	<b>3,466</b>	<b>387</b>	<b>769</b>	<b>-</b>	<b>61,088</b>	
<b>Gains/(losses) for the period recognised in net result:</b>												
Depreciation and amortisation	-	(126)	(953)	-	(586)	(18)	(1,151)	(187)	-	-	(3,021)	
<b>Subtotal:</b>	<b>-</b>	<b>(126)</b>	<b>(953)</b>	<b>-</b>	<b>(586)</b>	<b>(18)</b>	<b>(1,151)</b>	<b>(187)</b>	<b>-</b>	<b>-</b>	<b>(3,021)</b>	
<b>Carrying amount at the end of the period</b>	<b>25,198</b>	<b>1,712</b>	<b>19,384</b>	<b>7,525</b>	<b>783</b>	<b>181</b>	<b>2,315</b>	<b>200</b>	<b>769</b>	<b>-</b>	<b>58,067</b>	
<b>Gross carrying amount</b>												
Gross carrying amount	25,198	3,530	19,713	7,525	5,433	199	34,913	454	769	-	97,734	
Accumulated depreciation / amortisation	-	(1,818)	(329)	-	(4,650)	(18)	(32,598)	(254)	-	-	(39,667)	
<b>Carrying amount at the end of the period</b>	<b>25,198</b>	<b>1,712</b>	<b>19,384</b>	<b>7,525</b>	<b>783</b>	<b>181</b>	<b>2,315</b>	<b>200</b>	<b>769</b>	<b>-</b>	<b>58,067</b>	

All property, plant and equipment are classified in the level 3 fair value hierarchy except for land (classified as level 2) and capital works in progress (not classified). Refer to note 24 for details about the lease liability for right-of-use assets.



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Parent 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	Accommo- dation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000	Investment property \$'000		
Carrying amount at the beginning of the period	35,480	2,601	1,690	14	1,910	164	5,830	376	11	-	48,076	
Additions	-	-	-	5,499	-	54	-	174	2,067	-	7,794	
Assets received free of charge	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	(9)	(92)	-	-	(101)	
Acquisition / (disposal) through administrative restructuring	-	-	-	-	-	(172)	-	-	-	-	(172)	
Transfers between asset classes	-	-	-	-	-	11	-	-	(11)	-	-	
Other movements	-	-	71	-	-	-	-	-	-	-	71	
<b>Subtotal:</b>	<b>35,480</b>	<b>2,601</b>	<b>1,761</b>	<b>5,513</b>	<b>1,910</b>	<b>57</b>	<b>5,821</b>	<b>458</b>	<b>2,067</b>	<b>-</b>	<b>55,668</b>	
<b>Gains/(losses) for the period recognised in net result:</b>												
Depreciation and amortisation	-	(763)	(1,137)	-	(668)	(3)	(4,106)	(208)	-	-	(6,885)	
<b>Subtotal:</b>	<b>-</b>	<b>(763)</b>	<b>(1,137)</b>	<b>-</b>	<b>(668)</b>	<b>(3)</b>	<b>(4,106)</b>	<b>(208)</b>	<b>-</b>	<b>-</b>	<b>(6,885)</b>	
<b>Carrying amount at the end of the period</b>	<b>35,480</b>	<b>1,838</b>	<b>624</b>	<b>5,513</b>	<b>1,242</b>	<b>54</b>	<b>1,715</b>	<b>250</b>	<b>2,067</b>	<b>-</b>	<b>48,783</b>	
<b>Gross carrying amount</b>												
Gross carrying amount	35,480	3,530	1,761	5,513	5,306	54	36,194	434	2,067	-	90,339	
Accumulated depreciation / amortisation	-	(1,692)	(1,137)	-	(4,064)	-	(34,479)	(184)	-	-	(41,556)	
<b>Carrying amount at the end of the period</b>	<b>35,480</b>	<b>1,838</b>	<b>624</b>	<b>5,513</b>	<b>1,242</b>	<b>54</b>	<b>1,715</b>	<b>250</b>	<b>2,067</b>	<b>-</b>	<b>48,783</b>	

All property, plant and equipment are classified in the level 3 fair value hierarchy except for land (classified as level 2) and capital works in progress (not classified). Refer to note 24 for details about the lease liability for right-of-use assets.

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**21. Reconciliation of intangible assets**

The following table shows the movement:  
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	2020-21				2019-20			
	Computer software \$'000	Bed licences \$'000	Capital works in progress intangibles \$'000	Total \$'000	Computer software \$'000	Bed licences \$'000	Capital works in progress intangibles \$'000	Total \$'000
<b>Carrying amount at the beginning of the period</b>	75,233	700	1,726	77,659	95,105	700	792	96,597
Additions	35	-	3,997	4,032	15	-	931	946
Assets received free of charge	-	-	1,361	1,361	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Amortisation	(17,978)	-	-	(17,978)	(19,911)	-	-	(19,911)
Transfers between asset classes	923	-	707	1,630	25	-	-	25
Other movements	-	-	-	-	-	-	-	-
<b>Carrying amount at the end of the period</b>	<b>58,213</b>	<b>700</b>	<b>7,791</b>	<b>66,704</b>	<b>75,234</b>	<b>700</b>	<b>1,723</b>	<b>77,657</b>
<b>Gross carrying amount</b>								
Gross carrying amount	211,785	700	7,791	220,276	213,318	700	1,723	215,741
Accumulated amortisation	(153,572)	-	-	(153,572)	(138,084)	-	-	(138,084)
<b>Carrying amount at the end of the period</b>	<b>58,213</b>	<b>700</b>	<b>7,791</b>	<b>66,704</b>	<b>75,234</b>	<b>700</b>	<b>1,723</b>	<b>77,657</b>
<b>Parent</b>								
<b>Carrying amount at the beginning of the period</b>	39,054	-	-	39,054	48,754	-	-	48,754
Additions	-	-	3,216	3,216	-	-	-	-
Assets received free of charge	-	-	1,361	1,361	-	-	-	-
Donated assets disposal	(13)	-	-	(13)	-	-	-	-
Amortisation	(8,264)	-	-	(8,264)	(9,700)	-	-	(9,700)
Transfers between asset classes	13	-	854	867	-	-	-	-
<b>Carrying amount at the end of the period</b>	<b>30,790</b>	<b>-</b>	<b>5,431</b>	<b>36,221</b>	<b>39,054</b>	<b>-</b>	<b>-</b>	<b>39,054</b>
<b>Gross carrying amount</b>								
Gross carrying amount	129,812	-	5,431	135,243	132,305	-	-	132,305
Accumulated amortisation	(99,022)	-	-	(99,022)	(93,251)	-	-	(93,251)
<b>Carrying amount at the end of the period</b>	<b>30,790</b>	<b>-</b>	<b>5,431</b>	<b>36,221</b>	<b>39,054</b>	<b>-</b>	<b>-</b>	<b>39,054</b>

Residential aged care bed licences that are purchased are initially recorded at cost. Bed licences that are received for no consideration from the Commonwealth Government are recognised at their fair value at the date of implementation, having regard to recent sale activity within South Australian country areas and the relaxation of ceiling limits on bed licenses, the Consolidated Entity has recorded these licences at nil value.

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**22. Fair value measurement**

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

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

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

The carrying amount of owned non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years is deemed to approximate fair value.

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

**22.1 Fair value hierarchy**

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

**Fair value measurements at 30 June 2021**

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>						
Land	27,468	298,866	326,334	25,198	-	25,198
Buildings and improvements	4,438	2,195,692	2,200,130	-	1,712	1,712
Leasehold improvements	-	56,836	56,836	-	783	783
Plant and equipment	-	180,631	180,631	-	2,496	2,496
Investment property	23,500	-	23,500	-	-	-
<b>Total recurring fair value measurements</b>	<b>55,406</b>	<b>2,732,025</b>	<b>2,787,431</b>	<b>25,198</b>	<b>4,991</b>	<b>30,189</b>

**Fair value measurements at 30 June 2020**

	Consolidated			Parent		
	Level 2	Level 3	Total	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Recurring fair value measurements</b>						
Land	37,750	306,556	344,306	35,480	-	35,480
Buildings and improvements	4,609	2,256,128	2,260,737	-	1,838	1,838
Leasehold improvements	-	52,181	52,181	-	1,242	1,242
Plant and equipment	-	191,144	191,144	-	1,769	1,769
Investment property	23,500	-	23,500	-	-	-
<b>Total recurring fair value measurements</b>	<b>65,859</b>	<b>2,806,009</b>	<b>2,871,868</b>	<b>35,480</b>	<b>4,849</b>	<b>40,329</b>

Non-recurring fair value measurement is applicable to land and buildings held for sale. Refer to note 19.

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

During 2021 and 2020, the Consolidated Entity had no valuations categorised into Level 1. Land assets of the Parent entity and SAAS have been classified as Level 2, as there were unobservable inputs, and one building asset for SAAS have been classified as Level 2.

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**22.2 Valuation techniques and inputs**

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

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

Unobservable inputs used to arrive at final valuation figures included:

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

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

**23. Payables**

	Consolidated		Parent	
	2021	2020	2021	2020
<b>Current</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Creditors and accrued expenses	207,299	202,519	64,756	57,437
Paid Parental Leave Scheme	852	904	18	33
Health Service workers compensation	-	-	8,979	8,226
Interstate patient transfers	144,454	118,911	144,454	118,911
Employment on-costs*	62,451	57,020	3,740	2,854
Other payables	8,208	7,289	55	65
<b>Total current payables</b>	<b>423,264</b>	<b>386,643</b>	<b>222,002</b>	<b>187,526</b>
<b>Non-current</b>				
Health Service workers compensation	-	-	16,891	14,691
Employment on-costs*	33,384	33,406	2,889	2,836
Other payables	50	169	-	-
<b>Total non-current payables</b>	<b>33,434</b>	<b>33,575</b>	<b>19,780</b>	<b>17,527</b>
<b>Total payables</b>	<b>456,698</b>	<b>420,218</b>	<b>241,782</b>	<b>205,053</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. Employee on-costs are settled when the respective employee 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.

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

Inter-entity transactions between the Department and Health Services workers compensation (redemption and lump sum) payables amount to \$25.870 million (\$22.917 million). Refer to note 1.1.2 for further information.

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As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged at 42% for the Department and 38% for the LHNs and SAAS, the average factor for the calculation of employer superannuation on-costs has increased from the 2020 rate (9.8%) to 10.1% to reflect the increase in super guarantee. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost liability and employee benefits expenses of \$2.321 million (Parent increase of \$0.105 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 represents amounts which the Consolidated Entity has received from the Commonwealth Government to forward onto eligible employees via the Consolidated Entity's standard payroll processes. That is, the Consolidated Entity is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

Refer to note 34 for information on risk management.

**Interstate patient transfers**

Under the National Health Reform Agreement - When a resident of one state/territory receives hospital treatment in another state/territory, the 'resident state/territory' compensates the treating or 'provider state/territory' for the cost of that care via a 'cross-border' payment. Contributions by the resident state/territory are made to the provider state/territory through the National Health Funding Pool account via activity estimates. Consistent with past years, the amounts disclosed are current estimates and may change. The Department is continuing to refine its calculations of receivables and payables, which are based on the cross-border activity from the latest data available and the national efficient pricing rates from each year accrued. Prior year payables are based on actual cross-border activity data. The current year payables are based on the average of the actual data outcomes for 2016-17 to 2019-20.

**24. Financial liabilities**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Lease liabilities	86,785	86,361	253	781
<b>Total current financial liabilities</b>	<b>86,785</b>	<b>86,361</b>	<b>253</b>	<b>781</b>
<b>Non-current</b>				
Lease liabilities	2,739,082	2,786,696	19,770	98
<b>Total non-current financial liabilities</b>	<b>2,739,082</b>	<b>2,786,696</b>	<b>19,770</b>	<b>98</b>
<b>Total financial liabilities</b>	<b>2,825,867</b>	<b>2,873,057</b>	<b>20,023</b>	<b>879</b>

The Consolidated Entity measures financial liabilities including borrowings/debt at amortised cost. 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.

Refer to note 34 for information on risk management.

Refer note 20 for details about the right-of-use assets (including depreciation) and note 11 for financing costs associated with these leasing activities.

**24.1 Concessional lease arrangements for right-of-use assets**

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

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

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**24.2 Maturity analysis**

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Lease Liabilities</b>				
1 to 3 years	960,961	970,978	2,360	2,032
3 to 5 years	627,705	624,704	2,270	-
5 to 10 years	1,488,757	1,499,594	6,922	-
More than 10 years	3,653,416	3,940,064	8,471	-
<b>Total lease liabilities (undiscounted)</b>	<b>6,730,839</b>	<b>7,035,340</b>	<b>20,023</b>	<b>2,032</b>

**25. Employee benefits**

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Accrued salaries and wages	137,211	140,754	5,230	3,952
Annual leave	415,403	385,572	16,909	13,237
Long service leave	70,962	75,362	3,029	3,119
Fringe benefits tax	2,027	2,024	2,010	2,024
Skills and experience retention leave	29,311	27,943	1,137	952
Superannuation - defined benefit scheme	-	17,053	-	-
Other	528	586	-	35
<b>Total current employee benefits</b>	<b>655,442</b>	<b>649,294</b>	<b>28,315</b>	<b>23,319</b>
<b>Non-current</b>				
Long service leave	804,082	828,881	34,457	34,444
Superannuation - defined benefit scheme	-	20,229	-	-
<b>Total non-current employee benefits</b>	<b>804,082</b>	<b>849,110</b>	<b>34,457</b>	<b>34,444</b>
<b>Total employee benefits</b>	<b>1,459,524</b>	<b>1,498,404</b>	<b>62,772</b>	<b>57,763</b>

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

**25.1 Salaries and wages, annual leave, skills and experience retention leave and sick leave**

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

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

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

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

**25.2 Long service leave**

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

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2020 (0.75%) to 1.25% for the Department and to 1.50% for LHNs and SAAS. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The actuarial assessment performed by DTF 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.

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The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$60.028 million (Parent \$3.989 million), payables (employment on-costs) of \$2.330 million (Parent \$0.176 million) and employee benefits expense of \$62.358 million (Parent \$4.165 million). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

**25.3 Superannuation funds**

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

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

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

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

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

**Defined benefit superannuation scheme**

**Reconciliation of the present value of the defined benefit obligation:**

	2021	2020
	\$'000	\$'000
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>

**Reconciliation of fair value of scheme assets:**

	2021	2020
	\$'000	\$'000
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>

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

Present value of defined benefit obligations	297,072	298,309
Fair value of scheme assets	(302,941)	(261,027)
<b>Net liability arising from defined benefit obligations</b>	<b>(5,869)</b>	<b>37,282</b>

**Included in the Statement of Financial Position:**

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>

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	% invested by asset class			
	Consolidated		Parent	
	2021	2020	2021	2020
	%	%	%	%
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>	<b>-</b>	<b>-</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 discount rate assumption is used to determine interest income and the expected return on assets assumption is no longer used. The actual return on scheme assets was a gain of \$50.620 million (loss of \$1.613 million). Employer contributions of \$4.952 million are expected to be paid to the scheme for the year ending 30 June 2022. Expected employer contributions reflect the current 12.00% of salary contributions.

	Consolidated		Parent	
	2021	2020	2021	2020
	% pa	% pa	% pa	% pa
<b>Principal actuarial assumptions used (and expressed as weighted averages):</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	-	-

	2021	2020
	\$'000	\$'000
<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 year end</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	304,521



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*Description of the regulatory framework*

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

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

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

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

*Description of risks*

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

*Investment risk*

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

*Salary growth risk*

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

*Legislative risk*

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

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

*Funding arrangements*

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

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

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

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

*Maturity profile of defined benefit obligation*

The weighted average duration of the defined benefit obligation as at 30 June 2021 is eight years.

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**26. Provisions**

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>Current</b>					
Insurance	26.2	16,189	13,167	16,189	13,167
Workers compensation	26.1	29,825	25,558	568	455
<b>Total current provisions</b>		<b>46,014</b>	<b>38,725</b>	<b>16,757</b>	<b>13,622</b>
<b>Non-current</b>					
Insurance	26.2	124,802	118,499	124,802	118,499
Workers compensation	26.1	120,050	83,472	747	605
<b>Total non-current provisions</b>		<b>244,852</b>	<b>201,971</b>	<b>125,549</b>	<b>119,104</b>
<b>Total provisions</b>		<b>290,866</b>	<b>240,696</b>	<b>142,306</b>	<b>132,726</b>

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	<b>109,030</b>	<b>105,264</b>	<b>1,060</b>	<b>1,053</b>
Increase in provisions recognised	48,601	10,900	255	168
Reductions resulting from re-measurement or settlement without cost	-	(2,052)	-	-
Reductions arising from payments/other sacrifices of future economic benefits	(7,756)	(5,082)	-	(161)
<b>Carrying amount at the end of the period</b>	<b>149,875</b>	<b>109,030</b>	<b>1,315</b>	<b>1,060</b>

**26.1 Workers Compensation**

*Workers compensation*

The Department as a self-insurer is responsible for the payment of workers compensation claimed and the implementation and funding of preventative programs.

A liability has been reported to reflect unsettled workers compensation claims. The workers 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. 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 agency claim experience relative to other agencies, average claims sizes and other economic and actuarial assumptions.

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

The Consolidated Entity 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. The liability comprises an estimate for known claims and an estimate of incurred but not reported applications. No risk margin is included in the estimate.

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

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**26.2 Insurance**

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

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

The determination of the medical malpractice professional indemnity insurance provision was carried out through an actuarial assessment in accordance with AASB 1023 *General Insurance Contracts*, conducted by Brett & Watson Pty Ltd. Current and non-current liabilities of the Department are determined by taking into account prudential margins, inflation, taxes, claims incurred but not reported and current claim values. The discount rate, which is used to discount expected future payments to the valuation date, increased to 1.6% (1.1%).

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

*Reconciliation of insurance*

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

	Medical malpractice	Professional indemnity (Other)	Public liability	Property	Total
2020-21	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	129,419	113	1,185	949	131,666
Increase to provision due to new claims	15,645	10	52	1,908	17,615
Reduction due to payments	(18,305)	(28)	(594)	(434)	(19,361)
Net revision of estimates	10,434	12	769	(144)	11,071
<b>Carrying amount at the end of the period</b>	<b>137,193</b>	<b>107</b>	<b>1,412</b>	<b>2,279</b>	<b>140,991</b>

**27. Contract liabilities and other liabilities**

	Consolidated		Parent	
	2021	2020	2021	2020
Current	\$'000	\$'000	\$'000	\$'000
Unclaimed monies	58	-	-	-
Unearned revenue	3,017	1,597	1,036	-
Contract liabilities	26,263	22,520	799	2,174
Ambulance Cover Membership	-	1	-	-
Residential aged care bonds	83,285	80,695	-	-
Accommodation and lease incentive*	276	715	276	715
Other	1,820	4,103	-	1
<b>Total current contract liabilities and other liabilities</b>	<b>114,719</b>	<b>109,631</b>	<b>2,111</b>	<b>2,890</b>
Non-current				
Accommodation and lease incentive*	96	302	96	302
Other	-	743	-	-
<b>Total non-current contract liabilities and other liabilities</b>	<b>96</b>	<b>1,045</b>	<b>96</b>	<b>302</b>
<b>Total contract liabilities and other liabilities</b>	<b>114,815</b>	<b>110,676</b>	<b>2,207</b>	<b>3,192</b>

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

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

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obligations from these existing contracts (deferred service income) will be satisfied during the next reporting period and accordingly all amounts will be recognised as revenue.

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

**28. Cash flow reconciliation**

**Reconciliation of cash and cash equivalents at the end of the reporting period**

	Consolidated		Parent	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	1,172,207	1,069,611	791,294	769,206
<b>Cash as per Statement of Financial Position</b>	<b>1,172,207</b>	<b>1,069,611</b>	<b>791,294</b>	<b>769,206</b>
<b>Balance as per Statement of Cash Flows</b>	<b>1,172,207</b>	<b>1,069,611</b>	<b>791,294</b>	<b>769,206</b>

**Reconciliation of net cash provided by operating activities to net cost of providing services:**

Net cash provided by (used in) operating activities	439,500	505,867	21,164	146,156
<b>Add/less non-cash items</b>				
Asset donated free of charge	(4,550)	-	(8,656)	-
Capitalised interest expense on finance lease	(10,692)	(12,040)	-	-
Depreciation and amortisation expense of non-current assets	(307,964)	(317,461)	(11,285)	(16,585)
Gain/(loss) on sale or disposal of non-current assets	1,767	(2,539)	2,023	(6)
Gain/(loss) on valuation of defined benefits	(46,744)	(15,124)	-	-
Increments/(decrements) on revaluation of non-current assets	-	1,488	-	-
Interest credited directly to investments	274	712	-	-
Net effect of the adoption of new Accounting Standard	-	41,252	-	-
Resources received free of charge	2,677	193	5,934	-
Revaluation of investments	203	3,963	-	-
Transfer of Lot14 Carpark Lease to Renewal SA	-	(7,124)	-	-
Prior year error – SAAS	(3,862)	(5,983)	-	-
Administrative restructure	-	(5,911)	-	-

**Movement in assets and liabilities**

Increase/(decrease) in contract assets	12,386	(12,417)	-	-
Increase/(decrease) in receivables	111,445	(48,546)	93,245	(42,952)
Increase/(decrease) in inventories	53,954	17,793	54,863	11,993
Increase/(decrease) in other current assets	4	402	-	-
(Increase)/decrease in employee benefits	42,742	(94,097)	(5,009)	(3,607)
(Increase)/decrease in payables and provisions	(87,165)	(16,105)	(46,273)	(37,769)
(Increase)/decrease in other liabilities	(4,139)	(12,923)	985	(1,618)
<b>Net result</b>	<b>199,836</b>	<b>21,400</b>	<b>106,991</b>	<b>55,612</b>

Total cash outflows for leases is \$209.417 million (\$236.716 million) for the consolidated entity, and \$7.454 million (\$5.013 million) for the Department.

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## 29. Unrecognised contractual commitments

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

### 29.1 Capital and Expenditure Commitments

#### 29.1.1 Capital commitments

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Within one year	5,885	12,191	619	4,123
<b>Total capital commitments</b>	<b>5,885</b>	<b>12,191</b>	<b>619</b>	<b>4,123</b>

The Consolidated Entity's capital commitments are for plant and equipment ordered but not received and capital works. Capital commitments for major infrastructure works are recognised in the Department for Infrastructure and Transport financial statements.

#### 29.1.2 Expenditure commitments

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Within one year	375,419	359,586	113,390	108,161
Later than one year but not longer than five years	575,712	569,689	34,359	30,696
Later than five years	2,272,344	2,371,363	3,394	11,420
<b>Total other expenditure commitments</b>	<b>3,223,475</b>	<b>3,300,638</b>	<b>151,143</b>	<b>150,277</b>
Less contingent rentals	(1,149,239)	(1,164,994)	-	-
<b>Net other expenditure commitments</b>	<b>2,074,236</b>	<b>2,135,644</b>	<b>151,143</b>	<b>150,277</b>

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

Included in other expenditure commitments above is \$2,685.075 million (\$2,783.444 million), including contingent rentals, which relates directly to the PPP operations and maintenance commitments.

The Consolidated Entity also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements. The value of these commitments as at 30 June 2021 has not been quantified.

#### 29.2 Expected rental income from lessor arrangements

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Within one year	82	494	-	-
Later than one year but not longer than five years	-	81	-	-
Later than five years	-	-	-	-
<b>Total expected rental income from lessor arrangements</b>	<b>82</b>	<b>575</b>	<b>-</b>	<b>-</b>

Refer note 19.9 for information about property the Consolidated Entity leases out to external parties. The table above sets out a maturity analysis of operating lease payments receivable, showing undiscounted lease payments to be received after the reporting date. These amounts are not recognised as assets.

## 30. Trust funds

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Carry amount at the beginning of period	655	476	-	-
Client trust receipts	1,645	1,718	-	-
Client trust payments	1,660	1,539	-	-
<b>Carrying amount at the end of the period</b>	<b>640</b>	<b>655</b>	<b>-</b>	<b>-</b>

### 31. Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed within this note and, if quantifiable are measured at nominal value.

#### 31.1 Contingent assets

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

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

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

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

#### 31.2 Contingent liabilities

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

The current Enterprise Bargaining agreement for SA Ambulance paramedics 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.

#### 31.3 Guarantees

The Consolidated Entity has made no guarantees.

### 32. Events after balance date

Mount Gambier Private Hospital Incorporated (MGPH) entered into a Voluntary Administration process on 16th of July 2021, managed by Meertens Chartered Accounts. Circular to creditors and notice of meeting was received on 20th July 2021, with the first meeting of creditors held on Wednesday 28th of July 2021. Outstanding invoices from the Limestone Coast Local Health Network to MGPH relating to the period up to 15th of July 2021 totalled \$885,851.86, consisting of May charges of \$350,978.04, June charges of \$361,867.33 and charges for 1st to 15th of July of \$173,006.49. Effective from 16th of July, services will be charged to the appointed administrator, with the first invoice for the charges relating to the period 16th to 31st of July being for \$184,540.26. All amounts listed are inclusive of GST. The second creditor meeting was held on Monday 9th of August 2021, with the creditors resolving that the MGPH execute a proposed Deed of Association Arrangement (DOAA). The Mount Gambier Private Hospital Board have advised they intend to cease trading as an entity on 20th of August 2021.

### 33. Impact of Standards not yet implemented

The Consolidated Entity 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 Standards AASB 2014-10/AASB 2015-10/AASB 2017-5/2020-3 and AASB 2021-2 will apply from 1 July 2022 and 1 July 2023 respectively. Although applicable to the Consolidated Entity, these amending standards are not expected to have an impact on the Consolidated Entity's general purpose financial statements. SA Health will update its policies, procedures and work instructions, where required, to reflect the additional clarification requirements.

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- Amending standard AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current* will apply from 1 July 2023. The Consolidated Entity continues to assess liabilities eg LSL and whether or not the Consolidated Entity has a substantive right to defer settlement. Where applicable these liabilities will be classified as current.

### 34. Financial instruments/financial risk management

#### 34.1 Financial risk management

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

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

##### Liquidity risk

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

Refer to notes 1.4, 23 and 24 for further information.

##### Credit risk

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

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

##### Market risk

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

#### 34.2 Categorisation of financial instruments

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

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

A financial asset is measured at amortised cost if:

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

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Category of financial asset and financial liability*	Notes	Consolidated		Parent	
		2021 Carrying amount/ Fair value \$'000	2020 Carrying amount/ Fair value \$'000	2021 Carrying amount/ Fair value \$'000	2020 Carrying amount/ Fair value \$'000
<b>Financial assets</b>					
Cash and equivalent					
Cash and cash equivalents	14, 28	1,172,207	1,069,611	791,294	769,206
Amortised Cost					
Receivables <sup>(1)(2)</sup>	15	397,158	295,269	226,194	141,847
Other financial assets	16	108,061	105,810	-	-
Fair value through statement of comprehensive income					
Other financial assets	16	1,568	1,248	-	-
Fair value through profit and loss					
Other financial assets	16	7,295	10,714	-	-
<b>Total financial assets</b>		<b>1,686,289</b>	<b>1,482,652</b>	<b>1,017,488</b>	<b>911,053</b>
<b>Financial liabilities</b>					
Financial liabilities at amortised cost					
Payables <sup>(1)</sup>	23	357,196	325,928	234,410	198,527
Lease liabilities	24, 29	2,825,864	2,873,057	20,023	879
Other financial liabilities	27	85,534	86,558	372	1,018
<b>Total financial liabilities</b>		<b>3,268,594</b>	<b>3,285,543</b>	<b>254,805</b>	<b>200,424</b>

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

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

### 34.3 Credit risk exposure and impairment of financial assets

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

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

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

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

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

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



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CONSOLIDATED	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	0.1 – 100.0%	52,984	6,216	0.1 – 21.1%	32,816	6,474
<30 days	0.2 – 26.1%	20,698	1,195	0.2 – 24.2%	16,664	1,200
31-60 days	0.4 – 45.2%	10,033	1,124	0.5 – 43.1%	8,879	1,523
61-90 days	0.6 – 57.3%	7,745	1,366	0.7 – 55.1%	7,138	1,653
91-120 days	0.9 – 63.3%	7,893	1,486	1.0 – 61.6%	5,430	1,670
121-180 days	1.5 – 67.7%	7,655	1,468	1.7 – 66.5%	5,230	1,662
181-360 days	2.5 – 100.0%	22,235	10,664	2.6 – 72.1%	21,252	11,711
361-540 days	4.6 – 100.0%	6,646	4,818	4.6 – 92.9%	6,396	4,079
>540 days	5.3 – 100.0%	10,188	7,330	5.3 – 100.0%	8,855	5,614
<b>Total</b>		<b>146,077</b>	<b>35,667</b>		<b>112,660</b>	<b>35,586</b>

PARENT	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	0.1%	7,426	7	0.1%	1,634	1
<30 days	0.2%	2,906	5	0.1%	297	-
31-60 days	0.5%	1,736	9	0.4%	171	1
61-90 days	0.9%	2,190	21	0.8%	98	1
91-120 days	2.1%	2,087	45	2.5%	6	-
121-180 days	3.2%	2,086	66	2.6%	12	-
181-360 days	4.4%	3,200	140	2.7%	35	1
361-540 days	24.4%	143	35	22.7%	5	1
>540 days	29.5%	86	25	27.8%	205	57
<b>Total</b>		<b>21,860</b>	<b>353</b>		<b>2,463</b>	<b>62</b>

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### 35. Budget performance

The budget performance table compares the departments outcomes against budget information presented to Parliament in the original budget financial statements (2020-21 Budget Paper 4). The budget amounts have not been adjusted to reflect revised budgets or administrative restructures. The budget process is not subject to audit.

Consolidated	Original Budget	Actual	Variance
	2021	2021	
	\$'000	\$'000	\$'000
<b>Statement of Comprehensive Income</b>			
<b>Income</b>			
Revenues from SA Government	5,539,686	4,553,938	985,748
Fees and charges	754,511	771,242	(16,731)
Grants and contributions	2,051,256	2,115,132	(63,876)
Interest	5,482	1,135	4,347
Net gain from disposal of non-current assets and other assets	554	-	554
Resources received free of charge	74,268	78,277	(4,009)
Net gain/(loss) from disposal of non-current and other assets	-	1,767	(1,767)
Other revenues/income	27,600	29,949	(2,349)
<b>Total Income</b>	<b>8,453,357</b>	<b>7,551,440</b>	<b>901,917</b>
<b>Expenses</b>			
Staff benefits expenses	4,237,640	4,394,298	156,658
Supplies and services	2,315,938	2,332,034	16,096
Depreciation and amortisation	305,686	307,964	2,278
Grants and subsidies	116,700	115,985	(715)
Borrowing costs	128,514	121,297	(7,217)
Impairment loss on receivables	8,402	5,752	(2,650)
Other expenses	51,921	74,274	22,353
<b>Total Expenses</b>	<b>7,164,801</b>	<b>7,351,604</b>	<b>186,803</b>
<b>Net result</b>	<b>1,288,556</b>	<b>199,836</b>	<b>1,088,720</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment asset revaluation surplus	-	(7,431)	(7,431)
<b>Items that will be reclassified subsequently to net result when specific conditions are met</b>			
Gains/(losses) recognised directly in equity	-	47,060	47,060
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>39,629</b>	<b>39,629</b>
<b>Total Comprehensive Result</b>	<b>(a) 1,288,556</b>	<b>239,465</b>	<b>(1,049,091)</b>

(a) The variance between the actual and budgeted net financial result is \$1,088.720 million. This result is mainly due to:

\$901.917 million unfavourable variance in income mainly due to:

- An adjustment to State Government revenue related to financing arrangements of \$1 billion;

\$186.803 million unfavourable variance in expenditure. These variances have been incurred across a large range of areas and hence are not separately disclosed in this note due to the quantum and breadth of areas involved, and relate to the increased costs of providing hospital services including;

- The roll out of the COVID-19 Vaccination program; and
- Increased funding for COVID-19 response.

	Original Budget	Actual	Variance
	2021	2021	
	\$'000	\$'000	\$'000
<b>Investing expenditure summary</b>			
Total new projects	35,105	29,367	5,738
Total existing projects	261,516	167,866	93,650
Total annual programs	62,526	64,509	(1,983)
Total Leases	19,241	30,951	(11,710)
<b>Total investing expenditure</b>	<b>(b) 378,388</b>	<b>292,693</b>	<b>85,695</b>

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- (b) The favourable variance of \$85.695 million between original budget and actual amounts for investing expenditure mainly relates to reprofiling of projects into future years spend (spend patterns) due to delays in completing projects or changes in the delivery approach.

**New Projects**

The favourable variance of \$5.738 million between original budget and actuals is mainly relates to underspend in:

- New Women's and Children Hospital capital has an underspend of \$6.600m due to the delayed in completion of the concept design for the main works; offsets by
- Additional COVID-19 Equipment being purchased across SA Health to assist with the COVID-19 responses.

**Existing Projects**

The favourable variance of \$93.650 million between original budget and actuals is mainly relates to reprofiling of projects into future years and underspend.

Specific projects that have contributed to the variance include: Electronic Medical Records System of \$38.200 million; Repatriation Health Precinct Reactivation of \$16.700 million; Lyell McEwin Hospital Emergency Department Expansion of \$11.400 million; Country Health SA Sustainment and Compliance of \$9.500 million; Strathalbyn Aged Care of \$7.800 million and Enterprise Cancer Prescribing System of \$3.800 million, The Queen Elizabeth Hospital Redevelopment Stage 3 of \$2.517 million; SA Pathology consolidation into Frome Rd of \$2.450 million and Upgrade to existing Women's and Children's Hospital of \$2.000 million.

**Leases**

The unfavourable variance of \$11.710 million between original budget and actuals mainly relates to the Gepps Cross Distribution Centre not included in the original budget offset by the Lyell McEwin car park lease.

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

The Consolidated Entity is controlled by the SA Government.

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

Significant transactions with the SA Government are identifiable throughout this financial report. The Consolidated Entity received funding from the SA Government (note 2), and incurred significant expenditure with the Department of Infrastructure and Transport (DIT) for capital works of \$162.497 million (\$97.633 million) occupancy rent and rates of \$16.871 million (\$16.222 million) and property repairs and maintenance of \$22.147 million (\$38.513 million) (note 9). As at 30 June the outstanding balance payable to DIT was \$31.283 million (\$31.657 million) (note 23) and the value of unrecognised contractual expenditure commitments for accommodation with DIT was \$66.021 million (\$74.773 million) (note 29).

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

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

**37. Interests in other entities**

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

**Controlled Entities**

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

Regional LHNs has effective control over, and a 100% interest in, the net assets of the HACs. The HACs were established as a consequence of the *Health Care Act 2008* being enacted and certain assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in them with the remainder being vested in Regional SA Local Health Network Incorporated.

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

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

The above assets, rights and liabilities of the former Hospitals whose HAC elected not to be incorporated were vested in the Country Health SA Board Health Advisory Council Inc. A proclamation on 27 June 2019 advised from 1 July 2019 Country Health SA Board Health Advisory Council Inc will be renamed to Country Health Gift Fund Health Advisory Council Inc.

The HACs have no powers to direct or make decisions with respect to the management and administration of Regional SA Local Health Network.

**Joint arrangements**

**The Consolidated Entity participates in the following joint operations:**

Name of arrangement	Nature of the arrangement	Principal activity	Location	Interest
Centre for Cancer Biology Alliance	Agreement between the University of South Australia and Central Adelaide Local Health Network Incorporated	Undertake health and medical research in South Australia as an integrated clinical, educational and research activity, with a focus on cancer research.	Adelaide SA	50%

**The Consolidated Entity participates in the following joint venture:**

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

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

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

Based on the audited financial statements as at 30 June 2020, Flinders Fertility incurred a profit and the draft financial statements as at the year ended 30 June 2021 project a profit. The profit as at 30 June 2020 and projected profit for 30 June 2021 have not been distributed to the beneficiaries.

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

	<b>2021</b>	<b>2020</b>
Percentage ownership interest	50 %	50 %
	<b>\$'000</b>	<b>\$'000</b>
Current assets	2,316	1,696
Current liabilities	(2,071)	(1,814)
Non-current assets	2,512	2,730
Non-current liabilities	(5,834)	(6,260)
<b>Net assets</b>	<b>(3,077)</b>	<b>(3,648)</b>
Share of beneficial entitlement	2,601	2,601
<b>Carrying amount of interest in joint venture</b>	<b>2,601</b>	<b>2,601</b>
Expenses	(6,075)	(5,059)
Revenue	6,649	5,164
<b>Profit/(loss) and total comprehensive income</b>	<b>574</b>	<b>105</b>
<b>Entity's share of profit/(loss) and total comprehensive income (50%)</b>	<b>287</b>	<b>52</b>

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**Structured entities**

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

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

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**38. Board and committee members**

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

Board/committee name:	Government employee members	Other members
Barossa Hills Fleurieu Local Health Network - Country Health Gift Fund Health Advisory Council Inc	-	Fuller J, Healy R, Mackay M, McArthur A.
Barossa Hills Fleurieu Local Health Network - Governing Board	1	Blackwell P, Curran J , Fuller J (appointed 12/10/2020), Gaston C (Chair) , Russell G (appointed 12/10/2020), Sexton R.
Barossa Hills Fleurieu Local Health Network - Risk Management and Audit Committee	1	Powell, D (Chair)
Central Adelaide Local Health Network - Allied Health Directorate Clinical Governance Committee	15	Hopprich R (appointed 11/08/2020 and resigned 13/10/2020) and Verrall A (appointed 08/12/2020)
Central Adelaide Local Health Network - AusHealth Corporate Pty Ltd	2	Baccanti M (resigned 07/05/2021), Bechta-Metti K (appointed 14/05/2021), Flynn P (resigned 17/06/2021), Hinton A (resigned 07/05/2021), Johansen G and Livesey S Dr (Appointed 13/05/2021)
Central Adelaide Local Health Network - Best Practice Spotlight Organisation Steering Committee	22	Chester M, Williams N
Central Adelaide Local Health Network - BreastScreen SA State Quality Committee	6	Eaton M Dr, Kerrins E and Roder D Prof
Central Adelaide Local Health Network - Care and Management of Aboriginal Remains Task Force (commenced 21/01/2021)	9	Wanganeen F (appointed 21/01/2021)
Central Adelaide Local Health Network - Central and Northern Renal and Transplantation Service Safety and Quality Committee	10	Baxter A (appointed 11/09/2020) and Meyers D (appointed 11/09/2020)
Central Adelaide Local Health Network - Central and Northern Renal and Transplantation Service Transplant Management Committee	30	Eckert P (appointed 25/09/2020)
Central Adelaide Local Health Network - Clinical Ethics Committee	17	Brown A Prof (Chair, resigned 21/07/2020), Costello D Dr (appointed 10/11/2020) Digance A, Lambert A and Merlin T Prof
Central Adelaide Local Health Network - Complex Behaviour Committee	24	Chester M

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<b>Board/committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Central Adelaide Local Health Network - Consumer Carer Advisory Group	5	Bickley B, Burns T, Eckermann C (resigned 15/07/2020), Horgan J, Law D, Lucas G, Meegan J, Reid L (resigned 15/07/2020), Smith J and Verrall A (Chair, resigned 05/03/2021)
Central Adelaide Local Health Network - Executive Quality Governance Committee	39	Fyfe D
Central Adelaide Local Health Network - General Medicine Safety and Quality Committee	30	Cardinali R (appointed 10/11/2020)
Central Adelaide Local Health Network - Geriatric Safety and Quality Committee	37	Curry M (appointed 21/07/2020)
Central Adelaide Local Health Network - Governing Board	-	Beilby J Prof, Cockram A Dr, Dwyer J Prof, Morey K, Reid M, Spencer R (Chair) and Yuile J
Central Adelaide Local Health Network - Heart and Lung Safety and Quality Committee	16	McWhinnie S
Central Adelaide Local Health Network - Human Research Ethics Committee	12	Air T, Bonython J, Crabb A, Crockett J, Cullen J, Dale L, Digance A, Fisher A, Gentili S (appointed 26/11/2020 and resigned 12/02/2021), Greenberg Z, Hackett J, Iankov I (resigned 16/07/2020), Lee J Dr (resigned 30/07/2020), L Lu, Need A A/Prof, Newsham P, Parry C, Partridge G, Phillips C, Raschella F, Ruediger C and Slater H
Central Adelaide Local Health Network - Learning from Dying Committee	21	Anderson R (appointed 22/07/2020)
Central Adelaide Local Health Network - Neuroscience & Rehabilitation Clinical Practice and Quality Committee	11	Gregory L (appointed 05/11/2020 and resigned 18/02/2021)
Central Adelaide Local Health Network - Priority Care Committee: Communicating for Safety	38	Curry M (appointed 23/06/2021) and Raschella F (appointed 06/08/2020)
Central Adelaide Local Health Network - Priority Care Committee: Comprehensive Care	57	Anderson R (appointed 22/06/2021), Bickley B, Curry M (appointed 22/06/2021), Klemm G (appointed 18/06/2021), Marshall J (resigned 11/02/2021) and Messing L (appointed 24/06/2021)
Central Adelaide Local Health Network - Priority Care Committee: Managing Deterioration	25	Price J and Raschella F
Central Adelaide Local Health Network - Priority Care Committee: Medication Safety (ceased 18/01/2021)	20	Raschella F

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<b>Board/committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Central Adelaide Local Health Network - Priority Care Committee: Standard 2 Consumer Partnering	36	Leske C (appointed 24/07/2020 and resigned 03/12/2020)
Central Adelaide Local Health Network - SA Brain Injury Rehabilitation Service Consumer Advisory Group	3	Dunn K, Miller L, Francese L, Morgan T (Chair) and Regan-Coe F (resigned 11/02/2021)
Central Adelaide Local Health Network - SA Dental Services Consumer Advisory Panel	4	Ali H, Brown M, Costa D Dr, Ireland K, Kerekes E, Matiasz S Dr, McMahon J, Millier P, Sutherland R, Whiteway L and Zerna J
Central Adelaide Local Health Network - SA Pathology Clinical Safety and Quality Committee	12	Christenson C (resigned 01/11/2020)
Central Adelaide Local Health Network - Statewide Clinical Support Services Committee	6	Beilby J Prof, Cockram A Dr, Haslam R, Smith M and Spencer R (Chair)
Central Adelaide Local Health Network - Statewide Clinical Support Services Risk Management & Audit Committee	1	Christley S Dr and Davies T (Chair)
Central Adelaide Local Health Network - Statewide Clinical Support Services Safety and Quality Committee	7	Leske C
Central Adelaide Local Health Network - Stroke Community of Practice Strategic Executive Committee (commenced 07/07/2020)	33	Chamberlain S (appointed 07/07/2020) and McGrath A (appointed 07/07/2020)
Central Adelaide Local Health Network - Youth Cancer Advisory Group	2	Armstrong N, Binns T, Edwards S, Fowler N, Hammerling S, Ieremia T, Merton T, Mitra D, Smith O, Spangenberg C, Tyson H (appointed 21/02/2021) and Zappia D (appointed 28/02/2021)
Department for Health and Wellbeing - Centre for Disability Health Project Board	3	Stagg D, Luks M Dr, Crowther F, Hochuli J, Forward J, Prowse L, Pugh L, Koch M, Crotty M Prof, Woon S, Horne S, Kroon T
Department for Health and Wellbeing - Consumer Feedback and Complaints Management Program Board	11	Overton J, Willis A, Brunton M, Cadzow M, Corena M, Lockett A
Department for Health and Wellbeing - Controlled Substances Advisory Council	11	Ng D, Reynolds C Dr, Nicholls J Dr, Reeve M Dr, Smith J, Gillett-Ferguson J, Banner L, White J Prof, Johns R



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<b>Board/committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Department for Health and Wellbeing - Electronic Medical Record (EMR) Project Board	10	Solomon S (chair)
Department for Health and Wellbeing - Health Performance Council	1	Rowse B, Tyson D, Roder D, Landy E, Fraser-Barbour E, Greenhill J, Searle J, Martin K, Pulver L, Hensher M, Patetsos M, Mohammad A, Callaghan R, Duckett S, Tully S (Chair), Lehmann T
Department for Health and Wellbeing - Hepatitis C Action Plan Implementation Group (HAPI-C)	12	Hickey T, Landers D, Oudih E
Department for Health and Wellbeing - Human Research Ethics Committee	10	Hewitt A, Holton C, Bradley C, Roder D, Rositano S Dr, Carter D, Buckley E, Stephens J, Elliott J, Grant J, McIlwaine J, Needs K, Jones M, Rundle N, Palmer L Prof, Goodsite M Prof, Braunacker-Mayer Prof(Chair), Najjar R, Glavacich R, Kennedy R, Berg S, Ross-Taylor S, Gibson T
Department for Health and Wellbeing - Learning and Development Steering Committee	1	Aboutstate 34
Department for Health and Wellbeing - Lived Experience Advisory Group	4	Locket A, Hofhuis C, O'Loughlin E, Khateeb H, Burtnik L, English L(Co-chair), Ahmed U
Department for Health and Wellbeing - Lived Experience Reference Group (Endorsed 16 January 2020)	2	Hassani A, Hofhuis C, Hunt D, Khateeb H, Burtnik L, Hunter T, Camilleri C Dr, English L(Co-chair), McMahon J (Co-chair), Hill J, Lawn S, Mason P, Brown J, Smith A
Department for Health and Wellbeing - Maternal and Perinatal - Perinatal Mortality Subcommittee)	13	Brown A Dr, Goold J Dr, McKendrick L Dr
Department for Health and Wellbeing - Maternal and Perinatal (Education Subcommittee)	3	Wiltshire A Dr, Wheatley B Dr, Wanguhu K Dr, Bradbury T Dr, Oehler M, Parker-Gray M
Department for Health and Wellbeing - Maternal and Perinatal Mortality - Maternal Mortality Subcommittee	10	Crompton M Dr
Department for Health and Wellbeing – Maternal and Perinatal Mortality Committee	11	Crompton M Dr
Department for Health and Wellbeing – Mental Health and Emergency Services MOU	4	Khateeb H, English L
Department for Health and Wellbeing – Mental Health Leadership Group	2	English L

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Department for Health and Wellbeing - NDIS Psychosocial Disability Transition Task Force	17	Hofhuis C, Lee D, Callahan D, Strapp E, Harris G, Naughtin G, Meegan J, Cuthbert J, Hosking K, Burtnik L, Leggett M, Corcoran M, Creedon P, Sutton S, Arlidge S, Spencer V, Nowak Z
Department for Health and Wellbeing – Palliative Care Services Plan Project Board	14	Holden D Dr, Militz D, Mussared J, Rosa R, Shute R Dr, Schutz S Dr (All Appointed 28/09/2020)
Department for Health and Wellbeing - Prescribed Psychiatric Treatment Panel	2	Camilleri C Dr, Coyne T Dr, Paterson T Dr, Richards B A/Prof, Simpson T, Smith J
Department for Health and Wellbeing – Psychotropic Drugs Committee	15	Hume C (appointed 27/5/20), Suppiah V (appointed 27/5/20), Brown J (appointed 19/2/20)
Department for Health and Wellbeing - Risk Management and Audit Committee	1	Dunsford C (Chair), Marshall V Prof, Stubbs T Dr, Deegan V
Department for Health and Wellbeing - SA Health Cancer Drug Committee	26	VanGorp K, Durand M
Department for Health and Wellbeing - SA Health Disease Prevention, Health Promotion and Population Health Committee	5	Smith A, Miller B, Blanckensee D, Roy C Dr, Byrne D Dr, Johnson D Dr, Becker H Dr, Woodall J Dr, Hayward K Dr, Beckoff M Dr, Lewis S Dr, Young E, Lehmann J, Johns R
Department for Health and Wellbeing - SA Partnering with Consumer and the Community Advisory Group	15	Fyfe D, McArdle D, Lampard F, Agius H, Hoiles J, Walford L, Chester M, Blackwell P, Tully S, Ball T
Department for Health and Wellbeing - SA Policy Advisory Committee on Technology	16	-
Department for Health and Wellbeing – Secure Message Delivery Project Board	2	Byrne D Dr, Frank O Dr, Fante P Dr, Joyner P Dr, Black-Tiong S Dr, Lockwood S Dr
Department for Health and Wellbeing - South Australia Health Outpatient Redesign	21	Whiteway L
Department for Health and Wellbeing - South Australian Formulary Committee	20	Whiteway L, Moss J (Appointed 12/12/2020)
Department for Health and Wellbeing - South Australian Medical Education and Training Health Advisory Council	24	Beckoff M Dr, Boumelha P E/Prof, Chen M, Craig J Prof, Kuruppu P Dr, Frost L M, McManis S

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<b>Board/committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Department for Health and Wellbeing - South Australian Medical Education and Training Health Advisory Council Accreditation Committee	11	Boumelha P E/Prof. (chair), Kuruppu P Dr, Need P Dr, Hillen J Dr (appointed 1/10/20), Oo E Dr (re-appointed 1/21)
Department for Health and Wellbeing - South Australian Medicines Advisory Committee	24	Kardachi G, Stocks N Prof, Wiley J, Whiteway L (appointed 27/5/21)
Department for Health and Wellbeing - South Australian Medicines Evaluation Panel	14	Mussared A, Louise J Dr, Ward M Dr, Merlin T Prof,
Department for Health and Wellbeing - South Australian Public Health Council	4	Hill A, Milazzo A Dr, Kessel A, Skene C, Mavrinac G, Lynch I, Whittington S
Department for Health and Wellbeing - Statewide Gender Diversity Model of Care Project	13	Russo J, Cannell Z, (appointed 1/2/21)
Department for Health and Wellbeing – Statewide Patient Flow Committee	17	Page A
Department for Health and Wellbeing - STI and HIV Subcommittee	9	Miliotis N (Chair), Morrison K, Betts S, Carroll C, Gollin M, Leane K, Williams E, Oudih E, Rafique M, Rutland A, Bartlett S, Hutt T, Tsephe A
Department for Health and Wellbeing - Strategic Mental Health Quality	11	Keys D (Appointed 13/02/2020), Camilleri C Dr, Brown J, Hofhuis C
Department for Health and Wellbeing - Towards Zero Suicide Project Committee	10	Kuys J, Braund S
Department for Health and Wellbeing - Trauma Informed Practice Working Group	2	Hofhuis C (Appointed 26/08/2020)
Department for Health and Wellbeing - Viral Hepatitis Model of Care Reference Group	28	Larkin M, Oliver-Landry E Dr, Oudih E, Paterson K, Warneke-Arnold D, Williams E and Wurm C Dr
Eyre and Far North Local Health - Clinical Governance Committee	-	Mills D Dr, Siviour J, Blacker P
Eyre and Far North Local Health - Finance and Performance Committee	-	Dunchue L (Chair), Quigley G, Sweet C

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Eyre and Far North Local Health - Network Governing Board	-	Smith M (Chair), Dunchue L, Green B, Mills D Dr, Siviour J, Sweet C
Eyre and Far North Local Health Network - Audit and Risk Management Committee	-	van Der Wel O, Green B, Sweet C
Flinders and Upper North Local Health Network Consumer and Community Engagement Committee	-	Plew S (Chair), Misan G (proxy), Screen A, Shute J, Walters C
Flinders and Upper North Local Health Network Governing Board	-	Whitfield M (Chair), Brady G, Francis B (resigned 7 May 2021), Graham S, Lynch J, Malone G, Reid K
Flinders and Upper North Local Health Network Risk Management and Audit Committee	-	van der Wel O (Chair)
Limestone Coast Local Health Network - Audit and Risk Management Committee	-	Kortum D (appointed 27/07/2020)
Limestone Coast Local Health Network - Governing Board	-	King G (Chair), Brown G, Cook L, Irving J, Johnson A, Saies A
Northern Adelaide Local Health Network and Department of Health and Wellbeing Aboriginal Consumer Reference Group	-	Wanganeen K (Chair), Chisholm K, Forbes A, Lamont J (appointed 1/2/2021), O'Brien M (appointed 1/3/2021), Sinclair N, Stengle A, Thyer C (resigned 1/6/2021), Tonkin R (deceased), Varcoe E (appointed 1/11/2020), Wanganeen E, Weetra R
Northern Adelaide Local Health Network Consumer Advisory Board	-	White A (Chair), Dahal K (appointed 3/2/2021), Davies I (resigned 3/2/2021), Green L (resigned 8/5/2021), Lowden H (resigned 30/9/2020), Mossop J, Patching A (resigned 29/9/2020), Putsey P, Reynolds N (resigned 29/9/2020), Spargo J (appointed 3/2/2021), Whatley G (resigned 8/5/2021)
Northern Adelaide Local Health Network Governing Board	1	Blight R (Chair), Burgess A, Forwood M, Lampard F, Moore R (resigned 30/6/2021), Patetsos M, Roesler C
Northern Adelaide Local Health Network Risk Management & Audit Committee	-	Connor G (Chair), Forwood M, Moore R (resigned 30/6/2021), Patetsos M
Riverland Mallee Coorong Local Health Network - Governing Board	-	Joyner P (Chair), Ashworth E, Goldsmith C, Mohor S, Ottaway M, Toogood F.
Riverland Mallee Coorong Local Health Network - Risk and Audit Committee	-	Brass P (Chair)

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SA Ambulance Service Inc - Adverse Events Committee	3	Cadzow M, Davies G, Hibbert P, Whiteway L
SA Ambulance Service Inc - Assurance and Risk Committee	10	Beilby J Professor, Thompson K (Chair) (appointed 1 October 2020)
SA Ambulance Service Inc - 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).
SA Ambulance Service Inc - 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).
SA Ambulance Service Inc - Finance Committee	5	Ashley I
SA Ambulance Service Inc - Service Delivery Committee	31	Meegan J (appointed 6 January 2021)
Southern Adelaide Local Health Network - Audit and Risk Sub Committee (Sub Committee of the Governing Board)	-	Hickey V (Chair), Noble J, Stevens R
Southern Adelaide Local Health Network - Clinical Council	48	Dame T, Duong M, Voss D
Southern Adelaide Local Health Network - Clinical Governance (Sub-Committee of the Governing Board)	-	Richter J (Chair), Baggoley C (appointed 20 November 2020), Eckert M (appointed 6 August 2020), Mackean T, Voss D
Southern Adelaide Local Health Network - Community Engagement (Sub-Committee of the Governing Board)	-	Mitchell J (Chair), Butcher M, King P, Mackean T, Voss D (appointed 27 April 2021)
Southern Adelaide Local Health Network - DASSA Clinical Executive Committee	7	Braund S (appointed 27 August 2020), Moore P
Southern Adelaide Local Health Network - DASSA Community Advisory Council	3	Braund S (Chair), Byron A, Cauchi R, Cornish M, Crisp T, Davis J, Daw H, Les D, Mclean J, Moore P, Newrick K, Nimmo E, O'Brien J, Percy S, Petracco C, Randle M, Retz A, Tran K, Whiteway L

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<b>Board/committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Southern Adelaide Local Health Network - DASSA Drug and Therapeutics Committee (Sub Committee of the DASSA Clinical Executive Committee)	9	Derbyshire C, Randle M (appointed 28 June 2021)
Southern Adelaide Local Health Network - DASSA Executive Group	9	O'Brien J
Southern Adelaide Local Health Network - Drugs and Therapeutics Committee	33	Barrington D
Southern Adelaide Local Health Network - Governing Board	-	Butcher M (Chair), Baggoley C (resigned 12 November 2020), Hickey V, Mackean T, Mitchell J, Noble J, Richter J
Southern Adelaide Local Health Network - Marion Lived Experience Group Mental Health Services	5	Hofhuis C (Chair), Brooke B (appointed 12 November 2020), English L, Martini J (ceased 1 January 2021), Police D, Clarissa (resigned 1 January 2021)
Southern Adelaide Local Health Network - Mental Health Consumer and Carer Advisory Group	10	Aldahn V (ceased 7 October 2020), Braund S, Buer S, Clarke W, Corena M, Harrison J, Hofhuis C, Hopkins R, King P
Southern Adelaide Local Health Network - Mental Health Services Noarlunga Lived Experience Group	3	Buer S (Chair), Aldham V (ceased 7 October 2020), Cairns E, Elliott C (appointed 1 November 2020), Hopkins R, Hutchison S, Johns S, Penberthy V, Smith K (appointed 1 August 2020)
Southern Adelaide Local Health Network - Older Persons Lived Experience Group Mental Health Services	5	Clark W (Chair), Cook K, Eckert N, Henrichs B, James S, Lillecrapp D, McPherson H, Schettters J, Whitmore A
Southern Adelaide Local Health Network - Partnering with Consumer Advisory Group	14	King P (Co Chair), Ball R, Christensen C (ceased 31 December 2020), Dame T, Davies S (ceased 31 December 2020), Duke J, Hofhius C (appointed 1 January 2021), Hoiles J, Holtham R (appointed 25 February 2021), Klinge N, Oudih E, Pascoe P, Rankine J, Reece S (resigned 18 February 2021, Roberts D, Voss D
Southern Adelaide Local Health Network - Southern Adelaide Clinical Human Research Ethics Committee	24	Jenski L (Deputy Chair), Lange B (Deputy Chair), Arnold G, Barr C (ceased 2 June 2021), Berg M, Cahalan P (appointed 28 August 2020), Du H, Dykes L, Hackett J (ceased 3 July 2020), Haines C, Holtham R, Ingleson V, Kemp C (ceased 20 October 2020), Lister C, Lower K, McEvoy M, Miliotis B, Mudd A, Nguyen A, Sharma S, Shephard S (appointed 11 March 2021), Souzeau E, Spencer M, Trethewey C, Trethewey Y, Treloar H (appointed 28 August 2020), Van Lueven J (appointed 8 June 2021), Velayudham P (appointed 8 June 2021), Voss D (ceased 23 October 2020), Were L, Westwood T, Yip L, Zhou Y
Women's and Children's Health Network - Audit and Risk Committee	-	Connor G (Chair), Daw S, Haslam R

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<b>Board/committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Women's and Children's Health Network - Clinical Governance Group	-	Daw S (Chair), Cadzow M, Christley S, Glover K, Griffin L
Women's and Children's Health Network - Consumer and Community Engagement Committee	-	Birch J (Chair), Gray R, Griffin L, Hurrell E, Miller S, Sands S
Women's and Children's Health Network - Women's and Children's Governing Board	-	Bastian J, Birch J (Chair), Christley S, Daw S, Glover K, Haslam R, Miller S, Wilson B
Yorke and Northern Local Health Network - Audit and Risk Committee	-	Voumard J (chair), Traeger E
Yorke and Northern Local Health Network - Governing Board	2	Voumard J (chair), Badenoch J, Malcolm E, O'Connor J

Refer to note 8.2 for remuneration of board and committee members

### 39. Schedules of administered items

#### 39.1 Basis of preparation

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

#### 39.2 Categories of administered items

*Special Acts* administered items include the following:

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

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

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

*Other* administered items include the following:

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

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

#### 39.3 Administered items - budgetary reporting

Budget information for Special Acts and HMRF is presented to Parliament; 2020-21 Budget Paper 4 includes a statement of comprehensive income for administered items for the Department. The budget process is not subject to audit.

#### 39.4 Administered contingent assets and liabilities

The Consolidated Entity has no administered contingent assets and liabilities.



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39.5 Schedules of administered items

	Special Acts		HMRF		Private Practice		Other		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b><u>Schedule of Administered Expenses and Income</u></b>										
<b><u>Administered income</u></b>										
Revenues from SA Government	605	609	-	-	-	-	-	-	605	609
Revenues from fees and charges	-	-	-	-	88,328	95,188	4,637	3,699	92,965	98,887
Interest revenues	-	-	-	-	-	-	2	3	2	3
Other revenues	-	-	3,046	929	-	-	75	35	3,121	964
<b>Total Administered income</b>	<b>605</b>	<b>609</b>	<b>3,046</b>	<b>929</b>	<b>88,328</b>	<b>95,188</b>	<b>4,714</b>	<b>3,737</b>	<b>96,693</b>	<b>100,463</b>
<b><u>Administered expenses</u></b>										
Employee benefits expenses	605	607	-	-	-	-	160	172	765	779
Supplies and services	-	2	-	-	351	50	190	98	541	150
Grants and subsidies	-	-	1,000	4,255	-	-	-	-	1,000	4,255
Depreciation expense	-	-	-	-	-	-	3	3	3	3
Other expenses	-	-	-	-	86,382	97,669	4,162	3,429	90,544	101,098
<b>Total Administered expenses</b>	<b>605</b>	<b>609</b>	<b>1,000</b>	<b>4,255</b>	<b>86,733</b>	<b>97,719</b>	<b>4,515</b>	<b>3,702</b>	<b>92,853</b>	<b>106,285</b>
<b>Net result</b>	<b>-</b>	<b>-</b>	<b>2,046</b>	<b>(3,326)</b>	<b>1,595</b>	<b>(2,531)</b>	<b>199</b>	<b>35</b>	<b>3,840</b>	<b>(5,822)</b>
<b><u>Schedule of Administered Assets and Liabilities</u></b>										
<b><u>Administered current assets</u></b>										
Cash and cash equivalents	(47)	6	10,278	8,232	10,416	8,552	1,256	1,396	21,903	18,186
Receivables	47	41	-	-	6,755	5,738	47	83	6,849	5,862
<b>Total Administered current assets</b>	<b>-</b>	<b>47</b>	<b>10,278</b>	<b>8,232</b>	<b>17,171</b>	<b>14,290</b>	<b>1,303</b>	<b>1,479</b>	<b>28,752</b>	<b>24,048</b>
<b><u>Administered non-current assets</u></b>										
Property, plant and equipment	-	-	-	-	-	-	29	51	29	51
<b>Total Administered non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29</b>	<b>51</b>	<b>29</b>	<b>51</b>
<b>Total Administered assets</b>	<b>-</b>	<b>47</b>	<b>10,278</b>	<b>8,232</b>	<b>17,171</b>	<b>14,290</b>	<b>1,332</b>	<b>1,530</b>	<b>28,781</b>	<b>24,099</b>
<b><u>Administered current liabilities</u></b>										
Payables	-	47	-	-	5,860	4,802	1,083	1,170	6,943	6,019
Employee benefits	-	-	-	-	-	-	25	25	25	25
Clearing and systems accounts	-	-	-	-	-	(8)	-	-	-	(8)
Other current provisions/liabilities	-	-	-	-	22	(35)	-	59	22	24
<b>Total Administered current liabilities</b>	<b>-</b>	<b>47</b>	<b>-</b>	<b>-</b>	<b>5,882</b>	<b>4,759</b>	<b>1,108</b>	<b>1,254</b>	<b>6,990</b>	<b>6,060</b>
<b>Net Administered assets/equity</b>	<b>-</b>	<b>-</b>	<b>10,278</b>	<b>8,232</b>	<b>11,289</b>	<b>9,531</b>	<b>224</b>	<b>276</b>	<b>21,791</b>	<b>18,039</b>

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**Schedule of Administered Cash Flows**

	<b>Total 2021 \$'000</b>	<b>Total 2020 \$'000</b>
<b>Cash flows from operating activities</b>		
<b>Cash inflows</b>		
Receipts from SA Government	564	667
Fees and charges	91,998	100,530
Interest revenues	2	3
Other revenues	3,121	964
<b>Total Cash inflows</b>	<b>95,685</b>	<b>102,164</b>
<b>Cash outflows</b>		
Employee benefits payments	794	808
Grants and subsidies	1,000	4,255
Supplies and services	535	367
Other payments	89,639	101,081
<b>Total Cash outflows</b>	<b>91,968</b>	<b>106,511</b>
<b>Net cash inflows/cash outflows from operating activities</b>	<b>3,717</b>	<b>(4,347)</b>
<b>Net increase/(decrease) in cash held</b>	<b>3,717</b>	<b>(4,347)</b>
Cash at the beginning of the reporting period	18,186	22,533
Cash at the end of the reporting period	21,903	18,186