



Level 9
State Administration Centre
200 Victoria Square
Adelaide SA 5000
Tel +618 8226 9640
Fax +618 8226 9688
ABN 53 327 061 410
audgensa@audit.sa.gov.au
www.audit.sa.gov.au

To the Chief Executive Wellbeing SA

Opinion

I have audited the financial report of Wellbeing SA 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 Wellbeing SA as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with the relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Reporting Requirements.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 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 Business Manager

Basis for opinion

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

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

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Wellbeing SA 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 Wellbeing SA's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's

ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Daniel O'Donohue
Assistant Auditor-General

21 September 2022

Certification of the financial statements

We certify that the financial statements of Wellbeing SA:

- – are in accordance with the accounts and records of the authority; and
- – comply with relevant Treasurer’s instructions; and
- – comply with relevant accounting standards; and
- – present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.

Internal controls employed by Wellbeing SA over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Lyn Dean
Chief Executive



Derek Selby
Business Manager

Date 15.....September 2022

WELLBEING SA
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Income			
Revenues from SA Government	2	16,774	20,427
Fees and charges	3	1,080	943
Grants and contributions	4	80,683	49,110
Resources received free of charge	5	413	735
Other revenues/income	6	2,140	-
Total income		101,090	71,215
Expenses			
Payments to SA Government	2	10,697	-
Employee benefits expenses	7	15,927	13,460
Supplies and services	8	58,728	42,445
Depreciation and amortisation		4	3
Grants and subsidies	9	8,560	7,248
Other expenses	10	1,247	46
Total expenses		95,163	63,202
Net result		5,927	8,013
Total comprehensive result		5,927	8,013

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

WELLBEING SA
STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	11	23,085	17,578
Receivables	12	905	1,214
Total current assets		23,990	18,792
Non-current assets			
Receivables	12	1	1
Property, plant and equipment	13	4	8
Total non-current assets		5	9
Total assets		23,995	18,801
Current liabilities			
Payables	14	6,291	6,695
Financial liabilities	13	4	3
Employee benefits	15	2,177	1,819
Provisions	16	25	27
Total current liabilities		8,497	8,544
Non-current liabilities			
Payables	14	268	231
Financial liabilities	13	1	5
Employee benefits	15	2,752	2,425
Provisions	16	41	36
Total non-current liabilities		3,062	2,697
Total liabilities		11,559	11,241
Net assets		12,436	7,560
Equity			
Retained earnings		12,436	7,560
Total equity		12,436	7,560

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

WELLBEING SA
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2022

	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2020	(453)	(453)
Net result for 2020-21	8,013	8,013
Total comprehensive result for 2020-21	8,013	8,013
Balance at 30 June 2021	7,560	7,560
Net result for 2021-22	5,927	5,927
Total comprehensive result for 2021-22	5,927	5,927
Net assets received from an administrative restructure	1.6 (1,051)	(1,051)
Balance at 30 June 2022	12,436	12,436

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

WELLBEING SA
STATEMENT OF CASH FLOWS
For the year ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		16,774	20,427
Fees and charges		1,233	797
Grants and contributions		80,710	49,454
GST recovered from ATO		5,434	4,048
Other receipts		2,144	-
Cash generated from operations		<u>106,295</u>	<u>74,726</u>
Cash outflows			
Payments to SA Government		(10,697)	-
Employee benefits payments		(16,150)	(12,397)
Payments for supplies and services		(63,316)	(43,574)
Payments of grants and subsidies		(9,365)	(7,348)
Other payments		(1,257)	(64)
Cash used in operations		<u>(100,785)</u>	<u>(63,383)</u>
Net cash provided by/(used in) operating activities		<u>5,510</u>	<u>11,343</u>
Cash outflows			
Repayment of lease liabilities		(3)	(3)
Cash used in financing activities		<u>(3)</u>	<u>(3)</u>
Net cash provided by/(used in) financing activities		<u>(3)</u>	<u>(3)</u>
Net increase/(decrease) in cash and cash equivalents		5,507	11,340
Cash and cash equivalents at the beginning of the period		17,578	6,238
Cash and cash equivalents at the end of the period	11	<u>23,085</u>	<u>17,578</u>

The accompanying notes form part of these financial statements.

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

1. About Wellbeing SA

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

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

1.1 Objectives and activities

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

The Metropolitan Referral Unit transitioned from the Southern Adelaide Local Health Network to Wellbeing SA, effective 26 March 2022. The full year budget of \$2.8 million transitioned to Wellbeing SA on 1 July 2022.

1.2 Basis of preparation

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

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

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

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

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

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

1.3 Taxation

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

1.4 Impact of COVID-19 pandemic on Wellbeing SA

The COVID-19 pandemic continued to impact on Wellbeing SA's operations during 2021-22. Wellbeing SA supported South Australia's response to COVID-19 through a range of initiatives including leading a Vaccination Hesitancy project to support increased vaccination rates across community groups, enhancing Out of Hospital care programs, and conducting domiciliary COVID-19 testing. Wellbeing SA also led programs to manage and reduce the demand on the hospital system through demand management strategies. Wellbeing SA employees were also redirected to supporting COVID-19 operations during this time.

Net COVID-19 specific costs for Wellbeing SA were \$7.582 million (\$3.012 million).

1.5 Change in accounting policy

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

1.6 Changes to administrative unit

As a result of administrative arrangements outlined in the Chief Executive Agreement (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 in, consisting of payables (\$0.060 million) and employee benefits (\$0.991 million). This included the transfer of 32 employees.

Net liabilities assumed by Wellbeing SA as a result of the administrative restructure were at the carrying amount immediately prior to transfer and treated as a contribution by the SA Government as owner.

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

2. Revenues from / Payments to SA Government

	2022 \$'000	2021 \$'000
Contingency funding provided by Department of Treasury and Finance	2	-
Operating purpose Appropriations from Consolidated Account pursuant to the <i>Appropriation Act</i>	16,772	20,427
Total revenues from SA Government	16,774	20,427

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

Appropriations are recognised upon receipt. Wellbeing SA uses direct costs incurred on each specific service to measure the completion of performance obligations.

3. Fees and charges

	2022 \$'000	2021 \$'000
Commissions revenue	-	1
Fees for health services	484	528
Other user charges and fees	596	414
Total fees and charges	1,080	943

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

4. Grants and contributions

	2022 \$'000	2021 \$'000
SA Government grants and contributions	80,296	48,577
Private sector grants and contributions	387	533
Total grants and contributions	80,683	49,110

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

Grants received from the private sector \$0.387 million (\$0.533 million) are usually subject to terms and conditions set out in the contract or correspondence. Grants consist of contributions for Health Pathways SA and funding arrangement for the delivery of Priority Care Centre SA and the STAAR SA Project.

5. Resources received free of charge

	2022 \$'000	2021 \$'000
Services	311	249
Accommodation	102	486
Total resources received free of charge	413	735

Contribution of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated. Wellbeing SA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$0.283 million (\$0.222 million), and ICT (information and communication technology) services from Department of Premier and Cabinet valued at \$0.028 million (\$0.027 million), following Cabinet's approval to cease intra-government charging. In addition, Wellbeing SA received accommodation from DHW free of charge \$0.102 million (\$0.486 million) during July – September 2021.

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

6. Other revenue

	2022 \$'000	2021 \$'000
Other	2,140	-
Total other revenues/income	2,140	-

Includes revenue for disability related health services \$2.097 million.

7. Employee benefits expenses

	2022 \$'000	2021 \$'000
Salaries and wages	12,245	10,199
Targeted voluntary separation packages (refer below)	282	-
Long service leave	(116)	735
Annual leave	1,248	1,144
Skills and experience retention leave	68	53
Employment on-costs - superannuation*	1,425	1,193
Employment on-costs - other	749	101
Workers compensation	3	13
Board and committee fees	10	14
Other employee related expenses	13	8
Total employee benefits expenses	15,927	13,460

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

7.1 Key Management Personnel

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

Total compensation for KMP for the financial year was \$1.285 million (\$1.180 million), and excludes salaries and other benefits by the Minister. The Minister 's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*.

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

7.2 Remuneration of Boards and Committees

	2022 No. of Members	2021 No. of Members
\$0	81	59
\$1 - \$20,000	28	40
Total	109	99

The total remuneration received or receivable by members was \$0.01 million (\$0.014 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any related fringe benefits tax paid. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 22 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

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

7.3 Remuneration of employees

	2022	2021
The number of employees whose remuneration received or receivable falls within the following bands:	No.	No.
\$157,001 - \$177,000	2	1
\$177,001 - \$197,000	1	-
\$197,001 - \$217,000	1	1
\$217,001 - \$237,000	1	1
\$297,001 - \$317,000	1	1
\$417,001 - \$437,000	1	-
\$437,001 - \$457,000	-	1
Total number of employees	7	5

The total remuneration received by those employees for the year was \$1.721 million (\$1.347 million).

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

7.4 Targeted voluntary separation packages (TVSP)

	2022	2021
Amount paid/payable to separated staff:	\$'000	\$'000
Leave paid/payable to separated employees	124	-
Targeted voluntary separation packages	282	-
Net cost to Wellbeing SA	406	-
The number of staff who received a TVSP during the reporting period	6	-

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

8. Supplies and services

	2022	2021
	\$'000	\$'000
Administration	85	67
Advertising	415	755
Communication	96	57
Computing	657	377
Consultants	409	751
Contract of services	48,352	34,658
Contractors	2,330	1,989
Contractors - agency staff	793	871
Electricity, gas and fuel	16	-
Fee for service	265	-
Food supplies	14	22
Housekeeping	4	9
Insurance	18	-
Legal	28	-
Minor equipment	26	17
Motor vehicle expenses	1	9
Occupancy rent and rates	682	597
Postage	5	-
Printing and stationery	45	54
Repairs and maintenance	-	18
Security	2	-
Services from Shared Services SA	283	222
Short term lease expense	-	94
Training and development	204	133
Travel expenses	113	92
Other supplies and services	3,885	1,653
Total supplies and services	58,728	42,445

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

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

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

Contract of Services \$48.352 million (\$34.658 million) expenditure mainly includes commissioned activity for SA Community Care \$31.929 million (29.856 million), My Home Hospital \$9.448 million (\$1.990 million), and Demand Management programs relating to the COVID response \$5.026 million (\$0.202 million).

Consultants

The number of consultancies and dollar amount paid/payable (included in supplies and service expense) to consultants was:

	2022		2021	
	No.	\$'000	No.	\$'000
Below \$10,000	17	37	1	1
Above \$10,000	9	372	11	750
Total	26	409	12	751

9. Grants and subsidies

	2022	2021
	\$'000	\$'000
Subsidies	194	-
Funding to non-government organisations	8,326	7,060
Other	40	188
Total grants and subsidies	8,560	7,248

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

10. Other Expenses

	2022	2021
	\$'000	\$'000
Other	1,247	46
Total other expenses	1,247	46

Consists of services recoveries of \$1.201 million paid to the Department of Human Services and fees paid/payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 of \$0.034 million (\$0.034 million). No other services were provided by the Auditor-General's Department.

11. Cash and cash equivalents

Cash is measured at nominal amounts. Wellbeing SA has a deposit account (general operating) of \$23.085 million (\$17.578 million) with the Treasurer. Wellbeing SA does not earn interest on this account. The Government has a policy to align cash balances with the appropriation and expenditure authority.

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

12. Receivables

	2022	2021
	\$'000	\$'000
Current		
Debtors	151	260
Prepayments	74	78
Sundry receivables and accrued revenue	22	9
GST input tax recoverable	658	867
Total current receivables	905	1,214
Non-current		
Debtors	1	1
Total non-current receivables	1	1
Total receivables	906	1,215

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

13. Property, plant and equipment

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

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

The following table shows the movement:

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	8	1
Additions	-	11
Disposals	-	(1)
Subtotal:	8	11
Gains/(losses) for the period recognised in net result:		
Depreciation and amortisation	(4)	(3)
Subtotal:	(4)	(3)
Carrying amount at the end of the period	4	8

The lease liability relating to this right-of-use asset at 30 June 2022 was \$5,000 (\$8,000). Interest expense was \$35 (\$37) and cash outflow relating to this lease was \$3,000 (\$3,000).

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

14. Payables

	2022	2021
	\$'000	\$'000
Current		
Creditors and accrued expenses	5,958	6,415
Paid Parental Leave Scheme	3	-
Employment on-costs*	328	280
Other payables	2	-
Total current payables	6,291	6,695
Non-current		
Employment on-costs*	268	231
Total non-current payables	268	231
Total payables	6,559	6,926

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. 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 Return to Work SA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. Wellbeing SA makes contributions to several State Government and external 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 schemes.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged at 42%, and 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 a decrease in the employment on-cost liability and employee benefits expenses of \$0.013 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

Refer to note 21 for information on risk management.

15. Employee benefits

	2022	2021
	\$'000	\$'000
Current		
Accrued salaries and wages	148	325
Annual leave	1,688	1,222
Long service leave	244	213
Skills and experience retention leave	97	59
Total current employee benefits	2,177	1,819
Non-current		
Long service leave	2,752	2,425
Total non-current employee benefits	2,752	2,425
Total employee benefits	4,929	4,244

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

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

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

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

The actuarial assessment performed by DTF decreased the salary inflation rate from the 2021 rate (2.00%) to 1.5% for annual leave and skills and experience retention leave liability. As a result, there is a decrease in the employee benefits liability and employee benefits expenses of \$0.009 million.

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

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

15.2 Long service leave

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

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

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2021 (1.25%) to 3.5%. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The actuarial assessment performed by DTF left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$0.465 million, payables (employment on-costs) of \$0.022 million and employee benefits expenses of \$0.487 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions – a key assumption being the long-term discount rate.

16. Provisions

The provision consists only of workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	2022	2021
	\$'000	\$'000
Carrying amount at the beginning of the period	63	65
Increase/ (Decrease) in provisions recognised	3	(2)
Carrying amount at the end of the period	66	63

Workers compensation provision (statutory and additional compensation schemes)

Wellbeing SA is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, Wellbeing SA is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the costs of workers' compensation claims and the implementation and funding of preventative programs.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes).

The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 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 non-serious injuries sustained in circumstances which involved, or appeared to involve, of a criminal offence, or which arose from a dangerous situation.

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

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

17. Unrecognised contractual commitments

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

17.1 Expenditure Commitments

	2022	2021
	\$'000	\$'000
Within one year	567	245
Total expenditure commitments	567	245

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

Wellbeing SA also has arrangements to provide funding for SA Community Care program and My Home Hospital Services program. The value of these commitments as at 30 June 2022 is uncertain and has not been included.

18. Contingent assets and liabilities

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

19. Events after balance date

Wellbeing SA is not aware of any after balance date events.

20. Impact of Standards not yet implemented

Wellbeing SA has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer. There is no material impact.

21. Financial instruments/financial risk management

21.1 Financial risk management

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

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

22. Board and committee members

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

Board/Committee name:	Government employee members*	Other members
Community Advisory Committee	-	Albrecht L, Bennell C, Bolton N, Cornes G, Gosden A, Hodges E, Hughes K, Kelly L, Oudih E, Post D, Ryan B, Santamaria A, Whitehead S, Whiteway L, Shaw, A
Disease Prevention, Health Promotion and Population Health Committee	4	Miller B, Moy C, Johnson D, Young E, Gratez F, Lehmann J, Robinson J, Benson J, Meyers K, Beckoff M, Elsley N, Johns R, Lewis S, Curlis S
COVID-19 International Student Project Advisory Group	-	Agarwal A, Aggarwal K, Lee T, Nawas A, Nguyen N, Sakagami A, Setiobudi K, Sit J E, Wong A, Yang R, Zhou V, Hasan M.
COVID-19 Project Advisory Group	-	Ryan B, Post D, Hodges E, Oudih E, Teasdale G, Whiteway L, Lai S, Whitehead S.
Bushfire Mental Health Project Advisory Group	3	Velder K, Teasdale B, Tydeman, C, Harris G, Tons J, Warren K, Martin K, Pattern S, McFarlane S, Forsayeth V.
South Australian Maternal and Perinatal Mortality Committee	15	Goold J, McKendrick L, Wilshire A, Brown A, Oehler A, Wheatley B, Mibus G, Wanguhu K, Parker-Gray K, Manton N, Bradbury T, Hardy T, Hague W, Khong Y
Youth Advisory Group	-	Nicmanis M, Peden R, Richards A, Phillips B, Saji C, Fannon E, Troughton E, Huser G, Hannam I, Clifford J, Chamlagai M, Fisher S, Lai S, Boulton Z
Suicide Prevention Grant Panel	-	Peden R, Cannell Z, Ryan M, McAvaney B, Chaplin C, Solonsch L, Chapman J, Boots D

Refer to note 7.2 for remuneration of board and committee members