



Financial statements





Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

Child and Adolescent Health Service

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Child and Adolescent Health Service (Health Service) which comprise:

- the Statement of Financial Position at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Child and Adolescent Health Service for the year ended 30 June 2023 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Health Service.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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 the financial statements. 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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Child and Adolescent Health Service. The controls exercised by the Board are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Child and Adolescent Health Service are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with the State's financial reporting framework during the year ended 30 June 2023.

The Board's responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagement ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Child and Adolescent Health Service for the year ended 30 June 2023. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Child and Adolescent Health Service are relevant and appropriate to assist users to assess the Health Service's performance and fairly represent indicated performance for the year ended 30 June 2023.

The Board's responsibilities for the key performance indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal controls as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instructions 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard

on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments, I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality management relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

Those charged with governance are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Matters relating to the electronic publication of the audited financial statements and key performance indicators

The auditor's report relates to the financial statements and key performance indicators of the Child and Adolescent Health Service for the year ended 30 June 2023 included in the annual report on the Health Service's website. The Health Service's management is responsible for the integrity of the Health Service's website. This audit does not provide assurance on the integrity of the Health Service's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.

Grant Robinson
Assistant Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 September 2023

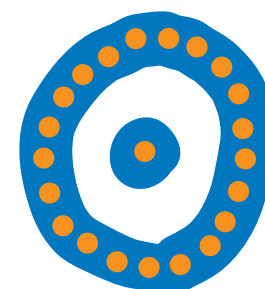
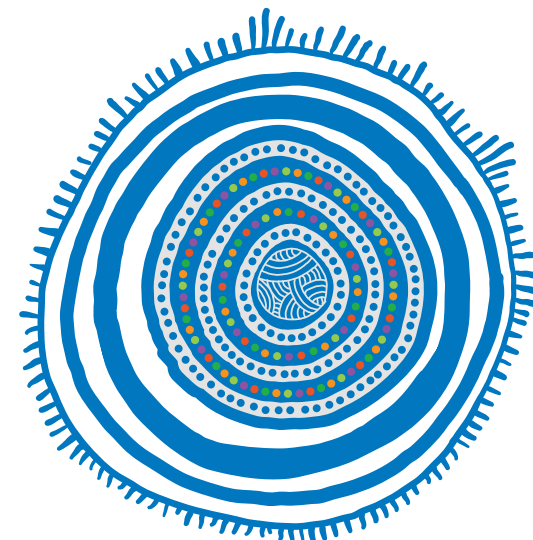
Certification of financial statements

Child and Adolescent Health Service

Certification of financial statements for the year ended 30 June 2023

The accompanying financial statements of the Child and Adolescent Health Service have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



Dr Rosanna Capolingua AM
Board Chair
Child and Adolescent Health Service
7 September 2023

Dr Shane Kelly
Deputy Board Chair
Child and Adolescent Health Service
7 September 2023

Michael Hutchings
Chief Finance Officer
Child and Adolescent Health Service
7 September 2023



Child and Adolescent Health Service

Statement of comprehensive income for the year ended 30 June 2023

	Notes	2023 \$000	2022 \$000		Notes	2023 \$000	2022 \$000
COST OF SERVICES				INCOME FROM STATE GOVERNMENT			
Expenses				Service agreement funding - State	4.1	566,629	516,575
Employee benefits expense	3.1(a)	702,324	645,719	Service agreement funding - Commonwealth	4.1	173,533	197,851
Fees for visiting medical practitioners		3,559	2,859	Grants from other state government agencies	4.1	85,883	73,736
Contracts for services	3.2	9,218	9,408	Services provided to other government agencies	4.1	3,762	4,036
Patient support costs	3.3	131,670	114,768	Assets (transferred)/assumed	4.1	425	-
Finance costs	7.2	349	268	Resources received free of charge	4.1	57,566	58,858
Depreciation and amortisation expenses	5	63,835	61,543	Total income from State Government		887,798	851,056
Impairment charges	5.1.1	1,820	-				
Loss on disposal of non-current assets	5.1.2	109	659	DEFICIT FOR THE PERIOD		(49,007)	(25,001)
Repairs, maintenance and consumable equipment	3.4	26,489	29,006				
Other supplies and services	3.5	58,017	59,023	OTHER COMPREHENSIVE INCOME			
Other expenses	3.6	37,166	29,226	Items not reclassified subsequently to profit or loss			
Total cost of services		1,034,556	952,479	Changes in asset revaluation reserve	9.12	72,956	80,360
				Total other comprehensive income		72,956	80,360
INCOME							
Patient charges	4.2	27,321	21,672	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		23,949	55,359
Other fees for services	4.2	47,949	32,046				
Grants and contributions	4.3	13,575	9,849				
Donation revenue	4.4	866	1,161				
Asset revaluation increments	5.1	2,250	6,011				
Other income	4.5	5,790	5,683				
Total income		97,751	76,422				
NET COST OF SERVICES		936,805	876,057				

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



Child and Adolescent Health Service

Statement of financial position for the year ended 30 June 2023

	Notes	2023 \$000	2022 \$000		Notes	2023 \$000	2022 \$000
ASSETS				Non-Current Liabilities			
Current Assets				Lease liabilities			
Cash and cash equivalents	7.3	12,695	50,219	Employee benefits provisions	7.1	8,848	8,403
Restricted cash and cash equivalents	7.3	21,946	19,012	Total Non-Current Liabilities	3.1 (b)	24,560	24,486
Receivables	6.1	13,378	11,962	TOTAL LIABILITIES		<u>33,408</u>	<u>32,889</u>
Inventories	6.3	5,095	5,551			<u>221,181</u>	<u>205,252</u>
Other current assets	6.4	1,133	1,033	NET ASSETS			
Total Current Assets		<u>54,247</u>	<u>87,777</u>			<u>1,552,702</u>	<u>1,521,399</u>
Non-Current Assets				EQUITY			
Restricted cash and cash equivalents	7.3	15,372	12,672	Contributed equity	9.12	1,473,301	1,465,947
Amounts receivable for services	6.2	529,342	470,279	Reserves	9.12	153,316	80,360
Property, plant and equipment	5.1	1,151,747	1,125,366	Accumulated deficit		(73,915)	(24,908)
Right-of-use assets	5.2	10,381	9,706	TOTAL EQUITY		<u>1,552,702</u>	<u>1,521,399</u>
Intangible assets	5.3	12,794	20,851				
Total Non-Current Assets		<u>1,719,636</u>	<u>1,638,874</u>				
TOTAL ASSETS		<u>1,773,883</u>	<u>1,726,651</u>				
LIABILITIES							
Current Liabilities							
Payables	6.5	37,928	33,465				
Contract liabilities	6.6	280	119				
Capital grant liabilities	6.7	409	-				
Lease liabilities	7.1	2,207	1,760				
Employee benefits provisions	3.1	146,888	136,894				
Other current liabilities	(b) 6.8	61	125				
Total Current Liabilities		<u>187,773</u>	<u>172,363</u>				

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Child and Adolescent Health Service

Statement of cash flows for the year ended 30 June 2023

	Notes	2023 \$000	2022 \$000		Notes	2023 \$000	2022 \$000
CASH FLOWS FROM STATE GOVERNMENT				CASH FLOWS FROM INVESTING ACTIVITIES			
Service agreement funding - State		507,566	455,233	Payments			
Service agreement funding - Commonwealth		173,533	197,851	Purchase of non-current assets		(5,707)	(4,771)
Grants from other state government agencies		85,883	73,736	Receipts			
Services provided to other government agencies		3,762	4,036	Proceeds from sale of non-current assets	5.1.2	22	-
Capital appropriations administered by Department of Health		7,354	11,821	Net cash used in investing activities		(5,685)	(4,771)
Net cash provided by State Government	7.3.3	778,098	742,677	CASH FLOWS FROM FINANCING ACTIVITIES			
CASH FLOWS FROM OPERATING ACTIVITIES				Payments			
Payments				Principal elements of lease payments		(2,230)	(2,107)
Employee benefits		(689,719)	(630,710)	Net cash used in financing activities		(2,230)	(2,107)
Supplies and services		(204,073)	(186,032)	Net decrease in cash and cash equivalents			
Finance costs		(340)	(266)	Cash and cash equivalents at the beginning of the period		(31,890)	(13,279)
Receipts						81,903	95,182
Receipts from customers		26,589	19,946	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
Grants and contributions		14,145	9,887		7.3	50,013	81,903
Donations received		134	106				
Other receipts		51,191	37,991				
Net cash used in operating activities	7.3.2	(802,073)	(749,078)				

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Child and Adolescent Health Service

Statement of changes of equity for the year ended 30 June 2023

	Notes	Contributed equity \$000	Reserves \$000	Accumulated deficit \$000	Total equity \$000
Balance at 1 July 2021		1,454,126	-	93	1,454,219
Deficit		-	-	(25,001)	(25,001)
Other comprehensive income	9.12	-	80,360	-	80,360
Total comprehensive income for the period		-	80,360	(25,001)	55,359
Transactions with owners in their capacity as owners:					
Capital appropriations administered by Department of Health	9.12	11,821	-	-	11,821
Total		11,821	-	-	11,821
Balance at 30 June 2022		1,465,947	80,360	(24,908)	1,521,399
Balance at 1 July 2022		1,465,947	80,360	(24,908)	1,521,399
Deficit		-	-	(49,007)	(49,007)
Other comprehensive income	9.12	-	72,956	-	72,956
Total comprehensive income for the period		-	72,956	(49,007)	23,949
Transactions with owners in their capacity as owners:					
Capital appropriations administered by Department of Health	9.12	7,354	-	-	7,354
Total		7,354	-	-	7,354
Balance at 30 June 2023		1,473,301	153,316	(73,915)	1,552,702

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

1. Basis of preparation

The Child and Adolescent Health Service (The Health Service) is a statutory authority established under the *Health Services Act 2016* and governed by a Board. The Health Service is controlled by the State of Western Australia, which is the ultimate parent. The Health Service is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of the Health Service's operations and its principal activities has been included in the 'Governance' section of the annual report which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority (the Board) of the Health Service on 7 September 2023.

Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- 1) The Financial Management Act 2006;
- 2) The Treasurer's Instructions;
- 3) Australian Accounting Standards including applicable interpretations;
- 4) Where appropriate, those AAS paragraphs applicable for not for profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (TI) take precedence over Australian Accounting Standards (AAS). Several AAS are modified by the TI to vary application, disclosure, format and wording. Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case, the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$000).

Notwithstanding the Health Service's deficiency of working capital (total current assets being less than total current liabilities), the financial statements have been prepared on the going concern basis. This basis has been adopted because, with continuing funding from the State Government, the Health Service is able to pay its liabilities as and when they fall due.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated as contributions by owners (at the time of, or prior, to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and will be credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

2. Health Service outputs

How the Health Service operates

This section includes information regarding the nature of funding the Health Service receives and how this funding is utilised to achieve the Health Service's objectives.

	Notes
Health Service objectives	2.1
Schedule of Income and Expenses by Service	2.2

2.1 Health Service objectives

Vision and objectives

The Health Service's vision of 'healthy kids, healthy communities' sees that children and young people get the best start in life through health promotion, early identification and intervention, and patient centred, family focused care. The objectives are to care for children, young people and families, provide high value healthcare, collaborate with key support partners, value and respect staff, and promote teaching, training and research.

The Health Service is predominantly funded by Parliamentary appropriations.

Services

The key services of the Health Service are:

Public Hospital Admitted Services

Public hospital admitted patient services describe the care services provided to inpatients in the hospital (excluding specialised mental health wards). An admission to hospital can be for a period of one or more days and includes medical and surgical treatment, oncology services and neonatology services.

Public Hospital Emergency Services

Emergency department services describe the treatment provided to those people with sudden onset of illness or injury of such severity and urgency that they need immediate medical help which is either not available from their general practitioner, or for which their general practitioner has referred them for treatment. An emergency department can provide a range of services and may result in admission to hospital or in treatment without admission.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

2.1 Health Service objectives (cont.)

Public Hospital Non-admitted Services

Medical officers, nurses and allied health staff provide non-admitted (out-patient) care services and include clinics for pre- and post-surgical care, allied health care and medical care.

Mental Health Services

Contracted mental health services describe inpatient care in an authorised ward and community mental health services provided by the Health Service under an agreement with the Mental Health Commission for specialised admitted and community mental health.

Aged and Continuing Care Services

The provision of continuing care services includes the programs that provide functional interim care or support for children with disabilities to continue living with their families.

Public and Community Health Services

Community Health provides services and programs delivered to increase optimal health and wellbeing, encourage healthy lifestyle, reduce the onset of disease and disability, reduce the risk of long-term illness as well as detect, protect and monitor the incidence of disease in the population. These include child health services, school health services, child development services, public health programs and Aboriginal health programs.

2.2 Schedule of income and expenses by service

The Schedule of Income and Expenses by Service should be read in conjunction with the accompany notes. Comparative figures have been reclassified to be comparable with the figures presented in the current financial year.

(a) Under the service category of Aged and Continuing Care, only the Continuing Care Service component is applicable to the Health Service.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

2.2 Schedule of income and expenses by service (cont.)

	Public Hospital Admitted Services		Public Hospital Emergency Services		Public Hospital Non-Admitted Services		Mental Health Services	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
COST OF SERVICES								
Expenses								
Employee benefits expense	326,786	289,528	59,602	53,030	108,368	96,547	77,508	65,895
Fees for visiting medical practitioners	2,362	1,921	418	330	756	592	-	-
Contracts for services	7,267	7,121	105	93	190	169	17	7
Patient support costs	80,651	68,374	16,430	14,270	27,565	24,514	1,851	1,592
Finance costs	53	45	10	8	17	14	106	92
Depreciation and amortisation expenses	39,286	38,474	6,957	6,607	12,592	11,865	2,626	2,443
Impairment charges	1,207	-	214	-	387	-	-	-
Loss on disposal of non-current assets	70	436	12	75	22	135	-	-
Repairs, maintenance and consumable equipment	12,274	13,177	2,279	2,572	4,144	4,757	2,386	2,059
Other supplies and services	27,830	27,975	5,047	5,066	9,196	9,237	5,518	5,153
Other expenses	13,583	10,170	2,464	1,831	4,482	3,325	4,578	3,727
Total cost of services	511,369	457,221	93,538	83,882	167,719	151,155	94,590	80,968
Income								
Patient charges	23,387	18,482	1,027	632	1,947	1,862	960	696
Other fees for services	31,661	21,294	5,599	3,656	10,132	6,566	209	311
Grants and contributions	8,898	6,480	1,566	1,113	2,834	1,998	183	182
Donation revenue	500	779	83	134	150	240	-	2
Asset revaluation increments	-	2,217	-	381	-	684	160	347
Other income	3,667	3,671	593	631	1,076	1,132	22	11
Total income	68,113	52,923	8,868	6,547	16,139	12,482	1,534	1,549
NET COST OF SERVICES	443,256	404,298	84,670	77,335	151,580	138,673	93,056	79,419
INCOME FROM STATE GOVERNMENT								
Service agreement funding - State	280,821	241,107	47,093	47,190	86,012	78,591	5,776	2,443
Service agreement funding - Commonwealth	102,176	117,761	21,615	21,878	46,333	45,542	-	818
Grants from other state government agencies	245	365	44	63	79	113	85,463	73,192
Services provided to other government agencies	3,399	3,589	117	147	240	292	-	(4)
Assets (transferred)/assumed	311	-	37	-	69	-	-	-
Resources received free of charge	27,126	26,675	6,804	6,768	10,101	10,907	5,027	4,556
Total income from State Government	414,078	389,497	75,710	76,046	142,834	135,445	96,266	81,005
SURPLUS / (DEFICIT) FOR THE PERIOD	(29,178)	(14,801)	(8,960)	(1,289)	(8,746)	(3,228)	3,210	1,586

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

2.2 Schedule of income and expenses by service (cont.)

	Aged and Continuing Care Services ^(a)		Public and Community Health Services		Total	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
COST OF SERVICES						
Expenses						
Employee benefits expense	3,228	2,516	126,832	138,203	702,324	645,719
Fees for visiting medical practitioners	23	16	-	-	3,559	2,859
Contracts for services	6	4	1,633	2,014	9,218	9,408
Patient support costs	735	533	4,438	5,485	131,670	114,768
Finance costs	1	-	162	109	349	268
Depreciation and amortisation expenses	381	330	1,992	1,824	63,834	61,543
Impairment charges	12	-	-	-	1,820	-
Loss on disposal of non-current assets	1	4	4	9	109	659
Repairs, maintenance and consumable equipment	122	112	5,284	6,329	26,489	29,006
Other supplies and services	242	202	10,184	11,390	58,017	59,023
Other expenses	132	86	11,928	10,087	37,167	29,226
Total cost of services	4,883	3,803	162,457	175,450	1,034,556	952,479
Income						
Patient charges	-	-	-	-	27,321	21,672
Other fees for services	307	188	41	31	47,949	32,046
Grants and contributions	86	51	8	25	13,575	9,849
Donation revenue	5	6	128	-	866	1,161
Asset revaluation increments	-	19	2,090	2,363	2,250	6,011
Other income	32	32	400	206	5,790	5,683
Total income	430	296	2,667	2,625	97,751	76,422
NET COST OF SERVICES	4,453	3,507	159,790	172,825	936,805	876,057
INCOME FROM STATE GOVERNMENT						
Service agreement funding - State	3,595	3,230	143,332	144,014	566,629	516,575
Service agreement funding - Commonwealth	588	-	2,821	11,852	173,533	197,851
Grants from other state government agencies	2	3	50	-	85,883	73,736
Services provided to other government agencies	6	8	-	4	3,762	4,036
Assets (transferred)/assumed	2	-	6	-	425	-
Resources received free of charge	213	176	8,295	9,776	57,566	58,858
Total income from State Government	4,406	3,417	154,504	165,646	887,798	851,056
SURPLUS / (DEFICIT) FOR THE PERIOD	(47)	(90)	(5,286)	(7,179)	(49,007)	(25,001)

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

3. Use of our funding

This section provides information about how the Health Service's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

Expenses incurred in the delivery of services

The primary expenses incurred by the Health Service in achieving its objectives are:

	Notes	2023	2022
		\$000	\$000
Employee benefits expense	3.1(a)	702,324	645,719
Contracts for services	3.2	9,218	9,408
Patient support costs	3.3	131,670	114,768
Repairs, maintenance and consumable equipment	3.4	26,489	29,006
Other supplies and services	3.5	58,017	59,023
Other expenses	3.6	37,166	29,226

Liabilities incurred in the delivery of services

The primary employee related liabilities incurred by the Health Service in achieving its objectives are:

	Notes	2023	2022
		\$000	\$000
Employee benefits provision	3.1(b)	<u>171,448</u>	<u>161,380</u>

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

3.1(a) Employee benefits expense

	2023 \$000	2022 \$000
Employee benefits	638,925	589,926
Termination benefits	37	-
Superannuation - defined contribution plans	63,362	55,793
	<u>702,324</u>	<u>645,719</u>

Employee benefits: Include salaries, wages, accrued and paid leave entitlements, paid sick leave and non-monetary benefits for employees.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Health Service is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation: The amounts recognised in the Statement of Comprehensive Income comprise employer contributions paid to the Gold State Superannuation Scheme (GSS), the West State Superannuation Scheme (WSS), the GESB Super Scheme (GESBS), or other superannuation funds.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for the Health Service's purposes because the concurrent contributions (defined contributions) made by the Health Service to the Government Employees Superannuation Board (GESB) extinguishes the Health Service's obligations to the related superannuation liability.

The Health Service does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Health Service to the GESB.

The GESB administers the public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

3.1(b) Employee benefits provisions

Provisions are made for benefits accruing to employees in respect of wages and salaries, annual leave, time off in lieu leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2023	2022
	\$000	\$000
Current		
Employee benefits provisions		
Annual leave ^(a)	72,254	68,122
Time off in lieu leave ^(a)	17,318	15,354
Long service leave ^(b)	56,379	52,199
Deferred salary scheme ^(c)	937	1,219
	<u>146,888</u>	<u>136,894</u>
Non-Current		
Employee benefits provisions		
Long service leave ^(b)	24,560	24,486
	<u>24,560</u>	<u>24,486</u>
	<u>171,448</u>	<u>161,380</u>

- (a) **Annual leave and time off in lieu leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2023	2022
	\$000	\$000
Within 12 months of the end of the reporting period	62,974	58,346
More than 12 months after the end of the reporting period	26,598	25,130
	<u>89,572</u>	<u>83,476</u>

The provision for annual leave and time off in lieu leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

3.1(b) Employee benefits provisions (cont.)

- (b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as the Health Service does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Health Service has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2023	2022
	\$000	\$000
Within 12 months of the end of the reporting period	14,175	13,090
More than 12 months after the end of the reporting period	66,764	63,595
	<u>80,939</u>	<u>76,685</u>

The provision of the long service leave liabilities is calculated at present value as the Health Service does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

- (c) **Deferred salary scheme liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2023	2022
	\$000	\$000
Within 12 months of the end of the reporting period	85	250
More than 12 months after the end of the reporting period	852	969
	<u>937</u>	<u>1,219</u>

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

3.1(b) Employee benefits provisions (cont.)

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Health Service's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

The employee retention rates were based on an analysis of the historical turnover rates exhibited by employees in the Health Service.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

3.2 Contracts for services

	2023	2022
	\$000	\$000
Neonatal services ^(a)	6,673	6,592
Community and primary health	2,218	2,653
Other contracts	327	163
	<u>9,218</u>	<u>9,408</u>

Contracts for services include the costs related to the provision of health care services by external organisations. Expenses are recognised in the reporting period in which they are incurred.

- (a) The neonatal services at the King Edward Memorial Hospital (KEMH) site formally became part of the Child and Adolescent Health Service on 1 February 2020. A purchasing arrangement has been in place with the North Metropolitan Health Service to continue the provision of support services.

3.3 Patient support costs

	2023	2022
	\$000	\$000
Medical supplies and services ^{(a) (b)}	113,143	95,302
Domestic charges	9,301	10,739
Food supplies	1,655	1,451
Power and water charges	6,105	5,771
Patient transport costs	1,201	1,096
Research, development and other grants	265	409
	<u>131,670</u>	<u>114,768</u>

Patient support costs are recognised in the reporting period in which expenses are incurred.

- (a) Medical supplies and services include the pathology services received free of charge amounting to \$5.980 million from PathWest Laboratory Medicine WA (2022: \$5.695 million). See Note 4.1 'Income from State Government'.
- (b) In accordance with the WA Health COVID-19 Framework, the Health Support Services has provided the Rapid Antigen Test kits free of charge amounting to \$4.817 million (2022: \$7.351 million) to the Health Service in the current financial year. See Note 4.1 'Income from State Government'.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

3.4 Repairs, maintenance and consumable equipment

	2023	2022
	\$000	\$000
Repairs and maintenance	22,243	22,770
Consumable equipment	4,246	6,236
	<u>26,489</u>	<u>29,006</u>

Repairs and maintenance expenses include the day-to-day servicing and minor replacement parts of property, plant and equipment. The cost of replacing a significant part of an item of property, plant and equipment is recognised in its carrying amount, if the recognition criteria are met.

3.5 Other supplies and services

	2023	2022
	\$000	\$000
Facility management services	4,096	5,925
Administrative services	4,530	4,528
Interpreter services	1,016	1,039
Shared services for accounting ^(a)	926	796
Shared services for human resources ^(a)	5,413	5,306
Shared services for information technology ^(a)	34,993	32,732
Shared services for supply ^(a)	4,684	6,449
Other	2,359	2,248
	<u>58,017</u>	<u>59,023</u>

Other supplies and services are recognised in the reporting period in which expenses are incurred.

(a) The Health Service receives the shared services free of charge from the Health Support Services. See Note 4.1 'Income from State Government'.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

3.6 Other expenses

	2023 \$000	2022 \$000
Workers compensation insurance	7,051	5,216
Other insurances	5,887	4,213
Computer services	3,032	1,676
Printing and stationery	2,724	2,750
Consultancy fees	2,521	3,050
Rental expenses ^(a)	1,992	1,456
Expected credit losses expense ^(b)	1,871	980
Other employee related expenses	1,781	1,334
Communications	1,726	1,736
Other accommodation expenses ^(c)	1,634	1,280
Audit expenses	1,119	540
Legal expenses	801	582
Freight and cartage	700	583
Motor vehicle expenses	505	622
Periodical subscription	577	569
Other	3,245	2,639
	37,166	29,226

Other expenses generally represent the administrative costs incurred by the Health Service.

(a) **Rental expenses** include:

- (i) Short-term leases with a lease term of 12 months or less;
- (ii) Low-value leases with an underlying value of \$5,000 or less; and
- (iii) Variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs.

(b) **Expected credit losses expense** is recognised as the movement in the allowance for impairment of receivables, measured at the lifetime expected credit losses at each reporting date. The Health Service has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. See Note 6.1.1 'Movement of the allowance for impairment of receivables'.

(c) **Other accommodation expenses** are for outgoing expenses only.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

4. Our funding sources

How we obtain our funding

This section provides information about how the Health Service obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Health Service are:

	Notes	2023 \$000	2022 \$000
Income from State Government	4.1	887,798	851,056
Patient charges and other fees for services	4.2	75,270	53,718
Grants and contributions	4.3	13,575	9,849
Donations	4.4	866	1,161
Other revenue	4.5	5,790	5,683

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

4.1 Income from State Government

	\$000	2022 \$000
Service agreement funding received during the period:		
Department of Health - Service agreement - State component	566,629	516,575
Department of Health - Service agreement - Commonwealth component ⁽ⁱ⁾	173,533	197,851
Total service agreement funding	740,162	714,426
Grants from other state government agencies during the period:		
Mental Health Commission - Service delivery agreement	85,462	73,192
Department of Health - Research development grant	117	446
Department of Health - COVID-19 vaccination	-	62
Department of Health - Aboriginal cadetship program	30	36
Department of Health - Auspman fitout capital project	48	-
Department of Health - Graduate Transition to Practice Support Program	226	-
Total grants from other state government agencies	85,883	73,736
Services provided to other state government agencies during the period:		
North Metropolitan Health Service - various clinical services	3,192	3,279
WA Country Health Service - various clinical services	292	478
Pathwest - infectious diseases program	254	275
Other	24	4
Total services provided to other state government agencies	3,762	4,036
Assets transferred from other State government agencies during the period:		
Transfer of medical equipment from other Health Services	399	-
Transfer of plant & equipment from other Health Services	26	-
Net assets transferred	425	-
Resources received free of charge from other State government agencies during the period:		
Health Support Services - accounting, human resources, information technology and supply services	46,016	45,283
Health Support Services - supply of Rapid Antigen Test Kits	4,817	7,351
State Solicitor's Office - legal services	700	495
Department of Finance - leasing of accommodation service	53	34
PathWest Laboratory Medicine WA - pathology services	5,980	5,695
Total resources received free of charge	57,566	58,858
Total income from State Government	887,798	851,056

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

4.1 Income from State Government (cont.)

- (a) **Service agreement funding** is recognised as income at fair value in the period in which the Health Service gains control of the funds as appropriated under the Service Agreement with the Department of Health. The Health Service gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the 'Amounts receivable for services' (holding account) held at the Department of Treasury.

Being the major income source to fund the net cost of services delivered (as set out in Note 2.2), service agreement funding comprises the following:

- Cash component; and
- A receivable (asset).

The receivable (holding account – Note 6.2) comprises the following:

- The budgeted depreciation expense; and
 - Any agreed increase in leave liabilities up to the 30 June 2017.
- (i) Included in the Commonwealth component of the service agreement funding are activity based funding and block grant funding received from the Commonwealth Government under the National Health Reform Agreement for services, health teaching, training and research provided by local hospital networks (Health Services). The funding arrangement established under the Agreement requires the Commonwealth Government to make funding payments to the State Pool Account from which distributions to the local hospital networks (Health Services) are made by the Department of Health and Mental Health Commission.
- (b) **Grants from other state government agencies** are recognised as revenue when the Health Service has satisfied its performance obligations under the grants agreement. If there is no performance obligation, revenue will be recognised when the grant is received or receivable.
- (c) **Transfer of assets:** Discretionary transfers of assets and liabilities between State government agencies are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004. Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under TI 955 are also recognised directly to equity.
- (d) **Resources received free of charge** or for nominal cost, are recognised as revenue at the fair value of those services that can be reliably measured and which would have been purchased if not received as free services. A corresponding expense is recognised for services received (Note 3.3 'Patient support costs' and Note 3.5 'Other supplies and services').

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

4.2 Patient charges and other fees for services

	2023	2022
	\$000	\$000
Patient charges ^(a)		
Inpatient charges	24,345	19,228
Outpatient charges	2,976	2,444
	<u>27,321</u>	<u>21,672</u>
Other fees for services		
Recoveries from the Pharmaceutical Benefits Scheme ^(b)	44,009	28,449
Clinical services to other health organisations ^(c)	3,386	3,016
Non clinical services to other health organisations ^(c)	554	581
	<u>47,949</u>	<u>32,046</u>
	<u><u>75,270</u></u>	<u><u>53,718</u></u>

- (a) Patient charges are recognised at a point in time (or over a relatively short period of time) when the services have been provided to patients. As the Health Service is a not-for-profit entity, patient charges have not been determined on a full cost recovery basis.
- (b) Under the Pharmaceutical Benefits Scheme (PBS), the Health Service receives reimbursements from Medicare Australia for PBS-listed medicines dispensed to patients at the Perth Children's Hospital. Reimbursements are mostly received within the month of claims.
- (c) Revenue is recognised over time for services provided to other health organisations. The Health Service typically satisfies its performance obligations in relation to the fees and charges when the services are performed. The progress towards performance obligations is measured on the basis of an input method.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

4.3 Grants and contributions

	2023	2022
	\$000	\$000
Perth Children's Hospital Foundation	4,039	2,999
Channel 7 Telethon Trust	2,199	897
Stan Perron Charitable Trust	1,764	1,224
Telethon Kids Institute	1,359	1,243
Raine Medical Research Foundation	516	355
Australian & New Zealand Childrens Haematology/Oncology Group	302	145
Diabetes Australia	267	210
Northern Star Resources Ltd	239	-
Rural Health West	204	190
Queensland Health	195	143
Murdoch Children's Research Institute	175	205
Royal Australasian College of Physicians	174	158
Angela Wright Bennett Foundation	167	500
Public Health Institute	154	120
Morning Sunshine	140	-
University of Western Australia	134	116
WA Child Research Fund	115	-
University of Queensland	109	15
Novartis Pharmaceuticals Australia Pty Ltd	85	-
Parexel International Pty Ltd	83	-
Other	1,155	1,329
	<u>13,575</u>	<u>9,849</u>

Where the arrangements are not classified as contracts with customers, operational grants are recognised as income when the Health Service obtains control over the assets comprising the contribution, usually when cash is received. For contracts with customers, operational grants are recognised as revenue either over time or at a point in time, when the specific performance obligations are satisfied. Capital grants are recognised as income when the Health Service achieves milestones specified in the grant agreements.

Key judgements under AASB 15 *Revenue from Contracts with Customers* include determining the timing of revenue from contracts with customers in terms of timing of satisfaction of performance obligations and determining the transaction price and the amounts allocated to performance obligations.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

4.4 Donation revenue

	2023	2022
	\$000	\$000
Perth Children's Hospital Foundation - donations of equipment	732	1,055
Deceased Estate	-	50
Other	134	56
	<u>866</u>	<u>1,161</u>

Donations and other bequests are recognised as revenue when cash or assets are received.

4.5 Other revenue

	2023	2022
	\$000	\$000
Pharmaceutical manufacturing activities	1,830	1,863
Rent from commercial tenants	449	429
Expense recoupment from tenants	2,526	2,504
Immunisation services	159	126
Use of hospital facilities by medical practitioners	14	12
Other	812	749
	<u>5,790</u>	<u>5,683</u>

Revenue from pharmaceutical manufacturing activities, immunisation services and other services is recognised when the goods or services are delivered to the customers.

Rent and recoupment of outgoing expenses are received in accordance with the agreements with tenants, and are recognised as revenue on a monthly basis.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5. Key assets

This section includes information regarding the key assets the Health Service utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2023 \$000	2022 \$000
Property, plant and equipment	5.1	1,151,747	1,125,366
Right-of-use assets	5.2	10,381	9,706
Intangible assets	5.3	12,794	20,851
Total key assets		<u>1,174,922</u>	<u>1,155,923</u>

	Notes	2023 \$000	2022 \$000
Depreciation and amortisation expense			
Property, plant and equipment	5.1.1	53,406	50,820
Right-of-use assets	5.2	2,372	2,204
Intangible assets	5.3.1	8,057	8,519
		<u>63,835</u>	<u>61,543</u>

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.1 Property, plant and equipment

	Land	Buildings	Site infra- struc- -ture	Lease -hold improve- -ments	Com- -puter equip- -ment	Furni- -ture & -fittings	Medical equip- -ment	Motor vehicles, other plant & equip- -ment	Work in progress	Art- works	Total
Year ended 30 June 2023	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
1 July 2022											
Gross carrying amount	24,670	968,279	20,380	6,403	76,677	11,378	111,079	23,764	183	5,067	1,247,880
Accumulated depreciation	-	-	(2,161)	(906)	(53,444)	(3,011)	(52,641)	(10,351)	-	(0)	(122,514)
Carrying amount at start of period	24,670	968,279	18,219	5,497	23,233	8,367	58,438	13,413	183	5,067	1,125,366
Additions	-	-	-	-	138	12	3,749	377	1,831	0	6,107
Transfer from other Health Services (Note 4.1)	-	-	-	-	-	-	399	26	-	-	425
Disposals (Note 5.1.2)	-	-	-	-	-	-	(127)	(4)	-	-	(131)
Transfer between asset classes	-	-	-	-	-	(7)	-	7	-	-	-
Revaluation increments ^(a)	2,250	72,956	-	-	-	-	-	-	-	-	75,206
Depreciation (Note 5.1.1)	-	(21,822)	(480)	(665)	(15,687)	(728)	(11,400)	(2,624)	-	-	(53,406)
Impairment losses (Note 5.1.1) ^(b)	-	-	-	-	-	-	-	-	-	(1,820)	(1,820)
Carrying amount at 30 June 2023	26,920	1,019,413	17,739	4,832	7,684	7,644	51,059	11,195	2,014	3,247	1,151,747
Gross carrying amount	26,920	1,019,413	20,380	6,403	76,815	11,380	114,388	24,174	2,014	5,067	1,306,954
Accumulated depreciation	-	-	(2,641)	(1,571)	(69,131)	(3,736)	(63,329)	(12,979)	-	-	(153,387)
Accumulated impairment losses	-	-	-	-	-	-	-	-	-	(1,820)	(1,820)

(a) Revaluation increment is recorded in the asset revaluation reserve, except to the extent that any increment reverses a revaluation decrement of the same class of assets previously recognised as an expense. Revaluation decrement is recognised as an expense, except to the extent of any balance existing in the asset revaluation reserve in respect of that class of assets. In 2022-23, revaluation increment of \$2.250 million for land is recognised as an income and revaluation increment of \$72.956 million for buildings is recognised in the asset revaluation reserve.

(b) Recognised in the Statement of comprehensive income. Where an asset measured at cost is written down to recoverable amount, an impairment loss is recognised in profit or loss.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.1 Property, plant and equipment (cont.)

	Land	Buildings	Site infra- struc- -ture	Lease -hold improve- -ments	Com- -puter equip- -ment	Furni- -ture & fittings	Medical equip- -ment	Motor vehicles, other plant & equip- -ment	Work in progress	Art- -works	Total
Year ended 30 June 2022	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
1 July 2021											
Gross carrying amount	23,600	902,134	20,380	1,797	76,656	11,545	108,680	23,003	4,599	5,052	1,177,446
Accumulated depreciation	-	-	(1,682)	(527)	(39,563)	(2,308)	(40,832)	(7,626)	-	-	(92,538)
Carrying amount at start of period	23,600	902,134	18,698	1,270	37,093	9,237	67,848	15,377	4,599	5,052	1,084,908
Additions	-	478	-	67	21	42	3,874	395	674	15	5,566
Disposals (Note 5.1.2)	-	-	-	-	-	-	(650)	(9)	-	-	(659)
Transfer between asset classes	-	283	-	4,808	-	(179)	-	178	(5,090)	-	-
Revaluation increments/(decrements) ^(a)	1,070	85,301	-	-	-	-	-	-	-	-	86,371
Depreciation (Note 5.1.1)	-	(19,917)	(479)	(648)	(13,881)	(733)	(12,634)	(2,528)	-	-	(50,820)
Carrying amount at 30 June 2022	24,670	968,279	18,219	5,497	23,233	8,367	58,438	13,413	183	5,067	1,125,366
Gross carrying amount	24,670	968,279	20,380	6,403	76,677	11,378	111,079	23,764	183	5,067	1,247,880
Accumulated depreciation	-	-	(2,161)	(906)	(53,444)	(3,011)	(52,641)	(10,351)	-	-	(122,514)

- (a) Revaluation increment is recorded in the asset revaluation reserve, except to the extent that any increment reverses a revaluation decrement of the same class of assets previously recognised as an expense. Revaluation decrement is recognised as an expense, except to the extent of any balance existing in the asset revaluation reserve in respect of that class of assets. In 2021-22, revaluation increment of \$1.070 million for land is recognised as an income. For revaluation increment of \$85.301 million for buildings, \$4.941 million is recognised as an income and \$80.360 million is credited to the asset revaluation reserve.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.1 Property, plant and equipment (cont.)

Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total). The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of land and buildings.

Land is carried at fair value. Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

When buildings are revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2022 by Landgate. The valuations were performed during the year ended 30 June 2023 and recognised at 30 June 2023. In undertaking the revaluation, fair value was determined by reference to market values for land: \$0.700 million (2022: \$0.675 million) and buildings: \$0.085 million (2022: \$0.080 million). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

Revaluation model:

(a) Fair Value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.1 Property, plant and equipment (cont.)

(b) Fair value in the absence of market-based evidence:

Fair value of land and buildings is determined on the basis of existing use where buildings are specialised or where land is restricted.

Existing use buildings: Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost.

Restricted use land: Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Significant assumptions and judgements

The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

A number of buildings that are located on the land of local government agencies have been recognised in the financial statements. The Health Service believes that, based on past experience, its occupancy in these buildings will continue to the end of their useful lives.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.1.1 Depreciation and impairment charges for the period

	Notes	2023 \$000	2022 \$000
<u>Depreciation</u>			
Buildings	5.1	21,822	19,917
Site infrastructure	5.1	480	479
Leasehold improvement	5.1	665	648
Medical equipment	5.1	11,400	12,634
Computer equipment	5.1	15,687	13,881
Furniture and fittings	5.1	728	733
Motor vehicles, other plant and equipment	5.1	2,624	2,528
Total depreciation for the period		53,406	50,820
<u>Impairment</u>			
Artworks	5.1	1,820	-
Total impairment for the period		1,820	-

As at 30 June 2023 there were no indications of other impairments.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.1.1 Depreciation and impairment (cont.)

Finite useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale and land.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Buildings	50 years
Site infrastructure	50 years
Leasehold improvements	Term of the lease
Computer equipment	4 to 8 years
Furniture and fittings	2 to 20 years
Motor vehicles	4 to 10 years
Medical equipment	2 to 20 years
Other plant and equipment	2 to 20 years

Land and artworks, which are considered to have an indefinite useful life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments are made where appropriate.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.1.1 Depreciation and impairment (cont.)

Impairment (cont.)

As the Health Service is a not-for-profit entity, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

5.1.2 Gain/(loss) on disposal of non-current assets

The Health Service recognised the following gains on disposal of non-current assets:

	2023	2022
	\$000	\$000
Carrying amount of non-current assets disposed:		
Property, plant and equipment	(131)	(659)
Proceeds from disposal of non-current assets:		
Property, plant and equipment	22	-
Net gain/(loss) on disposal of non-current assets	(109)	(659)

Realised and unrealised gains are usually recognised on a net basis.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.2 Right-of-use assets

	Buildings \$000	Vehicles \$000	Total \$000
Year ended 30 June 2023			
1 July 2022			
Gross carrying amount	12,325	2,018	14,343
Accumulated depreciation	(3,624)	(1,013)	(4,637)
Carrying amount at start of period	8,701	1,005	9,706
Additions	2,231	742	2,973
Adjustments	-	92	92
Disposals	-	(18)	(18)
Depreciation	(1,889)	(483)	(2,372)
Carrying amount at 30 June 2023	9,043	1,338	10,381
Gross carrying amount	14,306	2,347	16,653
Accumulated depreciation	(5,263)	(1,009)	(6,272)
	Buildings \$000	Vehicles \$000	Total \$000
Year ended 30 June 2022			
1 July 2021			
Gross carrying amount	10,966	1,714	12,680
Accumulated depreciation	(2,074)	(838)	(2,912)
Carrying amount at start of period	8,892	876	9,768
Additions	1,537	591	2,128
Adjustments	-	28	28
Disposals	-	(14)	(14)
Depreciation	(1,728)	(476)	(2,204)
Carrying amount at 30 June 2022	8,701	1,005	9,706
Gross carrying amount	12,325	2,018	14,343
Accumulated depreciation	(3,624)	(1,013)	(4,637)

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.2 Right-of-use assets (cont.)

The Health Service has leases for vehicles, office and clinical accommodations.

The Health Service has also entered into a Memorandum of Understanding Agreements (MOU) with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

The Health Service recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in Note 7.1.

Initial recognition

At the commencement date of the lease, the Health Service recognises right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs, including dismantling and removing the underlying asset

The Health Service has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.2 Right-of-use assets (cont.)

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. If ownership of the leased asset transfers to the Health Service at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 5.1.1.

The following amounts relating to leases have been recognised in the Statement of Comprehensive Income:

	Notes	2023 \$000	2022 \$000
Depreciation expense of right-of-use assets	5.2	2,372	2,204
Lease interest expense	7.2	349	268
Short-term leases		43	13
Low-value leases		9	7
Total amount recognised in the Statement of Comprehensive Income		2,773	2,492

The total cash outflow for leases in 2023 was \$2.570 million (2022: \$2.311 million). As at 30 June 2023 there were no indications of impairment to right-of-use assets.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.3 Intangible assets

Computer software	2023	2022
	\$000	\$000
Carrying amount at start of period	20,851	29,370
Amortisation expense (Note 5.3.1)	(8,057)	(8,519)
Carrying amount at 30 June	12,794	20,851
Gross carrying amount	55,638	55,638
Accumulated amortisation	(42,844)	(34,787)
	12,794	20,851

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Acquired and internally generated intangible assets costing \$5,000 or more that comply with the recognition criteria of AASB 138.57 *Intangible Assets*, are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.3 Intangible assets (cont.)

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use;
- (b) An intention to complete the intangible asset and use it;
- (c) The ability to use the intangible asset;
- (d) The intangible asset will generate probable future economic benefit;
- (e) The availability of adequate technical, financial and other resources to complete the development and to use the intangible asset;
- (f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is recognised as an intangible asset.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the assets to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

5.3.1 Amortisation and impairment

Charges for the period

	2023	2022
	\$000	\$000
<u>Amortisation</u>		
Computer software	8,057	8,519
Total amortisation for the period	8,057	8,519

The Health Service held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Health Service have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Computer software ^(a) 5 to 10 years

(a) Software that is not integral to the operation of any related hardware.

Impairment

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 5.1.1.

As at 30 June 2023 there were no indications of impairment to intangible assets.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Health Service's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2023 \$000	2022 \$000
Receivables	6.1	13,378	11,962
Amount receivable for services	6.2	529,342	470,279
Inventories	6.3	5,095	5,551
Other current assets	6.4	1,133	1,033
Payables	6.5	37,928	33,465
Contract liabilities	6.6	280	119
Capital grant liabilities	6.7	409	-
Other liabilities	6.8	61	125

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

6.1 Receivables

	2023	2022
	\$000	\$000
Current		
Patient fee debtors	7,489	5,827
GST receivable	712	653
Receivable from North Metropolitan Health Service	1,126	1,065
Other receivables	5,222	3,732
Allowance for impairment of receivables	(4,383)	(3,450)
Accrued revenue	3,212	4,135
	<u>13,378</u>	<u>11,962</u>

Patient fee debtors and other receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amounts of net patient fee debtors and other receivables are equivalent to fair value as it is due for settlement within 30 days.

The Health Service recognises an allowance for expected credit losses (ECLs) on patient fee debtors, measured at the lifetime expected credit losses at each reporting date. The Health Service has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to Note 3.6 for the amount of ECLs expensed in this financial year.

The Health Service does not hold any collateral or other credit enhancements as security for receivables.

Accounting procedure for Goods and Services Tax

Rights to collect amounts receivable from the Australian Taxation Office (ATO) and responsibilities to make payments for GST have been assigned to the Department of Health. This accounting procedure was a result of application of the grouping provisions of "A New Tax System (Goods and Services Tax) Act 1999" whereby the Department of Health became the Nominated Group Representative (NGR) for the GST Group as from 1 July 2012. The entities in the GST group include the Department of Health, Child and Adolescent Health Service, East Metropolitan Health Service, North Metropolitan Health Service, South Metropolitan Health Service, WA Country Health Service, Health Support Services, PathWest Laboratory Medicine WA, Queen Elizabeth II Medical Centre Trust, Mental Health Commission, and Health and Disability Services Complaints Office.

GST receivables on accrued expenses are recognised by the Health Service. Upon the receipt of tax invoices, GST receivables for the GST group are recorded in the accounts of the Department of Health.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

6.1.1 Movement of the allowance for impairment of receivables

	2023	2022
	\$000	\$000
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	3,450	2,581
Expected credit losses expense	1,871	980
Amount written off during the period	(938)	(111)
Balance at end of period	<u>4,383</u>	<u>3,450</u>

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account.

6.2 Amounts receivable for services (Holding Account)

	2023	2022
	\$000	\$000
Current	-	-
Non-Current	529,342	470,279
	<u>529,342</u>	<u>470,279</u>

The Health Service receives service appropriations from the State Government via the Department of Health, partly in cash and partly as a non-cash asset. Amounts receivable for services represent the non-cash component and it is restricted in that it can only be used for asset replacement or payment of leave liability.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss for the holding account).

Subject to the State Government's approval, the receivable is accessible on the emergence of the cash funding requirement to cover the payments for leave entitlements and asset replacement.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

6.3 Inventories

	2023	2022
	\$000	\$000
Current		
Pharmaceutical stores - at cost	<u>5,095</u>	<u>5,551</u>

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a weighted average cost basis.

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

6.4 Other assets

	2023	2022
	\$000	\$000
Current		
Prepayments	1,072	964
Unearned patient charges	61	68
Others	-	1
	<u>1,133</u>	<u>1,033</u>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

6.5 Payables

	2023	2022
	\$000	\$000
Current		
Trade payables	6,559	6,268
Payables for professional development leave	1,321	1,252
Other payables	48	43
Accrued expenses	10,469	8,826
Accrued salaries	19,531	17,076
	<u>37,928</u>	<u>33,465</u>

Payables are recognised at the amounts payable when the Health Service becomes obliged to make future payments as a result of a purchase of assets or services.

The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Pursuant to the industrial agreements, the unused balances of professional development leave accrued during the current financial year are paid to the nurses in July of the following financial year.

Accrued salaries represent the amount due to employees but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Health Service considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See 'Restricted cash and cash equivalents' in Note 7.3.1) consists of amounts paid annually into a Treasury suspense account to meet the additional cash outflow for employee salary payments in the reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

6.6 Contract liabilities

	2023 \$000	2022 \$000
Reconciliation of changes in contract liabilities		
Opening balance	119	89
Additions	280	119
Revenue recognised in the reporting period	(119)	(89)
Total contract liabilities at end of period	<u>280</u>	<u>119</u>
Current	280	119
Non-current	-	-

Contract liabilities are the values of payments received for services yet to be provided to the customers at the reporting date. Refer to Note 4.3 for details of the revenue recognition policy.

The Health Service expects to satisfy the performance obligations within the next 12 months.

6.7 Capital grant liabilities

	2023 \$000	2022 \$000
Reconciliation of changes in capital grant liabilities		
Opening balance	-	-
Additions	409	-
Revenue recognised in the reporting period	-	-
Total capital grant liabilities at end of period	<u>409</u>	<u>-</u>
Current	409	-
Non-current	-	-

The Health Service recognises a capital grant liability for the excess of the initial carrying amount of a financial asset received in a transfer to enable the acquisition or construction of a recognisable non-financial asset under its control.

When (or as) the obligations of the capital grant liability are satisfied under the transfer, the Health Service recognises income in profit or loss. Refer to Note 4.3 for the details of revenue recognition policy.

The Health Service expects to satisfy the obligations within the next 12 months.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

6.8 Other liabilities

	2023	2022
	\$000	\$000
Current		
Paid parental leave scheme	58	125
Others	3	-
	<u>61</u>	<u>125</u>

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

7. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Health Service.

	Notes
Lease liabilities	7.1
Finance costs	7.2
Cash and cash equivalents	7.3
Reconciliation of cash	7.3.1
Reconciliation of cash flows used in operating activities	7.3.2
Reconciliation of cash flows from State Government	7.3.3
Capital commitments	7.4

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

7.1 Lease liabilities

	2023	2022
	\$000	\$000
Current	2,207	1,760
Non-current	8,848	8,403
Total lease liabilities	<u>11,055</u>	<u>10,163</u>

Initial measurement

The Health Service measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Health Service uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Health Service as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the lessee exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the Health Service if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, are recognised by the Health Service in profit or loss in the period in which the condition that triggers the payment occurs.

This section should be read in conjunction with Note 5.2.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

7.1 Lease liabilities (cont.)

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

Significant assumptions and judgements

Judgements have been made in the identification of leases within contracts, assessment of lease terms by considering the reasonable certainty in exercising extension or termination options, and identification of appropriate rate to discount the lease payments.

7.2 Finance costs

	2023	2022
	\$000	\$000
Lease interest expense	349	268
	349	268

Finance costs are recognised as expenses in the period in which they are incurred.

Lease interest expense is the interest component of lease liability repayments.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

7.3 Cash and cash equivalents

7.3.1 Reconciliation of cash

	2023	2022
	\$000	\$000
Cash and cash equivalents	12,695	50,219
Restricted cash and cash equivalents		
<u>Current</u>		
Capital work projects	9,274	5,678
Mental Health Commission Funding ^(a)	581	2,091
Restricted cash assets held for other specific purposes ^(b)	12,091	11,243
	<u>21,946</u>	<u>19,012</u>
<u>Non-current</u>		
Accrued Salaries Suspense Account ^(c)	15,372	12,672
Total restricted cash and cash equivalents	<u>37,318</u>	<u>31,684</u>
Balance at end of period	<u>50,013</u>	<u>81,903</u>

Restricted cash and cash equivalents are assets of which the uses are restricted by specific legal or other externally imposed requirements.

- (a) The unspent funds from the Mental Health Commission are committed to the provision of mental health services.
- (b) The specific purposes include medical research grants, donations for the benefits of patients, medical education, scholarships, capital projects, employee contributions and staff benevolent funds.
- (c) The Accrued Salaries Suspense Account has been established for the Health Service at the Department of Treasury for the purpose of meeting the 27th pay which occurs in each eleventh year. This account is classified as non-current for 10 out of 11 years.

For the purpose of the Statement of Cash Flows, cash and cash equivalents and restricted cash and cash equivalents assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

7.3.2 Reconciliation of net cost of services to net cash flows used in operating activities

	Notes	2023 \$000	2022 \$000
Net cost of services (Statement of Comprehensive Income)		(936,805)	(876,057)
<u>Non-cash items:</u>			
Expected credit losses expense	3.6	1,871	980
Write off of inventory		7	16
Depreciation and amortisation expenses	5	63,834	61,543
Asset revaluation increments	5.1	(2,250)	(6,011)
Loss on disposal of non-current assets	5.1.2	109	659
Impairment charges		1,820	-
Interest capitalised		9	2
Donations of assets		(420)	(852)
Resources received free of charge	4.1	57,566	58,858
<u>(Increase)/decrease in assets:</u>			
Receivables		(3,287)	(1,452)
Inventories		449	(1,987)
Other current assets		(33)	(108)
<u>Increase/(Decrease) in liabilities:</u>			
Payables		4,483	2,309
Current provisions		9,994	14,829
Non-current provisions		74	(1,879)
Grant liabilities		409	-
Contract liabilities		161	30
Other current liabilities		(64)	42
Net cash used in operating activities (Statement of Cash Flows)		(802,073)	(749,078)

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

7.3.3 Reconciliation of cash flows from State Government

	2023	2022
	\$000	\$000
Service agreement funding - State	566,629	516,575
Service agreement funding - Commonwealth	173,533	197,851
Grants from other state government agencies	85,883	73,736
Services provided to other government agencies	3,762	4,036
Capital appropriation credited directly to Contributed equity (refer Note 9.12)	7,354	11,821
	<u>837,161</u>	<u>804,019</u>
<u>Less notional cash flows:</u>		
Accrual appropriations	(59,063)	(61,342)
Cash Flows from State Government as per Statement of Cash Flows	<u><u>778,098</u></u>	<u><u>742,677</u></u>

At the end of the reporting period, the Health Service had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

7.4 Capital commitments

	2023	2022
	\$000	\$000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements are payable as follows:		
Within 1 year	2,488	2,052
Later than 1 year, and not later than 5 years	222	648
	<u>2,710</u>	<u>2,700</u>

Amounts presented for capital expenditure commitments are GST inclusive.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

8. Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of the Health Service.

	Notes
Financial risk management	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2
Fair value measurements	8.3

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

8.1 Financial risk management

Financial instruments held by the Health Service are cash and cash equivalents, restricted cash and cash equivalents, lease liabilities, receivables and payables. The Health Service has limited exposure to financial risks. The Health Service's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit risk

Credit risk arises when there is the possibility of the Health Service's receivables defaulting on their contractual obligations resulting in financial loss to the Health Service.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the tables at Note 8.1(c) 'Credit risk exposure' and Note 6.1 'Receivables'.

Credit risk associated with the Health Service's financial assets is generally confined to patient fee debtors (see Note 6.1). The main receivable of the Health Service is the amounts receivable for services (holding account). For receivables other than government agencies and patient fee debtors, the Health Service trades only with recognised, creditworthy third parties. The Health Service has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Health Service's exposure to bad debts is minimised. At the end of the reporting period, there were no significant concentrations of credit risk.

All debts are individually reviewed, on a timely basis at 30, 60, 90 and 120 days. In a circumstance where a third party is responsible for payment, or there are legal considerations, payment of accounts can be delayed considerably. Unpaid debts are referred to an external debt collection service within six months of the accounts being raised.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings.

Liquidity risk

Liquidity risk arises when the Health Service is unable to meet its financial obligations as they fall due. The Health Service is exposed to liquidity risk through its normal course of operations.

The Health Service has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Health Service's income or the value of its holdings of financial instruments. The Health Service does not trade in foreign currency and is not materially exposed to other price risks. The Health Service's exposure to market risk for changes in interest rates relates primarily to the long-term debt obligations.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

8.1 Financial risk management (cont.)

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2023	2022
	\$000	\$000
<u>Financial Assets</u>		
Cash and cash equivalents	12,695	50,219
Restricted cash and cash equivalents	37,318	31,684
Financial assets at amortised cost ^(a)	542,008	481,588
	592,021	563,491
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	48,983	43,628
	48,983	43,628

(a) The amount of financial assets at amortised cost excludes GST recoverable from ATO (statutory receivable).

(c) Credit risk exposure

The following table details the credit risk exposure on the Health Service's receivables using a provision matrix.

	Days past due						
	Total	Current	31-60 days	61-90 days	91-180 days	181-365 days	>1 year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
30 June 2023							
Expected credit loss rate	33%	4%	9%	18%	49%	60%	77%
Estimated total gross carrying amount at default	13,246	4,898	1,703	517	1,789	1,679	2,660
Expected credit losses	(4,384)	(205)	(146)	(95)	(884)	(1,015)	(2,039)
30 June 2022							
Expected credit loss rate	38%	9%	16%	27%	25%	65%	83%
Estimated total gross carrying amount at default	9,127	3,122	903	635	1,279	679	2,509
Expected credit losses	(3,450)	(293)	(144)	(174)	(315)	(443)	(2,081)

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

8.1 Financial risk management (cont.)

(d) Liquidity Risk and Interest Rate Exposure

The following table details the Health Service's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure			Nominal Amount \$000	Maturity dates			
			Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000		Up to 3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2023										
<u>Financial Assets</u>										
Cash and cash equivalents		12,695	-	-	12,695	12,695	12,695	-	-	-
Restricted cash and cash equivalents		37,318	-	-	37,318	37,318	21,946	-	15,372	-
Receivables ^(a)		12,666	-	-	12,666	12,666	12,666	-	-	-
Amounts receivable for services		529,342	-	-	529,342	529,342	-	-	-	529,342
		592,021	-	-	592,021	592,021	47,307	-	15,372	529,342
<u>Financial Liabilities</u>										
Payables		37,928	-	-	37,928	37,928	37,928	-	-	-
Lease liabilities	3.29%	11,055	11,055	-	-	11,084	533	1,556	5,699	3,296
		48,983	11,055	-	37,928	49,012	38,461	1,556	5,699	3,296

(a) The amount of receivables excludes the GST recoverable from ATO (statutory receivable).

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

8.1 Financial risk management (cont.)

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted average effective interest rate %	Carrying amount \$000	Interest rate exposure			Nominal Amount \$000	Maturity dates			
			Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000		Up to 3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000
2022										
<u>Financial Assets</u>										
Cash and cash equivalents		50,219	-	-	50,219	50,219	50,219	-	-	-
Restricted cash and cash equivalents		31,684	-	-	31,684	31,684	19,012	-	-	12,672
Receivables ^(a)		11,309	-	-	11,309	11,309	11,309	-	-	-
Amounts receivable for services		470,279	-	-	470,279	470,279	-	-	-	470,279
		563,491	-	-	563,491	563,491	80,540	-	-	482,951
<u>Financial Liabilities</u>										
Payables		33,465	-	-	33,465	33,465	33,465	-	-	-
Lease liabilities	2.65%	10,163	10,163	-	-	11,449	522	1,420	5,413	4,094
		43,628	10,163	-	33,465	44,914	33,987	1,420	5,413	4,094

(a) The amount of receivables excludes the GST recoverable from ATO (statutory receivable).

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed and, if quantifiable, are measured at the best estimate. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

8.2.1 Contingent assets

The Health Service is a registered member of a cladding class action for the Perth Children's Hospital's building. A contingent asset is expected to arise from the class action.

8.2.2 Contingent liabilities

At the reporting date, the Health Service is not aware of any contingent liabilities.

Litigation in progress

The Health Service does not have any pending litigation that are not recoverable from RiskCover insurance at the reporting date.

Contaminated sites

Under the *Contaminated Sites Act 2003*, the Health Service is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values.

Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the Health Service may have a liability in respect of investigation or remediation expenses.

At the reporting date, the Health Service does not have any suspected contaminated sites reported under the Act.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

8.3 Fair value measurements

AASB 13 '*Fair Value Measurement*' requires disclosure of fair value measurement by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets (level 1);
- input other than quoted prices included within level 1 that are observable for the asset either directly or indirectly (level 2); and
- inputs for the asset that are not based on observable market data (unobservable input) (level 3).

The following table represents the Health Service's assets measured at fair value:

	Notes	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair value at end of period \$000
2023					
Land	5.1				
Residential		-	700	-	700
Specialised		-	-	26,220	26,220
Buildings	5.1				
Residential		-	85	-	85
Specialised		-	-	1,019,328	1,019,328
		-	785	1,045,548	1,046,333
2022					
Land	5.1				
Residential		-	675	-	675
Specialised		-	-	23,995	23,995
Buildings	5.1				
Residential		-	80	-	80
Specialised		-	-	968,199	968,199
		-	755	992,194	992,949

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

8.3 Fair value measurements (cont.)

Valuation processes

The Health Service obtains independent valuations of land and buildings from the Western Australian Land Information Authority (Landgate) annually.

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land and buildings to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Valuation techniques to derive Level 2 fair values

Level 2 fair values of land and buildings (converted residential properties) are derived using the market approach. This approach provides an indication of value by comparing the asset with identical or similar properties for which price information is available. Analysis of comparable sales information and market data provides the basis for fair value measurement.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, Landgate consider current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, and adjust the valuation for differences in property characteristics and market conditions.

For properties with buildings and other improvements, the land value is measured by comparison and analysis of open market transactions on the assumption that the land is in a vacant and marketable condition. The amount determined is deducted from the total property value and the residual amount represents the building value.

The Health Service's residential properties consist of residential buildings that have been re-configured to be used as health centres or clinics.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

8.3 Fair value measurements (cont.)

Fair value measurements using significant unobservable inputs (Level 3)

	Land \$000	Buildings \$000
2023		
Fair value at start of period	23,995	968,199
Additions	-	-
Revaluation increments/(decrements) recognised in Profit or Loss	2,225	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	72,949
Depreciation expense	-	(21,820)
Fair Value at end of period	26,220	1,019,328
2022		
Fair value at start of period	22,975	902,054
Transfer from other agencies	-	283
Additions	-	478
Revaluation increments/(decrements) recognised in Profit or Loss	1,020	4,941
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	80,360
Depreciation expense	-	(19,917)
Fair Value at end of period	23,995	968,199

Valuation techniques to derive Level 3 fair values

Properties of a specialised nature that are rarely sold in an active market or are held to deliver public services are referred to as non-market or current use type assets. These properties do not normally have a feasible alternative use due to restrictions or limitations on their use and disposal. The existing use is their highest and best use.

Land (Level 3 fair values)

For current use land assets, fair value is measured firstly by establishing the opportunity cost of public purpose land, which is termed the hypothetical alternate land use value. This approach assumes unencumbered land use based upon potential highest and best alternative use as represented by surrounding land uses and market analysis.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

8.3 Fair value measurements (cont.)

Fair value of the land is then determined on the assumption that the site is rehabilitated to a vacant marketable condition. This requires costs associated with rehabilitation to be deducted from the hypothetical alternate land use value of the land. Costs may include building demolition, clearing, planning approvals and time allowances associated with realising that potential.

In some instances the legal, physical, economic and socio political restrictions on a land results in a minimal or negative current use land value. In this situation the land value adopted is the higher of the calculated rehabilitation amount or the amount determined on the basis of comparison to market corroborated evidence of land with low level utility. Land of low level utility is considered to be grazing land on the urban fringe of the metropolitan area with no economic farming potential or foreseeable development or redevelopment potential at the measurement date.

Buildings (Level 3 fair values)

The Health Service's hospital and medical centres are specialised buildings valued under the cost approach. This approach uses the depreciated replacement cost method which estimates the current cost of reproduction or replacement of the buildings, on its current site, less deduction for physical deterioration and relevant forms of obsolescence. Depreciated replacement cost is the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

The techniques involved in the determination of the current replacement costs include:

- a) Review and updating of the 'as-constructed' drawing documentation;
- b) Categorisation of the drawings using the Building Utilisation Categories (BUC's) which designate the functional areas within the clinical facilities. Each BUC has different cost rates which are calculated from the historical construction costs of similar clinical facilities and are adjusted for the year-to-year change in building costs using building cost index;
- c) Measurement of the general floor areas;
- d) Application of the BUC cost rates per square meter of general floor areas.

The maximum effective age used in the valuation of specialised buildings is 50 years. The effective age of buildings is initially calculated from the commissioning date, and is reviewed after the buildings have undergone substantial renewal, upgrade or expansion.

The straight line method of depreciation is applied to derive the depreciated replacement cost, assuming a uniform pattern of consumption over the initial 37 years of asset life (up to 75% of current replacement costs). All specialised buildings are assumed to have a residual value of 25% of their current replacement costs.

The valuations are prepared on a going concern basis until the year in which the current use is discontinued.

Buildings with definite demolition plan are not subject to annual revaluation. The depreciated replacement costs at the last valuation dates for these buildings are written down to the Statement of Comprehensive Income as depreciation expenses over their remaining useful life.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

Events occurring after the end of the reporting period	9.1
Future impact of Australian Accounting Standards issued not yet operative	9.2
Remuneration of auditors	9.3
Key management personnel	9.4
Related party transactions	9.5
Related bodies	9.6
Affiliated bodies	9.7
Services provided free of charge	9.8
Other statement of receipts and payments	9.9
Special purpose accounts	9.10
Administered trust accounts	9.11
Equity	9.12
Supplementary financial information	9.13
Explanatory statement	9.14

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.1 Events occurring after the end of the reporting period

There were no events occurring after the reporting period which had significant financial effects on these financial statements.

9.2 Future impact of Australian Accounting Standards not yet operative

The Health Service cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. Where applicable, the Health Service plans to apply the following Australian Accounting Standards from their application date.

		Operative for reporting periods beginning on/after
AASB 2021-2	<p><i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i></p> <p>This Standard amends: (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements; (b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies; (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates; (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.</p> <p>There is no financial impact.</p>	1 Jan 2023
AASB 2021-6	<p><i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i></p> <p>This standard amends AASB 1054 to reflect the updated accounting policy terminology used in AASB 101 Presentation of Financial Statements.</p> <p>There is no financial impact.</p>	1 Jan 2023

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

		Operative for reporting periods beginning on/after
<i>AASB 2022-7</i>	<i>Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards</i>	1 Jan 2023
	<p>This Standard makes editorial corrections to various Australian Accounting Standards and AASB Practice Statement 2 Making Materiality Judgements.</p> <p>There is no financial impact.</p>	
<i>AASB 2020-1</i>	<i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i>	1 Jan 2024
	<p>This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.</p> <p>These is no financial impact.</p>	
<i>AASB 2022-10</i>	<i>Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.</i>	1 Jan 2024
	<p>This Standard amends AASB 13 including adding authoritative implementation guidance and providing related illustrative examples, for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.</p> <p>The Health Service has not assessed the impact of the Standard.</p>	

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.3 Remuneration of auditors

Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2023	2022
	\$000	\$000
Auditing the accounts, financial statements, controls, and key performance indicators	<u>254</u>	<u>226</u>

9.4 Key management personnel

The key management personnel include Ministers, board members, and senior officers of the Health Service. The Health Service does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for members of the Accountable Authority for the reporting period are presented within the following bands:

Compensation band (\$)	2023	2022
\$0	-	1
\$1 - \$10,000	-	1
\$20,001 - \$30,000	-	1
\$40,001 - \$50,000	9	7
\$80,001 - \$90,000	1	1
Total number of members of the Accountable Authority	<u>10</u>	<u>11</u>
	2023	2022
	\$000	\$000
Short-term employee benefits	448	399
Post-employment benefits	47	40
Total compensation of members of the Accountable Authority	<u>495</u>	<u>439</u>

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.4 Key management personnel (cont.)

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers for the reporting period are presented within the following bands:

Compensation band (\$)	2023	2022
\$0 - \$50,000	1	-
\$50,001 - \$100,000	1	-
\$100,001 - \$150,000	2	-
\$150,001 - \$200,000	2	2
\$200,001 - \$250,000	5	4
\$250,001 - \$300,000	1	-
\$450,001 - \$500,000	1	1
\$500,001 - \$550,000	1	-
\$550,001 - \$600,000	-	1
Total number of senior officers	14	8

	2023 \$000	2022 \$000
Short-term employee benefits	2,498	1,888
Post-employment benefits	290	221
Other long-term benefits	271	208
Termination benefits	37	-
Total compensation of senior officers	3,096	2,317

The short-term employee benefits include salaries, motor vehicle benefits and travel allowances incurred by the Health Service in respect of senior officers.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.5 Related party transactions

The Health Service is a wholly-owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Health Service include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all board members, senior officers and their close family members, and their controlled or jointly controlled entities;
- Wholly owned public sector entities (departments and statutory authorities), including their related bodies, that are included in the whole of government consolidated financial statements;
- Associates and joint ventures of a wholly-owned public sector entity; and
- Government Employees Superannuation Board (GESB).

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.5 Related party transactions (cont.)

Significant transactions with Government-related entities

In conducting its activities, the Health Service is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

	Notes	2023 \$000	2022 \$000
<u>Income</u>			
Service agreement funding - State	4.1	566,629	516,575
Service agreement funding - Commonwealth	4.1	173,533	197,851
Mental Health Commission - Service delivery agreement	4.1	85,462	73,192
Department of Health - Research development grant	4.1	117	446
Department of Health grant - COVID-19 vaccination	4.1	-	62
Department of Health grant - Aboriginal Cadetship Program	4.1	30	36
North Metropolitan Health Service - various clinical services	4.1	3,192	3,279
WA Country Health Service - various clinical services	4.1	292	478
Department of Health - Auspman fitout capital project	4.1	48	-
Department of Health - Graduate Transition to Practice Support Program	4.1	226	-
Assets assumed/(transferred)	4.1	425	-
Services received free of charge	4.1	57,566	58,858
<u>Expenses</u>			
Contracts for services - North Metropolitan Health Service ^(a)		6,673	6,592
Facility management services - North Metropolitan Health Service ^(a)		4,096	5,925
Contracts for services - Department of Communities ^(a)		585	529
Insurance payments - Insurance Commission (RiskCover)		12,884	9,448
Rental and other accommodation expenses - Department of Finance ^(a)		1,635	1,242
Lease interest expense - State Fleet	7.2	54	33
Remuneration for audit services - Office of the Auditor General	9.3	254	226

(a) These transactions are included at Note 3.2 'Contracts for services', Note 3.5 'Other supplies and services' and Note 3.6 'Other expenses'.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.5 Related party transactions (cont.)

Significant transactions with Government-related entities (cont.)

	Notes	2023 \$000	2022 \$000
<u>Assets</u>			
Receivables at 30 June - North Metropolitan Health Service	6.1	1,126	1,065
<u>Liabilities</u>			
Lease liabilities at 30 June - State Fleet	7.1	1,421	1,031
Repayments of lease liabilities - State Fleet		431	542
<u>Contributed Equity</u>			
Capital appropriations administered by Department of Health	9.12	7,354	11,821

Material transactions with other related parties

Details of significant transactions between the Health Service and other related parties are as follows:

	2023 \$000	2022 \$000
Superannuation payments to GESB	47,070	42,596
Payable to GESB	2,121	1,410

All other transactions (including normal citizen type transactions) between the Health Service and Ministers, or board members, or senior officers, or their close family members, or their controlled (or jointly controlled) entities are not material for disclosure.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.6 Related bodies

A related body is a body which receives more than half its funding and resources from the Health Service and is subject to operational control by the Health Service.

The Health Service had no related bodies during the financial year.

9.7 Affiliated bodies

An affiliated body is a body which receives more than half its funding and resources from the Health Service but is not subject to operational control by the Health Service.

The Health Service had no affiliated bodies during the financial year.

9.8 Services provided free of charge

During the reporting period, the following services were provided to other agencies free of charge:

	2023	2022
	\$000	\$000
Department for Communities - health assessments for children in care	228	245
Department of Education - school health services	14,256	13,266
	<u>14,484</u>	<u>13,511</u>

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.9 Other statement of receipts and payments

	2023 \$000	2022 \$000
Commonwealth Grant - Christmas and Cocos Island		
Balance at the start of period	-	(52)
Receipts		
Commonwealth grant - provision of paediatric services	-	139
Refund of Commonwealth grant ^(a)	-	8
Payments		
Costs of visiting specialists ^(b)	(55)	(95)
Balance at the end of period	(55)	-

(a) The refund is for reduction of \$8,175 in costs for 2020-21.

(b) The grant to cover the costs of visiting specialists in 2022-23 will be received from Commonwealth in 2023-24.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.10 Special purpose accounts

Mental Health Commission Fund (Child and Adolescent Health Service) Account

The purpose of the special purpose account is to receive funds from the Mental Health Commission, to fund the provision of mental health services as jointly endorsed by the Department of Health and the Mental Health Commission, in the Child and Adolescent Health Service, in accordance with the annual Service Agreement and subsequent agreements.

The special purpose account has been established under section 16(1)(d) of *the Financial Management Act 2006*.

	2023	2022
	\$000	\$000
Balance at the start of period	2,090	2,006
Receipts		
Service delivery agreement - Commonwealth contributions	20,302	15,520
Service delivery agreement - State contributions	65,161	57,672
	<u>85,463</u>	<u>73,192</u>
Payments	(86,972)	(73,108)
	<u>(1,509)</u>	<u>84</u>
Balance at the end of period	<u>581</u>	<u>2,090</u>

9.11 Administered trust accounts

Trust Accounts are used by the Health Service to account for funds that they may be holding on behalf of another party. The Health Service does not have control of the use of these funds, and cannot deploy them to meet its objectives. Trust Accounts do not form part of the resources available to the Health Service, and are not reported as assets in the financial statements.

The Health Service administers a trust account for the purpose of holding patients' private moneys.

The trust account did not have any receipts or payments during the financial year.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.12 Equity

The Western Australian Government holds the equity interest in the Health Service on behalf of the community. Equity represents the residual interest in the net assets of the Health Service. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

	2023 \$000	2022 \$000
Contributed equity		
Balance at start of period	1,465,947	1,454,126
<i>Contributions by owners</i>		
Capital appropriations administered by Department of Health ^(a)	7,354	11,821
Transfer of net assets from other agencies ^(b)	-	-
Total contributions by owners	7,354	11,821
Distributions to owners	-	-
Balance at end of period	1,473,301	1,465,947

- (a) Treasurer's Instruction (TI) 955 '*Contributions by Owners Made to Wholly Owned Public Sector Entities*' designates capital appropriations as contributions by owners in accordance with AASB Interpretation 1038 '*Contributions by Owners Made to Wholly-Owned Public Sector Entities*'.
- (b) AASB 1004 '*Contributions*' requires transfers of net assets as a result of a restructure of administrative arrangements to be accounted for as contributions by owners and distributions to owners. TI 955 designates non-discretionary and non-reciprocal transfers of net assets between state government agencies as contributions by owners in accordance with AASB Interpretation 1038. Where the transferee agency accounts for a non-discretionary and non-reciprocal transfer of net assets as a contribution by owners, the transferor agency accounts for the transfer as a distribution to owners.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.12 Equity (cont.)

	2023 \$000	2022 \$000
<u>Assets revaluation reserve</u>		
Balance at start of period	80,360	-
Net revaluation increments/(decrements) ^{(a) (b)}		
Buildings	72,956	80,360
Balance at end of period	<u>153,316</u>	<u>80,360</u>

- (a) Any revaluation increment is credited directly to the asset revaluation reserve, except to the extent that any increment reverses a revaluation decrement of the same class of assets previously recognised as an expense.
- (b) Any revaluation decrement is recognised as an expense, except to the extent of any balance existing in the asset revaluation reserve in respect of that class of assets.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.13 Supplementary financial information

(a) Revenue, public and other property written off

	2023	2022
	\$000	\$000
Revenue and debts written off under the authority of the Accountable Authority	992	130
Revenue and debts written off under the authority of the Minister	468	184
Public and other property written off under the authority of the Accountable Authority	-	407
	<u>1,460</u>	<u>721</u>

(b) Losses through theft, defaults and other causes

	2023	2022
	\$000	\$000
Losses of public money and public and other property through theft or default	-	7
Amounts recovered	-	(7)
	<u>-</u>	<u>-</u>

(c) Gifts of public property

There were no gifts of public property provided by the Health Service during the period.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.14 Explanatory statement

All variances between annual estimates (original budget) and actual results for 2023, and between the actual results for 2023 and 2022 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the following variance analyses for the:

1. Estimate and actual results for the current year
 - Total Cost of Services of the estimate for the Statement of comprehensive income and Statement of cash flows (\$9.018 million), and
 - Total Assets of the estimate for the Statement of financial position (\$17.417 million).
2. Actual results for the current year and the prior year actual
 - Total Cost of Services for the previous year for the Statements of comprehensive income and Statement of cash flows (\$9.525 million), and
 - Total Assets for the previous year for the Statement of financial position (\$17.267 million).

Treasurer's Instruction 945 excludes changes in asset revaluation surplus, cash assets, receivables, payables, contributed equity and accumulated surplus from the definition of major variances for disclosure purpose.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.14.1 Statement of Comprehensive Income Variances

	Variance note	Estimate 2023 \$000	Actual 2023 \$000	Actual 2022 \$000	Variance between estimate and actual \$000	Variance between actual results for 2023 and 2022 \$000
Expenses						
Employee benefits expense	(a)	622,589	702,324	645,719	79,735	56,605
Fees for visiting medical practitioners		2,715	3,559	2,859	844	700
Contracts for services		9,420	9,218	9,408	(202)	(190)
Patient support costs	(b) (g)	109,839	131,670	114,768	21,831	16,902
Finance costs		299	349	268	50	81
Depreciation and amortisation expenses		57,220	63,835	61,543	6,615	2,292
Impairment charges		-	1,820	-	1,820	1,820
Loss on disposal of non-current assets		-	109	659	109	(550)
Repairs, maintenance and consumable equipment		27,509	26,489	29,006	(1,020)	(2,517)
Other supplies and services	(c)	40,684	58,017	59,023	17,333	(1,006)
Other expenses		31,480	37,166	29,226	5,686	7,940
Total cost of services		901,755	1,034,556	952,479	132,801	82,077

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.14.1 Statement of Comprehensive Income Variances (cont.)

	Variance note	Estimate 2023 \$000	Actual 2023 \$000	Actual 2022 \$000	Variance between estimate and actual \$000	Variance between actual results for 2023 and 2022 \$000
Income						
Patient charges		24,331	27,321	21,672	2,990	5,649
Other fees for services	(d) (h)	36,287	47,949	32,046	11,662	15,903
Grants and contributions		7,401	13,575	9,849	6,174	3,726
Donation revenue		459	866	1,161	407	(295)
Asset revaluation increments		-	2,250	6,011	2,250	(3,761)
Other income		5,088	5,790	5,683	702	107
Total income		73,566	97,751	76,422	24,185	21,329
NET COST OF SERVICES		828,189	936,805	876,057	108,616	60,748
INCOME FROM STATE GOVERNMENT						
Service agreement funding - State		545,418	566,629	516,575	21,211	50,054
Service agreement funding - Commonwealth	(e) (i)	148,820	173,533	197,851	24,713	(24,318)
Grants from other state government agencies	(j)	84,966	85,883	73,736	917	12,147
Services provided to other government agencies		3,442	3,762	4,036	320	(274)
Assets (transferred)/assumed		-	425	-	425	425
Resources received free of charge	(f)	45,543	57,566	58,858	12,023	(1,292)
Total income from State Government		828,189	887,798	851,056	59,609	36,742
SURPLUS / (DEFICIT) FOR THE PERIOD		-	(49,007)	(25,001)	(49,007)	(24,006)
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation reserve		-	72,956	80,360	72,956	(7,404)
Total other comprehensive income		-	72,956	80,360	72,956	(7,404)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	23,949	55,359	23,949	(31,410)

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.14.1 Statement of Comprehensive Income Variances (cont.)

Major Variance Narratives

Variances between estimates and actuals

- (a) The \$79.7 million increase in employee benefits expense is mainly due to additional resourcing to address essential service needs, cost and demand pressures, outcomes from the Independent Inquiry and Coronial Inquest, support the Emergency Department and additional beds within hospital wards and to maintain safety and quality measures. During 2022-23, additional payments were also made for Government's Enhanced Wages Policy for pay increases and Cost of Living payments (\$28.0 million), which were not provided for within the initial estimates. Additional employee benefits are also incurred to support the COVID-19 response and leave cover (\$15.3 million) for which funding was not initially allocated to the Health Service at the beginning of the financial year.
- (b) The variance is attributed to increased drug supplies and pathology costs to support greater patient volumes and the use of high cost drugs, including gene therapy treatment for spinal muscular atrophy (\$14.1 million). The variance is also due to Resource Received Free of Charge being the inclusion of \$4.8 million for the Rapid Antigen Tests for which funding was not provided in the initial estimates.
- (c) The variance is attributed to costs for Health Support Services received as Resources Received Free of Charge being above the initial estimates provided (\$6.8 million), and additional outsourced services (\$10.5 million) for security, cleaning, and interpreter services to support increased hospital activity.
- (d) The increase relates to reimbursements from the Australian Government under the Pharmaceutical Benefits Scheme for subsidised medicines provided to patients (\$15.3 million) largely for high cost drugs including gene therapy treatment for spinal muscular atrophy, partially offset by reduced external service recoups.
- (e) The higher than expected funding from the Commonwealth relates to increased funding provided through the National Health Reform Agreement (\$18.8 million) and additional funding under the National Partnership Agreement for COVID-19 Response (\$5.8 million).
- (f) The majority of the increase relates to services received free of charge from Health Support Services for information technology, finance, supply and human resource services (\$6.8 million) and Rapid Antigen Test kits (\$4.8 million) for which funding was not provided in the initial estimates.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.14.1 Statement of Comprehensive Income Variances (cont.)

Major Variance Narratives (cont.)

Variances between actuals for 2022-23 and 2021-22

- (g) The variance is due to increased drug supplies and pathology costs. During 2022-23, the Health Service incurred higher costs on pharmaceutical drugs (\$16.4 million) due to increased patient volumes in oncology, and for the use of high cost drugs associated with gene therapy treatment for spinal muscular atrophy, and higher pathology costs (\$0.9 million).
- (h) The variance is due to increased patient compensable fees from clinical activity and reimbursements from Australian Government under the Pharmaceutical Benefits Scheme (\$15.6 million) for subsidised medicines provided to patients for increased volumes in oncology and the use of high cost drugs for gene therapy treatment to treat spinal muscular atrophy.
- (i) The variance from 2022-2023 is mainly due to reduction in Commonwealth funding provided via the National Partnership Agreement for COVID-19 Response (\$16.2 million) due to reduced COVID-19 costs. The residual movement is due to reduced funding provided via the National Health Reform Agreement (\$8.1 million).
- (j) The variance is mainly due to increases in Mental Health Commission funding for core non-admitted services, including School Suicide Response, Community Treatment and Crisis Connect.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.14.2 Statement of Financial Position Variances

	Variance note	Estimate 2023 \$000	Actual 2023 \$000	Actual 2022 \$000	Variance between estimate and actual \$000	Variance between actual results for 2023 and 2022 \$000
ASSETS						
Current Assets						
Cash and cash equivalents		52,419	12,695	50,219	(39,724)	(37,524)
Restricted cash and cash equivalents		11,773	21,946	19,012	10,173	2,934
Receivables		12,875	13,378	11,962	503	1,416
Inventories		5,507	5,095	5,551	(412)	(456)
Other current assets		1,256	1,133	1,033	(123)	100
Total Current Assets		83,830	54,247	87,777	(29,583)	(33,530)
Non-Current Assets						
Restricted cash and cash equivalents		15,372	15,372	12,672	-	2,700
Amounts receivable for services		527,499	529,342	470,279	1,843	59,063
Property, plant and equipment		1,092,148	1,151,747	1,125,366	59,599	26,381
Right-of-use assets		10,110	10,381	9,706	271	675
Intangible assets		12,707	12,794	20,851	87	(8,057)
Total Non-Current Assets		1,657,836	1,719,636	1,638,874	61,800	80,762
TOTAL ASSETS		1,741,666	1,773,883	1,726,651	32,217	47,232

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.14.2 Statement of Financial Position Variances (cont.)

	Variance note	Estimate 2023 \$000	Actual 2023 \$000	Actual 2022 \$000	Variance between estimate and actual \$000	Variance between actual results for 2023 and 2022 \$000
LIABILITIES						
Current Liabilities						
Payables		33,848	37,928	33,465	4,080	4,463
Contract liabilities		-	280	119	280	161
Capital grant liabilities		-	409	-	409	409
Lease liabilities		1,793	2,207	1,760	414	447
Employee benefits provisions		135,942	146,888	136,894	10,946	9,994
Other current liabilities		232	61	125	(171)	(64)
Total Current Liabilities		171,815	187,773	172,363	15,958	15,410
Non-Current Liabilities						
Lease liabilities		8,905	8,848	8,403	(57)	445
Employee benefits provisions		33,779	24,560	24,486	(9,219)	74
Total Non-Current Liabilities		42,684	33,408	32,889	(9,276)	519
TOTAL LIABILITIES		214,499	221,181	205,252	6,682	15,929
NET ASSETS		1,527,167	1,552,702	1,521,399	25,535	31,303
EQUITY						
Contributed equity		1,469,302	1,473,301	1,465,947	3,999	7,354
Reserves		80,360	153,316	80,360	72,956	72,956
Accumulated surplus		(22,495)	(73,915)	(24,908)	(51,420)	(49,007)
TOTAL EQUITY		1,527,167	1,552,702	1,521,399	25,535	31,303

There are no significant variances for the Statement of Financial Position.

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.14.3 Statement of Cash Flows Variances

	Variance note	Estimate 2023 \$000	Actual 2023 \$000	Actual 2022 \$000	Variance between estimate and actual \$000	Variance between actual results for 2023 and 2022 \$000
CASH FLOWS FROM STATE GOVERNMENT						
Service agreement funding - State	(e)	488,198	507,566	455,233	19,368	52,333
Service agreement funding - Commonwealth	(a) (f)	148,820	173,533	197,851	24,713	(24,318)
Grants from other state government agencies	(g)	84,966	85,883	73,736	917	12,147
Services provided to other government agencies		3,442	3,762	4,036	320	(274)
Capital appropriations administered by Department of Health		12,550	7,354	11,821	(5,196)	(4,467)
Net cash provided by State Government		737,976	778,098	742,677	40,122	35,421
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	(b)	(621,037)	(689,719)	(630,710)	(68,682)	(59,009)
Supplies and services	(c)	(175,981)	(204,073)	(186,032)	(28,092)	(18,041)
Finance costs		(299)	(340)	(266)	(41)	(74)
Receipts						
Receipts from customers		24,088	26,589	19,946	2,501	6,643
Grants and contributions		7,401	14,145	9,887	6,744	4,258
Donations received		360	134	106	(226)	28
Other receipts	(d) (h)	40,963	51,191	37,991	10,228	13,200
Net cash used in operating activities		(724,505)	(802,073)	(749,078)	(77,568)	(52,995)

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.14.3 Statement of Cash Flows Variances (cont.)

	Variance note	Estimate 2023 \$000	Actual 2023 \$000	Actual 2022 \$000	Variance between estimate and actual \$000	Variance between actual results for 2023 and 2022 \$000
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets		(13,814)	(5,707)	(4,771)	8,107	(936)
Receipts						
Proceeds from sale of non-current assets		-	22	-	22	22
Net cash used in investing activities		(13,814)	(5,685)	(4,771)	8,129	(914)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Principal elements of lease		(1,996)	(2,230)	(2,107)	(234)	(123)
Net cash used in financing activities		(1,996)	(2,230)	(2,107)	(234)	(123)
Net increase / (decrease) in cash and cash equivalents		(2,339)	(31,890)	(13,279)	(29,551)	(18,611)
Cash and cash equivalents at the beginning of period		81,903	81,903	95,182	-	(13,279)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		79,564	50,013	81,903	(29,551)	(31,890)

Child and Adolescent Health Service

Notes to the financial statements for the year ended 30 June 2023

9.14.3 Statement of Cash Flows Variances (cont.)

Major Variance Narratives

Variances between estimates and actuals

- (a) Service agreement funding - Commonwealth - see explanation in variance note (e) for the Statement of Comprehensive Income.
- (b) Employee benefits - The higher payments to employees are predominantly due to additional resourcing to address service needs, outcomes from the Independent Inquiry and Coronial Inquest, increased workforce capacity for the Emergency Department, additional beds within hospital wards and maintaining safety and quality measures. During 2022-23, additional payments were also made for Government's Enhanced Wages Policy for pay increases and Cost of Living payments (\$28.0 million), which were not provided for within the initial estimates.
- (c) Supplies and services - The higher payments in 2023 are caused by the increased drug supplies and pathology costs to support greater patient volumes and the use of high cost drugs, including gene therapy treatment for spinal muscular atrophy (\$14.1 million), and additional outsourced services (\$10.5 million) for security, cleaning, and interpreter services to support increased hospital activity.
- (d) Other receipts - The variance is due to the higher than expected reimbursements from the Australian Government under the Pharmaceutical Benefits Scheme for subsidised medicines provided to patients (\$15.1 million) largely for high cost drugs used in gene therapy treatment for spinal muscular atrophy, and also for increased volumes in oncology.

Variances between actuals for 2022-23 and 2021-22

- (e) Service agreement funding - State - Additional State funding received for increased hospital and non-hospital activities in 2023.
- (f) Service agreement funding - Commonwealth - see explanation in variance note (i) for the Statement of Comprehensive Income.
- (g) Grants from other state government agencies - see explanation in variance note (j) for the Statement of Comprehensive Income.
- (h) Other receipts - The increase is mainly due to reimbursements from the Australian Government under the Pharmaceutical Benefits Scheme (\$15.1 million) for subsidised medicines provided to patients for increased volumes in oncology and the use of high cost drugs for gene therapy to treat spinal muscular atrophy.

