

# Disclosures and legal compliance

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## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 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 2022, 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 2022 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 am independent of the Health Service in accordance with the Auditor General Act 2006 and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

### Emphasis of Matter – Restatement of Comparative Balances

I draw attention to Note 9.15 to the financial statements which states that the amounts reported in the previously issued 30 June 2021 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

### 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.

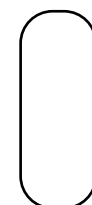
In preparing the financial statements, the Board is responsible for:

- 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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](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 legislative provisions (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 legislative provisions during the year ended 30 June 2022.

### The Board’s responsibilities

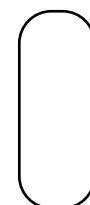
The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer’s Instructions 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 Engagements 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 2022. 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 2022.

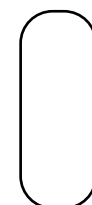
### The Health Service's responsibilities for the key performance indicators

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 control 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 Health Service is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 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 control 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 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

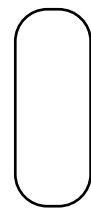
**Other information**

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 2022, but not the financial statements and my auditor’s report.

My opinion on the financial statements does 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, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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.

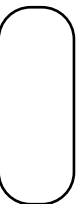


## Matters relating to the electronic publication of the audited financial statements and key performance indicators

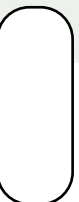
This auditor's report relates to the financial statements, and key performance indicators of the Child and Adolescent Health Service for the year ended 30 June 2022 included in the annual report on the Health Service's website. The Health Service's management is responsible for the integrity of the Health 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.



Sandra Labuschagne  
Deputy Auditor General  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
1 September 2022







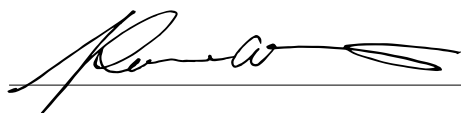


# Certification of financial statements

## CHILD AND ADOLESCENT HEALTH SERVICE

### CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 2022 and the financial position as at 30 June 2022. NEXT LINE At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or accurate.

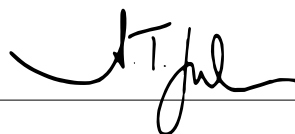


**Dr Rosanna Capolingua**

Board Chair

Child and Adolescent Health Service

1 September 2022



**Dr Alexis Julian**

Board Member

Child and Adolescent Health Service

1 September 2022

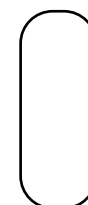


**Jacqueline Shervington**

Chief Finance Officer

Child and Adolescent Health Service

1 September 2022



## Child and Adolescent Health Service

### Statement of comprehensive income

#### For the year ended 30 June 2022

	Notes	2022 \$000	2021 \$000		Notes	2022 \$000	2021 \$000
<b>COST OF SERVICES</b>				<b>INCOME FROM STATE GOVERNMENT</b>			
<b>Expenses</b>				Service agreement funding - State	4.1	516,575	492,775
Employee benefits expense	3.1(a)	645,719	558,987	Service agreement funding - Commonwealth	4.1	197,851	159,824
Fees for visiting medical practitioners		2,859	2,693	Grants from other state government agencies	4.1	73,736	68,828
Contracts for services	3.2	9,408	9,453	Services provided to other government agencies	4.1	4,036	3,981
Patient support costs	3.3	114,768	101,975	Assets (transferred)/assumed	4.1	-	863
Finance costs	7.2	268	255	Resources received free of charge	4.1	58,858	42,368
Depreciation and amortisation expense	5	61,543	59,601	<b>Total income from State Government</b>		<b>851,056</b>	<b>768,639</b>
Asset revaluation decrements	5.1	-	3,723				
Loss on disposal of non-current assets	5.1.2	659	141	<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>		<b>(25,001)</b>	<b>8,867</b>
Repairs, maintenance and consumable equipment	3.4	29,006	23,214				
Other supplies and services	3.5	59,023	49,390	<b>OTHER COMPREHENSIVE INCOME</b>			
Other expenses	3.6	29,226	24,337	Items not reclassified subsequently to profit or loss			
<b>Total cost of services</b>		<b>952,479</b>	<b>833,769</b>	Changes in asset revaluation reserve	9.12	80,360	-
<b>INCOME</b>				<b>Total other comprehensive income</b>		<b>80,360</b>	<b>-</b>
Patient charges	4.2	21,672	21,787				
Other fees for services	4.2	32,046	30,470	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>55,359</b>	<b>8,867</b>
Grants and contributions	4.3	9,849	13,828				
Donation revenue	4.4	1,161	2,096				
Asset revaluation increments	5.1	6,011	605				
Other revenue	4.5	5,683	5,211				
<b>Total income other than income from State Government</b>		<b>76,422</b>	<b>73,997</b>				
<b>NET COST OF SERVICES</b>		<b>876,057</b>	<b>759,772</b>				

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 2022

	Notes	2022 \$000	Restated* 2021 \$000		Notes	2022 \$000	Restated* 2021 \$000
<b>ASSETS</b>				<b>Non-Current Liabilities</b>			
<b>Current Assets</b>				Lease liabilities			
Cash and cash equivalents	7.3	50,219	67,836	Employee benefits provisions	7.1	8,403	8,214
Restricted cash and cash equivalents	7.3	19,012	17,374		3.1	24,486	26,365
Receivables	6.1	11,962	11,490		(b)		
Inventories	6.3	5,551	3,580	<b>Total Non-Current Liabilities</b>		<u>32,889</u>	<u>34,579</u>
Other current assets	6.4	1,033	909	<b>TOTAL LIABILITIES</b>		<u><b>205,252</b></u>	<u><b>189,925</b></u>
<b>Total Current Assets</b>		<u>87,777</u>	<u>101,189</u>	<b>NET ASSETS</b>		<u><b>1,521,399</b></u>	<u><b>1,454,219</b></u>
<b>Non-Current Assets</b>				<b>EQUITY</b>			
Restricted cash and cash equivalents	7.3	12,672	9,972	Contributed equity	9.12	1,465,947	1,454,126
Amounts receivable for services	6.2	470,279	408,937	Reserves	9.12	80,360	-
Property, plant and equipment	5.1	1,125,366	1,084,908	Accumulated surplus/(deficit)		(24,908)	93
Right-of-use assets	5.2	9,706	9,768	<b>TOTAL EQUITY</b>		<u><b>1,521,399</b></u>	<u><b>1,454,219</b></u>
Intangible assets	5.3	20,851	29,370				
<b>Total Non-Current Assets</b>		<u>1,638,874</u>	<u>1,542,955</u>				
<b>TOTAL ASSETS</b>		<u><b>1,726,651</b></u>	<u><b>1,644,144</b></u>				
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Payables	6.5	32,213	29,999				
Contract liabilities	6.6	119	89				
Lease liabilities	7.1	1,760	1,858				
Employee benefits provisions	3.1	138,146	123,317				
	(b)						
Other current liabilities	6.8	125	83				
<b>Total Current Liabilities</b>		<u>172,363</u>	<u>155,346</u>				

\* Refer to Note 9.15 'Correction of prior period error'.

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 2022

	Notes	2022	2021		Notes	2022	2021
		\$000	\$000			\$000	\$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>				<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Service agreement funding - State		455,233	430,195	<b>Payments</b>			
Service agreement funding - Commonwealth		197,851	159,824	Purchase of non-current assets		(4,771)	(8,239)
Grants from other state government agencies		73,736	68,828	<b>Receipts</b>			
Services provided to other government agencies		4,036	3,981	Proceeds from sale of non-current assets	5.1.2	-	11
Capital appropriations administered by Department of Health		11,821	11,769	<b>Net cash used in investing activities</b>		<b>(4,771)</b>	<b>(8,228)</b>
<b>Net cash provided by State Government</b>	7.3.3	<b>742,677</b>	<b>674,597</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				<b>Payments</b>			
<b>Payments</b>				Principal elements of lease payments		(2,107)	(1,853)
Employee benefits		(630,710)	(544,132)	<b>Net cash used in financing activities</b>		<b>(2,107)</b>	<b>(1,853)</b>
Supplies and services		(186,032)	(178,529)	<b>Net increase / (decrease) in cash and cash equivalents</b>			
Finance costs		(266)	(253)			(13,279)	11,532
<b>Receipts</b>				Cash and cash equivalents at the beginning of the period		95,182	83,650
Receipts from customers		19,946	21,451	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7.3	<b>81,903</b>	<b>95,182</b>
Grants and contributions		9,887	12,919				
Donations received		106	123				
Other receipts		37,991	35,437				
<b>Net cash used in operating activities</b>	7.3.2	<b>(749,078)</b>	<b>(652,984)</b>				

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

## Child and Adolescent Health Service

### Statement of changes in equity

#### For the year ended 30 June 2022

	Notes	Contributed equity \$000	Reserves \$000	Accumulated surplus/(deficit) \$000	Total equity \$000
<b>Balance at 1 July 2020</b>		1,439,357	-	(8,774)	1,430,583
Surplus		-	-	8,867	8,867
Total comprehensive income for the period		-	-	8,867	8,867
Transactions with owners in their capacity as owners:					
Capital appropriations administered by Department of Health	9.12	11,769	-	-	11,769
Other contributions by owners	9.12	3,000	-	-	3,000
Total		14,769	-	-	14,769
<b>Balance at 30 June 2021</b>		<b>1,454,126</b>	-	<b>93</b>	<b>1,454,219</b>
<b>Balance at 1 July 2021</b>		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
Other contributions by owners	9.12	-	-	-	-
Total		11,821	-	-	11,821
<b>Balance at 30 June 2022</b>		<b>1,465,947</b>	<b>80,360</b>	<b>(24,908)</b>	<b>1,521,399</b>

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 2022

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### 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 'Overview' 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 1 September 2022.

### Statement of compliance

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

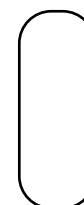
- 1) The Financial Management Act 2006;
- 2) The Treasurer's Instructions;
- 3) Australian Accounting Standards including applicable interpretations;
- 4) Where appropriate, those AAS paragraphs applicable for not for profit entities have been applied.

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 2022

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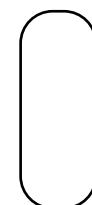
#### Judgements and estimates

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 2022

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## 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.

	<b>Notes</b>
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 2022

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### 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.

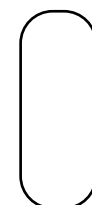
#### Public and Community Health Services

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 2022

#### 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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>COST OF SERVICES</b>								
<b>Expenses</b>								
Employee benefits expense	289,528	262,357	53,030	40,742	96,547	81,799	65,895	61,143
Fees for visiting medical practitioners	1,921	1,839	330	280	592	562	-	-
Contracts for services	7,121	6,654	93	32	169	129	7	8
Patient support costs	68,374	65,406	14,270	10,320	24,514	19,707	1,592	1,390
Finance costs	45	48	8	7	14	14	92	86
Depreciation and amortisation expense	38,474	36,875	6,607	5,613	11,865	11,276	2,443	3,954
Asset revaluation decrements	-	-	-	-	-	-	-	40
Loss on disposal of non-current assets	436	95	75	14	135	29	-	-
Repairs, maintenance and consumable equipment	13,177	10,863	2,572	1,715	4,757	3,441	2,059	1,933
Other supplies and services	27,975	24,613	5,066	3,765	9,237	7,563	5,153	4,510
Other expenses	10,170	8,781	1,831	1,356	3,325	2,722	3,727	2,944
<b>Total cost of services</b>	<b>457,221</b>	<b>417,531</b>	<b>83,882</b>	<b>63,844</b>	<b>151,155</b>	<b>127,242</b>	<b>80,968</b>	<b>76,008</b>
<b>Income</b>								
Patient charges	18,482	18,449	632	581	1,862	1,940	696	817
Other fees for services	21,294	20,652	3,656	3,143	6,566	6,315	311	168
Grants and contributions	6,480	9,197	1,113	1,400	1,998	2,812	182	337
Donation revenue	779	1,431	134	218	240	438	2	-
Asset revaluation increments	2,217	(7)	381	(1)	684	(2)	347	138
Other revenue	3,671	3,449	631	525	1,132	1,055	11	21
<b>Total income other than income from State Government</b>	<b>52,923</b>	<b>53,171</b>	<b>6,547</b>	<b>5,866</b>	<b>12,482</b>	<b>12,558</b>	<b>1,549</b>	<b>1,481</b>
<b>NET COST OF SERVICES</b>	<b>404,298</b>	<b>364,360</b>	<b>77,335</b>	<b>57,978</b>	<b>138,673</b>	<b>114,684</b>	<b>79,419</b>	<b>74,527</b>
<b>INCOME FROM STATE GOVERNMENT</b>								
Service agreement funding - State	241,107	239,622	47,190	37,146	78,591	75,597	2,443	3,954
Service agreement funding - Commonwealth	117,761	97,295	21,878	17,793	45,542	39,040	818	3,665
Grants from other state government agencies	365	458	63	69	113	139	73,192	68,097
Services provided to other government agencies	3,589	3,652	147	92	292	216	(4)	-
Assets (transferred)/assumed	-	589	-	90	-	180	-	-
Resources received free of charge	26,675	21,201	6,768	3,520	10,907	6,048	4,556	3,990
<b>Total income from State Government</b>	<b>389,497</b>	<b>362,817</b>	<b>76,046</b>	<b>58,710</b>	<b>135,445</b>	<b>121,220</b>	<b>81,005</b>	<b>79,706</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>	<b>(14,801)</b>	<b>(1,543)</b>	<b>(1,289)</b>	<b>732</b>	<b>(3,228)</b>	<b>6,536</b>	<b>1,586</b>	<b>5,179</b>



## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

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

	Aged and Continuing Care Services <sup>(a)</sup>		Public and Community Health Services		Total	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	2,516	1,751	138,203	111,195	645,719	558,987
Fees for visiting medical practitioners	16	12	-	-	2,859	2,693
Contracts for services	4	1	2,014	2,629	9,408	9,453
Patient support costs	533	386	5,485	4,766	114,768	101,975
Finance costs	-	-	109	100	268	255
Depreciation and amortisation expense	330	239	1,824	1,644	61,543	59,601
Asset revaluation decrements	-	-	-	3,683	-	3,723
Loss on disposal of non-current assets	4	-	9	3	659	141
Repairs, maintenance and consumable equipment	112	76	6,329	5,186	29,006	23,214
Other supplies and services	202	133	11,390	8,806	59,023	49,390
Other expenses	86	56	10,087	8,478	29,226	24,337
<b>Total cost of services</b>	<b>3,803</b>	<b>2,654</b>	<b>175,450</b>	<b>146,490</b>	<b>952,479</b>	<b>833,769</b>
<b>Income</b>						
Patient charges	-	-	-	-	21,672	21,787
Other fees for services	188	134	31	58	32,046	30,470
Grants and contributions	51	59	25	23	9,849	13,828
Donation revenue	6	9	-	-	1,161	2,096
Asset revaluation increments	19	-	2,363	477	6,011	605
Other revenue	32	27	206	134	5,683	5,211
<b>Total income other than income from State Government</b>	<b>296</b>	<b>229</b>	<b>2,625</b>	<b>692</b>	<b>76,422</b>	<b>73,997</b>
<b>NET COST OF SERVICES</b>	<b>3,507</b>	<b>2,425</b>	<b>172,825</b>	<b>145,798</b>	<b>876,057</b>	<b>759,772</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service agreement funding - State	3,230	2,339	144,014	134,117	516,575	492,775
Service agreement funding - Commonwealth	-	-	11,852	2,031	197,851	159,824
Grants from other state government agencies	3	2	-	63	73,736	68,828
Services provided to other government agencies	8	5	4	16	4,036	3,981
Assets (transferred)/assumed	-	4	-	-	-	863
Resources received free of charge	176	114	9,776	7,495	58,858	42,368
<b>Total income from State Government</b>	<b>3,417</b>	<b>2,464</b>	<b>165,646</b>	<b>143,722</b>	<b>851,056</b>	<b>768,639</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>	<b>(90)</b>	<b>39</b>	<b>(7,179)</b>	<b>(2,076)</b>	<b>(25,001)</b>	<b>8,867</b>

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

### 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:

	<b>Notes</b>	<b>2022</b> <b>\$000</b>	<b>2021</b> <b>\$000</b>
Employee benefits expense	3.1(a)	645,719	558,987
Contracts for services	3.2	9,408	9,453
Patient support costs	3.3	114,768	101,975
Repairs, maintenance and consumable equipment	3.4	29,006	23,214
Other supplies and services	3.5	59,023	49,390
Other expenses	3.6	29,226	24,337

#### Liabilities incurred in the delivery of services

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

	<b>Notes</b>	<b>2022</b> <b>\$000</b>	<b>2021</b> <b>\$000</b>
Employee benefits provision	3.1(b)	162,632	149,682

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 3.1(a) Employee benefits expense

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Employee benefits	589,926	511,994
Termination benefits	-	470
Superannuation - defined contribution plans	55,793	46,523
	<u>645,719</u>	<u>558,987</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 2022

### 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.

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current</b>		
Employee benefits provisions		
Annual leave <sup>(a)</sup>	68,122	60,603
Time off in lieu leave <sup>(a)</sup>	15,354	12,839
Long service leave <sup>(b)</sup>	52,199	48,664
Deferred salary scheme <sup>(c)</sup>	1,219	1,211
Professional development leave <sup>(d)</sup>	1,252	-
	<u>138,146</u>	<u>123,317</u>
<b>Non-Current</b>		
Employee benefits provisions		
Long service leave <sup>(b)</sup>	24,486	26,365
	<u>24,486</u>	<u>26,365</u>
	<u>162,632</u>	<u>149,682</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:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Within 12 months of the end of the reporting period	58,346	51,302
More than 12 months after the end of the reporting period	25,130	22,140
	<u>83,476</u>	<u>73,442</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 2022

#### 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:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Within 12 months of the end of the reporting period	13,090	11,126
More than 12 months after the end of the reporting period	63,595	63,903
	<u>76,685</u>	<u>75,029</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:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Within 12 months of the end of the reporting period	250	176
More than 12 months after the end of the reporting period	969	1,035
	<u>1,219</u>	<u>1,211</u>

**Professional development leave:** Classified as current as the unused leave accrued from 1 July 2021 to 30 June 2022 will be paid out to the nurses in July 2022.

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Within 12 months of the end of the reporting period	<u>1,252</u>	<u>-</u>



## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

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### 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.

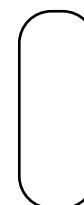
Several estimates and assumptions are used in calculating the Health Service's long service leave provision. These include:

- 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 2022

### 3.2 Contracts for services

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Neonatal services <sup>(a)</sup>	6,592	6,512
Community and primary health	2,653	2,604
Other contracts	163	337
	<u>9,408</u>	<u>9,453</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

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Medical supplies and services <sup>(a) (b)</sup>	95,302	83,787
Domestic charges	10,739	10,249
Food supplies	1,451	1,356
Power and water charges	5,771	5,385
Patient transport costs	1,096	985
Research, development and other grants	409	213
	<u>114,768</u>	<u>101,975</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 \$5.695 million from PathWest Laboratory Medicine WA (2021: \$5.627 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 \$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 2022

### 3.4 Repairs, maintenance and consumable equipment

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Repairs and maintenance	22,770	19,068
Consumable equipment	6,236	4,146
	<u>29,006</u>	<u>23,214</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

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Facility management services	5,925	6,065
Administrative services	4,528	3,866
Interpreter services	1,039	847
Shared services for accounting <sup>(a)</sup>	796	932
Shared services for human resources <sup>(a)</sup>	5,306	3,270
Shared services for information technology <sup>(a)</sup>	32,732	30,009
Shared services for supply <sup>(a)</sup>	6,449	2,500
Other	2,248	1,901
	<u>59,023</u>	<u>49,390</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

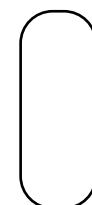
#### For the year ended 30 June 2022

### 3.6 Other expenses

	2022 \$000	2021 \$000
Workers compensation insurance	5,216	2,932
Other insurances	4,213	3,302
Other employee related expenses	1,334	1,033
Communications	1,736	1,743
Computer services	1,676	1,877
Consultancy fees	3,050	2,138
Expected credit losses expense <sup>(a)</sup>	980	513
Freight and cartage	583	426
Motor vehicle expenses	622	508
Rental expenses <sup>(b)</sup>	1,456	1,392
Other accommodation expenses <sup>(c)</sup>	1,280	1,257
Periodical subscription	569	537
Printing and stationery	2,750	2,662
Write-down of assets <sup>(d)</sup>	-	991
Asset write off - stock take <sup>(d)</sup>	-	407
Other	3,761	2,619
	29,226	24,337

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

- (a) **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.
- (b) **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.
- (c) **Other accommodation expenses** are for outgoing expenses only.
- (d) See Note 5.1 'Property, plant and equipment'.



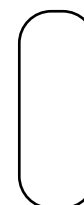
**Child and Adolescent Health Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**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:

	<b>Notes</b>	<b>2022 \$000</b>	<b>2021 \$000</b>
Income from State Government	4.1	851,056	768,639
Patient charges and other fees for services	4.2	53,718	52,257
Grants and contributions	4.3	9,849	13,828
Donations	4.4	1,161	2,096
Other revenue	4.5	5,683	5,211



## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 4.1 Income from State Government

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Service agreement funding received during the period:		
Department of Health - Service agreement - State component	516,575	492,775
Department of Health - Service agreement - Commonwealth component <sup>(i)</sup>	197,851	159,824
<b>Total service agreement funding</b>	<b>714,426</b>	<b>652,599</b>
Grants from other state government agencies during the period:		
Mental Health Commission - Service delivery agreement	73,192	68,097
Department of Health - Research development grant	446	598
Department of Health - COVID-19 vaccination	62	94
Department of Health - Aboriginal cadetship program	36	39
<b>Total grants from other state government agencies</b>	<b>73,736</b>	<b>68,828</b>
Services provided to other state government agencies during the period:		
North Metropolitan Health Service - various clinical services	3,279	3,187
WA Country Health Service - various clinical services	478	752
South Metropolitan Health Service - training for radiology registrars	-	18
Pathwest - infectious diseases program	275	-
Other	4	24
<b>Total services provided to other state government agencies</b>	<b>4,036</b>	<b>3,981</b>
Assets transferred from/(to) other State government agencies during the period:		
Transfer of medical equipment from other Health Services	-	893
Transfer of plant & equipment to other Health Services	-	(30)
<b>Net assets transferred</b>	<b>-</b>	<b>863</b>
Resources received free of charge from other State government agencies during the period:		
Health Support Services - accounting, human resources, information technology and supply services	45,283	36,711
Health Support Services - supply of Rapid Antigen Test Kits	7,351	-
State Solicitor's Office - legal services	495	-
Department of Finance - leasing of accommodation	34	30
PathWest Laboratory Medicine WA - pathology services	5,695	5,627
<b>Total resources received free of charge</b>	<b>58,858</b>	<b>42,368</b>
<b>Total income from State Government</b>	<b>851,056</b>	<b>768,639</b>

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 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

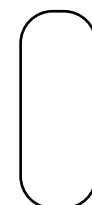
### Notes to the financial statements

#### For the year ended 30 June 2022

#### 4.2 Patient charges and other fees for services

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Patient charges <sup>(a)</sup></b>		
Inpatient charges	19,228	19,254
Outpatient charges	2,444	2,533
	<u>21,672</u>	<u>21,787</u>
<b>Other fees for services</b>		
Recoveries from the Pharmaceutical Benefits Scheme <sup>(b)</sup>	28,449	27,287
Clinical services to other health organisations <sup>(c)</sup>	3,016	2,923
Non clinical services to other health organisations <sup>(c)</sup>	581	260
	<u>32,046</u>	<u>30,470</u>
	<u><u>53,718</u></u>	<u><u>52,257</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 2022

#### 4.3 Grants and contributions

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Perth Children's Hospital Foundation	2,999	3,599
Telethon Kids Institute	1,243	1,289
Stan Perron Charitable Trust	1,224	578
Channel 7 Telethon Trust	897	4,690
Angela Wright Bennett Foundation	500	400
Raine Medical Research Foundation	355	294
Diabetes Australia	210	-
Murdoch Children's Research Institute	205	95
Rural Health West	190	107
Royal Australasian College of Physicians	158	473
ANZCHOG	145	179
Queensland Health	143	36
The Nova Institute	133	-
Curtin University	125	92
Public Health Institute	120	-
University of Western Australia	116	505
University of Melbourne	101	-
The Children's Hospital of Philadelphia	49	156
Redkite	35	100
Other	901	1,235
	<u>9,849</u>	<u>13,828</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 2022

#### 4.4 Donation revenue

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Perth Children's Hospital Foundation - donations of equipment	1,055	1,883
Humpty Dumpty Foundation - donations of medical equipment	-	90
Deceased Estate	50	77
Other	56	46
	<u>1,161</u>	<u>2,096</u>

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

#### 4.5 Other revenue

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Pharmaceutical manufacturing activities	1,863	1,749
Rent from commercial tenants	429	407
Expense recoupment from tenants	2,504	2,134
Immunisation services	126	138
Use of hospital facilities by medical practitioners	12	88
Other	749	695
	<u>5,683</u>	<u>5,211</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. Insurance premium rebate is recognised as revenue, when the cash is received from RiskCover.

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

### 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:

	<b>Notes</b>	<b>2022</b> <b>\$000</b>	<b>2021</b> <b>\$000</b>
Property, plant and equipment	5.1	1,125,366	1,084,908
Right-of-use assets	5.2	9,706	9,768
Intangible assets	5.3	20,851	29,370
<b>Total key assets</b>		<u>1,155,923</u>	<u>1,124,046</u>

	<b>Notes</b>	<b>2022</b> <b>\$000</b>	<b>2021</b> <b>\$000</b>
<b>Depreciation and amortisation expense</b>			
Property, plant and equipment	5.1.1	50,820	49,081
Right-of-use assets	5.2	2,204	2,001
Intangible assets	5.3.1	8,519	8,519
		<u>61,543</u>	<u>59,601</u>

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 5.1 Property, plant and equipment

	Land	Build-ings	Site infra-structure	Lease -hold improv-ements	Com-puter equip-ment	Furni-ture & fittings	Medical equip-ment	Motor vehicles, other plant & equip-ment	Work in progres-s	Art-works	Total
Year ended 30 June 2022	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>1 July 2021</b>											
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)
<b>Carrying amount at start of period</b>	<b>23,600</b>	<b>902,134</b>	<b>18,698</b>	<b>1,270</b>	<b>37,093</b>	<b>9,237</b>	<b>67,848</b>	<b>15,377</b>	<b>4,599</b>	<b>5,052</b>	<b>1,084,908</b>
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) <sup>(b)</sup>	1,070	85,301	-	-	-	-	-	-	-	-	86,371
Depreciation (Note 5.1.1)	-	(19,917)	(479)	(648)	(13,881)	(733)	(12,634)	(2,528)	-	-	(50,820)
<b>Carrying amount at 30 June 2022</b>	<b>24,670</b>	<b>968,279</b>	<b>18,219</b>	<b>5,497</b>	<b>23,233</b>	<b>8,367</b>	<b>58,438</b>	<b>13,413</b>	<b>183</b>	<b>5,067</b>	<b>1,125,366</b>
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 classes 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 2022

#### 5.1 Property, plant and equipment (cont.)

	Land	Build-ings	Site infra-structure	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
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Year ended 30 June 2021</b>											
<b>1 July 2020</b>											
Gross carrying amount	24,323	920,689	20,380	598	77,089	11,454	106,271	22,982	777	5,052	<b>1,189,615</b>
Accumulated depreciation	-	-	(1,203)	(390)	(27,167)	(1,585)	(29,185)	(5,258)	-	-	<b>(64,788)</b>
<b>Carrying amount at start of period</b>	<b>24,323</b>	<b>920,689</b>	<b>19,177</b>	<b>208</b>	<b>49,922</b>	<b>9,869</b>	<b>77,086</b>	<b>17,724</b>	<b>777</b>	<b>5,052</b>	<b>1,124,827</b>
Additions	-	711	-	1,225	6	100	3,813	290	3,822	-	9,967
Transfer from other agencies <sup>(a)</sup>	3,000	-	-	-	-	-	-	-	-	-	3,000
Transfer from/(to) other Health Services (Note 4.1)	-	-	-	-	-	-	893	(30)	-	-	863
Disposals (Note 5.1.2)	-	-	-	-	-	-	(149)	(3)	-	-	(152)
Revaluation increments/(decrements) <sup>(b)</sup>	(3,723)	605	-	-	-	-	-	-	-	-	(3,118)
Depreciation (Note 5.1.1)	-	(19,871)	(479)	(137)	(12,835)	(726)	(12,556)	(2,477)	-	-	(49,081)
Asset write offs - stock take (Note 3.6)	-	-	-	-	-	(5)	(372)	(30)	-	-	(407)
Write-down of assets (Note 3.6)	-	-	-	(26)	-	(1)	(867)	(97)	-	-	(991)
<b>Carrying amount at 30 June 2021</b>	<b>23,600</b>	<b>902,134</b>	<b>18,698</b>	<b>1,270</b>	<b>37,093</b>	<b>9,237</b>	<b>67,848</b>	<b>15,377</b>	<b>4,599</b>	<b>5,052</b>	<b>1,084,908</b>
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)

(a) A crown land was transferred from the Department of Planning, Lands and Heritage for the Perth Children's Hospice. The transfer was accounted for as contributions by owners (Note 9.12 Equity). During the transfer of crown land for the Perth Children's Hospice site, there was incorrect information provided by Landgate on the land value resulting in overstatements of Property, plant and equipment and Contributed Equity by \$12.700 million. See Note 9.15 for correction of prior period error on land value transferred.

(b) 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 classes of assets. In 2020-21, revaluation decrement of \$3.723 million for land is recognised as an expense and revaluation increment of \$0.605 million for buildings is recognised as an income.

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

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### 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.

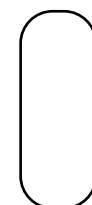
Land and buildings are independently valued annually by the Western Australian Land Information Authority (Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2021 by Landgate. The valuations were performed during the year ended 30 June 2022 and recognised at 30 June 2022. In undertaking the revaluation, fair value was determined by reference to market values for land: \$0.675 million (2021: \$0.625 million) and buildings: \$0.080 million (2021: \$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 2022

### 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.

#### 5.1.1 Depreciation and impairment charges for the period

	Notes	2022 \$000	2021 \$000
<u>Depreciation</u>			
Buildings	5.1	19,917	19,871
Site infrastructure	5.1	479	479
Leasehold improvement	5.1	648	137
Medical equipment	5.1	12,634	12,556
Computer equipment	5.1	13,881	12,835
Furniture and fittings	5.1	733	726
Motor vehicles, other plant and equipment	5.1	2,528	2,477
<b>Total depreciation for the period</b>		<b>50,820</b>	<b>49,081</b>

As at 30 June 2022 there were no indications of impairment to property, plant and equipment.

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 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	2 to 10 years
Furniture and fittings	3 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 2022

#### 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:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Carrying amount of non-current assets disposed:		
Property, plant and equipment	(659)	(152)
Proceeds from disposal of non-current assets:		
Property, plant and equipment	-	11
<b>Net gain/(loss) on disposal of non-current assets</b>	<u>(659)</u>	<u>(141)</u>

**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 2022

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### 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

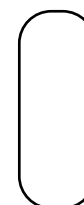
At the commencement date of the lease, the Health Service recognises right-of-use assets are measured at cost including the following:

- 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 2022

### 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	2022 \$000	2021 \$000
Depreciation expense of right-of-use assets	5.2	2,204	2,001
Lease interest expense	7.2	268	255
Short-term leases		13	30
Low-value leases		7	12
<b>Total amount recognised in the Statement of Comprehensive Income</b>		<u>2,492</u>	<u>2,298</u>

The total cash outflow for leases in 2022 was \$2.311 million (2021: \$2.091 million). As at 30 June 2022 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 2022

### 5.3 Intangible assets

<b>Computer software</b>	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Carrying amount at start of period	29,370	37,889
Amortisation expense (Note 5.3.1)	(8,519)	(8,519)
<b>Carrying amount at 30 June</b>	<u>20,851</u>	<u>29,370</u>
Gross carrying amount	55,638	55,638
Accumulated amortisation	(34,787)	(26,268)
	<u>20,851</u>	<u>29,370</u>

### 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.

Acquisitions of intangible assets costing \$5,000 or more 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 2022

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### 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:

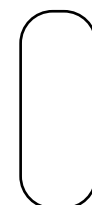
- (a) The technical feasibility of completing the intangible asset so that it will be available for use;
- (b) An intention to complete the intangible asset and use it;
- (c) The ability to use the intangible asset;
- (d) The intangible asset will generate probable future economic benefit;
- (e) The 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 2022

### 5.3.1 Amortisation and impairment

#### Charges for the period

<u>Amortisation</u>	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Computer software	8,519	8,519
<b>Total amortisation for the period</b>	<b>8,519</b>	<b>8,519</b>

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 <sup>(a)</sup> 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 2022 there were no indications of impairment to intangible assets.

## Child and Adolescent Health Service

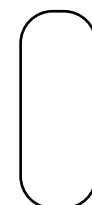
### Notes to the financial statements

#### For the year ended 30 June 2022

### 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:

	<b>Notes</b>	<b>2022</b> <b>\$000</b>	<b>2021</b> <b>\$000</b>
Receivables	6.1	11,962	11,490
Amount receivable for services	6.2	470,279	408,937
Inventories	6.3	5,551	3,580
Other current assets	6.4	1,033	909
Payables	6.5	32,213	29,999
Contract liabilities	6.6	119	89
Other liabilities	6.7	125	83





## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 6.1 Receivables

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current</b>		
Patient fee debtors	5,827	5,410
GST receivable	653	761
Receivable from North Metropolitan Health Service	1,065	-
Other receivables	3,732	3,996
Allowance for impairment of receivables	(3,450)	(2,581)
Accrued revenue	4,135	3,904
	<b>11,962</b>	<b>11,490</b>

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 2022

#### 6.1.1 Movement of the allowance for impairment of receivables

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Reconciliation of changes in the allowance for impairment of receivables:</b>		
Balance at start of period	2,581	3,729
Expected credit losses expense	980	513
Amount written off during the period	(111)	(1,661)
Balance at end of period	<u>3,450</u>	<u>2,581</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)

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Current	-	-
Non-Current	470,279	408,937
	<u>470,279</u>	<u>408,937</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 2022

### 6.3 Inventories

	2022 \$000	2021 \$000
<b>Current</b>		
Pharmaceutical stores - at cost	5,551	3,580

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

	2022 \$000	2021 \$000
<b>Current</b>		
Prepayments	964	850
Unearned patient charges	68	56
Others	1	3
	1,033	909

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 2022

### 6.5 Payables

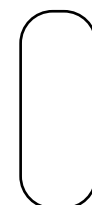
	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current</b>		
Trade payables	6,268	6,458
Other payables	43	52
Accrued expenses	8,826	8,464
Accrued salaries	17,076	15,025
	<u>32,213</u>	<u>29,999</u>

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.

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 2022

#### 6.6 Contract liabilities

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Current	119	89
Non-current	-	-
	<u>119</u>	<u>89</u>

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.

#### 6.6.1 Movement in contract liabilities

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	89	53
Additions	119	89
Revenue recognised in the reporting period	(89)	(53)
<b>Balance at end of period</b>	<u>119</u>	<u>89</u>

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

#### 6.7 Other liabilities

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current</b>		
Paid parental leave scheme	125	83
	<u>125</u>	<u>83</u>

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

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## 7. Financing

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

	<b>Notes</b>
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 2022

#### 7.1 Lease liabilities

	2022 \$000	2021 \$000
Current	1,760	1,858
Non-current	8,403	8,214
<b>Total lease liabilities</b>	<u>10,163</u>	<u>10,072</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 2022

### 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

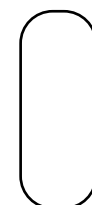
Judgements have been made in the identification of leases within contracts, assessment of lease terms by considering the reasonable certainty in exercising extension or termination options, and identification of appropriate rate to discount the lease payments.

### 7.2 Finance costs

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Lease interest expense	268	255
	<b>268</b>	<b>255</b>

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 2022

### 7.3 Cash and cash equivalents

#### 7.3.1 Reconciliation of cash

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cash and cash equivalents</b>	50,219	67,836
<b>Restricted cash and cash equivalents</b>		
<u>Current</u>		
Capital work projects	5,678	2,584
Mental Health Commission Funding <sup>(a)</sup>	2,091	2,006
Restricted cash assets held for other specific purposes <sup>(b)</sup>	11,243	12,784
	<u>19,012</u>	<u>17,374</u>
<u>Non-current</u>		
Accrued Salaries Suspense Account <sup>(c)</sup>	12,672	9,972
Total restricted cash and cash equivalents	<u>31,684</u>	<u>27,346</u>
<b>Balance at end of period</b>	<b><u>81,903</u></b>	<b><u>95,182</u></b>

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 2022

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

	Notes	2022 \$000	2021 \$000
Net cost of services (Statement of Comprehensive Income)		(876,057)	(759,772)
<u>Non-cash items:</u>			
Expected credit losses expense	3.6	980	513
Write off of inventory		16	8
Depreciation and amortisation expense	5	61,543	59,601
Asset revaluation decrement	5.1	-	3,723
Asset revaluation increment	5.1	(6,011)	(605)
Net gain/(loss) from disposal of non-current assets	5.1.2	659	141
Write down of assets	3.6	-	991
Asset write off	3.6	-	407
Interest capitalised		2	2
Donations of assets	4.4	(852)	(1,636)
Services received free of charge	4.1	58,858	42,368
<u>(Increase)/decrease in assets:</u>			
Receivables		(1,452)	(1,600)
Inventories		(1,987)	(626)
Other current assets		(108)	(264)
<u>Increase/(Decrease) in liabilities:</u>			
Payables		2,309	(5,976)
Current provisions		14,829	15,631
Non-current provisions		(1,879)	(4,975)
Grant liabilities		-	(945)
Contract liabilities		30	36
Other current liabilities		42	(6)
<b>Net cash used in operating activities (Statement of Cash Flows)</b>		<b>(749,078)</b>	<b>(652,984)</b>

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 7.3.3 Reconciliation of cash flows from State Government

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Service agreement funding - State	516,575	492,775
Service agreement funding - Commonwealth	197,851	159,824
Grants from other state government agencies	73,736	68,828
Services provided to other government agencies	4,036	3,981
Capital appropriation credited directly to Contributed equity (refer Note 9.12)	11,821	11,769
	<u>804,019</u>	<u>737,177</u>
<u>Less notional cash flows:</u>		
Accrual appropriations	(61,342)	(62,580)
<b>Cash Flows from State Government as per Statement of Cash Flows</b>	<u><u>742,677</u></u>	<u><u>674,597</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

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements are payable as follows:		
Within 1 year	2,052	211
Later than 1 year, and not later than 5 years	648	-
	<u>2,700</u>	<u>211</u>

Amounts presented for capital expenditure commitments are GST inclusive.

## Child and Adolescent Health Service

### Notes to the financial statements

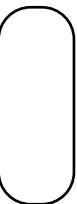
#### For the year ended 30 June 2022

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### 8. Risks and Contingencies

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

	<b>Notes</b>
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 2022

### 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 2022

### 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:

	2022 \$000	2021 \$000
<u>Financial Assets</u>		
Cash and cash equivalents	50,219	67,836
Restricted cash and cash equivalents	31,684	27,346
Financial assets at amortised cost <sup>(a)</sup>	481,588	419,666
	<u>563,491</u>	<u>514,848</u>
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	42,376	40,071
	<u>42,376</u>	<u>40,071</u>

(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 \$000	Current \$000	31-60 days \$000	61-90 days \$000	91-180 days \$000	181-365 days \$000	>1 year \$000
<b>30 June 2022</b>							
Expected credit loss rate		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)
<b>30 June 2021</b>							
Expected credit loss rate		3%	7%	17%	23%	55%	69%
Estimated total gross carrying amount at default	9,874	4,571	626	360	1,127	1,015	2,175
Expected credit losses	(2,582)	(149)	(46)	(60)	(263)	(554)	(1,510)

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

### 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
<b>2022</b>										
<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 <sup>(a)</sup>		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		32,213	-	-	32,213	32,213	32,213	-	-	-
Lease liabilities	2.65%	10,163	10,163	-	-	11,449	522	1,420	5,413	4,094
		42,376	10,163	-	32,213	43,662	32,735	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 2022

### 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
<b>2021</b>										
<u>Financial Assets</u>										
Cash and cash equivalents		67,836	-	-	67,836	67,836	67,836	-	-	-
Restricted cash and cash equivalents		27,346	-	-	27,346	27,346	17,374	-	-	9,972
Receivables <sup>(a)</sup>		10,729	-	-	10,729	10,729	10,729	-	-	-
Amounts receivable for services		408,937	-	-	408,937	408,937	-	-	-	408,937
		514,848	-	-	514,848	514,848	95,939	-	-	418,909
<u>Financial Liabilities</u>										
Payables		29,999	-	-	29,999	29,999	29,999	-	-	-
Lease liabilities	2.49%	10,072	10,072	-	-	11,424	542	1,521	4,744	4,617
		40,071	10,072	-	29,999	41,423	30,541	1,521	4,744	4,617

(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 2022

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### 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

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

#### 8.2.2 Contingent liabilities

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

#### Litigation in progress

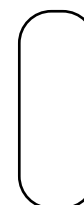
The Health Service does not have any pending litigation that are not recoverable from RiskCover insurance at the reporting date.

#### 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 2022

### 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:

		Level 1	Level 2	Level 3	Fair value at end of period
2022	Notes	\$000	\$000	\$000	\$000
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
<b>2021</b>					
Land	5.1				
Residential		-	625	-	625
Specialised		-	-	22,975	22,975
Buildings	5.1				
Residential		-	80	-	80
Specialised		-	-	902,054	902,054
			705	925,029	925,734

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 2022

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### 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.

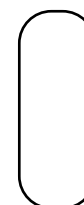
#### Valuation techniques to derive Level 2 fair values

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 2022

### 8.3 Fair value measurements (cont.)

#### Fair value measurements using significant unobservable inputs (Level 3)

	<b>Land \$000</b>	<b>Buildings \$000</b>
<b>2022</b>		
Fair value at start of period	22,975	902,054
Reclassification between asset classes	-	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)
<b>Fair Value at end of period</b>	<b>23,995</b>	<b>968,199</b>
<b>2021</b>		
Fair value at start of period	23,720	920,587
Transfer from other agencies	3,000	-
Additions	-	711
Revaluation increments/(decrements) recognised in Profit or Loss	(3,745)	625
Depreciation expense	-	(19,869)
<b>Fair Value at end of period</b>	<b>22,975</b>	<b>902,054</b>

#### 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 2022

### 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

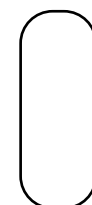
#### For the year ended 30 June 2022

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### 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
Correction of prior period error	9.15



## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

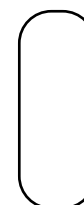
#### 9.1 Events occurring after the end of the reporting period

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.

	<b>Operative for reporting periods beginning on/after</b>
<p><b>AASB 2020-1</b> <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current</i></p> <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>There is no financial impact.</p>	1 Jan 2023
<p><b>AASB 2020-3</b> <i>Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments</i></p> <p>This Standard amends: (a) AASB 1 to simplify the application of AASB 1; (b) AASB 3 to update a reference to the Conceptual Framework for Financial Reporting; (c) AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; (d) AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset; (e) AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making; and (f) AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value.</p> <p>There is no financial impact.</p>	1 Jan 2022
<p><b>AASB 2020-6</b> <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</i></p> <p>This Standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1.</p> <p>There is no financial impact.</p>	1 Jan 2022



## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

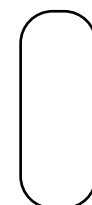
#### 9.2 Future impact of Australian Accounting Standards not yet operative (cont.)

		Operative for reporting periods beginning on/after
AASB 2021-2	<i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 Jan 2023
<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>		
AASB 2021-6	<i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i>	1 Jan 2023
<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>		

#### 9.3 Remuneration of auditors

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

	2022	2021
	\$000	\$000
Auditing the accounts, financial statements, controls, and key performance indicators	226	220





## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 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 (\$)	2022	2021
\$0	1	1
\$1 - \$10,000	1	1
\$20,001 - \$30,000	1	-
\$40,001 - \$50,000	7	8
\$70,001 - \$80,000	-	1
\$80,001 - \$90,000	1	-
<b>Total number of members of the Accountable Authority</b>	<b>11</b>	<b>11</b>
	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Short-term employee benefits	399	404
Post-employment benefits	40	38
<b>Total compensation of members of the Accountable Authority</b>	<b>439</b>	<b>442</b>

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 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 (\$)	2022	2021
\$170,001 - \$180,000	2	-
\$200,001 - \$210,000	-	1
\$210,001 - \$220,000	1	1
\$220,001 - \$230,000	3	1
\$230,001 - \$240,000	-	1
\$240,001 - \$250,000	-	1
\$490,001 - \$500,000	1	-
\$500,001 - \$510,000	-	1
\$540,001 - \$550,000	-	1
\$570,001 - \$580,000	1	-
\$580,001 - \$590,000	-	1
<b>Total number of senior officers</b>	<b>8</b>	<b>8</b>

	2022 \$000	2021 \$000
Short-term employee benefits	1,888	1,841
Post-employment benefits	221	216
Other long-term benefits	208	198
Termination benefits	-	470
Ex-gratia payment	-	55
<b>Total compensation of senior officers</b>	<b>2,317</b>	<b>2,780</b>

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 2022

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### 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 2022

#### 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	2022 \$000	2021 \$000
<u>Income</u>			
Service agreement funding - State	4.1	516,575	492,775
Service agreement funding - Commonwealth	4.1	197,851	159,824
Mental Health Commission - Service delivery agreement	4.1	73,192	68,097
Department of Health - Research development grant	4.1	446	598
Department of Health grant - COVID-19 vaccination	4.1	62	94
Department of Health grant - Aboriginal Cadetship Program	4.1	36	39
North Metropolitan Health Service - various clinical services	4.1	3,279	3,187
WA Country Health Service - various clinical services	4.1	478	752
South Metropolitan Health Service - training for radiology registrars	4.1	-	18
Assets assumed/(transferred)	4.1	-	863
Services received free of charge	4.1	58,858	42,368
<u>Expenses</u>			
Contracts for services - North Metropolitan Health Service <sup>(a)</sup>		6,592	6,512
Facility management services - North Metropolitan Health Service <sup>(a)</sup>		5,925	6,065
Contracts for services - Department of Communities <sup>(a)</sup>		529	522
Insurance payments - Insurance Commission (RiskCover)		9,448	6,291
Rental and other accommodation expenses - Department of Finance <sup>(a)</sup>		1,242	1,125
Lease interest expense - State Fleet	7.2	33	31
Remuneration for audit services - Office of the Auditor General	9.3	226	220

(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 2022

#### 9.5 Related party transactions (cont.)

##### Significant transactions with Government-related entities (cont.)

	Notes	2022 \$000	2021 \$000
<u>Assets</u>			
Receivables at 30 June - North Metropolitan Health Service	6.1	1,065	-
<u>Liabilities</u>			
Payables at 30 June - North Metropolitan Health Service	6.5	-	180
Lease liabilities at 30 June - State Fleet	7.1	1,031	935
Repayments of lease liabilities - State Fleet		542	461
<u>Contributed Equity</u>			
Capital appropriations administered by Department of Health	9.12	11,821	11,769
Transfer of assets from/(to) state government agencies	9.12	-	3,000

##### Material transactions with other related parties

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

	2022 \$000	2021 \$000
Superannuation payments to GESB	42,596	37,532
Payable to GESB	1,410	1,169

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 2022

#### 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:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Department for Communities - health assessments for children in care	245	275
Disability Services Commission - paediatric services for children with disability <sup>(a)</sup>	-	3,243
Department of Education - school health services	13,266	15,118
	<u>13,511</u>	<u>18,636</u>

(a) As a result of the transition of disability services to the National Disability Insurance Scheme, the service delivery arrangement between the Health Service and the Disability Service Commission has ceased.

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 9.9 Other statement of receipts and payments

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Commonwealth Grant - Christmas and Cocos Island</b>		
Balance at the start of period	(52)	(30)
Receipts		
Commonwealth grant - provision of paediatric services	139	69
Refund of Commonwealth grant <sup>(a)</sup>	8	-
Payments		
Costs of visiting specialists	(95)	(91)
<b>Balance at the end of period</b>	<b>-</b>	<b>(52)</b>

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

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 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*.

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Balance at the start of period	2,006	2,175
Receipts		
Service delivery agreement - Commonwealth contributions	15,520	11,222
Service delivery agreement - State contributions	57,672	56,456
Other	-	419
	<u>73,192</u>	<u>68,097</u>
Payments	<u>(73,108)</u>	<u>(68,266)</u>
	84	(169)
<b>Balance at the end of period</b>	<b><u>2,090</u></b>	<b><u>2,006</u></b>

#### 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 2022

#### 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.

	2022 \$000	2021 \$000
<b>Contributed equity</b>		
Balance at start of period	1,454,126	1,439,357
<i>Contributions by owners</i>		
Capital appropriations administered by Department of Health <sup>(a)</sup>	11,821	11,769
<i>Transfer of net assets from other agencies</i> <sup>(b)</sup>		
Crown land from the Department of Planning, Lands and Heritage <sup>(c)</sup>	-	3,000
<b>Total contributions by owners</b>	<b>11,821</b>	<b>14,769</b>
<b>Distributions to owners</b>	<b>-</b>	<b>-</b>
<b>Balance at end of period</b>	<b>1,465,947</b>	<b>1,454,126</b>

- (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.
- (c) In the 2020-21 financial year, a crown land was transferred from the Department of Planning, Lands and Heritage for the Perth Children's Hospice. During the transfer of crown land for the Perth Children's Hospice site, there was incorrect information provided by Landgate on the land value resulting in overstatements of Property, plant and equipment and Contributed Equity by \$12.700 million. See Note 9.15 for correction of prior period error on land value transferred.

## Child and Adolescent Health Service

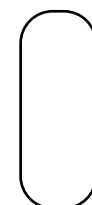
### Notes to the financial statements

#### For the year ended 30 June 2022

#### 9.12 Equity (cont.)

	2022 \$000	2021 \$000
<b><u>Assets revaluation reserve</u></b>		
Balance at start of period	-	-
Net revaluation increments/(decrements) <sup>(a) (b)</sup>		
Buildings	80,360	-
<b>Balance at end of period</b>	<u>80,360</u>	<u>-</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 2022

#### 9.13 Supplementary financial information

##### (a) Revenue, public and other property written off

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Revenue and debts written off under the authority of the Accountable Authority	130	1,745
Revenue and debts written off under the authority of the Minister	184	-
Public and other property written off under the authority of the Accountable Authority	407	-
	<u>721</u>	<u>1,745</u>

##### (b) Losses through theft, defaults and other causes

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
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 2022

#### 9.14 Explanatory statement

All variances between annual estimates (original budget) and actual results for 2022 and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances, which are greater than 10% from the Estimate and 2021 Actuals and greater than 1% (\$8.338 million) of Total Cost of Services for the previous year for the Statement of Comprehensive Income and Statement of Cash Flows, and are greater than 10% from the Estimate and 2021 Actuals and greater than 1% (\$16.441 million) of Total Assets for the previous year for the Statement of Financial Position.

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.

#### 9.14.1 Statement of Comprehensive Income Variances

	Variance note	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between estimate and actual \$000	Variance between actual results for 2022 and 2021 \$000
<b>Expenses</b>						
Employee benefits expense	(g)	593,035	645,719	558,987	52,684	86,732
Fees for visiting medical practitioners		2,706	2,859	2,693	153	166
Contracts for services		13,728	9,408	9,453	(4,320)	(45)
Patient support costs	(a) (h)	93,300	114,768	101,975	21,468	12,793
Finance costs		253	268	255	15	13
Depreciation and amortisation expense		60,676	61,543	59,601	867	1,942
Asset revaluation decrements		-	-	3,723	-	(3,723)
Loss on disposal of non-current assets		-	659	141	659	518
Repairs, maintenance and consumable equipment	(b)	17,941	29,006	23,214	11,065	5,792
Other supplies and services	(c) (i)	46,595	59,023	49,390	12,428	9,633
Other expenses	(d)	11,623	29,226	24,337	17,603	4,889
<b>Total cost of services</b>		<b>839,857</b>	<b>952,479</b>	<b>833,769</b>	<b>112,622</b>	<b>118,710</b>

**Child and Adolescent Health Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**9.14.1 Statement of Comprehensive Income Variances (cont.)**

	Variance note	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between estimate and actual \$000	Variance between actual results for 2022 and 2021 \$000
<b>Revenue</b>						
Patient charges		22,213	21,672	21,787	(541)	(115)
Other fees for services		32,613	32,046	30,470	(567)	1,576
Grants and contributions		6,640	9,849	13,828	3,209	(3,979)
Donation revenue		986	1,161	2,096	175	(935)
Asset revaluation increments		-	6,011	605	6,011	5,406
Other revenue		4,666	5,683	5,211	1,017	472
<b>Total income other than income from State Government</b>		<b>67,118</b>	<b>76,422</b>	<b>73,997</b>	<b>9,304</b>	<b>2,425</b>
<b>NET COST OF SERVICES</b>		<b>772,739</b>	<b>876,057</b>	<b>759,772</b>	<b>103,318</b>	<b>116,285</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service agreement funding - State		515,249	516,575	492,775	1,326	23,800
Service agreement funding - Commonwealth	(e) (j)	148,581	197,851	159,824	49,270	38,027
Grants from other state government agencies		73,439	73,736	68,828	297	4,908
Services provided to other government agencies		1,858	4,036	3,981	2,178	55
Assets (transferred)/assumed		-	-	863	-	(863)
Resources received free of charge	(f) (k)	33,612	58,858	42,368	25,246	16,490
<b>Total income from State Government</b>		<b>772,739</b>	<b>851,056</b>	<b>768,639</b>	<b>78,317</b>	<b>82,417</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>		<b>-</b>	<b>(25,001)</b>	<b>8,867</b>	<b>(25,001)</b>	<b>(33,868)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation reserve		-	80,360	-	80,360	80,360
<b>Total other comprehensive income</b>		<b>-</b>	<b>80,360</b>	<b>-</b>	<b>80,360</b>	<b>80,360</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>-</b>	<b>55,359</b>	<b>8,867</b>	<b>55,359</b>	<b>46,492</b>

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

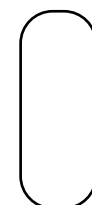
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#### 9.14.1 Statement of Comprehensive Income Variances (cont.)

##### Major Variance Narratives

##### Variances between estimates and actuals

- (a) The variance in patient support costs against budget is largely due to increase in medical, surgical and diagnostic costs associated with Covid-19 RATS test kits supplied as resources received free of charge from Health Support Services. The additional spending on medical and surgical instruments to maintain existing and additional beds was also supported by the increased funding provided following the Government's Mid-Year Review.
- (b) The amount expended above budget is mainly due to increase in repairs and maintenance for Information, Communication and Technology (ICT) and medical equipment, the costs on defect rectification for the G Block link bridge, and equipment that do not meet the asset capitalisation threshold.
- (c) Other supplies and services are above the estimate largely due to increased expenses associated with information technology, supply, accounting and human resource services received free of charge from Health Support Services. Budget adjustments were received during the financial year for these services.
- (d) Other expenses are above the estimate largely due to Covid-19 expenses which were not funded at time of preparation of the estimates and increase in insurance premium paid to the Insurance Commission of Western Australia. Budget adjustments were received during the financial year for the Covid-19 expenses.
- (e) Increase in actual Service Agreement funding from Commonwealth primarily relates to increases in National Health Reform Agreement funding under the National Partnership Agreement for the Covid-19 response and additional funding for activity increases during the financial year.
- (f) Increase in resources received free of charge relates mainly to services provided by Health Support Services for information technology, supply, accounting and human resources, as well as support for Covid-19 management and response.



## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

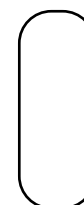
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#### 9.14.1 Statement of Comprehensive Income Variances (cont.)

##### Major Variance Narratives (cont.)

##### Variances between actuals for 2021-22 and 2020-21

- (g) The increase in employee benefits expense is mainly due to increased staffing costs to address continuing cost pressures in clinical areas, largely associated with the Government's announcement for additional beds within Wards and Emergency Department, and staff uplift to increase hospital workforce capacity to ensure preparedness for Covid-19 management and responses.
- (h) The increase in patient support costs is primarily associated with Covid-19 RATS test kits received as free of charge from Health Support Services, and increased medical, surgical and diagnostic costs for activity associated with the Government's announcement for additional beds within Wards and Emergency Department.
- (i) The increase in other supplies and services is largely due to increases in resources received free of charge from Health Support Services for information technology, supply, accounting and human resource services. Additional costs were also incurred for Covid-19 response and management.
- (j) Increase in actual Service Agreement funding from Commonwealth primarily relates to increases in National Health Reform Agreement allocation under the National Partnership Agreement for the Covid-19 response and additional activity funding received during the financial year.
- (k) Increase in resources received free of charge relates mainly to services provided by Health Support Services for information technology, supply, accounting and human resources, as well as support for Covid-19 management and response.



**Child and Adolescent Health Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**9.14.2 Statement of Financial Position Variances**

	Variance note	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between estimate and actual \$000	Variance between actual results for 2022 and 2021 \$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents		64,983	50,219	67,836	(14,764)	(17,617)
Restricted cash and cash equivalents		17,374	19,012	17,374	1,638	1,638
Receivables		11,490	11,962	11,490	472	472
Inventories		3,580	5,551	3,580	1,971	1,971
Other assets		1,262	1,033	909	(229)	124
<b>Total Current Assets</b>		<b>98,689</b>	<b>87,777</b>	<b>101,189</b>	<b>(10,912)</b>	<b>(13,412)</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents		12,472	12,672	9,972	200	2,700
Amounts receivable for services		408,937	470,279	408,937	61,342	61,342
Property, plant and equipment		1,106,587	1,125,366	1,084,908	18,779	40,458
Right-of-use assets		10,390	9,706	9,768	(684)	(62)
Intangible assets		29,370	20,851	29,370	(8,519)	(8,519)
<b>Total Non-Current Assets</b>		<b>1,567,756</b>	<b>1,638,874</b>	<b>1,542,955</b>	<b>71,118</b>	<b>95,919</b>
<b>TOTAL ASSETS</b>		<b>1,666,445</b>	<b>1,726,651</b>	<b>1,644,144</b>	<b>60,206</b>	<b>82,507</b>



**Child and Adolescent Health Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**9.14.2 Statement of Financial Position Variances (cont.)**

	Variance note	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between estimate and actual \$000	Variance between actual results for 2022 and 2021 \$000
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		30,171	32,213	29,999	2,042	2,214
Contract liabilities		-	119	89	119	30
Lease liabilities		1,501	1,760	1,858	259	(98)
Employee benefits provisions		123,317	138,146	123,317	14,829	14,829
Other liabilities		-	125	83	125	42
<b>Total Current Liabilities</b>		<b>154,989</b>	<b>172,363</b>	<b>155,346</b>	<b>17,374</b>	<b>17,017</b>
<b>Non-Current Liabilities</b>						
Lease liabilities		7,303	8,403	8,214	1,100	189
Employee benefits provisions		26,365	24,486	26,365	(1,879)	(1,879)
<b>Total Non-Current Liabilities</b>		<b>33,668</b>	<b>32,889</b>	<b>34,579</b>	<b>(779)</b>	<b>(1,690)</b>
<b>TOTAL LIABILITIES</b>		<b>188,657</b>	<b>205,252</b>	<b>189,925</b>	<b>16,595</b>	<b>15,327</b>
<b>NET ASSETS</b>		<b>1,477,788</b>	<b>1,521,399</b>	<b>1,454,219</b>	<b>43,611</b>	<b>67,180</b>
<b>EQUITY</b>						
Contributed equity		1,477,695	1,465,947	1,454,126	(11,748)	11,821
Reserves		-	80,360	-	80,360	80,360
Accumulated surplus		93	(24,908)	93	(25,001)	(25,001)
<b>TOTAL EQUITY</b>		<b>1,477,788</b>	<b>1,521,399</b>	<b>1,454,219</b>	<b>43,611</b>	<b>67,180</b>

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 2022**

**9.14.3 Statement of Cash Flows Variances**

	Variance note	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between estimate and actual \$000	Variance between actual results for 2022 and 2021 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service agreement funding - State		454,855	455,233	430,195	378	25,038
Service agreement funding - Commonwealth	(a) (c)	148,581	197,851	159,824	49,270	38,027
Grants from other state government agencies		73,439	73,736	68,828	297	4,908
Services provided to other government agencies		1,858	4,036	3,981	2,178	55
Capital appropriations administered by Department of Health		10,869	11,821	11,769	952	52
<b>Net cash provided by State Government</b>		<b>689,602</b>	<b>742,677</b>	<b>674,597</b>	<b>53,075</b>	<b>68,080</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits	(d)	(593,036)	(630,710)	(544,132)	(37,674)	(86,578)
Supplies and services	(b)	(152,563)	(186,032)	(178,529)	(33,469)	(7,503)
Finance costs		(253)	(266)	(253)	(13)	(13)
<b>Receipts</b>						
Receipts from customers		22,213	19,946	21,451	(2,267)	(1,505)
Grants and contributions		6,640	9,887	12,919	3,247	(3,032)
Donations received		633	106	123	(527)	(17)
Other receipts		37,280	37,991	35,437	711	2,554
<b>Net cash used in operating activities</b>		<b>(679,086)</b>	<b>(749,078)</b>	<b>(652,984)</b>	<b>(69,992)</b>	<b>(96,094)</b>

**Child and Adolescent Health Service**  
**Notes to the financial statements**  
**For the year ended 30 June 2022**

**9.14.3 Statement of Cash Flows Variances (cont.)**

	Variance note	Estimate 2022 \$000	Actual 2022 \$000	Actual 2021 \$000	Variance between estimate and actual \$000	Variance between actual results for 2022 and 2021 \$000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Payments</b>						
Purchase of non-current assets		(8,979)	(4,771)	(8,239)	4,208	3,468
<b>Receipts</b>						
Proceeds from sale of non-current assets		-	-	11	-	(11)
<b>Net cash used in investing activities</b>		<b>(8,979)</b>	<b>(4,771)</b>	<b>(8,228)</b>	<b>4,208</b>	<b>3,457</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Payments</b>						
Principal elements of lease		(1,890)	(2,107)	(1,853)	(217)	(254)
<b>Net cash used in financing activities</b>		<b>(1,890)</b>	<b>(2,107)</b>	<b>(1,853)</b>	<b>(217)</b>	<b>(254)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(353)</b>	<b>(13,279)</b>	<b>11,532</b>	<b>(12,926)</b>	<b>(24,811)</b>
Cash and cash equivalents at the beginning of period		95,182	95,182	83,650	-	11,532
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>94,829</b>	<b>81,903</b>	<b>95,182</b>	<b>(12,926)</b>	<b>(13,279)</b>

## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

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#### 9.14.3 Statement of Cash Flows Variances (cont.)

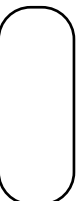
##### Major Variance Narratives

###### Variances between estimates and actuals

- (a) Service Agreement funding - Commonwealth - see explanation in variance note (e) for the Statement of Comprehensive Income.
- (b) Supplies and services – Payments are above estimate due to the additional spending on medical and surgical instruments to maintain existing and additional beds, increase in repairs and maintenance, Covid-19 expenses which were not funded at time of preparation of the estimates, and increase in insurance premiums.

###### Variances between actuals for 2021-22 and 2020-21

- (c) Service Agreement funding - Commonwealth - see explanation in variance note (j) for the Statement of Comprehensive Income.
- (d) Employee benefits - see explanation in variance note (g) for the Statement of Comprehensive Income.



## Child and Adolescent Health Service

### Notes to the financial statements

#### For the year ended 30 June 2022

#### 9.15 Correction of prior period error

During the transfer of crown land for the Perth Children's Hospice site, there was incorrect information provided by Landgate on the land value resulting in overstatements of Property, plant and equipment and Contributed Equity by \$12.700 million.

<b><u>Statement of Financial Position</u></b>	<b>As reported previously \$000</b>	<b>Adjustment \$000</b>	<b>Restated \$000</b>
<b>As at 30 June 2021</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,097,608	(12,700)	1,084,908
<b>Equity</b>			
Contributed equity	1,466,826	(12,700)	1,454,126