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To the Chief Executive Preventive Health SA

Opinion

I have audited the financial report of Preventive Health SA for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of Preventive Health SA as at 30 June 2024, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Chief Executive and the Manager, Business Systems.

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

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

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of Preventive Health SA for the financial year ended 30 June 2024.

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 Preventive Health 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 (Financial Audit)

19 September 2024

PREVENTIVE HEALTH SA
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Revenues from SA Government	2	26,525	21,614
Fees and charges	3	460	693
Grants and contributions	4	2,886	65,040
Resources received free of charge	5	262	268
Other revenues/income	6	36	454
Total income		30,169	88,069
Expenses			
Employee related expenses	7	12,519	15,308
Supplies and services	8	8,444	37,676
Depreciation and amortisation		3	4
Grants and subsidies	9	6,448	6,376
Payments to SA Government	2	1,252	16,102
Other expenses	10	109	16,221
Total expenses		28,775	91,687
Net result		1,394	(3,618)
Total comprehensive result		1,394	(3,618)

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

PREVENTIVE HEALTH SA
STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	11	4,618	19,433
Receivables	12	2,433	318
Total current assets		7,051	19,751
Non-current assets			
Receivables	12	4	-
Property, plant and equipment	13	11	1
Total non-current assets		15	1
Total assets		7,066	19,752
Current liabilities			
Payables	14	3,168	17,308
Financial liabilities	13	5	1
Employee related liabilities	15	1,399	1,310
Provisions	16	46	20
Contract liabilities and other liabilities		1	-
Total current liabilities		4,619	18,639
Non-current liabilities			
Financial liabilities	13	7	-
Employee related liabilities	15	2,093	1,965
Provisions	16	154	37
Total non-current liabilities		2,254	2,002
Total liabilities		6,873	20,641
Net assets		193	(889)
Equity			
Retained earnings		193	(889)
Total equity		193	(889)

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

PREVENTIVE HEALTH SA
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2024

	Note	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2022		<u>12,436</u>	<u>12,436</u>
Net result for 2022-23		(3,618)	(3,618)
Total comprehensive result for 2022-23		<u>(3,618)</u>	<u>(3,618)</u>
Net assets transferred out as a result of an administrative restructure	1.5	(9,707)	(9,707)
Balance at 30 June 2023		<u>(889)</u>	<u>(889)</u>
Net result for 2023-24		1,394	1,394
Total comprehensive result for 2023-24		<u>1,394</u>	<u>1,394</u>
Net assets transferred in as a result of an administrative restructure	1.5	(312)	(312)
Balance at 30 June 2024		<u>193</u>	<u>193</u>

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

PREVENTIVE HEALTH SA
STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

	Note	2024	2023
		\$'000	\$'000
Cash flows from operating activities			
Cash inflows			
Receipts from SA Government		26,525	21,614
Fees and charges		607	810
Grants and contributions		757	65,130
Other receipts		38	454
GST recovered from ATO		916	4,664
Cash generated from operations		<u>28,843</u>	<u>92,672</u>
Cash outflows			
Employee related payments		(12,500)	(15,512)
Payments for supplies and services		(23,030)	(41,480)
Payments of grants and subsidies		(6,756)	(6,992)
Other payments		(119)	(4,468)
Payments to SA Government		(1,252)	(16,102)
Cash used in operations		<u>(43,657)</u>	<u>(84,554)</u>
Net cash provided by/(used in) operating activities		<u>(14,814)</u>	<u>8,118</u>
Cash outflows			
Repayment of lease liabilities		(1)	(4)
Cash transferred as result of restructuring activities		-	(11,766)
Cash used in financing activities		<u>(1)</u>	<u>(11,770)</u>
Net cash provided by/(used in) financing activities		<u>(1)</u>	<u>(11,770)</u>
Net increase/(decrease) in cash and cash equivalents		(14,815)	(3,652)
Cash and cash equivalents at the beginning of the period		19,433	23,085
Cash and cash equivalents at the end of the period	11	<u>4,618</u>	<u>19,433</u>

The accompanying notes form part of these financial statements.

PREVENTIVE HEALTH SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

1. About Preventive Health SA

Wellbeing SA was renamed to Preventive Health SA on February 2024, 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). Preventive Health SA, brings together the former Wellbeing SA with parts of Drug and Alcohol Services SA (DASSA), to strengthen the prevention agenda in South Australia. On 8th February 2024, it was proclaimed in the South Australian Government Gazette that Wellbeing SA would be renamed to Preventive Health SA, effective from 26 February 2024.

Preventive Health SA is an administrative unit acting on behalf of the Crown. Preventive Health 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 Preventive Health SA.

1.1 Objectives and activities

Preventive Health SA integrates key prevention functions in a single agency, supporting action on all the major risk factors for chronic disease. Preventive Health SA is leading a dedicated program of prevention work to support the health and wellbeing of all South Australians.

1.2 Basis of preparation

The 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.

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.

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

1.3 Taxation

Preventive Health SA is not subject to income tax. Preventive Health 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.

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, 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.

1.4 Continuity of operations

As at 30 June 2024, Preventive Health SA had working capital surplus of \$2.432 million. The SA Government is committed and has consistently demonstrated a commitment to ongoing funding of Preventive Health SA to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published State Budget Papers which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

1.5 Changes to administrative unit 2023-24

On 4 September 2023 Minister Picton announced intent to establish Preventive Health SA, a new agency bringing together Wellbeing SA and parts of Drug and Alcohol Services SA (DASSA). As a result of administrative arrangements outlined in the Chief Executive agreement, effective 24 February 2024, governance of non-clinical DASSA services previously undertaken by the Southern Adelaide Local Health Network (SALHN) were transferred to Wellbeing SA, now Preventive Health SA. Net liabilities of \$0.312 million were transferred out of SALHN, consisting of employee related liabilities (\$0.334 million) less receivables (\$0.022 million, prepayments). This included the transfer of 14 employees. Preventive Health SA also recognises a received/receivable of \$2.746 million from SALHN for costs incurred from 24 February to 30 June 2024 (refer Note 4).

On 8th February 2024, it was proclaimed in the South Australian Government Gazette that Wellbeing SA will be renamed to Preventive Health SA, effective from 26 February 2024.

PREVENTIVE HEALTH SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

2022-23

As a result of administrative arrangements outlined in the Chief Executive Agreement, governance of the Integrated Care Systems (ICS) Directorate was transferred from Preventive Health SA (formerly Wellbeing SA) to Department of Health and Wellbeing (DHW), effective 20 December 2022. ICS delivers key strategies related to hospital avoidance, hospital substitution, hospital discharge, demand management and system reform initiatives; including ongoing development and integrations of the My Home Hospital service and strategic oversight of the SA Community Care program.

Net assets of \$9.707 million were transferred into DHW. Consisting of cash (\$11.766 million) less employment related expenses (\$2.035 million) and provisions (\$0.024 million). This included the transfer of 67 employees and a payment of \$15.990 million to DHW.

Net assets transferred into the Department as a result of the administrative restructure were at the carrying amount immediately prior to transfer, and treated as a distribution to the SA Government as owner.

2. Revenues from / Payments to SA Government

	2024	2023
	\$'000	\$'000
Contingency funding provided by Department of Treasury and Finance	16	66
Operating purpose Appropriations from Consolidated Account pursuant to the Appropriation Act	25,880	20,952
Commonwealth recurrent grants received via Department of Treasury and Finance	629	596
Total revenues from SA Government	26,525	21,614

Return of surplus cash pursuant to cash alignment policy	1,252	16,102
Total payments to SA Government	1,252	16,102

Appropriations and intra-government transfers are recognised upon receipt.

3. Fees and charges

	2024	2023
	\$'000	\$'000
Commissions revenue	-	1
Fees for health services	1	263
Other user charges and fees	459	429
Total fees and charges	460	693

All revenue from fees and charges is revenue recognised from contracts with customers. Revenue is recognised at a point in time when Preventive Health SA satisfies performance obligations by rendering services to its customers. These services include primarily data collection for Population Health Survey Module System (PHSMS) received from South Australian Health and Medical Research Institute (SAHMRI) and the Cancer Council Australia.

4. Grants and contributions

	2024	2023
	\$'000	\$'000
SA Government grants and contributions	2,886	64,191
Private sector grants and contributions	-	849
Total grants and contributions	2,886	65,040

SA Government grants and contributions in 2024 include \$2.746m received/receivable from SALHN for costs incurred since governance of non-clinical DASSA services were transferred in, effective 24 February 2024. No further subsidies from SALHN will be received after 30 June 2024. 2024 includes funding from DHW has been for the Investment in Aboriginal Health program. SA Government grants and contributions in 2023 included commissioned activity funding from the Department for Health (DHW) and Wellbeing for the provision of the My Home Hospital, SA Community Care, and Priority Care programs.

Grants received from the private sector nil (\$0.849 million) are usually subject to terms and conditions set out in the contract or correspondence. In 2023 grants consisted of contributions for Health Pathways SA, delivery of Priority Care Centres and SA Community Care Services.

PREVENTIVE HEALTH SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

5. Resources received free of charge

	2024	2023
	\$'000	\$'000
Services	262	268
Total resources received free of charge	262	268

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. Preventive Health SA receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$0.226 million (\$0.243 million), and ICT (information and communication technology) services from the Department of Premier and Cabinet valued at \$0.036 million (\$0.025 million), following Cabinet's approval to cease intra-government charging.

6. Other revenues/income

	2024	2023
	\$'000	\$'000
Other	36	454
Total other revenues/income	36	454

In 2024, revenue mainly includes \$0.020 million received for the Stokes Bay Playground as part of a Bushfire revival program and \$0.05 million for the Suicide Prevention programs, these were received from the private sector.

In 2023 included revenue from SA Government contributing to the Anti Racism Strategy, \$0.080 million, transfer of unspent program funding from DHW for the Integrum Project, \$0.262 million and revenue for the Aboriginal Health prevention and early intervention initiative, \$0.139 million.

7. Employee related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	9,040	11,596
Targeted voluntary separation packages	99	-
Long service leave	399	325
Annual leave	919	1,180
Skills and experience retention leave	64	65
Employment on-costs - superannuation*	1,231	1,461
Employment on-costs - other	554	641
Workers compensation	137	14
Board and committee fees	14	13
Other employee related expenses	62	13
Total employee related expenses	12,519	15,308

*The superannuation employment on-cost charge represents Preventive Health 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 Preventive Health SA includes the Minister for Health and Wellbeing (the Minister), the Chief Executive and six members of the Executive Management Group who have responsibility for the strategic direction and management of Preventive Health SA.

Total compensation for KMP for the financial year was \$1.769 million (\$1.132 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*.

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

PREVENTIVE HEALTH SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

7.2 Remuneration of Boards and Committees

	2024	2023
	No. of	No. of
	Members	Members
\$0	54	26
\$1 - \$20,000	17	17
Total	71	43

The total remuneration received or receivable by members was \$0.014 million (\$0.013 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 20 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.

7.3 Employee Remuneration

	2024	2023
	No.	No.
The number of employees whose remuneration received or receivable falls within the following bands:		
\$166,001 - \$186,000	3	2
\$186,001 - \$206,000	1	2
\$206,001 - \$226,000	2	1
\$226,001 - \$246,000	1	-
\$246,001 - \$266,000	1	-
\$286,001 - \$306,000	1	-
\$306,001 - \$326,000	-	1
\$346,001 - \$366,000	1	-
\$486,001 - \$506,000	-	1
Total number of employees	10	7

The total remuneration received by those employees for the year was \$2.269 million (\$1.751 million).

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

7.4 Targeted voluntary separation packages (TVSP)

	2024	2023
	\$'000	\$'000
Amount paid/payable to separated staff:		
Leave paid/payable to separated employees	75	-
Targeted voluntary separation packages	99	-
Net cost to Preventive Health SA	174	-

The number of staff who received a TVSP during the reporting period	1	-
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PREVENTIVE HEALTH SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

8. Supplies and services

	2024	2023
	\$'000	\$'000
Administration	165	81
Advertising	1,317	652
Communication	143	89
Computing	448	551
Consultants	619	209
Contract of services	1,913	29,550
Contractors	555	1,065
Contractors - agency staff	201	349
Electricity, gas and fuel	26	4
Fee for service	59	7
Food supplies	11	25
Health Surveys	984	416
Housekeeping	1	6
Insurance	12	2
Legal	34	12
Medical, surgical and laboratory supplies	-	2
Minor equipment	60	56
Motor vehicle expenses	6	-
Occupancy rent and rates	684	717
Postage	5	8
Printing and stationery	22	43
Security	4	-
Services from Shared Services SA	226	243
Training and development	191	109
Travel expenses	112	90
Repairs and maintenance	114	-
Other supplies and services	532	3,390
Total supplies and services	8,444	37,676

Preventive Health 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).

Preventive Health 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.

The decrease in Contract of Services \$1.913 million (\$29.550 million) relates mainly to the transfer of ICS to DHW. Expenditure in 22-23 mainly includes commissioned activity for SA Community Care (\$16.628 m), and My Home Hospital (\$7.662m).

9. Grants and subsidies

	2024	2023
	\$'000	\$'000
Subsidies	-	134
Funding to non-government organisations	6,443	6,242
Other	5	-
Total grants and subsidies	6,448	6,376

Grants consist of contributions for the delivery of Community Wellbeing and Resilience projects, the Wellbeing Hub initiative, Automated External Defibrillator (AED) grants, partnerships with Beyond Blue and Lifeline, cancer screening initiatives, and support for Alcohol, Tobacco and other Drugs initiatives.

PREVENTIVE HEALTH SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

10. Other expenses

	2024	2023
	\$'000	\$'000
Payments to DHW	79	16,153
Other	30	68
Total other expenses	109	16,221

Payments to DHW of \$16.153 million in 2022-23 included payable for the transition of ICS to DHW of \$15.990 million.

Included are also fees paid/payable to the Audit Office of South Australia relating to work performed under the Public Finance and Audit Act 1987 of \$0.038 million (\$0.051 million) and \$0.079 million (\$0.163 million) payables to DHW in relation to the Suicide Prevention program.

11. Cash and cash equivalents

Cash is measured at nominal amounts. Preventive Health SA has a deposit account (general operating) of \$4.618 million (\$19.433 million) with the Treasurer. Preventive Health SA does not earn interest on this account. The Government has a policy to align cash balances with the appropriation and expenditure authority.

12. Receivables

	2024	2023
	\$'000	\$'000
Current		
Debtors	733	92
Prepayments	20	16
Sundry receivables and accrued revenue	1,402	3
GST input tax recoverable	278	207
Total current receivables	2,433	318
Non-current		
Debtors	4	-
Total non-current receivables	4	-
Total receivables	2,437	318

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

PREVENTIVE HEALTH SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

13. Property, plant and equipment

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

Preventive Health 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:

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	1	5
Additions	12	-
Subtotal:	13	5
Gains/(losses) for the period recognised in net result:		
Depreciation and amortisation	(2)	(4)
Subtotal:	(2)	(4)
Carrying amount at the end of the Period	11	1
Gross carrying amount		
Gross carrying amount	12	11
Accumulated depreciation/amortisation	(1)	(10)
Carrying amount at the end of the Period	11	1

The lease liability relating to this right-of-use asset at 30 June 2024 was \$11,000 (\$1,000). Interest expense was \$200 (\$15) and cash outflow relating to this lease was \$2,000 (\$3,000).

PREVENTIVE HEALTH SA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

14. Payables

	2024	2023
Current	\$'000	\$'000
Creditors and accrued expenses	3,167	17,304
Paid Parental Leave Scheme	1	4
Total current payables	3,168	17,308
Total payables	3,168	17,308

Payables are measured at nominal amounts. Creditors and accruals are recognised for all amounts owed and unpaid. Contractual Payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to their short term nature.

Creditors and accrued expenses in 2022-23 include a transfer of \$15.990 million to DHW for ICS.

Refer to note 21 for information on risk management.

15. Employee related liabilities

	2024	2023
Current	\$'000	\$'000
Accrued salaries and wages	28	22
Annual leave	881	889
Long service leave	174	161
Skills and experience retention leave	69	59
Employment on-costs	245	179
Other	2	-
Total current employee related liabilities	1,399	1,310
Non-current		
Long service leave	1,896	1,785
Employment on-costs	197	180
Total non-current employee related liabilities	2,093	1,965
Total employee related liabilities	3,492	3,275

Employee related liabilities 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.

As a result of the actuarial assessment performed by DTF, the salary inflation rate has increased from the 2023 rate (2.0%) to 2.4% for annual leave and skills and experience retention leave liability. As a result, there is an increase in the employee related liability and employee related expenses of \$0.004 million. The impact on future periods is impractical to estimate.

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

15.2 Long service leave

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

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.

The yield on long-term Commonwealth Government bonds is the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2023 (4.0%) to 4.25%. 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.

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The actuarial assessment performed by DTF increased the salary inflation rate from 2.50% to 3.50% for long service leave liability resulting in an increase in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is an increase in the long service leave liability of \$0.091 million, employment on-costs of \$0.005 million and employee related expenses of \$0.096 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.

15.3 Employment On-Costs

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 are discharged. These on-costs primarily relate to the balance of leave owing to employees. Preventive Health SA makes contributions to several State Government superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave has increased from 2023 (43%) to 44%, the average factor for the calculation of employer superannuation on-costs has increased from the 2023 rate (11.1%) to 11.5% 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 related expenses of \$0.010 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

16. Provisions

The provision consists only of workers compensation.

Reconciliation of workers compensation (statutory and non-statutory)

	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	57	66
Increase/ (Decrease) in provisions recognised	143	(9)
Carrying amount at the end of the period	200	57

Workers compensation provision (statutory and additional compensation schemes)

Preventive Health SA is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, Preventive Health 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 2024 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The worker compensation provision includes the additional compensation scheme. 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.

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17. Unrecognised contractual commitments

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

17.1 Other Contractual Commitments

	2024	2023
	\$'000	\$'000
Within one year	350	227
Total other contractual commitments	350	227

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

18. Impact of Standards not yet implemented

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

19. Financial instruments/financial risk management

19.1 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.

Preventive Health 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. Preventive Health SA is funded principally from appropriations by the SA Government and intra-government transfers from DHW. Preventive Health 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.

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20. Board and committee members

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

Board/Committee name:	Government employee members	Other members
Disease Prevention, Health Promotion and Population Health Committee	1	Curlis S, Barredo M, Beckoff M, Elsley N, Lehmann J, Lewis S, Miller B, Moy C, Rogers R
South Australian Maternal and Perinatal Mortality Committee	15	Goold J, Brown A, Cooper M, Hague W, McKendrick L, Parker-Gray K, Wanguhu K, Wheatley B, Wiltshire A, Crompton M, Vaughan T, Chandler K, Russ B
One Stop Screening Shop	-	Clarke P, Rigney J, Weetra R
Suicide Prevention Council	7	Braddock A, Flink B, Cumow C, Boots D, Gill E, Hodges K, Newlands M, Atchison M, Ferguson M, Underdown S, Schrapel S, Wathnak V
Preventive Health SA Advisory Council	1	Edwards A, Culley A, Pilkington R, Morey K, Pearson O, Miller C, Pearson D, Harper T, Atkinson M, Roxon N (All appointed 24/2/24)

Refer to note 7.2 for remuneration of board and committee members

Certification of the financial statements

We certify that the:

- Financial statements of Preventive Health 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 Preventive SA over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



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Marina Bowshall
Chief Executive



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Derek Selby
Manager, Business Systems

Date 11/9/2024