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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 2022.

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 2022, their financial performance and their cash flows for the year then ended in accordance with the relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material 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 the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Department for Health and Wellbeing and its controlled entities for the financial year ended 30 June 2022.

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 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

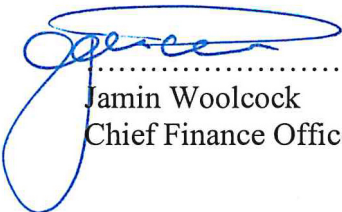
23 September 2022

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.


.....
Dr Robyn Lawrence
Chief Executive


.....
Jamin Woolcock
Chief Finance Officer

Date 19-7-2022
.....

**THE DEPARTMENT FOR HEALTH AND WELLBEING
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2022**

	Note	Consolidated		Parent	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income					
Revenues from SA Government	2	4,845,446	4,553,938	4,845,446	4,553,938
Fees and charges	3	738,227	771,242	275,956	293,514
Grants and contributions	4	2,447,899	2,115,132	2,003,715	1,683,610
Interest	5	372	1,135	4	329
Resources received free of charge	6	76,994	78,277	33,665	38,802
Net gain from disposal of non-current and other assets	13	340	1,767	-	2,023
Other revenues/income	7	37,737	29,949	169,719	155,826
Total income		8,147,015	7,551,440	7,328,505	6,728,042
Expenses					
Employee benefits expenses	8	4,677,395	4,394,298	241,155	194,511
Supplies and services	9	2,754,644	2,332,034	925,034	744,644
Depreciation and amortisation	20,21	311,381	307,964	12,174	11,285
Grants and subsidies	10	118,523	115,985	5,985,935	5,628,102
Borrowing costs	11	130,412	121,297	434	111
Payments to SA Government	2	431,854	-	431,854	-
Impairment loss on receivables and contract assets	15.1,18	11,389	5,752	2,419	290
Other expenses	12	63,062	74,274	32,809	42,108
Total expenses		8,498,660	7,351,604	7,631,814	6,621,051
Net result		(351,645)	199,836	(303,309)	106,991
Other Comprehensive Income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment asset revaluation surplus	20	-	(7,431)	-	-
Items that will be reclassified subsequently to net result when specific conditions are met					
Gains or losses recognised directly in equity		26,936	47,060	-	-
Total other comprehensive income		26,936	39,629	-	-
Total comprehensive result		(324,709)	239,465	(303,309)	106,991

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 2022

	Note	Consolidated		Parent	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current assets					
Cash and cash equivalents	14	825,410	1,172,207	515,078	791,294
Receivables	15	437,120	454,039	238,888	271,334
Other financial assets	16	108,051	112,685	-	-
Inventories	17	125,924	120,561	86,720	84,086
Contract assets	18	13,432	24,037	-	-
Other assets		18	23	-	-
Total current assets		1,509,955	1,883,552	840,686	1,146,714
Non-current assets					
Receivables	15	35,424	10,408	23	15
Other financial assets	16	3,979	4,239	-	-
Property, plant and equipment	19,20	5,875,072	5,912,873	57,785	58,067
Investment property	19,20	25,750	23,500	-	-
Intangible assets	19,21	53,524	66,704	32,693	36,221
Total non-current assets		5,993,749	6,017,724	90,501	94,303
Total assets		7,503,704	7,901,276	931,187	1,241,017
Current liabilities					
Payables	23	501,446	425,291	223,508	224,012
Financial liabilities	24	87,942	86,785	1,105	253
Employee benefits	25	648,579	653,415	25,255	26,305
Provisions	26	55,998	46,014	21,695	16,757
Contract liabilities and other liabilities	27	122,668	114,719	3,408	2,111
Total current liabilities		1,416,633	1,326,224	274,971	269,438
Non-current liabilities					
Payables	23	30,642	33,434	23,636	19,780
Financial liabilities	24	2,671,938	2,739,082	18,940	19,770
Employee benefits	25	701,383	804,082	32,722	34,457
Provisions	26	253,158	244,852	112,198	125,549
Contract liabilities and other liabilities	27	102	96	102	96
Total non-current liabilities		3,657,223	3,821,546	187,598	199,652
Total liabilities		5,073,856	5,147,770	462,569	469,090
Net assets		2,429,848	2,753,506	468,618	771,927
Equity					
Contributed capital		1,700,853	1,700,853	1,700,853	1,700,853
Retained earnings		81,536	432,138	(1,264,169)	(960,860)
Asset revaluation surplus		526,765	526,757	31,934	31,934
Other reserves		120,694	93,758	-	-
Total equity		2,429,848	2,753,506	468,618	771,927

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 2022**

CONSOLIDATED

	Note	Contributed capital \$ '000	Asset revaluation surplus \$ '000	Other reserves \$'000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2020		1,700,853	535,658	46,698	226,970	2,510,179
Prior period adjustment		-	-	-	3,862	3,862
Net result for 2020-21		-	-	-	199,836	199,836
Gain/(loss) on revaluation of land and buildings	20	-	(7,431)	-	-	(7,431)
Gain/(loss) on revaluation of other financial assets		-	-	316	-	316
Gain/(loss) on revaluation of defined benefit fund liability	25.3	-	-	46,744	-	46,744
Total comprehensive result for 2020-21		-	(7,431)	47,060	199,836	239,465
Transfer between equity components		-	(1,470)	-	1,470	-
Balance at 30 June 2021		1,700,853	526,757	93,758	432,138	2,753,506
Net result for 2021-22		-	-	-	(351,645)	(351,645)
Gain/(loss) on revaluation of other financial assets		-	-	(262)	-	(262)
Gain/(loss) on revaluation of defined benefit fund liability	25.3	-	-	27,198	-	27,198
Total comprehensive result for 2021-22		-	-	26,936	(351,645)	(324,709)
Transfer between equity components		-	8	-	(8)	-
Net assets transferred out as a result of an administrative restructure	1.6	-	-	-	1,051	1,051
Balance at 30 June 2022		1,700,853	526,765	120,694	81,536	2,429,848

PARENT

	Contributed capital \$ '000	Asset revaluation surplus \$ '000	Other reserves \$'000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2020	1,700,853	31,934	-	(1,067,851)	664,936
Net result for 2020-21	-	-	-	106,991	106,991
Total comprehensive result for 2020-21	-	-	-	106,991	106,991
Balance at 30 June 2021	1,700,853	31,934	-	(960,860)	771,927
Net result for 2021-22	-	-	-	(303,309)	(303,309)
Total comprehensive result for 2021-22	-	-	-	(303,309)	(303,309)
Balance at 30 June 2022	1,700,853	31,934	-	(1,264,169)	468,618

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 2022

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash inflows					
Receipts from SA Government		4,845,446	4,553,938	4,845,446	4,553,938
Fees and charges		771,385	671,771	152,511	74,193
Grants and contributions		2,452,430	2,129,318	2,008,487	1,687,470
Interest received		226	922	4	329
Residential aged care bonds received		30,569	25,642	-	-
GST recovered from ATO		238,305	214,045	99,477	82,419
Other receipts		37,054	28,612	2,427	1,561
Cash generated from operations		8,375,415	7,624,248	7,108,352	6,399,910
Cash outflows					
Employee benefits payments		(4,733,093)	(4,346,458)	(245,591)	(190,640)
Payments for supplies and services		(2,888,119)	(2,503,550)	(999,436)	(807,408)
Payments of grants and subsidies		(157,700)	(160,597)	(5,694,597)	(5,375,642)
Interest paid		(121,359)	(110,605)	(434)	(111)
Residential aged care bonds refunded		(27,197)	(22,040)	-	-
Other payments		(32,986)	(41,498)	(4,947)	(4,945)
Payments to SA Government		(431,854)	-	(431,854)	-
Cash used in operations		(8,392,308)	(7,184,748)	(7,376,859)	(6,378,746)
Net cash provided by operating activities		(16,893)	439,500	(268,507)	21,164
Cash flows from investing activities					
Cash inflows					
Proceeds from sale of property, plant and equipment		640	13,401	-	12,341
Proceeds from sale/maturities of investments		13,330	12,425	-	-
Cash generated from investing activities		13,970	25,826	-	12,341
Cash outflows					
Purchase of property, plant and equipment		(237,386)	(258,228)	(2,437)	(7,674)
Purchase of intangible assets		(5,815)	(4,032)	(5,014)	(3,216)
Purchase of investments		(9,410)	(10,785)	-	-
Cash used in investing activities		(252,611)	(273,045)	(7,451)	(10,890)
Net cash provided by/(used in) investing activities		(238,641)	(247,219)	(7,451)	1,451
Cash flows from financing activities					
Cash inflows					
Proceeds from borrowings		-	-	17	179
Cash generated from financing activities		-	-	17	179
Cash outflows					
Repayment of lease liabilities		(91,263)	(89,685)	(275)	(706)
Cash used in financing activities		(91,263)	(89,685)	(275)	(706)
Net cash provided by/(used in) financing activities		(91,263)	(89,685)	(258)	(527)

THE DEPARTMENT FOR HEALTH AND WELLBEING
STATEMENT OF CASH FLOWS
For the year ended 30 June 2022

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Net increase/(decrease) in cash and cash equivalents		(346,797)	102,596	(276,216)	22,088
Cash and cash equivalents at the beginning of the period		1,172,207	1,069,611	791,294	769,206
Cash and cash equivalents at the end of the period	14	825,410	1,172,207	515,078	791,294
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 2022

1. About SA Health

The Consolidated Entity – SA Health

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

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

with transactions occurring between these entities.

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

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

Administered items

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

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

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

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

1.1 Objectives and activities

1.1.1 Objectives of the Department for Health and Wellbeing

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

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

The Department is comprised of 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).

1.1.2 Activities of the Consolidated Entity

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

Policy, Clinical Services, System Improvement and Administration

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

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

THE DEPARTMENT FOR HEALTH AND WELLBEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

Health Services

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

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

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

1.2 Basis of preparation

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

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

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

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

Significant accounting policies are set out throughout the notes.

1.3 Taxation

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

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

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

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

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

1.4 Continuity of operations

As at 30 June the Consolidated Entity had working capital of \$93.322 million (\$557.328 million). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of the Consolidated Entity, via the Department of Treasury and Finance (DTF), to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annual *State Budget Papers* which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

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.

THE DEPARTMENT FOR HEALTH AND WELLBEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

1.6 Changes to SA Health

2021-22

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

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

2020-21

There were no transfers during this period.

1.7 Impact of COVID-19 pandemic on SA Health

As lead agency, SA Health is responsible for coordinating the COVID-19 pandemic response in South Australia to minimise the risk to the people of South Australia and keep the community safe, in line with existing government responsibilities for the health system. This response included the coordination of testing, contact tracing, hotel quarantine, vaccination program, ensuring public and private hospital system capacity and public education.

Specific transactions related to the COVID-19 pandemic are evident throughout this financial report. Expenses incurred by the Department of \$321.673 million (\$199.298 million) were partially offset by income of \$273.700 million (\$100.346 million).

The material impact on the Department's financial performance includes Commonwealth financial assistance via the National Partnership on COVID-19 Response of \$255.803 million (\$63.216 million), and significant expenses:

- Employee benefits expenses of \$66.303 million (\$25.288 million)
- Supplies and services of \$247.873 million (\$151.142 million), including:
 - Hotel quarantine - accommodation costs of \$71.822 million (\$60.329 million)
 - Contractors and agency staff of \$35.000 million (\$13.102 million)
 - Security of \$24.269 million (\$35.014 million)
- Grants and subsidies of \$3.890 million (\$20.532 million)

In addition to the Department's costs, the COVID-19 pandemic continues to have an impact on the operations of the LHNs and SAAS. This includes an increase in costs associated with COVID capacity and preparation, increased demand for personal protective equipment and increased staffing costs (including agency) to ensure that demand can be managed across South Australia and that necessary compliance measures are followed. Net COVID-19 specific costs for the LHNs and SAAS was \$367.599 million (\$135.377 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Revenues from SA Government				
Contingency funding provided by DTF	3,682	-	3,682	-
Recovery from DTF for TVSPs	2,577	7,604	2,577	7,604
Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	4,780,265	4,520,532	4,780,265	4,520,532
Commonwealth capital grants received via DTF	22,780	14,350	22,780	14,350
Commonwealth recurrent grants received via DTF	36,142	11,452	36,142	11,452
Total revenues from SA Government	4,845,446	4,553,938	4,845,446	4,553,938
Payments to SA Government				
Return of surplus cash pursuant to cash alignment policy	431,854	-	431,854	-
Total payments to SA Government	431,854	-	431,854	-

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

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

THE DEPARTMENT FOR HEALTH AND WELLBEING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

3. Fees and charges

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Ambulance cover	31,179	31,013	-	-
Ambulance transport	91,040	93,905	-	-
Business services	1,797	1,415	1,797	1,415
Call Direct	773	922	-	-
Car parking revenue	9,586	10,368	35	46
Commissions revenue	401	147	264	13
Fines, fees and penalties	1,802	1,349	1,615	1,211
Interstate patient transfers	82,323	112,601	82,319	112,601
Patient and client fees	337,943	331,218	-	-
Private practice fees	43,453	43,049	4,308	3,475
Fees for health services	43,457	41,095	3,916	3,401
Quarantine - hotel user charges	15,833	36,360	15,833	36,360
Residential and other aged care charges	27,166	26,541	-	-
Royalty income	679	1,219	-	-
Sale of goods - medical supplies	11,160	4,310	163,249	132,120
Training revenue	2,849	2,564	1,704	1,728
Other user charges and fees	36,786	33,166	916	1,144
Total fees and charges	738,227	771,242	275,956	293,514

Due to inter-entity eliminations upon consolidation, revenue from fees and charges of \$158.542 million (\$133.122 million) between the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

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

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

Consolidated Contracts with Customers disaggregated by pattern of revenue recognition and type of customer	2022	2022	2021	2021
	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time	Goods/Services transferred at a point in time	Goods/Services transferred over a period of time
Ambulance cover	-	31,179	-	31,013
Ambulance transport	87,033	-	90,615	-
Business services	1,779	-	1,407	-
Call Direct	-	773	-	922
Car parking revenue	9,483	103	10,293	75
Commissions revenue	149	-	143	-
Interstate patient transfers	82,323	-	112,601	-
Patient and client fees	311,824	-	299,097	-
Private practice fees	43,458	-	43,049	-
Fees for health services	36,767	-	37,762	-
Quarantine - hotel user charges	15,833	-	36,360	-
Residential and other aged care charges	27,166	-	26,541	-
Royalty income	679	-	1,219	-
Sale of goods - medical supplies	9,975	-	3,993	-
Training revenue	2,684	-	2,476	-
Other user charges and fees	34,830	8	31,549	10
Total contracts with external customers	663,983	32,063	697,105	32,020
Ambulance transport	4,009	-	3,290	-
Business services	18	-	8	-
Commissions revenue	252	-	4	-
Patient and client fees	26,119	-	32,121	-
Fees for health services	6,690	-	3,333	-
Sale of goods - medical supplies	1,185	-	317	-
Training revenue	165	-	88	-
Other user charges and fees	1,948	-	1,607	-
Total contracts with SA Government customers	40,386	-	40,768	-
Total contracts with customers	704,369	32,063	737,873	32,020

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

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

Patient and client fees

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

Ambulance transport

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

Private practice fees

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

Interstate patient Transfers

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

4. Grants and contributions

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Commonwealth aged care subsidies	45,958	43,987	-	-
Pharmaceutical Benefits Scheme Commonwealth subsidy	229,012	226,927	-	-
Commonwealth National Health Reform Agreement	1,646,071	1,478,411	1,646,071	1,478,411
Department of Veterans' Affairs (Commonwealth)	50,079	40,626	50,079	40,626
Commonwealth Transition Care Program	24,748	25,670	24,748	25,670
Commonwealth National Partnership on COVID-19 Response	255,803	63,216	255,803	63,216
Other Commonwealth grants and contributions	128,343	123,377	17,379	17,096
SA Government Community Development Fund	7,000	7,000	7,000	7,000
SA Government capital contributions	18	168	-	-
Emergency Services Levy	1,527	1,490	-	-
Other SA Government grants and contributions	14,844	66,438	1,898	50,827
Private sector capital contributions	1,073	728	-	-
Private sector grants and contributions	43,423	37,094	737	764
Total grants and contributions	2,447,899	2,115,132	2,003,715	1,683,610

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

Of the \$2,447.899 million (\$2,115.132 million) received during the reporting period \$2,171.353 million (\$1,604.532 million) was provided for specific purposes, including State and Commonwealth Health Initiatives-Health reforms, research and other associated activities.

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5. Interest

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest on operating accounts	370	1,067	4	327
Interest from SAFA on investments	2	2	-	-
Interest on financial liabilities	-	-	-	2
Interest on Special Purpose Funds	-	66	-	-
Total interest	372	1,135	4	329

6. Resources received free of charge

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Land and buildings	-	155	-	4,573
Plant and equipment	205	70	-	-
Inventory	30,302	29,771	30,302	29,771
Services	46,471	45,829	3,363	3,097
Other	16	2,452	-	1,361
Total resources received free of charge	76,994	78,277	33,665	38,802

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

Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Consolidated Entity receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$35.852 million (\$35.469 million) (Parent \$2.940 million (\$2.685 million)) and ICT services from Department of Premier and Cabinet valued at \$10.619 million (\$10.359 million) (Parent \$0.423 million (\$0.412 million)), 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Dividend revenue	587	275	-	-
Donations	8,244	9,596	53	-
Gain on revaluation of investment property	2,250	-	-	-
Health recoveries	-	-	129,186	118,150
Insurance recoveries	159	340	38,070	36,918
Other	26,497	19,738	2,410	758
Total other revenues/income	37,737	29,949	169,719	155,826

8. Employee benefits expenses

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Salaries and wages		3,794,091	3,518,808	175,998	137,222
Targeted voluntary separation packages	8.5	7,617	9,000	1,801	2,562
Long service leave		(32,827)	35,102	1,491	2,476
Annual leave		384,708	347,660	16,913	13,638
Skills and experience retention leave		18,016	16,603	936	796
Employment on-costs - superannuation*		411,671	369,849	21,691	16,809
Employment on-costs - other		8,790	7,316	8,331	6,960
Workers compensation		75,077	80,427	6,043	5,452
Board and committee fees		3,189	2,743	381	311
Other employee related expenses		7,063	6,790	7,570	8,285
Total employee benefits expenses		4,677,395	4,394,298	241,155	194,511

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* 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 \$7.905 million (\$9.250 million), comprising current service cost of \$8.020 million (\$9.024 million) and interest revenue of \$0.115 million (interest cost \$0.226 million).

The decrease in long service leave expense is primarily due to an increase in the bond yields, from 1.25% - 1.50% to 3.50% - 3.75%, which are used in the actuarial assessment of long service leave liability to discount future cash flows, resulting in a decrease in the liability. Refer to note 25.2 for further information.

8.1 Key Management Personnel

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

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

Compensation	2022	2021
	\$'000	\$'000
Salaries and other short term employee benefits	3,827	2,806
Post-employment benefits	1,413	1,248
Total	5,240	4,054

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

8.2 Remuneration of Boards and Committees (Consolidated Entity)

	2022	2021
	No. of	No. of
	Members	Members
\$0	1,434	1,423
\$1 - \$20,000	222	257
\$20,001 - \$40,000	51	52
\$40,001 - \$60,000	20	10
\$60,001 - \$80,000	3	3
\$80,001 - \$100,000	2	1
Total	1,732	1,746

The total remuneration received or receivable by members was \$3.364 million (\$2.878 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.

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8.3 Remuneration of employees

	Consolidated		Parent	
	2022 Number	2021 Number	2022 Number	2021 Number
The number of employees whose remuneration received or receivable falls within the following bands:				
\$154,001 - \$157,000*	n/a	144	n/a	5
\$157,001 - \$177,000	960	893	46	32
\$177,001 - \$197,000	657	601	22	14
\$197,001 - \$217,000	423	292	17	10
\$217,001 - \$237,000	231	187	7	4
\$237,001 - \$257,000	200	153	5	3
\$257,001 - \$277,000	150	124	4	5
\$277,001 - \$297,000	139	109	8	3
\$297,001 - \$317,000	105	124	3	3
\$317,001 - \$337,000	94	86	1	3
\$337,001 - \$357,000	88	92	5	2
\$357,001 - \$377,000	98	91	-	2
\$377,001 - \$397,000	69	92	2	-
\$397,001 - \$417,000	86	77	-	1
\$417,001 - \$437,000	64	108	2	-
\$437,001 - \$457,000	80	65	1	1
\$457,001 - \$477,000	86	81	-	1
\$477,001 - \$497,000	80	61	1	1
\$497,001 - \$517,000	74	51	2	-
\$517,001 - \$537,000	54	46	-	-
\$537,001 - \$557,000	39	35	-	-
\$557,001 - \$577,000	47	56	-	1
\$577,001 - \$597,000	37	39	1	1
\$597,001 - \$617,000	46	30	1	-
\$617,001 - \$637,000	29	13	-	-
\$637,001 - \$657,000	22	23	-	-
\$657,001 - \$677,000	20	11	-	-
\$677,001 - \$697,000	18	9	-	-
\$697,001 - \$717,000	9	8	-	-
\$717,001 - \$737,000	11	5	-	-
\$737,001 - \$757,000	9	7	-	-
\$757,001 - \$777,000	12	2	-	-
\$777,001 - \$797,000	7	5	-	-
\$797,001 - \$817,000	1	3	-	-
\$817,001 - \$837,000	3	1	-	-
\$857,001 - \$877,000	4	1	-	-
\$917,001 - \$937,000	1	-	-	-
\$957,001 - \$977,000	1	-	-	-
\$1,057,001 - \$1,077,000	1	-	1	-
\$1,137,001 - \$1,157,000	-	1	-	-
\$1,277,001 - \$1,297,000	1	-	-	-
\$1,397,001 - \$1,417,000	-	1	-	-
\$1,477,001 - \$1,497,000	1	-	-	-
Total number of employees	4,057	3,727	129	92

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

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.

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8.4 Remuneration of employees by classification

The total remuneration received by these employees, included above:

	Consolidated				Parent			
	2022		2021		2022		2021	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Executive	132	34,061	122	29,719	55	15,571	45	11,522
Medical (excluding Nursing)	3,050	963,336	2,823	865,260	15	4,336	8	2,460
Non-medical (i.e. administration)	155	27,759	111	20,481	37	6,386	28	5,033
Nursing	446	77,751	393	67,018	22	3,949	11	1,795
Operational	274	51,250	278	51,137	-	-	-	-
Total	4,057	1,154,157	3,727	1,033,615	129	30,242	92	20,810

8.5 Targeted voluntary separation packages (TVSP)

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Amount paid/payable to separated employees:				
Targeted voluntary separation packages	7,664	8,908	1,801	2,562
Leave paid/payable to separated employees	4,501	4,253	1,203	1,148
	12,165	13,161	3,004	3,710
Recovery from DTF	2,577	7,604	-	2,573
Net cost to the entity	9,588	5,557	3,004	1,137
The number of employees who received a TVSP during the reporting period	150	93	44	27
Number of TVSPs resulting from the Workforce Rejuvenation Scheme	118	-	44	-

9. Supplies and services

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Administration	7,719	11,038	1,429	1,499
Advertising	11,691	8,248	7,872	4,466
Communication	37,010	32,368	12,444	11,210
Computing	145,708	129,732	127,647	113,897
Consultants	6,760	6,029	1,592	2,480
Contract of services	166,905	139,448	111,743	104,547
Contractors	53,837	36,606	23,386	18,364
Contractors - agency staff	156,207	94,799	65,304	36,582
Cost of goods sold	49,404	16,841	219,976	144,302
Drug supplies	296,951	291,677	4,463	4,670
Electricity, gas and fuel	41,515	42,323	281	367
Fee for service	260,085	201,333	-	-
Food supplies	41,117	37,001	379	363
Hotel quarantine - accommodation costs	71,840	60,341	71,822	60,328
Housekeeping	113,115	87,647	16,506	3,072
Insurance	37,281	60,720	34,257	56,659
Interstate patient transfers	64,560	60,037	64,533	59,981
Legal	13,274	14,351	10,500	11,880
Low value lease expense	9,831	6,604	9,730	6,308
Medical, surgical and laboratory supplies	471,214	385,927	28,908	8,917
Minor equipment	50,216	36,037	8,630	5,616
Motor vehicle expenses	14,661	12,209	939	413
Occupancy rent and rates	44,563	40,950	16,084	19,790
Patient transport	35,750	31,145	3,170	307
Postage	27,768	18,596	9,519	3,461
Printing and stationery	18,534	17,230	1,879	1,559
Public Private Partnership operating expenses	81,236	98,108	-	-
Repairs and maintenance	125,887	109,266	2,240	1,603
Security	97,370	88,391	24,798	35,550
Services from Shared Services SA	35,757	35,907	3,047	2,704
Short term lease expense	3,768	2,524	1,093	328
Training and development	48,232	37,156	3,319	2,834
Travel expenses	12,323	7,133	1,264	861
Other supplies and services	102,555	74,312	36,280	19,726
Total supplies and services	2,754,644	2,332,034	925,034	744,644

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Due to inter-entity eliminations upon consolidation, supplies and services of \$20.539 million (\$18.875 million) between the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

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

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

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

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			
	2022		2021		2022		2021	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Below \$10,000	31	163	21	121	3	15	5	34
Above \$10,000	81	6,597	61	5,908	13	1,577	23	2,446
Total	112	6,760	82	6,029	16	1,592	28	2,480

10. Grants and subsidies

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Recurrent grants		-	342	-	-
Operational funding to incorporated Health Services	10.1	-	-	5,645,401	5,277,306
Capital funding to incorporated Health Services	10.1	-	-	225,892	239,027
Subsidies		88,968	74,267	88,717	74,119
Funding to non-government organisations		28,178	40,027	24,656	36,352
Other		1,377	1,349	1,269	1,298
Total grants and subsidies		118,523	115,985	5,985,935	5,628,102

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

	Operational		Capital Projects	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Barossa Hills Fleurieu Local Health Network Incorporated	236,788	219,301	19,048	17,069
Eyre and Far North Local Health Network Incorporated	96,264	84,261	2,443	2,368
Flinders and Upper North Local Health Network Incorporated	131,875	123,892	955	2,061
Riverland Mallee Coorong Local Health Network Incorporated	126,237	117,993	2,544	9,131
Limestone Coast Local Health Network Incorporated	143,784	133,199	2,980	4,282
Yorke and Northern Local Health Network Incorporated	144,197	131,799	4,036	6,670
SA Ambulance Service Inc	184,387	177,586	14,490	16,427
Southern Adelaide Local Health Network Incorporated	1,170,962	1,098,345	49,448	59,363
Central Adelaide Local Health Network Incorporated	2,096,775	1,943,387	46,193	27,043
Women's and Children's Health Network Incorporated	489,008	465,414	35,371	37,312
Northern Adelaide Local Health Network Incorporated	825,124	782,129	48,384	57,301
Total funding to incorporated Health Services	5,645,401	5,277,306	225,892	239,027

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 \$5,871.293 million (\$5,516.333 million) between the Department and the LHNs and SAAS were eliminated. Refer to note 1.1.2 for further information.

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11. Borrowing costs

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest expense on lease liabilities	130,412	121,297	434	111
Total borrowing costs	130,412	121,297	434	111

The Consolidated Entity does not capitalise borrowing costs. Included in the lease costs is a reduction in contingent rental amounts of \$105.537 million (\$135.240 million) relating to Central Adelaide Local Health Network. Refer to note 24 for more information on financial liabilities.

12. Other expenses

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Debts written off	23,630	28,520	430	103
Bank fees and charges	516	440	77	67
Donated assets expense	28	4,550	28	8,656
Donated drug vaccine expense	28,006	28,955	28,006	28,955
Impairment expense	700	-	-	-
Net loss on revaluation of investments	891	-	-	-
Net loss on sale of investments	98	-	-	-
Royalty payments	-	3,046	-	-
Service recoveries paid to other SA Government entities	3,862	3,525	3,862	3,525
Other*	5,331	5,238	406	802
Total other expenses	63,062	74,274	32,809	42,108

* Includes audit fees paid/payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$2.673 million (\$2.538 million). No other services were provided by the Auditor-General's Department. Also includes fees paid or payable to Galpins Accountants, Auditors and Business Consultants of \$0.216 million (\$0.200 million) for audits of the Health Advisory Council's (HACs) and aged care and BDO for audit services for AusHealth of \$0.036 million (\$0.030 million).

* Also includes write-down of SA Health Distribution Centre and bulk warehouses inventories of \$0.573 million (\$0.318 million). Refer to note 17 for more information on inventories.

Donated assets expense

Donated assets expense includes distribution of excess inventory for aid purposes, 2020-21 expense includes Oakden crown land donated to the Department for Environment and Water.

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).

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

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Land and buildings:				
Proceeds from disposal	-	12,305	-	12,300
Less carrying amount of assets disposed	(108)	(10,315)	-	(10,282)
Net gain/(loss) from disposal of land and buildings	(108)	1,990	-	2,018
Plant and equipment:				
Proceeds from disposal	710	1,080	-	-
Less carrying amount of assets disposed	(192)	(1,296)	-	(13)
Less other costs of disposal	(70)	(25)	-	-
Net loss from disposal of plant and equipment	448	(241)	-	(13)
Non-current assets held for sale:				
Proceeds from disposal	-	41	-	41
Less carrying amount of assets disposed	-	(23)	-	(23)
Net gain/(loss) from disposal of non-current assets held for sale	-	18	-	18
Total assets:				
Total proceeds from disposal	710	13,426	-	12,341
Less total carrying amount of assets disposed	(300)	(11,634)	-	(10,318)
Less other costs of disposal	(70)	(25)	-	-
Total net gain/(loss) from disposal of non-current and other assets	340	1,767	-	2,023

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.

14. Cash and cash equivalents

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank or on hand	43,183	31,831	5,987	5,145
Deposits with Treasurer: general operating	297,066	701,693	198,990	518,044
Deposits with Treasurer: accrual appropriation excess funds	310,101	268,105	310,101	268,105
Deposits with Treasurer: special purpose funds	175,060	170,578	-	-
Total cash	825,410	1,172,207	515,078	791,294

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

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Current					
Patient/client fees: compensable		13,880	16,380	-	-
Patient/client fees: aged care		4,083	3,436	-	-
Patient/client fees: other		59,437	54,671	-	-
Debtors		114,719	89,541	24,041	22,949
Less: allowance for impairment loss on receivables	15.1	(50,243)	(35,667)	(2,772)	(353)
Interstate patient transfers		168,197	203,006	168,197	203,006
Prepayments		41,756	33,652	22,485	18,795
Loans	15.2	-	-	-	17
Dividends		40	13	-	-
Interest		155	111	-	-
Grants		109	40	-	-
Sundry receivables and accrued revenue		55,240	59,655	863	578
GST input tax recoverable		29,747	29,201	26,074	26,342
Total current receivables		437,120	454,039	238,888	271,334
Non-Current					
Debtors		3,631	3,051	23	15
Prepayments		1,432	1,488	-	-
Superannuation - defined benefit scheme		30,361	5,869	-	-
Total non-current receivables		35,424	10,408	23	15
Total receivables		472,544	464,447	238,911	271,349

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 2021-22.

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

15.1 Impairment of receivables

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

Movement in the allowance for impairment loss on receivables:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	35,667	35,586	353	63
Increase/(Decrease) in allowance recognised in profit or loss	14,576	81	2,419	290
Carrying amount at the end of the period	50,243	35,667	2,772	353

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	
	2022	2021
	\$'000	\$'000
Balance at 1 July	17	196
Principal repayments	(17)	(179)
Balance at 30 June	-	17

16. Other financial assets

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Term deposits	103,115	105,390	-	-
Other investments FVPL	4,936	7,295	-	-
Total current financial assets	108,051	112,685	-	-
Non-current				
Joint venture	2,671	2,671	-	-
Other investments FVOCI	1,308	1,568	-	-
Total non-current financial assets	3,979	4,239	-	-
Total financial assets	112,030	116,924	-	-

The Consolidated Entity measures term deposits at amortised cost, listed equities and other investments are measured at fair value represented by market value. This includes shares in other corporations, floating rate notes, listed securities, managed funds not present in consolidation. Included in term deposits is \$65.995 million (\$65.446 million) related to aged care refundable deposits held by 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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Drug supplies	25,795	23,277	8,306	6,766
Medical, surgical and laboratory supplies	4,063	3,373	-	-
Food and hotel supplies	753	699	-	-
Engineering supplies	20	19	-	-
SA Health Distribution Centre and bulk warehouses	78,174	77,277	78,174	77,277
Inventory imprest stock	15,429	14,739	-	-
Other	1,690	1,177	240	43
Total current inventories - held for distribution	125,924	120,561	86,720	84,086

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

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

As part of the Consolidated Entity's responsibility for coordinating the COVID-19 pandemic response in South Australia, the Department purchases and distributes RATs and PPE for use by the Consolidated Entity and the South Australian Community.

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Included in the Distribution Centre and bulk warehouses inventories at reporting date is \$14.716 million of RATs and \$50.024 million of PPE. There are RATs which were received free of charge from the Commonwealth Government which have not been valued.

COVID-19 Vaccines

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

18. Contract assets

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Contract assets	17,276	31,068	-	-
Less: allowance for impairment loss on contract assets	3,844	7,031	-	-
Total contract assets	13,432	24,037	-	-

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

There was a decrease in allowance for impairment loss on contract assets of \$3.187 million (\$5.671 million increase) during the reporting period.

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

19.1 Acquisition and recognition

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

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

19.2 Depreciation and amortisation

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

Depreciation and amortisation is calculated on a straight line basis.

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

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

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19.3 Revaluation

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

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

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

19.4 Impairment

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

In response to the Royal Commission into Aged Care Quality and Safety, the Australian Government will discontinue bed licences from 1 July 2024. As a result, the Consolidated Entity has impaired 30 residential bed licences, previously recorded at total cost of \$0.700 million, to a value of nil at 30 June 2022. Their value in use cannot be reliably measured and there is not expected to be any compensation upon discontinuation.

There were no indications of impairment for property, plant and equipment, investment properties as at 30 June 2022.

19.5 Intangible assets

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

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

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

19.6 Land and buildings

An independent valuation of land and buildings owned by the Consolidated Entity was performed in March and April 2018 by Certified Practising Valuers from Jones Lang Lasalle (SA) Pty Ltd and AssetVal (JLT) Pty Ltd as at 1 June 2018, within the regular valuation cycle. Consistent with *Treasurer's Instructions*, a public authority must at least every 6 years obtain a valuation appraisal from a qualified valuer, the timing and process of which will be considered in the 2022-23 financial year.

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

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.

19.7 Plant and equipment

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

19.8 Investment property

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

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An independent valuation was performed on the investment property at Unit 1, 27 Kermode Street North Adelaide by certified practicing valuers for AssetVal, a business of Marsh Pty Ltd, as at 30 June 2022. Fair value has been determined by the capitalised income approach, whereby an appropriate yield is applied to the property's income based on sales analysis of comparable properties.

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

Amounts recognised in profit or loss

The Consolidated Entity recognised rental income from investment properties during the period of \$1.284 million (\$1.412 million).

19.9 Leased property, plant and equipment

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

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

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

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

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

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

The following tables show the movement:

Consolidated

2021-22

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

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Consolidated

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	195,650	114	32,201	1,030	6,271	26,818	-	288,661	
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	-	(89,452)	9,452	8,490	12,693	-	(21,197)	-	(1,630)	
Reclassified to held for sale	(23)	-	-	-	-	-	-	-	-	-	(23)	
Remeasurement	-	-	1,459	-	-	-	-	-	-	-	1,459	
Subtotal:	330,784	2,339,842	2,715,116	243,892	61,737	203,758	40,577	249,161	25,426	23,500	6,233,793	
Gains/(losses) for the period recognised in net result:												
Depreciation and amortisation	-	(136,728)	(68,874)	-	(4,901)	(52,418)	(11,286)	(15,779)	-	-	(289,986)	
Subtotal:	-	(136,728)	(68,874)	-	(4,901)	(52,418)	(11,286)	(15,779)	-	-	(289,986)	
Gains/(losses) for the period recognised in other comprehensive income:												
Impairment (losses) / reversals	(4,450)	(2,984)	-	-	-	-	-	-	-	-	(7,434)	
Subtotal:	(4,450)	(2,984)	-	-	-	-	-	-	-	-	(7,434)	
Carrying amount at the end of the period	326,334	2,200,130	2,646,242	243,892	56,836	151,340	29,291	233,382	25,426	23,500	5,936,373	
Gross carrying amount												
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)	
Carrying amount at the end of the period	326,334	2,200,130	2,646,242	243,892	56,836	151,340	29,291	233,382	25,426	23,500	5,936,373	

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Parent

2021-22

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

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Parent

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	Accommo- dation and Leasehold improve- ments \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Right-of- use plant and equipment \$'000	Capital works in progress plant and equipment \$'000			
Carrying amount at the beginning of the period	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)	
Subtotal:	25,198	1,838	20,337	7,525	1,369	199	3,466	387	769	-	61,088	
Gains/(losses) for the period recognised in net result:												
Depreciation and amortisation	-	(126)	(953)	-	(586)	(18)	(1,151)	(187)	-	-	(3,021)	
Subtotal:	-	(126)	(953)	-	(586)	(18)	(1,151)	(187)	-	-	(3,621)	
Carrying amount at the end of the period	25,198	1,712	19,384	7,525	783	181	2,315	200	769	-	58,067	
Gross carrying amount												
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)	
Carrying amount at the end of the period	25,198	1,712	19,384	7,525	783	181	2,315	200	769	-	58,067	

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21. Reconciliation of intangible assets

The following table shows the movement:

	2021-22				2020-21			
	Computer software \$'000	Bed licences \$'000	Capital works in progress intangibles \$'000	Total \$'000	Computer software \$'000	Bed licences \$'000	Capital works in progress intangibles \$'000	Total \$'000
Consolidated								
Carrying amount at the beginning of the period	58,213	700	7,791	66,704	75,233	700	1,726	77,659
Additions	-	-	5,815	5,815	35	-	3,997	4,032
Assets received free of charge	-	-	-	-	-	-	1,361	1,361
Amortisation	(18,959)	-	-	(18,959)	(17,978)	-	-	(17,978)
Impairment (losses) / reversals	-	(700)	-	(700)	-	-	-	-
Transfers between asset classes	7,689	-	(7,025)	664	923	-	707	1,630
Carrying amount at the end of the period	46,943	-	6,581	53,524	58,213	700	7,791	66,704
Gross carrying amount								
Gross carrying amount	219,476	-	6,581	226,057	211,785	700	7,791	220,276
Accumulated amortisation	(172,533)	-	-	(172,533)	(153,572)	-	-	(153,572)
Carrying amount at the end of the period	46,943	-	6,581	53,524	58,213	700	7,791	66,704
Parent								
Carrying amount at the beginning of the period	30,790	-	5,431	36,221	39,054	-	-	39,054
Additions	-	-	5,014	5,014	-	-	3,216	3,216
Assets received free of charge	-	-	-	-	-	-	1,361	1,361
Donated assets disposal	-	-	-	-	(13)	-	-	(13)
Amortisation	(8,542)	-	-	(8,542)	(8,264)	-	-	(8,264)
Transfers between asset classes	4,488	-	(4,488)	-	13	-	854	867
Carrying amount at the end of the period	26,736	-	5,957	32,693	30,790	-	5,431	36,221
Gross carrying amount								
Gross carrying amount	134,300	-	5,957	140,257	129,812	-	5,431	135,243
Accumulated amortisation	(107,564)	-	-	(107,564)	(99,022)	-	-	(99,022)
Carrying amount at the end of the period	26,736	-	5,957	32,693	30,790	-	5,431	36,221

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 \$1.500 million or an estimated useful life that was less than three years is deemed to approximate fair value.

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

22.1 Fair value hierarchy

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

Fair value measurements at 30 June 2022

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

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
Recurring fair value measurements						
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	-	-	-
Total	55,406	2,732,025	2,787,431	25,198	4,991	30,189

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

22.2 Valuation techniques and inputs

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

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

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

Unobservable inputs used to arrive at final valuation figures included:

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

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

23. Payables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Creditors and accrued expenses	309,743	207,299	94,937	64,756
Paid Parental Leave Scheme	996	852	31	18
Health Service workers compensation	-	-	11,161	8,979
Interstate patient transfers	110,909	144,454	110,909	144,454
Employment on-costs*	69,874	64,478	6,349	5,750
Other payables	9,924	8,208	121	55
Total current payables	501,446	425,291	223,508	224,012
Non-current				
Health Service workers compensation	-	-	20,834	16,891
Employment on-costs*	30,569	33,384	2,802	2,889
Other payables	73	50	-	-
Total non-current payables	30,642	33,434	23,636	19,780
Total payables	532,088	458,725	247,144	243,792

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. Also included is FBT payable to the ATO.

Inter-entity transactions between the Department and Health Services workers compensation (redemption and lump sum) payables amount to \$31.995 million (\$25.870 million). Refer to note 1.1.2 for further information.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave 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 2021 rate (10.1%) to 10.6% to reflect the increase in super guarantee. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the employment on-cost liability and employee benefits expenses of \$3.872 million (Parent increase of \$0.180 million). The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Refer to note 34 for information on risk management.

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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 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 2021-22.

24. Financial liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
Current	\$'000	\$'000	\$'000	\$'000
Lease liabilities	87,942	86,785	1,105	253
Total current financial liabilities	87,942	86,785	1,105	253
Non-current				
Lease liabilities	2,671,938	2,739,082	18,940	19,770
Total non-current financial liabilities	2,671,938	2,739,082	18,940	19,770
Total financial liabilities	2,759,880	2,825,867	20,045	20,023

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 DTF's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

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

24.1 Concessional lease arrangements for right-of-use assets

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

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

24.2 Maturity analysis

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

	Consolidated		Parent	
	2022	2021	2022	2021
Lease Liabilities	\$'000	\$'000	\$'000	\$'000
1 to 3 years	949,185	960,961	4,503	3,593
3 to 5 years	625,834	627,705	3,093	2,984
5 to 10 years	1,473,676	1,488,757	8,523	8,228
More than 10 years	3,384,239	3,653,416	7,197	8,928
Total lease liabilities (undiscounted)	6,432,934	6,730,839	23,316	23,733

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25. Employee benefits

	Consolidated		Parent	
	2022	2021	2022	2021
Current	\$'000	\$'000	\$'000	\$'000
Accrued salaries and wages	96,713	137,211	1,957	5,230
Annual leave	457,554	415,403	19,064	16,909
Long service leave	62,352	70,962	2,896	3,029
Skills and experience retention leave	31,460	29,311	1,342	1,137
Other	500	528	(4)	-
Total current employee benefits	648,579	653,415	25,255	26,305
Non-current				
Long service leave	701,383	804,082	32,722	34,457
Total non-current employee benefits	701,383	804,082	32,722	34,457
Total employee benefits	1,349,962	1,457,497	57,977	60,762

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

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

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

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

As a result of the actuarial assessment performed by DTF, the salary inflation rate has decreased from the 2021 rate (2.00%) to 1.50% for annual leave and skills and experience retention leave liability. As a result, there is a decrease in the employee staff benefits liability and employee benefits expenses of \$2.516 million (Parent decrease of \$0.107 million).

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 (1.25%) to 3.50% for the Department and (1.50%) to 3.75% 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 2.50% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$142.415 million (Parent \$5.536 million), payables (employment on-costs) of \$5.777 million (Parent \$0.256 million) and employee benefits expense of \$148.192 million (Parent \$5.792 million). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

25.3 Superannuation funds

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

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

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

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

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

Defined benefit superannuation scheme

Reconciliation of the present value of the defined benefit obligation:	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	297,072	298,309
Current service cost	8,020	9,024
Interest cost	3,801	2,144
Contributions by scheme participants	2,974	3,208
Actuarial (gains)/losses	(29,615)	1,958
Benefits paid	(15,303)	(16,452)
Taxes, premiums and expenses paid	(1,239)	(1,358)
Transfers in	143	239
Carrying amount at the end of the period	265,853	297,072

Reconciliation of fair value of scheme assets:

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	302,941	261,027
Interest Income	3,916	1,918
Actual return on scheme assets less Interest Income	(2,417)	48,702
Contributions from the employer	5,199	5,657
Contributions by scheme participants	2,974	3,208
Benefits paid	(15,303)	(16,452)
Taxes, premiums and expenses paid	(1,239)	(1,358)
Transfers in	143	239
Carrying amount at the end of the period	296,214	302,941

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	265,853	297,072
Fair value of scheme assets	(296,214)	(302,941)
Net liability arising from defined benefit obligations	(30,361)	(5,869)

Included in the Statement of Financial Position:

Non-current receivable – superannuation – defined benefit scheme	30,061	5,869
Closing balance of defined benefit obligation	30,061	5,869

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	% invested by asset class	
	2022	2021
	%	%
Australian equity	27	27
International equity	28	30
Fixed income	10	6
Property	11	10
Diversified Strategies Income	8	8
Diversified Strategies Growth	9	9
Alternatives/other	5	5
Cash	2	5
Total	100	100

The percentage invested in each asset class as at 30 June 2021 is adjusted to be comparable to 30 June 2022.

In accordance with the revised AASB 119 the percentage invested in each asset class as at 30 June 2022 is adjusted to be comparable to 30 June 2021. This adjustment is made to align with the new approach where Diversified Strategies Growth and Diversified Strategies Income are identified as separate asset classes.

The actual return on scheme assets was \$1.49 million (\$50.62 million), a gain of \$27.198 million resulting from investment returns being significantly higher than previously assumed. 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 9.5% of salary contributions.

	2022	2021
	% pa	% pa
Principal actuarial assumptions used (and expressed as weighted averages):		
Discount rate (defined benefit cost)	1.4	0.8
Expected rate of salary increase (defined benefit cost)	2.5	2.5
Discount rate (defined benefit obligation)	3.6	1.4
Expected rate of salary increase (defined benefit obligation)	2.5	2.5

	2022	2021
	\$'000	\$'000
Movement in net defined benefit liability		
Carrying amount at the beginning of the period	(5,869)	37,282
Defined benefit cost	7,905	9,250
Remeasurements	(27,198)	(46,744)
Employer contributions	(5,199)	(5,657)
Carrying amount at the end of the period	(30,361)	(5,869)

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 \$28.945 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 2022 under several scenarios is presented below.

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

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

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

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

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

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	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-0.5% pa discount rate	+0.5% pa discount rate	-0.5% pa salary increase rate	+0.5% pa salary increase rate
Discount Rate	3.6%	3.1%	4.1%	3.6%	3.6%
Salary increase rate	2.5%	2.5%	2.5%	2.0%	3.0%
Defined benefit obligation (\$'000)	265,853	270,808	262,375	262,963	269,986

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 2022 is eight years.

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26. Provisions

	Note	Consolidated		Parent	
		2022	2021	2022	2021
Current		\$'000	\$'000	\$'000	\$'000
Insurance	26.2	21,055	16,189	21,055	16,189
Workers compensation	26.1	34,943	29,825	640	568
Total current provisions		55,998	46,014	21,695	16,757
Non-current					
Insurance	26.2	111,068	124,802	111,068	124,802
Workers compensation	26.1	142,090	120,050	1,130	747
Total non-current provisions		253,158	244,852	112,198	125,549
Total provisions		309,156	290,866	133,893	142,306

26.1 Workers Compensation

Reconciliation of workers compensation (statutory and additional compensation):

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	149,875	109,030	1,315	1,060
Increase in provisions recognised	34,893	48,601	651	255
Reductions arising from payments/other sacrifices of future economic benefits	(7,735)	(7,756)	(196)	-
Carrying amount at the end of the period	177,033	149,875	1,770	1,315

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

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes). The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

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

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions. In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation of, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

Measurement of the workers compensation provision as at 30 June 2022 includes the impacts of the decision of the Full Court of the Supreme Court of South Australia in *Return to Work Corporation of South Australia vs Summerfield* (Summerfield decision). The Summerfield decision increased the liabilities of the Return to Work Scheme (the Scheme) and the workers compensation provision across government.

Legislation to reform the *Return to Work Act 2014* was proclaimed in July 2022, with the reforms expected to reduce the overall liability of the Scheme. The impacts of these reforms on the workers compensation provision will be considered when measuring the provision as at 30 June 2023.

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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) for professional indemnity insurance (including medical malpractice), public liability and property insurance, and is responsible for the management claim for amounts up to an agreed amount (the deductible). SAFA provides the balance of funding for claims in excess of the deductible. For professional indemnity (including medical malpractice) claims after 1 July 1994 and general public liability and property claims after 1 July 1999 the deductible per claim is \$1 million. For claims incurred prior to these dates the deductible per claim is \$50,000.

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

The determination of the medical malpractice professional indemnity insurance provision was carried out through an actuarial assessment in accordance with AASB 1023 *General Insurance Contracts*, conducted by Brett & Watson Pty Ltd. Current and non-current liabilities of the Department are determined by taking into account prudential margins, inflation, taxes, claims incurred but not reported and current claim values. The discount rate, which is used to discount expected future payments to the valuation date, increased to 3.7% (1.6%).

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
	\$'000	\$'000	\$'000	\$'000	\$'000
2021-22					
Carrying amount at the beginning of the period	137,193	107	1,412	2,279	140,991
Increase to provision due to new claims	10,893	-	228	3,491	14,612
Reduction due to payments	(10,878)	(4)	(52)	(785)	(11,719)
Net revision of estimates	(10,307)	-	107	(1,561)	(11,761)
Carrying amount at the end of the period	126,901	103	1,695	3,424	132,123

27. Contract liabilities and other liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Unclaimed monies	130	58	2	-
Unearned revenue	3,475	3,017	907	1,036
Contract liabilities	30,936	26,263	2,470	799
Residential aged care bonds	86,897	83,285	-	-
Accommodation and lease incentive*	24	276	24	276
Other	1,206	1,820	5	-
Total current contract liabilities and other liabilities	122,668	114,719	3,408	2,111
Non-current				
Accommodation and lease incentive*	102	96	102	96
Total non-current contract liabilities and other liabilities	102	96	102	96
Total contract liabilities and other liabilities	122,770	114,815	3,510	2,207

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

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

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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	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	825,410	1,172,207	515,078	791,294
Cash as per Statement of Financial Position	825,410	1,172,207	515,078	791,294
Balance as per Statement of Cash Flows	825,410	1,172,207	515,078	791,294
Reconciliation of net cash provided to net result:				
Net cash provided by (used in) operating activities	(16,893)	439,500	(268,507)	21,164
Add/less non-cash items				
Asset donated free of charge	-	(4,550)	-	(8,656)
Capitalised interest expense on finance lease	(9,053)	(10,692)	-	-
Depreciation and amortisation expense of non-current assets	(311,381)	(307,964)	(12,174)	(11,285)
Gain/(loss) on sale or disposal of non-current assets	340	1,767	-	2,023
Gain/(loss) on valuation of defined benefits	(27,198)	(46,744)	-	-
Impairment of non-current assets	(700)	-	-	-
Increments/(decrements) on revaluation of non-current assets	2,250	-	-	-
Interest credited directly to investments	102	274	-	-
Resources received free of charge	221	2,677	-	5,934
Revaluation of investments	(661)	203	-	-
Prior year error – SAAS	-	(3,862)	-	-
Administrative Restructure	(1,051)	-	-	-
Movement in assets and liabilities				
Increase/(decrease) in contract assets	(10,605)	12,386	-	-
Increase/(decrease) in receivables	8,097	111,445	(32,421)	93,245
Increase/(decrease) in inventories	5,363	53,954	2,634	54,863
Increase/(decrease) in other current assets	(5)	4	-	-
(Increase)/decrease in employee benefits	107,538	42,742	2,785	(2,999)
(Increase)/decrease in payables and provisions	(90,054)	(87,165)	5,677	(48,283)
(Increase)/decrease in other liabilities	(7,955)	(4,139)	(1,303)	985
Net result	(351,645)	199,836	(303,309)	106,991

Total cash outflows for leases is \$226.222 million (\$209.417 million) for the consolidated entity, and \$8.601 million (\$7.454 million) for the Department.

29. Unrecognised contractual commitments

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

29.1 Capital and Expenditure Commitments

29.1.1 Capital commitments

	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Within one year	21,920	5,885	4,019	619
Total capital commitments	21,920	5,885	4,019	619

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 DIT financial statements.

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29.1.2 Expenditure commitments

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Within one year	493,622	375,260	169,371	113,231
Later than one year but not longer than five years	618,817	575,231	32,641	33,878
Later than five years	2,175,664	2,272,344	-	3,394
Total expenditure commitments	3,288,103	3,222,835	202,012	150,503
Less contingent rentals	(1,131,528)	(1,149,239)	-	-
Net expenditure commitments	2,156,575	2,073,596	202,012	150,503

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 expenditure commitments above is \$2,605.205 million (\$2,685.075 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 2022 has not been quantified.

29.2 Expected rental income from lessor arrangements

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Within one year	82	82	-	-
Total expected rental income from lessor arrangements	82	82	-	-

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	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Carry amount at the beginning of period	640	655	-	-
Client trust receipts	1,342	1,645	-	-
Client trust payments	1,254	1,660	-	-
Carrying amount at the end of the period	728	640	-	-

31. Contingent assets and liabilities

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

31.1 Contingent assets

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

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

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

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

31.2 Contingent liabilities

On 1 August 2017, Hansen Yuncken Pty Ltd and CBP Contractors Pty Ltd (formerly known as Leighton Contractors Pty Ltd) filed legal proceedings in the Federal Court of Australia against Celsus Pty Ltd (formerly known as SA Health Partnership Nominees Pty Ltd), 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 terms of offer for a new SAAS Enterprise Agreement (EA) were presented on 31 May 2022, contingent on the finalisation of formal terms of the EA, acceptance by a majority of eligible staff who vote through the ballot process and requisite approval by the South Australian Employment Tribunal (SAET) pursuant to the *Fair Work Act 1994*. In accordance with the terms of the new EA eligible staff are entitled to salary increases of 2.5% per annum, back dated to the first full pay period after 31 December 2018. The financial impact of backpay cannot be reliably measured at this stage.

31.3 Guarantees

The Consolidated Entity has made no guarantees.

32. Events after balance date

On 22 July 2022, members of the Ambulance Employees Association (AEA) supported the terms for a new Enterprise Agreement. On 9 August 2022, the SAET approved the SA Ambulance Service Enterprise Agreement 2022, which came into force on and from that date and has a nominal life extending until 31 December 2024. Also refer to note 31.2.

On 2 August 2022, the Minister announced the appointment of Dr Robyn Lawrence as the new Chief Executive of the Consolidated Entity and the Department. Dr Lawrence commenced in the role on 12 September 2022. Ms Lynne Cowan continued in the role of Acting Chief Executive up to this date.

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.

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, such as long service leave, and whether or not the Consolidated Entity has a substantive right to defer settlement. Where applicable these liabilities will be classified as current. Application of this standard is not expected to have a material impact.

34. Financial instruments/financial risk management

34.1 Financial risk management

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

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

Liquidity risk

The Consolidated Entity is funded principally from appropriation by the SA Government. The Consolidated Entity works with DTF to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows. Refer to notes 1, 4, 23 and 24 for further information.

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.

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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, maturity analysis and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset/financial liability note.

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

A financial asset is measured at amortised cost if:

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

	Notes	Consolidated		Parent	
		2022 Carrying amount/ Fair value \$'000	2021 Carrying amount/ Fair value \$'000	2022 Carrying amount/ Fair value \$'000	2021 Carrying amount/ Fair value \$'000
Category of financial asset and financial liability					
Financial assets					
Cash and equivalent					
Cash and cash equivalents	14, 28	825,410	1,172,207	515,078	791,294
Amortised Cost					
Receivables ⁽¹⁾⁽²⁾	15	395,921	397,158	190,323	226,194
Other financial assets	16	105,786	108,061	-	-
Fair value through statement of comprehensive income					
Other financial assets	16	1,308	1,568	-	-
Fair value through profit and loss					
Other financial assets	16	4,936	7,295	-	-
Total financial assets		1,333,361	1,686,289	705,401	1,017,488
Financial liabilities					
Financial liabilities at amortised cost					
Payables ⁽¹⁾	23	427,815	357,196	237,215	234,410
Lease liabilities	24, 29	2,759,880	2,825,864	20,045	20,023
Other financial liabilities	27	88,359	85,534	133	372
Total financial liabilities		3,276,054	3,268,594	257,393	254,805

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

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

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).

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

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

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

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

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

CONSOLIDATED	30 June 2022			30 June 2021		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.1 – 24.6%	49,230	8,049	0.1 – 100.0%	52,984	6,216
<30 days	0.2 – 27.7%	23,481	2,464	0.2 – 26.1%	20,698	1,195
31-60 days	0.4 – 48.1%	12,115	1,854	0.4 – 45.2%	10,033	1,124
61-90 days	0.6 – 62.2%	10,385	2,443	0.6 – 57.3%	7,745	1,366
91-120 days	0.9 – 69.0%	7,869	2,144	0.9 – 63.3%	7,893	1,486
121-180 days	1.6 – 74.5%	9,606	2,126	1.5 – 67.7%	7,655	1,468
181-360 days	2.8 – 100.0%	26,933	14,942	2.5 – 100.0%	22,235	10,664
361-540 days	4.8 – 100.0%	11,426	6,372	4.6 – 100.0%	6,646	4,818
>540 days	5.5 – 100.0%	13,599	9,849	5.3 – 100.0%	10,188	7,330
Total		164,644	50,243		146,077	35,667

PARENT	30 June 2022			30 June 2021		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
Days past due						
Current	0.2%	1,385	3	0.1%	7,426	7
<30 days	0.4%	2,102	8	0.2%	2,906	5
31-60 days	1.0%	293	3	0.5%	1,736	9
61-90 days	1.7%	1,384	23	0.9%	2,190	21
91-120 days	2.9%	1,041	30	2.1%	2,087	45
121-180 days	4.1%	1,721	71	3.2%	2,086	66
181-360 days	10.8%	5,050	548	4.4%	3,200	140
361-540 days	31.3%	5,027	1,572	24.4%	143	35
>540 days	36.4%	1,414	514	29.5%	86	25
Total		19,417	2,772		21,860	353

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35. Budget performance

The budget performance table compares the Consolidated Entity's outcomes against budget information presented to Parliament in the original budget financial statements (2021-22 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 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Statement of Comprehensive Income			
Income			
Revenues from SA Government	5,452,546	4,845,446	(607,100)
Fees and charges	768,597	738,227	(30,370)
Grants and contributions	2,114,934	2,447,899	332,965
Interest	3,182	372	(2,810)
Resources received free of charge	76,266	76,994	728
Net gain from disposal of non-current and other assets	568	340	(228)
Other revenues/income	28,282	37,737	9,455
Total Income	(a) 8,444,375	8,147,015	(297,360)
Expenses			
Staff benefits expenses	4,373,757	4,677,395	(303,638)
Supplies and services	2,402,531	2,754,644	(352,113)
Depreciation and amortisation	306,148	311,381	(5,233)
Grants and subsidies	100,482	118,523	(18,041)
Borrowing costs	103,236	130,412	(27,176)
Payments to SA Government	-	431,854	(431,854)
Impairment loss on receivables	5,075	11,389	(6,314)
Other expenses	54,708	63,062	(8,354)
Total Expenses	(c) 7,345,937	8,498,660	(1,152,723)
Net result	1,098,438	(351,645)	(1,450,083)
Other Comprehensive Income			
Items that will be reclassified subsequently to net result when specific conditions are met			
Gains/(losses) recognised directly in equity	-	26,936	26,936
Total Other Comprehensive Income	-	26,936	26,936
Total Comprehensive Result	1,098,438	(324,709)	(1,423,147)

The unfavourable variance when compared to the original budget is mainly due to:

- (a) Income: State Government revenue for financing arrangements, offset by increased funding for the COVID-19 response including the COVID-19 Vaccination program;
- (b) Payments associated with the State Government Cash Alignment Policy, not included in original budget; and
- (c) Expenses: incurred across a large range of areas and hence are not separately disclosed in this note and relate to the increased costs of providing hospital services including:
 - The roll out of the COVID-19 Vaccination programs; and
 - Increased expenses for the COVID-19 response, refer to note 1.7 for more information.

Investing expenditure summary	Original Budget 2022 \$'000	Actual 2022 \$'000	Variance \$'000
Total new projects	27,457	3,650	23,807
Total existing projects	268,360	181,880	86,480
Total annual programs	55,330	58,519	(3,189)
Total Leases	10,023	12,877	(2,854)
Total investing expenditure	(d) 361,170	256,926	104,244

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- (d) The favourable variance of \$104.244 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 \$23.807 million between original budget and actuals mainly relates to reprofiling of projects into future years and underspend. Specific projects that have contributed to the variance include: Psychiatric Intensive Care Beds, New Older Persons Mental Health Facility, Crisis Stabilisation Centre - Northern Suburbs and Residential Aged Care Enterprise System.

Existing Projects

The favourable variance of \$86.480 million between original budget and actuals mainly relates to reprofiling of projects into future years and underspend. Specific projects that have contributed to the variance include: The Queen Elizabeth Hospital Redevelopment Stage 3, Country Health SA Sustainment and Compliance, New Women's and Children's Hospital, Modbury Hospital - Upgrades and Additional Services, Electronic Medical Records System, Repatriation Health Precinct Reactivation.

36. Significant transactions with government related entities

The Consolidated Entity is controlled by the SA Government.

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

Significant transactions with the SA Government are identifiable throughout this financial report. The Consolidated Entity received funding from the SA Government (note 2), and incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for capital works of \$151.191 million (\$162.497 million) occupancy rent and rates of \$14.704 million (\$16.871 million) and property repairs and maintenance of \$13.670 million (\$22.147 million) (note 9). As at 30 June the Consolidated Entity also incurred payables to DIT (note 23) and unrecognised contractual expenditure commitments for accommodation with DIT of \$58.406 million (\$66.021 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 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 have effective control over, and a 100% interest in, the net assets of the Health Advisory Councils (HACs). The HACs were established as a consequence of the *Health Care Act 2008* being enacted and certain assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in them with the remainder being vested in the respective LHN.

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

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

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

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

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Joint arrangements

The Consolidated Entity participates in the following joint operations:

Name of arrangement	Nature of the arrangement	Principal activity	Location	Interest
Adelaide Health Innovation Partnership	Incorporated entity formed from the founders – South Australian Health and Medical Research Institute, Central Adelaide Local Health Network and university of Adelaide.	Advocates for change, innovation and improvements in health service delivery, medical research, education and patient care.	Adelaide SA	33.3%
Centre for Cancer Biology Alliance	Agreement between the University of South Australia and Central Adelaide Local Health Network Incorporated	Undertake health and medical research in South Australia as an integrated clinical, educational and research activity, with a focus on cancer research.	Adelaide SA	50%
South Australian Immunogenomics Cancer Institute	Agreement between The University of Adelaide and Central Adelaide Local Health Network.	Established as an independently – governed Institute that operates as a discrete academic unit within the University of Adelaide’s Faculty of Health and Medical Sciences, supported by an alliance with CALHN	Adelaide SA	50%

The Consolidated Entity participates in the following joint venture:

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

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

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

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

	2022	2021
Percentage ownership interest	50 %	50 %
	\$'000	\$'000
Current assets	1,996	2,316
Current liabilities	(1,703)	(2,001)
Non-current assets	2,357	2,499
Non-current liabilities	(5,459)	(5,890)
Net assets	(2,809)	(3,076)
Share of beneficial entitlement	2,601	2,601
Carrying amount of interest in joint venture	2,601	2,601
Expenses	(6,510)	(6,116)
Revenue	6,777	6,690
Profit/(loss) and total comprehensive income	267	574
Entity's share of profit/(loss) and total comprehensive income (50%)	134	287

Structured entities

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

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

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38. Board and committee members

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

Board/committee name	Government employee members	Other members
Department for Health and Wellbeing - Controlled Substances Advisory Council	11	Ng D, Reynolds C Dr, Reeve M Dr, Smith J, White J Prof, Johns R
Department for Health and Wellbeing - Electronic Medical Record (EMR) Project Board	13	Solomon S (chair)
Department for Health and Wellbeing - Health Performance Council	4	Tyson D Dr, Searle J Prof, Martin K, Hensher M Assoc Prof, Al-Khafaji M, Duckett S (Chair), Lehmann T, Watson D Dr
Department for Health and Wellbeing - Hepatitis C Action Plan Implementation Group (HAPI-C)	10	Landers D, Oudih E (resigned 1/1/22), Paterson K, Williams E, Wright S, Rafique M, Hutt T, Holly C, Bartlett S, Morrison K, Riessen J, Rostami S (resigned 1/1/22), Tran D (appointed 25/4/22), Zander B (appointed 30/6/22), Safi S (appointed 24/2/22), Safi A (appointed 24/2/22)
Department for Health and Wellbeing - Human Research Ethics Committee	10	Hewitt A (resigned 1/10/21), Bradley C (resigned 1/10/21), Roder D (resigned 1/12/21), Rositano S Dr (resigned 1/11/21), Carter D (resigned 1/3/22), Buckley E (resigned 1/9/21), Stephens J (resigned 1/3/22), Elliott J A/Prof, Grant J (resigned 1/10/21), McIlwaine J (resigned 1/6/22), Needs K (resigned 1/10/21), Jones M, Rundle N (resigned 1/10/21), Goodsite M Prof (resigned 1/6/22), Braunacker-Mayer Prof (Chair), Najjar R, Ross-Taylor S, Gibson T (resigned 1/6/22)
Department for Health and Wellbeing - Lived Experience Advisory Group	4	Lockett A (resigned 18/10/21), Hofhuis C, O'Loughlin E, Khateeb H, Burtnik L (resigned 18/10/21), English L (Co-chair), Ahmed U (resigned 18/10/21)
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
Department for Health and Wellbeing - NDIS Psychosocial Disability Transition Task Force	18	Hofhuis C, Lee D, Callahan D, Strapp E, Harris G, Naughtin G, Meegan J, Cuthbert J, Burtnik L, Leggett M, Corcoran M, Creedon P, Sutton S, Arlidge S, Spencer V, Nowak Z, Nielsen H
Department for Health and Wellbeing - NDIS Subgroup	-	Meegan J
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
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 - Elective Surgery and Colonoscopy Collaborative	23	Whiteway L
Department for Health and Wellbeing – Psychotropic Drugs Committee	15	Hume C, Suppiah V, Brown J
Department for Health and Wellbeing - Risk Management and Audit Committee	-	Dunsford C (resigned 10/12/21), Marshall V Prof (resigned 16/2/22), Stubbs T Dr, Deegan V, Phillips P Prof (appointed 4/4/22), Evans J (Chair) (appointed 13/12/21)
Department for Health and Wellbeing - COVID-19 Mental Health Response Oversight Committee	1	Prowse L, McKinnon M, Keller N, Nowak H, Ambler R, Burness S, Pascoe T, Harris R, Hofhuis C, Harris G, McGregor T, Kennedy J, Croser-Barlow C
Department for Health and Wellbeing - Community Pharmacy NIP Access Advisory Group	6	Halstead P, Johns R, Panayiaris N, Kilmartin J Dr, Smith J

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Board/committee name	Government employee members	Other members
Department for Health and Wellbeing - SA Health Facilities and Models of Private Midwifery Care Working Group	14	Pollock R
Department for Health and Wellbeing - Voluntary Assisted Dying Implementation Taskforce	10	Moy C Dr, Barkla C, Coombe F, Hunt R Dr, Jachmann N, Okninski M Dr, Richards B A/Prof, Simpson T, Smith M, Stone H, Wanganeen R (all appointed 15/12/21)
Department for Health and Wellbeing - Human Rights and Coercion Reduction Committee	5	Harris G, Simpson T, Guaqueta C, Williams J, Jureidini J, Lockett A, English L (all appointed 1/7/21)
Department for Health and Wellbeing - Mental Health Services Plan Implementation Steering Committee	12	Coulls J, Camilleri C Dr, Braund S, Oudih E, Burgess A, English L
Department for Health and Wellbeing - Safety Learning System (SLS) Communities of Practice	19	Bickley B (appointed 22/10/21), Barrington D (appointed 22/10/21) (resigned 10/6/22)
Department for Health and Wellbeing - SA Sexual Health Services Review Project Advisory Group	24	Oliver-Landry E Dr, Miliotis N, Morrison K (all appointed 1/3/22)
Department for Health and Wellbeing - South Australia Health Outpatient Redesign Steering Committee	21	Whiteway L
Department for Health and Wellbeing - South Australian Formulary Committee	16	Whiteway L, Moss J
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, Miller-Frost L M, McManis S
Department for Health and Wellbeing - South Australian Medical Education and Training Health Advisory Council Accreditation Committee	9	Boumelha P E/Prof. (chair), Kuruppu P Dr, Need P Dr, Hillen J Dr, Ooi E Dr, Murphy R
Department for Health and Wellbeing - South Australian Medicines Advisory Committee	20	Kardachi G, Stocks N Prof, Wiley J, Whiteway L
Department for Health and Wellbeing - Statewide Gender Diversity Model of Care Project	13	Russo J, Cannell Z, Roy S (appointed 14/9/21), Young E (appointed 14/9/21) (resigned 9/12/21)
Department for Health and Wellbeing - STI and HIV Subcommittee	8	Miliotis N (Chair), Morrison K, Betts S, Carroll C, Gollin M, Leane K, Williams E, Oudih E (resigned 1/1/22), Rafique M (appointed 20/4/22), Rutland A, Bartlett S, Hutt T, Tsephe A, Shrubsole C (appointed 20/4/22)
Department for Health and Wellbeing - Strategic Mental Health Quality Improvement	11	Keys D, Camilleri C Dr, Brown J, Hofhuis C
Department for Health and Wellbeing - Towards Zero Suicide Project Committee	9	Kuys J
Department for Health and Wellbeing - Trauma Informed Practice Working Group	2	Hofhuis C
Department for Health and Wellbeing - Viral Hepatitis Model of Care Reference Group	41	Larkin M, Oliver-Landry E Dr, Oudih E, Paterson K (resigned 1/1/22), Warneke-Arnold D, Williams E, Wurm C Dr (resigned 1/1/22), Carroll C (appointed 1/1/22), Rafique M (appointed 1/1/22), Riessen J (appointed 1/1/22), Sebey B (appointed 1/1/22), Vnuk J (appointed 1/1/22)
Barossa Hills Fleurieu Local Health Network Country Health Gift Fund Health Advisory Council Inc	-	Fuller J, Mackay M, Mcarthur A.

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Board/committee name	Government employee members	Other members
Barossa Hills Fleurieu Local Health Network Governing Board	-	Blackwell P, Cantley K (resigned 30/06/2022), Curran J, Hazel J (appointed 14/02/2022), Fuller J, Gaston C (Chair), Russell G, Sexton R (resigned 31/03/2022)
Barossa Hills Fleurieu Risk Management and Audit Committee	-	Powell, D (Chair)
Central Adelaide Local Health Network - AusHealth Corporate Pty Ltd	2	Bechta-Metti K, Johansen G, Livesey S Dr, Reid M (Appointed 21/03/2022)
Central Adelaide Local Health Network - Allied Health Directorate Clinical Governance Committee	17	Heydrich S (Appointed 12/04/2022), Verrall A (Resigned 12/10/2021)
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	9	Wanganeen F
Central Adelaide Local Health Network Clinical Ethics Committee	16	Carter D Dr, Digance A, Lambert A, Stevens K (Appointed 20/07/2021, Resigned 02/11/2021) and Merlin T Prof
Central Adelaide Local Health Network Consumer Carer Advisory Group	2	Bickley B, Burns T, Earl-Bandaralage L, Horgan J , Law D, Lucas G, Lukeman S, Meegan J, Smith J, Vega L
Central Adelaide Local Health Network Critical Care & Perioperative Program Intensive Care Services Quality and Governance Committee	-	Bruce K, How C and Yeend K
Central Adelaide Local Health Network Executive Quality Governance Committee	30	Fyfe D, Bruce K
Central Adelaide Local Health Network Geriatric Safety and Quality Committee	37	Curry M
Central Adelaide Local Health Network Governing Board	-	Beilby J Prof, Cockram A Dr, Dwyer J Prof, Morey K (Resigned 30/09/2021) , Reid M, Spencer R (Chair), Yuile J and Wanganeen G (Appointed 14/02/2022)
Central Adelaide Local Health Network Governing Board Clinical Governance Committee	-	Fyfe D (Appointed 23/02/2022)
Central Adelaide Local Health Network Governing Board Consumer and Community Engagement Committee	-	Fyfe D (Appointed 21/07/2021) and McWhinnie S (Appointed 21/07/2021)
Central Adelaide Local Health Network Governing Board Finance and Investment Committee	-	Cantley K
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, , Greenberg Z, Hackett J, 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 Integrated Care Clinical Governance Committee	-	Beaumont J and Wing M (Appointed 16/08/2021)
Central Adelaide Local Health Network Pelvic Mesh Specialists Group	10	Blieschke, K and Short K
Central and Northern Adelaide Renal and Transplantation Service - Quality and Safety Governance Committee	11	Baxter A and Christy L (Appointed 11/11/2021)

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Board/committee name	Government employee members	Other members
Central Adelaide Local Health Network - Critical Care and Periop Safety and Quality Leadership Consumer Representative	-	Yeend K
Central Adelaide Local Health Network - General Medicine Safety and Quality Committee	28	Cardinali R
Central Adelaide Local Health Network - Heart and Lung Safety and Quality Committee	19	McWhinnie S
Central Adelaide Local Health Network - Learning from Dying Committee	21	Anderson R
Central Adelaide Local Health Network - Priority Care Committee: Communicating for Safety	48	Curry M and Raschella F
Central Adelaide Local Health Network - Priority Care Committee: Comprehensive Care	57	Anderson R, Bickley B, Coates P (Appointed), Curry M, Klemm G (Resigned) and Messing L
Central Adelaide Local Health Network - Priority Care Committee: Managing Deterioration	26	Bampton J (Appointed 12/01/2022), Bickley B (Appointed 12/01/2022), Price J (Resigned 10/11/2021) and Raschella F
Central Adelaide Local Health Network - Priority Care Committee: Patient Blood Management	-	Venhoek J
Central Adelaide Local Health Network - Priority Care Committee: Standard 2 Consumer Partnering	-	Anderson R (Appointed 21/02/2022), Curry M (Appointed 31/01/2022), Klemm G (21/02/2022) and McMahon J (Appointed 21/02/2022)
Central Adelaide Local Health Network - Renal Community of Practice Steering Committee	22	Lester R and Weber D
Central Adelaide Local Health Network - SA Brain Injury Rehabilitation Service Consumer Advisory Group	3	Dunn K (Resigned 09/12/2021), Miller L (Resigned 09/12/2021), Francese L, Morgan T (Chair), Bollella D (Resigned 14/04/2022) and Crawford S (Resigned 14/04/2022)
Central Adelaide Local Health Network - SA Dental Services Consumer Advisory Panel	4	Ali H (Resigned 08/04/2022), Brown M (Resigned 11/08/2021), Costa D Dr, Ireland K, Kerekas E, Matiasz S Dr, McMahon J (Resigned 08/12/2021), Millier P, Sutherland R, Whiteway L, Zerna J and Saunders C (Appointed 16/03/2022)
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	7	Christley S Dr and Davies T (Chair)
Central Adelaide Local Health Network - Stroke Community of Practice Strategic Executive Committee	31	Chamberlain S and McGrath A
Central Adelaide Local Health Network - Youth Cancer Advisory Group	1	Armstrong N (Resigned), Binns T, Edwards S, Fowler N (Resigned), Hammerling S (Resigned), Ieremia T (Resigned), Merton T (Resigned), Mitra D, Smith O (Resigned), Spangenberg C (Resigned), Tyson H and Zappia D (Resigned)
Eyre and Far North Local Health Network Governing Board	-	Smith M (Chair), Dunchue L, Mills D Dr, Siviour J, Sweet C, Thyer C (appointed 01/07/2021), Smith T (appointed 01/07/2021), Green B (resigned 30/06/2021)
Eyre and Far North Local Health Network Audit and Risk Management Committee	-	Van Der Wel O (Chair), Sweet C, Smith T

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Board/committee name	Government employee members	Other members
Eyre and Far North Local Health Network Clinical Governance Committee	-	Mills D Dr (Chair), Siviour J, Blacker P
Eyre and Far North Local Health Network Finance and Performance Committee	-	Dunchue L (Chair), Sweet C
Flinders and Upper North Local Health Network Governing Board	-	Whitfield M (Chair), Brady G, Cogan S (appointed 14/02/2022), 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)
Flinders and Upper North Local Health Network Consumer and Community Engagement Committee	5	Misan G, Plew S (proxy), Screen A, Shute J, Walters C
Flinders and Upper North Local Health Clinical Governance Committee	6	Screen A (appointed 01/09/2021), Plew S (appointed 01/09/2021)
Limestone Coast Local Health Network Governing Board	-	King G (Chair), Birtwistle-Smith A (appointed 01/07/2021), Brown G, Cook L, Irving J, Johnson A, Saics A
Limestone Coast Local Health Network Audit and Risk Management Committee	-	Kortum D
Northern Adelaide Local Health Network Governing Board	1	Blight R (Chair), Burgess A, Forwood M, Lampard F, Patetsos M, Roesler C
Northern Adelaide Local Health Network Clinical Governance Committee	-	Patetsos M (Chair), Dennis C, Roesler C, Burgess A
Northern Adelaide Local Health Network Consumer Advisory Board	-	White A (Chair), Dahal K, Mossop J, Putsey P, Spargo J
Northern Adelaide Local Health Network Consumer Community	5	Baker K, Bonato K, Cately P, Chester M, Coleman L, Dahal K, Damgaard H, Dimitropolous T, Foong J, Gadd R, Grinter M, Hassan R, Irvine S, MacFarlan C, Maiorana B, Mossop J, Putsey P, Radic S, Raina M, Rowa J, Simpson T, Spargo J, Streiber N, Swietek W, Wegener M, White A, Whittle S. (All appointed 12/08/2021)
Northern Adelaide Local Health Network Risk Management & Audit Committee	-	Patetsos M (Chair), Connor G, Forwood M
Northern Adelaide Local Health Network and Department for Health and Wellbeing Aboriginal Consumer Reference Group	-	Wanganeen K (Chair), Stengle A, Wanganeen E, Chisholm K, Sinclair N, Weetra R, Varcoe E, Lamont J, O'Brien M, Turner B
Riverland Mallee Coorong Local Health Network Governing Board	-	Joyner P (Chair), Ashworth E, Goldsmith C, Mohor S (resigned 09/02/2022), Ottaway M, Toogood F.
Riverland Mallee Coorong Local Health Network Risk and Audit Committee	-	Brass P (Chair)
SA Ambulance Service - Assurance and Risk Committee	-	Thompson K (Chair), Beilby J, Deally Y
SA Ambulance Service - Adverse Events Committee	3	Whiteway L, Hibbert P, Davies G, Cadzow M
SA Ambulance Service - Consumer and Community Advisory Committee	2	Kirk P (Co-Chair), Squirrell D, Bunjaku M, Mercer K, Vega L, McDonald B, Chester M, Saunders C, Whiteway L, Pietsch A, Burgess A, Bock A, Marshall J, Earle-Bandaralage L.
SA Ambulance Service - Finance Committee	-	Ashley I, Murray R
SA Ambulance Service - Service Delivery Committee	-	Meegan J, Braund S
SA Ambulance Service - Clinical Approvals Committee	-	Beilby J (Chair), Squirrell D, Hibbert P, Cusack M, Thompson N

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SA Ambulance Service - NSQHS Steering Committee	-	Kirk P
Southern Adelaide Local Health Network Governing Board	-	Butcher M (Chair), Hickey V, Mackean T, Mitchell J, Noble J, Richter J, Sherbon A (appointed 01/07/2021), Sweeney T (appointed 01/07/2021, ceased 06/05/2022)
Southern Adelaide Local Health Network - DASSA Clinical Executive Committee	12	Braund S (ceased 19/11/2021), Newrick K
Southern Adelaide Local Health Network - DASSA Community Advisory Council	3	Braund S (Chair) (ceased 06/12/2021), Bealing D (appointed 01/12/2021), Cornish M, Halls A (appointed 27/07/2021), Holly C (appointed 27/07/2021), Mclean J, Moore P (ceased 30/11/2021), Newrick K, Nimmo E, O'Brien J, Petracco C, Randle M, Sherif M (appointed 27/07/2021), Taylor T (appointed 09/08/2021, ceased 12/10/2021), Vega L (appointed 27/07/2021), Whiteway L
Southern Adelaide Local Health Network - DASSA Drug and Therapeutics Committee (Sub Committee of the DASSA Clinical Executive Committee)	10	Randle M
Southern Adelaide Local Health Network - DASSA Executive Group	12	O'Brien J
Southern Adelaide Local Health Network - Mental Health Consumer and Carer Advisory Group	9	Braund S, Buer S (ceased 28/03/2022), Clarke W, Corena M, Harrison J, Hofhuis C, Hopkins R, King P
Southern Adelaide Local Health Network - Partnering with Consumer Advisory Group	11	King P (Co Chair), Ball R, Dame T, Duke J, Hofhuis C, Hoiles J, Holtham R, Klinge N, Oudih E, Pascoe P, Rankine J, Roberts D, Voss D
Southern Adelaide Local Health Network - Southern Adelaide Clinical Human Research Ethics Committee	26	Arnold G, Cahalan P, Dykes L, Haines C (ceased 18/12/2021), Holtham R (ceased 04/05/2022), Ingleson V, Jenski L (Deputy Chair) (ceased 01/02/2022), Lange B (Deputy Chair), Lister C, Lower K, McEvoy M, Milliotis B, Mudd A, Nguyen A (ceased 25/01/2022), Phillips C (appointed 12/06/2022), Sharma S, Shephard S, Souzeau E, Spencer M, Thomas J (appointed 12/05/2022), Treloar H, Trethewey C, Trethewey Y, Van Lueven J, Velayudham P, Watt B (appointed 16/12/2021), Were L, Westwood T (ceased 16/02/2022), Yip L, Zhou Y
Southern Adelaide Local Health Network Asset and Infrastructure Planning Sub-Committee	-	Butcher M (Chair), Mitchell J, Richter J, Sherbon A (appointed 01/07/2021)
Southern Adelaide Local Health Network Audit and Risk Sub Committee (Sub Committee of the Governing Board)	-	Hickey V (Chair), Forman A, 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, Eckert M, Mackean T, Voss D (ceased 30/06/2022)
Southern Adelaide Local Health Network Communicating for Patient Safety Committee	40	Dame T
Southern Adelaide Local Health Network Community Engagement (Sub-Committee of the Governing Board)	-	Mitchell J (Chair), Butcher M, King P, Mackean T, Sweeney T (ceased 06/05/2022), Voss D
Southern Adelaide Local Health Network Comprehensive Care Committee	37	Marion C (ceased 01/11/2021), Saunders-Lance, S (appointed 01/03/2022)
Southern Adelaide Local Health Network Drugs and Therapeutics Committee	31	Barrington D (ceased 10/06/2022)

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Board/committee name	Government employee members	Other members
Southern Adelaide Local Health Network End of Life Steering Committee	15	Barrington D, Phelan C
Southern Adelaide Local Health Network Falls Prevention Management Committee	41	Cohen M, Hall W (ceased 16/05/2022)
Southern Adelaide Local Health Network Marion Lived Experience Group Mental Health Services	4	Hofhuis C (Chair), Brooke B, English L, Police D
Southern Adelaide Local Health Network Mental Health Services Noarlunga Lived Experience Group	3	Buer S (Chair), Cairns E (ceased 01/10/2021), Elliott C (ceased 01/10/2021), Healy S, Hopkins R, Hutchison S, Johns S, Penberthy V (ceased 01/10/2021), Smith K
Southern Adelaide Local Health Network New Technology and Clinical Practice Innovation Committee	10	Holty C (appointed 23/08/2021, ceased 02/06/2022), Kaambwa B, King P
Southern Adelaide Local Health Network Older Persons Lived Experience Group Mental Health Services	7	Clark W (Chair), Aust R, Eckert N, Habner R, Lillecrapp D, Schetters J
Southern Adelaide Local Health Network Veterans Lived Experience Group Mental Health Services	3	Frampton R (Chair) (ceased 01/03/2022), Daley G, Damare M (appointed 01/10/2021), Hall R, Lawson B (ceased 01/07/2021), Melling W (ceased 01/08/2021), O'Malley J (appointed 01/03/2022), Renshaw D, Royals N, Schofield M, Tregea J (appointed 01/10/2021)
Women's and Children's Health Network - Audit and Risk Committee	-	Connor G (Chair), Daw S, Haslam R
Women's and Children's Health Network - Clinical Governance Group	-	Daw S (Chair), Cadzow M, Christley S, 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 Governing Board	-	Birch J (Chair), Bastian J, Christley S, Daw S, Glover K, Haslam R, Miller S, Wilson B
Yorke and Northern Local Health Network Governing Board	1	Voumard J (chair), Badenoch J, Banham, D (appointed 01/07/2021), Malcolm E, O'Connor J
Yorke and Northern Local Health Network Audit and Risk Committee	-	Traeger E

Refer to note 8.2 for remuneration of board and committee members

39. Schedules of administered items

39.1 Basis of preparation

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

39.2 Categories of administered items

Special Acts (Parent) administered items include the following:

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

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

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

Other administered items include the following:

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

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

39.3 Administered items - budgetary reporting

Budget information for Special Acts and HMRF is presented to Parliament; 2021-22 Budget Paper 4 includes a statement of comprehensive income for administered items for the Department. The budget process is not subject to audit.

39.4 Administered contingent assets and liabilities

The Consolidated Entity has no administered contingent assets and liabilities.

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39.5 Schedules of administered items

Consolidated	Special Acts		HMRF		Private Practice		Other		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<u>Schedule of Administered Expenses and Income</u>										
<u>Administered income</u>										
Revenues from SA Government	615	605	-	-	-	-	-	-	615	605
Revenues from fees and charges	-	-	-	-	88,711	88,328	4,023	4,637	92,734	92,965
Interest revenues	-	-	-	-	-	-	-	2	-	2
Other revenues	-	-	-	3,046	-	-	49	75	49	3,121
Total Administered income	615	605	-	3,046	88,711	88,328	4,072	4,714	93,398	96,693
<u>Administered expenses</u>										
Employee benefits expenses	615	605	-	-	-	-	121	160	736	765
Supplies and services	-	-	-	-	-	351	312	190	312	541
Grants and subsidies	-	-	-	1,000	-	-	-	-	-	1,000
Depreciation expense	-	-	-	-	-	-	3	3	3	3
Other expenses	-	-	-	-	89,144	86,382	3,656	4,162	92,800	90,544
Total Administered expenses	615	605	-	1,000	89,144	86,733	4,092	4,515	93,851	92,853
Net result	-	-	-	2,046	(433)	1,595	(20)	199	(453)	3,840
<u>Schedule of Administered Assets and Liabilities</u>										
<u>Administered current assets</u>										
Cash and cash equivalents	(90)	(47)	10,278	10,278	10,629	10,416	1,587	1,256	22,404	21,903
Receivables	90	47	-	-	6,914	6,755	142	47	7,146	6,849
Total Administered current assets	-	-	10,278	10,278	17,543	17,171	1,729	1,303	29,550	28,752
<u>Administered non-current assets</u>										
Property, plant and equipment	-	-	-	-	-	-	27	29	27	29
Total Administered non-current assets	-	-	-	-	-	-	27	29	27	29
Total Administered assets	-	-	10,278	10,278	17,543	17,171	1,756	1,332	29,577	28,781
<u>Administered current liabilities</u>										
Payables	-	-	-	-	7,073	5,860	1,126	1,083	8,199	6,943
Employee benefits	-	-	-	-	-	-	27	25	27	25
Other current provisions/liabilities	-	-	-	-	20	22	-	-	20	22
Total Administered current liabilities	-	-	-	-	7,093	5,882	1,153	1,108	8,246	6,990
Total Administered liabilities	-	-	-	-	7,093	5,882	1,153	1,108	8,246	6,990
Net Administered assets/equity	-	-	10,278	10,278	10,450	11,289	603	224	21,331	21,791

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Schedule of Administered Cash Flows

	2022 \$'000	2021 \$'000
Cash flows from operating activities		
Cash inflows		
Receipts from SA Government	572	564
Fees and charges	90,815	91,998
Interest revenues	-	2
Other revenues	49	3,121
Total Cash inflows	91,436	95,685
Cash outflows		
Employee benefits payments	734	794
Grants and subsidies	-	1,000
Supplies and services	312	535
Other payments	89,889	89,639
Total Cash outflows	90,935	91,968
Net cash provided by operating activities	501	3,717
Net increase/(decrease) in cash held	501	3,717
Cash at the beginning of the reporting period	21,903	18,186
Cash at the end of the reporting period	22,404	21,903