



**SA
Ambulance
Service**

SA Ambulance Service Inc. 2016-17 Annual Report

SA Ambulance Service

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To:
Hon Peter Malinauskas M.L.C
Minister for Health
Minister for Mental Health and Substance Abuse

This annual report is presented to Parliament to meet the statutory reporting requirements of *Public Sector Act 2009*, the *Public Finance Audit Act 1987*, and the *Health Care Act 2008* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the SA Ambulance Service Inc. by:

Jason Killens

Chief Executive Officer


Signature


Date

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Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

Agency purpose or role

As the principal provider of ambulance services across South Australia, SA Ambulance Service (SAAS) delivers:

- Triple zero (000) call receipt and patient triage
- Pre-hospital emergency and urgent care, treatment and/or transport
- Non-emergency patient care and transport
- Emergency and major event management
- Rescue and emergency medical retrieval services.

SAAS also provides the following services:

- Coordination of State Rescue Helicopter Services, via the SAAS EOC
- Management of the Royal Flying Doctor Service contract for fixed-wing inter-hospital air transfers
- Collaboration with Flinders University to deliver the Bachelor of Paramedic Science, the Master of Health Services (Pre-Hospital and Emergency Care), the Graduate Diploma in Intensive Care Paramedic Studies, and the Master of Retrieval Practitioner degree courses
- Collaboration with James Cook University to deliver the Postgraduate Certificate in Aeromedical Retrieval and Master of Public Health degree courses
- Provision, as a registered training organisation, of in-house, nationally accredited training to SAAS staff
- Provision and administration of the Ambulance Cover subscription scheme
- Management of Call Direct, a 24-hour personal monitoring emergency service.

Objectives

- SA Ambulance Service (SAAS) is committed to save lives, reduce suffering and enhance quality of life, through the provision of accessible and responsive quality patient care and transport.
- SAAS works in partnership with their health and emergency service colleagues, and other government agencies to ensure the best outcomes for all South Australians.
- SAAS is structured to contribute to the outcomes for which the portfolio is responsible by providing pre-hospital medical emergency care and patient transport.

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
<p>Our patients – At the centre of everything we do We will: Assign the right resource, first time, every time/Offer integrated flexible care/Prepare for professional registration/provide evidence based clinical practice.</p>	<p>Seven Strategic Priorities SA Safe Communities, healthy neighbourhoods: keeping our communities safe and our citizens healthy</p>
<p>Our People – Our most important asset We will: Enhance the capability & capacity of our people/offer best in class education/develop a SAAS skills escalator/streamlines business processes.</p>	<p>Seven Strategic Priorities SA Safe Communities, healthy neighbourhoods: keeping our communities safe and our citizens healthy</p>
<p>Our Partners – Working together for better care We will: Develop collaborative partnerships across health/Build community relationships with patients & hard to reach groups/Enhance cooperation with emergency service partners.</p>	<p>Seven Strategic Priorities SA Safe Communities, healthy neighbourhoods: keeping our communities safe and our citizens healthy</p>
<p>Our Enablers – A sustainable future for our business. We will: Improve technology & Infrastructure/enhance the role of SAAS as a state wide & system provider/provide greater access to information/provide a long term sustainable fiscal strategy.</p>	<p>Seven Strategic Priorities SA Safe Communities, healthy neighbourhoods: keeping our communities safe and our citizens healthy</p>

Agency programs and initiatives and their effectiveness and efficiency

Agency programs and initiatives and their effectiveness and efficiency Program name	Indicators of performance / effectiveness / efficiency	Comments
Call handling and Triaging	<p>Against a target of 95% of Triple Zero (000) calls being answered within 10 seconds, SAAS answered 95.39% within target during 2016-17.</p> <p>SAAS answered 203,159 '000' calls in 2016-17, up by 5.7% or 11034 calls when compared to 2015-16.</p>	<p>SA Ambulance Service (SAAS) achieved well above its KPI of 95% calls to be answered within 10 seconds. SAAS answered 193,790 calls within 10 seconds, maintaining the high performance as last year.</p>

Emergency Response and Transports	Response Times		2016-17		<p>Each year SAAS and SA Health agree upon response time targets as part of a Health Service Agreement. Although SAAS did not meet its target in all priorities, these targets are challenging by national standards and are ambitious in their aim. SAAS reached Adelaide's most seriously ill and injured patients within eight minutes on 69.5% occasions. Whilst this reflects a slight drop in performance from 2015-16 of around 2%, SAAS is performing well considering a growth in emergency workload. While the agreed targets continue to be focussed on response time, the evaluation and balancing of response times against the quality of patient treatment and outcomes remains a consideration for SAAS.</p>
	Priority	Performance	Target		
	1 (Life Threatening)	69.5% within 8 minutes	60% within 8 minutes		
	2 (Potentially life threatening)	87.3% within 16 minutes	95% within 16 minutes		
	3 (urgent but non life threatening)	61.9% within 30 minutes	92% within 30 minutes		
	Transport	2016-17	% since 2015-16		
	Transported patients	24,3332	+6%		
	Treated Nor Transported	24655	-7.4%		
Incidents	2016-17	% since 2015-16			
Incidents overall	229,836	+3.1%			
Out of Hospital Patient Care through Extended Care Paramedics	<p>As part of the SA Health Service Level Agreement, SAAS has a performance indicator for attendances that do not result in transportation to an emergency department. For patients attended by Extended Care Paramedic (ECPs), the target is to avoid transport to hospital 70% of the time.</p> <p>The SA Ambulance Service Extended Care Paramedic (ECP) Team responded to 7,737 incidents in 2016-17, an increase of 0.35% since 2015-16.</p> <p>Overall workload for the ECP team remained steady with ECPs attending 840 cases per month on average.</p>			<p>Although slightly out of target, this represents an increase in workload and the number of patients transported to emergency department overall. This also reflects policy change. ECPs, since 2015-16, are also dispatched to provide additional care for patients where needed to ensure best practice. Previously, ECPs were dispatched only to cases regarded as likely to avoid only to avoid hospital attendance.</p>	

<p>Patient Transport Services</p>	<p>SA Ambulance Service transported 23,670 non-emergency patients in 2016-17, 4.95% lower than 2015-16.</p>	<p>In addition to use of existing Patient Transport Service (PTS) fleet, in 2016-17, an ambulance bus, with a capacity to carry up to 12 patients, was finalised and became part of the standard fleet to move patients from metropolitan hospitals to rural hospitals, with PTS bus crews transporting 323 patients.</p>																				
<p>Emergency preparedness</p>	<p>On a number of occasions this year SA Ambulance Service' emergency preparedness plans were put to the test through several exercises, and particularly through involvement in a number of major incidents summarised below:</p> <ul style="list-style-type: none"> > Level 1 incidents (<i>casualty or non-casualty requiring local resources</i>): 24 incidents > Level 2 incidents (<i>casualty or non-casualty requiring regional resources</i>): two incidents > Level 4 incidents (<i>state arrangements in place</i>): one incident. <p>We were not involved in any Level 3 incidents (<i>casualty or non-casualty requiring state resources</i>).</p>	<p>Under the SA Emergency Management Act (2004) and the State Emergency Management Plan (SEMP), SAAS must demonstrate that it plans for and can deal with a wide range of major incidents that may affect our communities.</p>																				
<p>SAAS Medstar retrieval</p>	<p>The table below shows total retrieval missions for 2015-16:</p> <p>The number of retrieval missions undertaken has decreased slightly.</p> <table border="1" data-bbox="443 1532 984 1955"> <thead> <tr> <th>Retrieval missions</th> <th>2016-17</th> <th>% change 15-16 to 16-17</th> <th>2015-16</th> <th>% change 14-15 to 15-16</th> </tr> </thead> <tbody> <tr> <td>Adults</td> <td>1809</td> <td>-5%</td> <td>1895</td> <td>16%</td> </tr> <tr> <td>Paediatric (inc neonatal)</td> <td>953</td> <td>1%</td> <td>945</td> <td>30%</td> </tr> <tr> <td>Total</td> <td>2762</td> <td>-3%</td> <td>2840</td> <td>20%</td> </tr> </tbody> </table> <p>The outcomes of those retrieval missions</p>	Retrieval missions	2016-17	% change 15-16 to 16-17	2015-16	% change 14-15 to 15-16	Adults	1809	-5%	1895	16%	Paediatric (inc neonatal)	953	1%	945	30%	Total	2762	-3%	2840	20%	<p>The critical importance of the SAAS MedStar emergency medical retrieval service is demonstrated each year with consistent volumes in the number of retrieval missions undertaken. The small reduction in 2016-17 can be attributed to the assignment of cases to Intensive Care Paramedics and other appropriate SAAS resources.</p> <p>SAAS MedStar continues to offer medical retrieval registrar and fellow placements for six or</p>
Retrieval missions	2016-17	% change 15-16 to 16-17	2015-16	% change 14-15 to 15-16																		
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	<p>are as follows:</p> <table border="1" data-bbox="443 244 984 707"> <tr> <td>Patient Outcome</td> <td></td> </tr> <tr> <td>Retrieved or transferred</td> <td>2185</td> </tr> <tr> <td>Stood Down</td> <td>413</td> </tr> <tr> <td>Treat no Transfer</td> <td>113</td> </tr> <tr> <td>Patient Death</td> <td>36</td> </tr> <tr> <td>Palliation</td> <td>8</td> </tr> <tr> <td>Patient refusal</td> <td>7</td> </tr> <tr> <td>Total</td> <td>2762</td> </tr> </table> <p>SAAS MedSTAR Retrievals by Transport Mode: Road 1026 Helicopter 644 Plane 577</p>	Patient Outcome		Retrieved or transferred	2185	Stood Down	413	Treat no Transfer	113	Patient Death	36	Palliation	8	Patient refusal	7	Total	2762	<p>twelve-month placements. These positions provide opportunities for doctors to train and work in the pre-hospital and retrieval environment.</p> <p>In 2016-17, SAAS MedSTAR rotated 14 adult registrars/fellows and 9 neonatal/paediatric registrars/fellows.</p>
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<p>Stretcher Fleet Replacement</p>	<p>An upgrade and replacement of approximately 340 stretchers and loading and unloading equipment commenced during 2016-17. The roll out of new, state of the art stretchers is nearing completion with all Metropolitan based fleet upgraded and roll out continuing across country areas. A training program has also been rolled out for all staff.</p>	<p>The new stretchers have increased manoeuvrability and will improve the patient experience.</p> <p>Replacement is expected to reduce the business risk impacting SAAS Occupational Health and Safety, professional indemnity and public liability as a result of stretcher incidents. Data will be available in the next financial year.</p>																

<p>Volunteer Recruitment and Retention</p>	<p>Volunteers play a fundamental role in the workforce across country South Australia. The sustainability of the volunteer sector remains a challenge as there are ever increasing demands on our volunteers. During 2016-17, there were a total of 1,347 operational volunteers and 148 non-operational volunteers. Overall, 252 volunteers resigned, whilst SAAS also recruited 302 new volunteers.</p> <p>At close of financial year:</p> <ul style="list-style-type: none"> • No of operational volunteers = 1347 • No of Non-operational volunteers = 148 • No of LAC members = 81 • New volunteers = 302 • No of resignations = 252 	<p>A number of specific projects have been launched during 2016-17 which aim to improve volunteer retention through reward and recognition initiatives and roster coverage. This includes the introduction of a new model of a training schedule program that will replace a 'one-size fits all' approach, and the streamlining of SAAS induction process for medical and form submissions.</p>
<p>Station Development</p>	<p>A new \$5.3 million fit for purpose ambulance station in Noarlunga opened in September 2016.</p> <p>Land for a new \$3.7M ambulance station at Glengowrie has been purchased by the SA Government at \$2.01 million and will be located on Morphett Road, near Morphettville Racecourse whilst a lease has been signed for a \$5.4M build at Parafield Airport.</p> <p>Additionally, construction of a new Rescue Retrieval and Aviation Services Base commenced in 2016-17. The base will provide infrastructure for provision of state retrieval and rescue services delivered by SA Ambulance Service/s Special Operations Team and MedSTAR.</p> <p>The \$12 million build is expected to improve rapid response capability. The base is located alongside the existing helipad and will reduce the time it takes for crews to be up in the air by up to 10 minutes.</p>	<p>As the new regional headquarters for the south and the largest station in South Australia, Noarlunga Station is providing an additional 24/7 emergency crew, house up to 13 ambulances and five light fleet vehicles.</p> <p>SAAS undertook significant modelling of both current and future demand to identify the optimal site location to minimise response times to patients.</p> <p>Construction of the Northern and Western stations is expected to start in November 2017 whilst the RRAS base is expected to be completed in November 2017.</p>

<p>Workplace Strategy and Development</p>	<p><u>National Safety and Quality Health Service (NSQHS)</u></p> <p>Site survey assessment and accreditation is not scheduled until November 2017. However SA Ambulance Service (SAAS) successfully completed a desktop audit/self-assessment for auditors in December 2016. Audit outcomes were compared to the results of a gap analysis review undertaken by SAAS in 2015 to confirm levels of improvement obtained over the past 12 months.</p> <p>Results were positive and identified: <i>2015 Gap Analysis:</i> 68 of 209 core actions met (32%) 9 of 47 developmental actions met (19%) 2015 overall result: 30% of all actions met</p> <p><i>2016 Desktop Audit:</i> 166 of 209 core actions met (80%) 33 of 47 developmental actions met (70%) 2016 overall result: 78% of all actions met</p> <p><u>White Ribbon</u></p> <p>In March 2017, SA Ambulance Service (SAAS) was recognised as a White Ribbon Workplace, after an accreditation journey of more than 12 months.</p>	<p>The NSQHS Standards were developed by the Australian Commission on Safety and Quality in Health Care to provide a nationally consistent statement of the minimum level of care consumers should be able to expect from health services. Even though the Standards are not mandated for ambulance services at this time, SA Ambulance Service (SAAS) has committed to undertaking the journey towards accreditation because achieving accreditation will validate three valuable outcomes – not just for the South Australian community.</p> <p>The White Ribbon Workplace Accreditation Program recognises workplaces that are taking active steps to stop violence against women, accrediting them as a White Ribbon Workplace.</p>
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Community Paramedic Program	<p>Community Paramedics (CPs) have now been deployed to Outer Limestone Coast (Robe) & Ceduna and provide 7 day a week coverage all year.</p> <p>SAAS is commencing a formal process of evaluating the pilot and will provide a report with recommendations by the end of June 2017.</p>	<p>The SA Ambulance Service (SAAS) Community Paramedic program, rolled out in 2016-17 is intended to complement existing service delivery in regional settings by providing support where gaps in local health care across primary and secondary health exist.</p> <p>The program will support future delivery of patient care in low acuity and chronic cases through placement of suitably Paramedic staff in regional communities.</p>
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Legislation administered by the agency

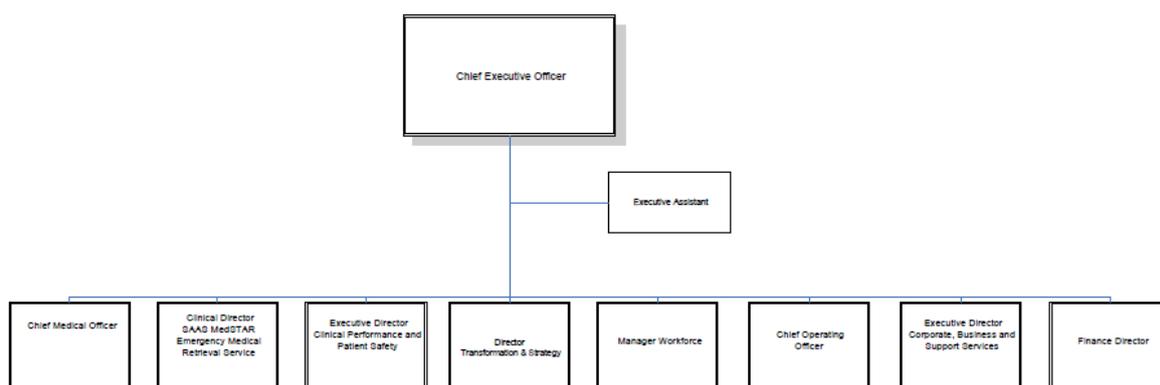
None

Organisation of the agency

SA Ambulance Service (SAAS) reports to Government through the Department for Health and Ageing (DHA). SAAS's executive structure in 2016–17 was as follows:

- Chief Medical Officer
- Clinical Director SAAS Medstar
- Director, Office of Transformation and Strategy
- Manager Workforce
- Chief Operating Officer (The following directorates reported to the COO - Service Performance and Improvement; Rescue, Retrieval and Aviation Services; Country Operations; and Metropolitan Operations)
- Clinical Performance and Patient Safety Director
- Corporate, Business and Support Services Director
- Finance Director.

The SA Ambulance (SAAS) Chief Executive Officer, together with the Minister for Health also works with the SAAS Volunteer Health Advisory Council (SAASVHAC), an independent council that advocates for, and advises on, matters pertaining to the volunteer sector.



Other agencies related to this agency (within the Minister’s area/s of responsibility)

- Department for Health and Ageing
- Central Adelaide Local Health Network
- Country Health Local Health Network
- Northern Adelaide Local Health Network
- Southern Adelaide Local Health Network
- Women’s and Children’s Local Health Network
- Office for the Ageing

Employment opportunity programs

Program name	Result of the program
Patient Transport Services Aboriginal Cadetship program	SAAS appointed one cadet under the Aboriginal Cadetship program. The cadet is required to successfully undertake a Certificate IV in Health Care (Ambulance) and work operationally as a Patient Transport Officer.
Paramedic Intern Program	Interns are required to work with ambulance providers to complete a period of practice in order to gain Authority to Practice. Between June 2016 to July 2017, SAAS received four intern groups which comprised of 71 students.

Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
<p>There were 312 Performance Review and Development (PR&D) discussions recorded for the 2016-17 financial year.</p> <p>Further analysis shows:</p> <p>Within the past 6 months, 8.4% of the workforce has completed the PR&D process.</p> <p>48.4% of the workforce has completed the PR&D process within the past 6-12 months.</p> <p>43.2% of the workforce have not completed a PR&D process in 16-17.</p>	<p>To address this relatively low number of staff having completed, a review of our processes was undertaken and a new process devised for completing PR&D reviews every six months for all our people. New, more user friendly tools and resources aligned to our strategic plan and SAAS values have been developed.</p> <p>All managers and team leaders who are required to undertake staff performance reviews are participating in a 'Performance Coaching' training program to provide them with the knowledge, skills and confidence to hold these conversations.</p> <p>Communication about PR&D has been a strong focus with the CEO and Workforce Services speaking on several occasions at senior leadership team meetings. All staff communication briefings have been distributed via email and on the front page of the SAAS intranet site.</p> <p>Monthly reporting on PR&D numbers are being monitored to track compliance.</p>

Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
<p>Program 1: Governance and Accountability – Due Diligence is exercised appropriately and communication and consultation pathways are established and maintained</p>	<p>Open communication and consultation pathways and demonstration of leadership commitment has assisted in achieving a strong work health and safety culture. SA Ambulance Service achieved 99% conformance against the SA Health – Roles Responsibilities and Governance internal audit.</p>

Occupational health, safety and rehabilitation programs	Effectiveness
<p>Program 2: Hazard and Risk Management – Hazards are identified and managed in accordance with the Hierarchy of control, Strategies for high priority hazards are established and maintained</p>	<p>Active engagement of staff in the hazard and risk management process has enabled proactive identification and control of risk ensuring a safer workplace.</p> <p>SA Ambulance Service (SAAS) achieved an average 91.7% rating against 14 SA Health WHS Key Performance Indicators.</p> <p>SAAS achieved average 96% performance against nine SA Health Internal Audits.</p> <p>88 Worksite inspections conducted across SAAS between Jan and May 2017 with 290 corrective actions identified. 60% of corrective actions have been completed as of 30 July.</p>
<p>Program 3: Incident Reporting and Investigation – Early Reporting and notification systems for hazards, incidents and near misses, Incident investigation and corrective action occurs to prevent recurrence</p>	<p>SA Ambulance Service has embedded a strong incident reporting and investigation culture used to mitigate immediate risk, identify trends and guide future strategy for work health and safety.</p> <p>14% reduction in the number of incident reported than in the previous financial year.</p> <p>11% reduction in violence and aggression incidents.</p> <p>54% decrease in incidents related to fatigue.</p> <p>Through effective incident reporting a risk profile has been identified that includes risk categories by gender, age, years in service, main mechanism of incidents, most common lost time injuries and multiple claimants.</p>
<p>Program 4: Fitness for Worker Health and wellbeing supported, staff are fit to perform duties of their roles</p>	<p>An Employee Assistance Program and Peer Support program is readily available to staff and deployed by SAAS where necessary to ensure immediate support is provided. 2474 calls were made to Peer Support Officers in 2016/17.</p> <p>Wellbeing programs available to all staff that include access to in house Exercise Physiologist who can undertake an assessment, advise of activities and encourage and support staff to achieve their goals. Exercise physiologist can also provide support to injured workers pre and post their return to work. Activation by Return to work consultant.</p>
<p>Program 5 - Injury Management - systems and processes implemented to support injured workers to return to work</p>	<p>Early intervention processes have been implemented to ensure early identification of return to work needs and activation of services and supports to assist staff who have suffered a work related injury.</p> <p>SA Ambulance Service achieved 97% conformance against the SA Health Return to Work internal Audit.</p>

Fraud detected in the agency

Category/nature of fraud	Number of instances
Inappropriate opening of a bank account (proven to be unfounded).	1
Theft of Schedule 4 and 8 drugs by employees	3
False claims for meal allowances	1

Strategies implemented to control and prevent fraud

SA Ambulance Service (SAAS) is committed to the principles of integrity, respect and accountability in accordance with the Public Sector Act 2009, the Public Sector (Honesty and Accountability) Act 1995 and the Code of Ethics for the South Australian Public Sector which includes the prevention, detection and control of fraud in the workplace. Furthermore, SAAS developed a Code of Ethics and Conduct for Volunteers which complemented the public sector code and provided SAAS volunteers with guidance for performance and professional conduct. All employees comply with reporting obligations to the Office for Public Integrity in accordance with the Independent Commissioner Against Corruption Act 2012. In addition, SAAS is required to comply with SA Health's Fraud and Corruption Control Policy Directive. Members and attendees of SAAS's Committees are required to complete a Conflict of Interest Declaration Form which reinforces responsibilities in relation to business practices and ethical behaviour.

Four key areas of potential fraud risk have been identified and recorded in SAAS's Risk Register. Along with strategic and operational risks, these fraud risks are monitored and reviewed by SAAS's Executive Leadership Team and Risk Management & Audit Committee as part of the overall risk management program.

All instances of suspected fraudulent behaviour will be reported by SAAS to SA Health's Fraud Control Coordinator. All allegations of fraud will be thoroughly investigated in a confidential and discreet manner unless disclosure and reporting are required by legislative obligations. SAAS will take appropriate disciplinary action where allegations of fraud and corruption have been substantiated.

SAAS's zero tolerance approach to fraud mandates the embedding of internal controls into the organisation's decision making culture and practices.

Specific examples of fraud related internal controls include (this is an indicative rather than exhaustive list):

- Fraud and Corruption Control Policy and Plan
- Education and training
- Risk assessments / workshops
- Instrument of financial delegation authorisation
- Gifts and benefits register
- Employment screening checks
- Procurement contract management system with related controls and procedures
- Whistleblower process
- Internal and external audits
- Management initiated audits, reviews and investigations

- Budget, forecasting and variance analyses of financial expenditure
- Suite of policies and procedures on accountability over drugs and controlled substances which have been approved by the Clinical Governance Committee
- Controlled substances register
- Stock reconciliations
- Physical security and access control

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/6d184c27-c4dc-4138-9306-b58367817eac>

Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 0

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/a4fca543-e345-4bfc-b1a3-b86105a07d8a>

Executive employment in the agency

Executive classification	Number of executives
Executive Level A (HC Act)	5
Executive level D (HC Act)	1
SAES-1 (PS Act)	3

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/f8948c42-d04c-47f9-949f-89ddc3d5b173>

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
All consultancies below \$10,000 each	Various consultancies for professional and other advice	\$13, 635
Consultancies above \$10,000 each		
Operational Research in Health Limited	Review of service delivery and future capacity for SA Ambulance Service Inc.	\$217,625
KPMG	Development of SA Ambulance Service SAAS Connect Business Case, an integrated mobile dispatch and clinical report response device.	\$172,877
PriceWaterhouseCoopers Legal	Business improvement and efficiency review.	\$96,643
PriceWaterhouseCoopers Legal	Independent review of the Ambulance Cover Scheme.	\$36,891
Mercer Consulting (Australia) Pty Ltd	Actuarial Report for 2016-17 per Australian Accounting Standards Board (AASB119) Employee Benefits for the South Australian Ambulance Service (SAAS) Superannuation Scheme.	\$17,650
BDO Advisory (SA) Pty Ltd	Development of the Workforce Planning modelling tool.	\$10,270
Total all consultancies		\$565,591

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/ac1909b3-3c28-4b46-883a-56d9ede16cba>

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

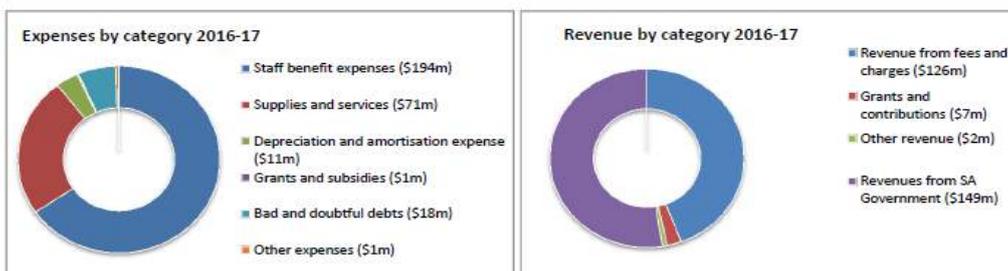
Financial performance

Financial overview

The SA Ambulance Service (SAAS) produced streamlined financial statements this year (in line with AASB 101 *Presentation of Financial Statements*) making them less technical and more accessible to non-accountants. This has reduced the statements from around 39 pages in 2015-16 to 36 pages in 2016-17 (8% reduction).

SAAS three-year financial summary

Three-year financial summary (\$000)	2016-17	%	2015-16	%	2014-15	%
		↑↓		↑↓		↑↓
Total expenses	295 881	↑11.2%	266 090	↑8.0%	246 415	↑4.0%
Total income	135 158	↑1.2%	133 553	↑14.2%	116 917	↑6.2%
Net cost of providing services	160 723	↑21.3%	132 537	↑2.3%	129 498	↑2.0%
Revenues from/Payments to SA Government	149 449	↑16.8%	127 992	↑0.6%	127 202	↑1.1%
Net result for the period	(11 274)	↓-148.1%	(4 545)	↓-98.0%	(2 296)	↓-93.9%
Net cash provided by operating activities	1 155	↓-90.4%	12 040	↑2.2%	11 786	↓-31.5%
Total assets	133 979	↑5.7%	126 809	↑9.5%	115 803	↑3.5%
Total liabilities	115 907	↓-15.6%	137 356	↑48.3%	92 642	↑8.5%
Net assets	18 072	↑271.3%	(10 547)	↓-145.5%	23 161	↓-12.6%



Other financial information

Nil to report

Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions

This financial results for SA Ambulance Service include the support and operating costs associated with volunteers who provide ambulance services throughout many regional areas of South Australia. The SAAS Volunteers Health Advisory Council (SAASVHAC) provide advice to the SA Ambulance Service Chief Executive Officer and the Minister for Health on volunteer related ambulance matters and advocating on behalf of volunteers. Whilst SASAVHAC themselves don't have any financial assets or transactions they do provide a separate Annual Report on their operations.

Section B: Reporting required under any other act or regulation

Reporting required under the *Carers' Recognition Act 2005*

SAAS is committed recognising and supporting carers and their role in the community, as provided for in the *Carer's Recognition Act 2005*.

Through its Community Advisory Committee (CAC), which includes representation from key consumer groups, SAAS consults with carers' organisations to help improve service quality, equity and management.

SAAS's ECPs also liaise and consult with carers daily to ensure the needs of their patients are met. The ECP program supports people with clinically appropriate conditions such as disabilities or chronic illness to stay in their homes, aligning with SA's Health Care Plan to achieve improved management of chronic diseases.

Within the organisation, SAAS fosters a supportive culture that recognises and accommodates employees who have caring responsibilities; for example, by offering alternative work arrangements such as flexi-time, part-time, job-sharing, flexible rostering or compressed hours.

Section C: Reporting of public complaints as requested by the Ombudsman

Summary of complaints by subject

A whole of SA Health response is provided in the Department for Health and Ageing 2016-17 Annual Report, which can be accessed on the [SA Health website](#).

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/eb1d34b4-7fda-4f0a-a943-f766872ca6f1>

Complaint outcomes

A whole of SA Health response is provided in the Department for Health and Ageing 2016-17 Annual Report, which can be accessed on the [SA Health website](#).

Appendix: Audited financial statements 2016-17



Our ref: A17/261

21 September 2017

Mr J Killens
Chief Executive Officer
South Australian Ambulance Service
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Dear Mr Killens

Audit of SA Ambulance Service Inc for the year to 30 June 2017

We have completed the audit of your accounts for the year ended 30 June 2017. Three key outcomes from the audit are the:

- 1** Independent Auditor's Report on your agency's financial report
- 2** opinion on your financial controls
- 3** audit management letter recommending you address identified weaknesses.

1 Independent Auditor's Report

We are returning the financial statements for SA Ambulance Service Inc, with the Independent Auditor's Report. This report is unmodified.

My annual report to Parliament indicates that we have issued an unmodified Independent Auditor's Report on your financial statements.

2 Opinion on financial controls

In my opinion, the controls exercised by SA Ambulance Service Inc in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, except for matters in relation to:

- payroll
- revenue
- supplies and services expenditure.

are sufficient to provide reasonable assurance that the financial transactions of SA Ambulance Service Inc have been conducted properly and in accordance with law.

For official use only

3 Audit management letter

During the year, we sent the agency an audit management letter detailing the weaknesses we noted and improvements we considered you need to make.

We have received responses to these matters and we will follow these up in the 2017-18 audit.

I have also included summary comments about these matters in my annual report. These identify areas we assessed as not meeting a sufficient standard of financial management, accounting and control.

What the audit covered

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- payroll
- accounts payable
- revenue
- accounts receivable
- fixed assets
- general ledger
- cash.

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson
Auditor-General

enc



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To the Chief Executive Officer SA Ambulance Service Inc

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the financial report of the SA Ambulance Service Inc for the financial year ended 30 June 2017.

Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the SA Ambulance Service Inc as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chief Executive Officer and the Chief Finance Officer, Department for Health and Ageing.

Basis for opinion

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

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

Responsibilities of the Chief Executive Officer for the financial report

The Chief Executive Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

A handwritten signature in black ink, appearing to read "Richardson", with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

21 September 2017

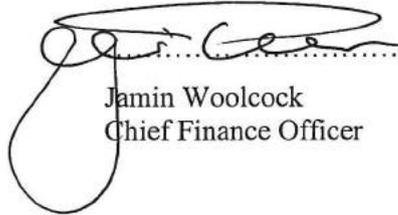
Certification of the financial statements

We certify that the:

- financial statements of the SA Ambulance Service Inc.:
 - are in accordance with the accounts and records of the authority; and
 - comply with relevant Treasurer's instructions; and
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the authority at the end of the financial year and the result of its operations and cash flows for the financial year.
- Internal controls employed by the SA Ambulance Service Inc. over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Jason Killens
Chief Executive Officer



Jamin Woolcock
Chief Finance Officer

Date 14/09/17

SA AMBULANCE SERVICE INC
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Expenses			
Staff benefit expenses	4	193,634	173,420
Supplies and services	5	71,405	64,422
Depreciation and amortisation expense	6	10,657	10,503
Grants and subsidies	7	700	-
Bad and doubtful debts	18	17,992	16,295
Other expenses	8	1,493	1,450
Total expenses		295,881	266,090
Income			
Revenue from fees and charges	9	125,890	125,189
Grants and contributions	10	6,744	1,000
Interest revenue	11	46	56
Resources received free of charge	12	-	4,271
Net gain from disposal of non-current and other assets	13	241	378
Other revenue	14	2,237	2,659
Total income		135,158	133,553
Net cost of providing services		160,723	132,537
Revenue from SA Government			
Revenue from SA Government	15	149,449	127,992
Total revenue from SA Government		149,449	127,992
Net result		(11,274)	(4,545)
Other comprehensive income			
Items that will be reclassified subsequently to net result when specific conditions are met			
Gains or losses recognised directly in equity		39,893	(28,689)
Total comprehensive result		28,619	(33,234)

The net result and total comprehensive result are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

SA AMBULANCE SERVICE INC
STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Note	2017 \$ '000	2016 \$ '000
Current assets			
Cash and cash equivalents	17	10,126	19,631
Receivables	18	26,380	20,838
Inventories	19	301	272
Other assets		13	4
Total current assets		36,820	40,745
Non-current assets			
Receivables	18	1,840	1,577
Property, plant and equipment	20	94,558	82,642
Intangible assets	21	761	1,845
Total non-current assets		97,159	86,064
Total assets		133,979	126,809
Current liabilities			
Payables	23	10,608	6,002
Staff benefits	24	45,904	38,654
Provisions	25	4,251	3,439
Other liabilities	26	1,833	699
Total current liabilities		62,596	48,794
Non-current liabilities			
Payables	23	2,007	2,360
Staff benefits	24	45,837	81,533
Provisions	25	5,467	4,669
Total non-current liabilities		53,311	88,562
Total liabilities		115,907	137,356
Net assets		18,072	(10,547)
Equity			
Asset revaluation surplus		12,058	12,058
Other reserves		43,442	8,305
Retained earnings		(37,428)	(30,910)
Total equity		18,072	(10,547)

The total equity is attributable to the SA Government as owner

Unrecognised contractual commitments 27

Contingent assets and liabilities 30

The above statement should be read in conjunction with the accompanying notes.

SA AMBULANCE SERVICE INC
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2017

	Note	Asset revaluation surplus \$ '000	Other reserves \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2015		12,058	36,994	(25,891)	23,161
Net result for 2015-16		-	-	(4,545)	(4,545)
Loss on revaluation of Defined Benefit Fund Liability		-	(28,689)	-	(28,689)
Total comprehensive result for 2015-16		-	(28,689)	(4,545)	(33,234)
Transactions with SA Government as owner					
Net assets received from an administrative restructure	29	-	-	(474)	(474)
Balance at 30 June 2016		12,058	8,305	(30,910)	(10,547)
Total comprehensive result for 2016-17		-	-	(11,274)	(11,274)
Transfer between equity components	2.11	-	(4,756)	4,756	-
Transactions with SA Government as owner					
Gain on revaluation of Defined Benefit Fund Liability		-	39,893	-	39,893
Balance at 30 June 2017		12,058	43,442	(37,428)	18,072

All changes in equity are attributable to the SA Government as owner

The above statement should be read in conjunction with the accompanying notes.

SA AMBULANCE SERVICE INC
STATEMENT OF CASH FLOWS
For the year ended 30 June 2017

	Note	2017 \$ '000	2016 \$ '000
Cash flows from operating activities			
Cash outflows			
Staff benefit payments		(181,396)	(156,439)
Payments for supplies and services		(71,331)	(68,788)
Payments for paid parental leave scheme		(424)	(408)
Other payments		(1,563)	(1,514)
Cash used in operations		<u>(254,714)</u>	<u>(227,149)</u>
Cash inflows			
Fees and charges		103,233	105,740
Grants and contributions		6,776	1,000
Interest received		46	56
GST recovered		3,454	2,462
Receipts for paid parental leave scheme		410	425
Other receipts		3,508	2,510
Cash generated from operations		<u>117,427</u>	<u>112,193</u>
Cash flows from SA Government			
Receipts from SA Government		<u>138,443</u>	<u>126,996</u>
Cash generated from SA Government		<u>138,443</u>	<u>126,996</u>
Net cash provided by / (used in) operating activities		<u>1,156</u>	<u>12,040</u>
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		<u>(11,061)</u>	<u>(12,417)</u>
Cash used in investing activities		<u>(11,061)</u>	<u>(12,417)</u>
Cash inflows			
Proceeds from sale of property, plant and equipment		<u>400</u>	<u>383</u>
Cash generated from investing activities		<u>400</u>	<u>383</u>
Net cash provided by/(used in) investing activities		<u>(10,661)</u>	<u>(12,034)</u>
Net increase/(decrease) in cash and cash equivalents		(9,505)	6
Cash and cash equivalents at the beginning of the period		19,631	19,625
Cash and cash equivalents at the end of the period	31	<u>10,126</u>	<u>19,631</u>
Non-cash transactions	31		

The above statement should be read in conjunction with the accompanying notes.

SA AMBULANCE SERVICE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1 Objectives of SA Ambulance Service Inc

SA Ambulance Service Inc (SAAS) is committed to save lives, reduce suffering and enhance quality of life, through the provision of accessible and responsive quality patient care and transport.

SAAS is the principal provider of ambulance services in South Australia, is part of SA Health and is responsible to the Minister for Health, Minister for Mental Health and Substance Abuse and the Minister for Ageing.

SAAS works in partnership with their health and emergency service colleagues, and other government agencies to ensure the best outcomes for all South Australians.

SAAS is structured to contribute to the outcomes for which the portfolio is responsible by providing pre-hospital medical emergency care and patient transport.

The Chief Executive Officer administers and manages SAAS under delegation from the Chief Executive of the Department for Health and Ageing (the Department) and is accountable to the Chief Executive of the Department.

The SA Ambulance Service Volunteer Health Advisory Council (SAASVHAC) was established pursuant to the *Health Care Act 2008*. The role of the Council is to provide advice and advocacy on SAAS volunteer related matters to the Minister for Health and Ageing and the Chief Executive Officer and management of SAAS. The Council has no powers to direct or make decisions with respect to the management and administration of SAAS.

1.1 Reporting entity

SAAS was incorporated under the *Associations Incorporation Act 1985* on 1 July 1993 under the name SA St John Ambulance Service Incorporated. The service continued in existence with the name SA Ambulance Service Incorporated under the *Ambulance Services Act 1992* until it was repealed on 10 April 2008. From this date the service has continued under the *Health Care Act 2008*.

SAAS's financial statements includes the operations of the SA Ambulance Development Fund. This fund is a Charitable Trust administered by SAAS pursuant to a Declaration of Trust. The fund receives donations, gifts and bequests from the public which are applied by the Trustee to improve the services offered by SAAS. The funds cannot be used for the day to day operating expenses of SAAS.

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

SAAS does not control any other entity and has no interests in unconsolidated structured entities.

2 Significant accounting policies

2.1 Statement of compliance

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards and comply with Treasurer's Instructions and accounting policy statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

SAAS has applied Australian Accounting Standards that are applicable to not-for-profit entities, as SAAS is a not-for-profit entity.

2.2 Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgment in the process of applying SAAS's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements are outlined in the applicable notes;
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported; and
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, that have been included in this financial report:
 - a) revenues, expenses, financial assets and financial liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature;
 - b) expenses incurred as a result of engaging consultants;
 - c) staff targeted voluntary separation package (TVSP) information;

SA AMBULANCE SERVICE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

- d) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10,000 bandwidths), and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly by the entity to those staff; and
- e) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than direct out of pocket reimbursement.

The financial statements have been prepared based on a 12 month period; presented in Australian currency; and have used the historical cost convention unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis. Any transactions in foreign currency are translated into Australian dollars at the exchange rates at the date the transaction occurs.

2.3 Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change, or as otherwise noted.

The restated comparative amounts do not replace the original financial statements for the preceding period.

2.4 Rounding

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000).

2.5 Taxation

SAAS is not subject to income tax. SAAS is liable for fringe benefits tax (FBT) and goods and services tax (GST).

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

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

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

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

2.6 Continuity of Operations

As at 30 June 2017, SAAS had working capital deficiency of \$25.776 million (\$8.049 million deficiency). The SA Government is committed and has consistently demonstrated a commitment to the ongoing funding of SAAS to enable it to perform its functions.

2.7 Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June and before the date the financial statements are authorised for issue, where those events provides information about conditions that existed at 30 June.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue, where the events relate to a condition which arose after 30 June, and which may have a material impact on the results of subsequent years.

SAAS is not aware of any material events occurring between the end of the reporting period and when the financial statements were authorised.

2.8 Current and non-current classification

SAAS has a clearly defined operating cycle of 12 months. Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within 12 months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

2.9 Non-current assets

a. Acquisition and recognition of non-current assets

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation. Where assets are acquired at no value, or minimal value, they are recorded at their fair value in the Statement of Financial Position. Where assets are acquired at no or nominal value as part of a restructure of administrative arrangements, the assets are recorded at the value held by the transferor public authority prior to the restructure.

SAAS capitalises all non-current tangible property, plant and equipment and intangible assets that it controls valued at or greater than \$10,000. Assets recorded as works in progress represent projects physically incomplete as at the reporting date. Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5 million for infrastructure assets and \$1 million for other assets.

b. Depreciation and amortisation of non-current assets

All non-current assets, that have a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

The useful lives, depreciation and amortisation methods of all major assets held by SAAS are reassessed on an annual basis.

Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Land and non current assets held for sale are not depreciated.

Depreciation/amortisation is calculated on a straight line basis over the estimated or revised remaining useful life of the following classes of assets as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	40 - 80
Leasehold improvements	Life of lease
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	5 - 15
• Computing equipment and software	3 - 5
• Vehicles	2 - 25
• Other plant and equipment	3 - 25
Intangibles	5 - 10

c. Revaluation of non-current assets

All non-current tangible assets are valued at written down cost (a proxy for fair value).

SAAS revalues all land, buildings and site improvements triennially via a Certified Practising Valuer. A triennial revaluation of other non-current assets by a Certified Practising Valuer is only performed when the assets fair value at the time of acquisition is greater than \$1 million, and the estimated useful life exceeds three years.

If at any time, management considers that the carrying amount of an asset greater than \$1 million materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Non-current tangible assets that are acquired between revaluations are held at cost, until the next valuation, when they are revalued to fair value.

Revaluation increases and revaluation decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class, but are not offset in respect of assets in different classes.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or derecognition, any asset revaluation surplus relating to that asset is transferred to retained earnings.

d. Impairment

SAAS holds its property, plant and equipment and intangible assets for their service potential (value in use). All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. The amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. For revalued assets, an impairment loss is offset against the revaluation surplus for that class of assets, to the extent that the impairment loss does not exceed the amount in the respective asset revaluation surplus.

e. Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

The acquisition of, or internal development of, software is capitalised only when the expenditure meets the definition criteria (identifiability, control and the existence of future economic benefits) and recognition criteria (probability of future economic benefits and cost can be reliably measured), and when the amount of expenditure is greater than or equal to \$10,000.

Capitalised software is amortised over the useful life of the asset.

f. Fair value measurement

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

SAAS classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation:

- Level 1 – traded in active markets, and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market, and are derived from inputs (inputs other than quoted prices included within Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market, and are derived from unobservable inputs.

In determining fair value, SAAS has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible and financially feasible).

SAAS's current use is the highest and best use of the asset unless other factors suggest an alternative use. As SAAS did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

2.10 Liabilities - Staff benefits

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

Salaries, wages, annual leave, SERL and sick leave

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

The annual leave liability and the SERL liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid. In the unusual event where salary and wages, annual leave and SERL liability are payable later than 12 months, the liability will be measured at present value.

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

Long service leave

The liability for LSL was determined through an actuarial assessment undertaken by Mercer Consulting (Australia) Pty Ltd, in accordance with AASB 119 *Employee Benefits*.

SA AMBULANCE SERVICE INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

The estimated liability for LSL is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the health sector across government.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Superannuation funds

A significant number of SAAS's staff are members of the SA Ambulance Service Superannuation Scheme (the "Scheme"). These staff are eligible to receive a benefit from the Scheme. A benefit is payable on retirement, death, disablement or leaving SAAS, in accordance with the Scheme's trust deed and rules. The Scheme provides lump sum benefits based on a combination of defined benefits which depend on years of service and final salary and accumulation benefits which depend on the accumulation of member and employer contributions adjusted for appropriate earnings and expenses. The liability for this Scheme has been determined via an actuarial valuation by Mercer Investment Nominees Limited using the projected unit credit method. The South Australian Superannuation Board was appointed Trustee of the Scheme effective 1 July 2006. The Scheme was closed to new members as at 30 June 2008. From 1 July 2008 new staff join an accumulative Triple S Scheme.

The defined benefit liability has been recognised in the Statement of Financial Position in accordance with AASB 119. The expected payment to settle the obligation has been determined using national government bond market yields with terms and conditions that match, as closely as possible, to estimated cash outflows. Refer to Note 24.

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

For a small proportion of the workforce, SAAS pays its contributions in accordance with the relevant award or contracts of employment to other nominated Superannuation funds in compliance with the superannuation guarantee legislation. Contributions are charged as expenditure as they are made. Members are not required to make contributions to these funds.

2.11 Equity

SAAS uses the asset revaluation surplus to record increments and decrements in the fair value of land, buildings and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

Other reserves includes Branch Reserves, Country Capital Reserves and Defined Benefit Fund Remeasurement.

During the 2016-17 financial year \$4.756 million was transferred from the Country Capital Reserves to retained earnings to deliver the stretcher program.

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3 New and revised accounting standards and policies

SAAS did not voluntarily change any of its accounting policies during 2016-17.

Accounting Standards

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by SAAS for the period ending 30 June 2017. SAAS has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of SAAS, except as outlined below.

Reference	Title and date of Standard application	Summary	Impact on financial statements	Application date for SAAS
AASB 15	<i>Revenue from Contracts with Customers</i> 1 January 2019	AASB 15 is the new standard for revenue recognition and replaces AASB 111 Construction Contracts and AASB 118 Revenue. It establishes a comprehensive framework for determining whether, how and when revenue is recognised. The principle in the new standard is 'when control of a good or service transfers to a customer' rather than 'when the risk and rewards of ownership reside.'	SA Health is currently assessing the impact of AASB 15 and has identified there could be a potential impact on the timing of the recognition of revenue from fees and charges. At this stage, SA Health is not able to estimate the impact of AASB 15 on its financial statements. SA Health will make a more detailed assessment of the impact over the next 12 months.	1 July 2019
AASB 16	<i>Leases</i> 1 January 2019	This new standard introduces a single accounting model for lessees. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset, and a lease liability representing its obligations to make lease payments. In effect, the majority of leases currently classified as operating leases will be reported on the Statement of Financial Position. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117.	This new standard is a significant change from the past 30 years of accounting for leases. It will require SAAS to record almost all operating leases arrangements on the Statement of Financial Position. There will be significant work for SAAS to report these assets and liabilities due to the large scale of its leasing activities. SAAS has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating lease arrangements.	1 July 2019

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AASB 1058	<i>Income of Not-for-Profit Entities</i> 1 January 2019	<p>This standard clarifies and simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15.</p> <p>AASB 15 and 1058 will supersede the majority of income recognition requirements relating to public sector not-for-profit entities, previously in AASB 1004.</p> <p>The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation or a contribution by owners related to an asset received by the entity.</p> <p>AASB 1058 applies when a not-for-profit entity receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.</p>	<p>SA Health is currently assessing the impact of AASB 1058 and has identified there could be a potential impact on the timing of the recognition of grant revenue and disclosures relating to volunteer services, whether recognised or not.</p> <p>At this stage, SA Health is not able to estimate the impact of AASB 1058 on its financial statements. SA Health will make a more detailed assessment of the impact over the next 12 months.</p>	1 July 2019
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4 Staff benefit expenses

	2017	2016
	\$'000	\$'000
Salaries and wages	143,977	122,172
TVSP (refer below)	-	42
Long service leave (LSL)	2,919	11,314
Annual leave	19,485	17,034
Skills and experience retention leave (SERL)	1,009	505
Staff on-costs - superannuation	20,673	17,810
Workers compensation	5,415	4,162
Board and committee fees	13	10
Other staff related expenses	143	371
Total staff benefit expenses	193,634	173,420

* The superannuation employment on-cost charge represents SAAS's contribution to superannuation plans in respect of current services of SAAS's current employees. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole-of-government financial statements except for SAAS staff who are members of the SAAS defined benefit scheme.

Expenses recognised in profit and loss for SAAS in respect of the defined benefit scheme was \$11.963 million (\$9.665 million), comprising current service cost of \$9.070 million (\$9.033 million) and interest cost of \$0.525 million (\$0.632 million).

	2017	2016
	\$'000	\$'000
Targeted voluntary separation packages (TVSPs)		
Amount paid during the reporting period to separated staff:		
TVSPs	-	42
Annual leave, LSL and SERL paid to those employees	-	25
Net cost to SAAS	-	67
Number of staff who received a TVSP during the reporting period	-	1

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Remuneration of staff		2017	2016
The number of staff whose remuneration received or receivable falls within the following bands:		No.	No.
\$145,000 - \$147,000*		na	16
\$147,001 - \$157,000		108	77
\$157,001 - \$167,000		78	51
\$167,001 - \$177,000		65	53
\$177,001 - \$187,000		47	38
\$187,001 - \$197,000		49	27
\$197,001 - \$207,000		39	15
\$207,001 - \$217,000		27	7
\$217,001 - \$227,000		25	8
\$227,001 - \$237,000		16	3
\$237,001 - \$247,000		8	2
\$247,001 - \$257,000		7	-
\$257,001 - \$267,000		1	-
\$267,001 - \$277,000		1	-
\$277,001 - \$287,000		2	-
\$297,001 - \$307,000		1	-
\$317,001 - \$327,000		1	-
Total		475	297

* This band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2015-16.

Total remuneration received or due and receivable by staff included above:	2017		2016	
	No.	\$'000	No.	\$'000
Executive remuneration	9	1,906	9	1,743
Operational remuneration*	465	84,431	286	48,951
Non-medical (i.e. administration) remuneration	1	148	2	298
Total	475	86,485	297	50,992

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

*For 2016-17 includes 120 staff members who received remuneration for backpay from the latest EB agreement that otherwise would not have exceeded the reporting threshold.

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5 Supplies and services

	2017	2016
	\$'000	\$'000
Administration	280	245
Advertising	299	371
Communication	3,013	2,797
Computing	2,546	2,331
Contractors	132	17
Contractors - agency staff	16,069	14,576
Consultants	566	397
Contract of services	257	201
Cost of goods sold	369	188
Drug supplies	473	413
Electricity, gas and fuel	722	733
Finance lease contingent rentals	-	3
Food supplies	49	46
Housekeeping	1,848	1,822
Insurance	1,527	1,495
Internal SA Health SLA payments	1,879	1,835
Legal	127	70
Medical, surgical and laboratory supplies	3,807	3,450
Minor equipment	1,194	785
Motor vehicle expenses	4,956	3,753
Occupancy rent and rates	2,214	2,120
Patient transport	16,511	14,977
Payments to Shared Services SA	1,901	1,875
Postage	741	671
Printing and stationery	823	760
Rental expense on operating lease	1,731	1,534
Repairs and maintenance	1,711	1,745
Security	16	12
Staff training and development	546	406
Staff travel expenses	2,428	2,560
Other supplies and services	2,670	2,234
Total supplies and services	71,405	64,422

Operating lease payments are recognised as an expense on a straight-line basis over the lease term as it is representative of the pattern of benefits derived from the leased assets.

Professional indemnity and general public insurance

Professional indemnity and general public liability claims arising from SAAS's operations are managed as part of the State Government Insurance Program. SAAS pays an annual premium to the Department. The Department and the SA Government Financing Authority, SAICORP Division are responsible for meeting the cost of any claims. Consequently, no provision for these claims is recognised in SAAS's financial statements.

The number and dollar amount of consultancies paid/payable (included in supplies and services expense) that fell within the following bands:	2017		2016	
	No.	\$'000	No.	\$'000
Below \$10,000	3	14	2	7
Above \$10,000	6	552	7	390
Total paid/payable to consultants engaged	9	566	9	397

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6 Depreciation and amortisation expense	2017	2016
	\$'000	\$'000
Buildings and improvements	1,454	1,368
Medical, surgical, dental and biomedical equipment	1,665	1,296
Other plant and equipment	5,923	6,308
Leasehold improvements	531	441
Intangible assets	1,084	1,090
Total depreciation and amortisation	10,657	10,503

7 Grants and subsidies	2017	2016
	\$'000	\$'000
Funding to non-government organisations	700	-
Total grants and subsidies	700	-

In 2017 a one-off grant was given to the Nganampa Health Council Inc to enable that council to procure seven fully equipped ambulance vehicles to meet the needs of first responder emergency response capability on the APY lands.

8 Other expenses	2017	2016
	\$'000	\$'000
Bank fees and charges	61	48
Other*	1,432	1,402
Total other expenses	1,493	1,450

*Audit fees paid or payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* were \$0.099 million (\$0.100 million) for SAAS. No other services were provided by the Auditor-General's Department.

9 Revenue from fees and charges	2017	2016
	\$'000	\$'000
Ambulance cover	24,679	24,440
Ambulance transport*	93,195	94,025
Call direct	1,195	1,177
Recoveries	3,992	3,398
Other user charges and fees	2,829	2,149
Total fees and charges	125,890	125,189

* From 1 July 2016, the Motor Accident Commission (MAC) ceased its role as sole provider of Compulsary Third Party (CTP) Insurance and no longer provide the \$5.3 million of funding for ambulance services. The CTP department established under the Department of Treasury and Finance now provide the \$5.3 million funding (see Note 10).

Ambulance cover revenue

SAAS operates the Ambulance cover scheme whereby members pay a subscription to cover themselves against the cost of ambulance transport. Ambulance cover revenue is brought to account as services are provided.

Ambulance transport revenue

Ambulance transport revenue comprises revenue earned from the provision of patient transport, and is recognised when the service is provided or when the fee in respect of services provided is receivable.

Call direct revenue

Call Direct revenue comprises the sale of alarm monitoring units, accessories and monitoring income. Units and accessories revenue are recognised at point of sale. Monitoring income is brought to account as services are provided.

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	2017	2016
	\$'000	\$'000
Ambulance transport		
Fees raised	193,811	189,874
Less:		
Ambulance cover concessions	58,436	55,627
Pensioner concessions	42,180	40,222
Ambulance transport	93,195	94,025

10 Grants and contributions

	2017	2016
	\$'000	\$'000
Other SA Government grants and contributions*	6,300	1,000
Private sector grants and contributions	444	-
Total grants and contributions	6,744	1,000

Contributions are recognised as an asset and income when SAAS obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met.

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

* Includes \$5.3 million of Compulsory Third Party Insurance monies. In previous financial years this funding has been received from the Motor Accident Commission and has been recognised as Ambulance transport revenue under Note 9 Revenue from fees and charges.

11 Interest revenue

	2017	2016
	\$'000	\$'000
Bank interest	-	1
Interest on Special Purpose Funds (SPF)	46	55
Total interest revenue	46	56

12 Resources received free of charge

	2017	2016
	\$'000	\$'000
Plant and equipment	-	4,271
Total resources received free of charge	-	4,271

Resources received free of charge include property, plant and equipment and are recorded at their fair value.

Contribution of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated.

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

	2017	2016
	\$'000	\$'000
Land and buildings:		
Net book value of assets disposed	(47)	-
Net gain/(loss) from disposal of land and buildings	(47)	-
Plant and equipment:		
Proceeds from disposal	411	438
Less net book value of assets disposed	(112)	(5)
Less other costs of disposal	(11)	(55)
Net gain/(loss) from disposal of plant and equipment	288	378
Total assets:		
Total proceeds from disposal	411	438
Less total value of assets disposed	(159)	(5)
Less other costs of disposal	(11)	(55)
Total net gain/(loss) from disposal of non-current and other assets	241	378

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Gains or losses on disposal are recognised at the date control of the asset is passed from SAAS and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are disposed, the revaluation surplus is transferred to retained earnings.

14 Other revenues/income

	2017	2016
	\$'000	\$'000
Commissions revenue	4	-
Training revenue	450	448
Emergency services levy	1,351	1,318
Donations	71	502
Bad debts recovered	18	75
Other	343	316
Total other revenues	2,237	2,659

15 Revenue from SA Government

	2017	2016
	\$'000	\$'000
Recurrent funding	130,231	114,832
Capital funding	19,218	13,160
Total revenue from Department for Health and Ageing	149,449	127,992

The Department for Health and Ageing (DHA) provides recurrent and capital funding under a service level agreement to SAAS for the provision of general health services. Contributions from DHA are recognised as revenues when SAAS obtains control over the funding. Control over the funding is normally obtained upon receipt.

16 Unexpended funding commitments

SAAS is engaged in a variety of funding programs involving State Government and Private entities who provide monies to SAAS on the premise that these funds are expended in a manner consistent with the terms of the program. SAAS had outstanding funding commitments to the following programs:

	2017	2016
	\$'000	\$'000
Emergency Medical Education and Training Program	173	-
Total unexpended funding commitments	173	-

17 Cash and cash equivalents

	2017	2016
	\$'000	\$'000
Cash at bank or on hand - non-government financial institutions	285	234
Deposits with Treasurer*	9,835	19,385
Imprest account/cash on hand	6	12
Total cash	10,126	19,631

Cash is measured at nominal amounts.

SAAS receives specific purpose funds from various sources including government, private sector and individuals. The amounts are controlled by SAAS, and are used to help achieve SAAS objectives, notwithstanding that specific uses can be determined by the grantor or donor. Accordingly, the amounts are treated as revenue at the time they are earned or at the time control passes to SAAS.

Deposits with the Treasurer

SAAS operates through the Department's two deposit accounts held with the Treasurer, one general operating account and one special purpose deposit account. SAAS earns interest on the special deposit account and does not earn interest on the general operating account held with the Treasurer.

* Includes \$1.7 million of SA Ambulance Development Fund monies.

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18 Receivables

		2017	2016
	Note	\$'000	\$'000
Current			
Patient/client fees			
Debtors		31,473	29,726
Less: allowance for doubtful debts	18.1	(19,395)	(16,980)
Prepayments		5,857	643
Sundry receivables and accrued revenue		6,077	5,742
GST recoverable		212	64
Workers compensation provision recoverable		2,156	1,643
Total current receivables		26,380	20,838
Non-current			
Debtors		52	51
Workers compensation provision recoverable		1,788	1,526
Total non-current receivables		1,840	1,577
Total receivables		28,220	22,415

18.1 Movement in the allowance for doubtful debts

The allowance for doubtful debts (allowance for impairment loss) is recognised when there is objective evidence that a receivable is impaired.

An allowance for impairment loss has been recognised in other expenses in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2017	2016
	\$'000	\$'000
Movements in the allowance for doubtful debts (impairment loss)		
Carrying amount at the beginning of the period	16,980	13,544
Amounts written off	(15,577)	(12,859)
Amounts recovered during the year	(18)	(75)
Increase/(Decrease) in allowance recognised in the Statement of Comprehensive Income	18,010	16,370
Carrying amount at the end of the period	19,395	16,980

SAAS has recognised a bad and doubtful debt expense of \$17.992 million (\$16.295 million).

Due to the nature of ambulance operations, particularly Community Service Obligations, SAAS has a substantial number of doubtful debts for Ambulance Transport. The provision for doubtful debts is adjusted on a regular basis to ensure that it sufficiently covers the latest estimate of debts that may prove to be uncollectable.

Interest rate and credit risk

Receivables arise in the normal course of selling goods and services to other agencies and to the public. SAAS's trading terms for receivables are generally 30 days, after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that SAAS will not be able to collect the debt. Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

Refer to Note 28 for further information on risk management.

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19 Inventories

	2017	2016
	\$'000	\$'000
Current - held for distribution		
Materials at cost:		
Inventory imprest stock	301	272
Total current inventories - held for distribution	301	272

Inventories held for distribution at no or nominal consideration, are measured at the lower of average weighted cost and replacement cost. All other inventories are measured at the lower of average weighted cost or their net realisable value.

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

20 Property, plant and equipment

	2017	2016
	\$'000	\$'000
Land and buildings		
Land	19,284	17,432
Buildings and improvements	29,912	24,930
Accumulated depreciation - buildings and improvements	(3,023)	(1,569)
Buildings and improvements under construction (work in progress)	7,993	4,054
Total land, buildings and improvements	54,166	44,847
Leasehold improvements		
Leasehold improvements at fair value	13,479	13,338
Accumulated amortisation	(3,336)	(2,819)
Total leasehold improvements	10,143	10,519
Plant and equipment		
Medical, surgical, dental and biomedical equipment at cost (deemed fair value)	13,209	8,814
Accumulated depreciation - medical, surgical, dental and biomedical equipment	(4,768)	(3,234)
Other plant and equipment at cost (deemed fair value)	45,604	44,015
Accumulated depreciation - other plant and equipment	(30,496)	(28,314)
Plant and equipment under construction (work in progress)	6,700	5,995
Total plant and equipment	30,249	27,276
Total property, plant and equipment	94,558	82,642

Valuation of land and buildings

An independent valuation of land and buildings, including site improvements, was performed in May 2015 by a Certified Practising Valuer from Liquid Pacific Holdings Pty Ltd, as at 1 June 2015.

The valuer arrived at the fair value of unrestricted land using the market approach. The valuation was based on recent market transactions for similar land and buildings (non-specialised) in the area and includes adjustment for factors specific to the land and buildings being valued such as size, location and current use.

The valuer used depreciated replacement cost for specialised land and buildings, due to there not being an active market for such land and buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

Valuation of plant and equipment

All items of plant and equipment that had a fair value at the time of acquisition less than \$1 million have not been revalued in accordance with Accounting Policy Framework III *Asset Accounting Framework*. The carrying value of these items are deemed to approximate fair value. These assets are classified in Level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

SAAS's plant and equipment assets with a fair value greater than \$1 million were revalued using the fair value methodology, as at 1 June 2015, based on independent valuations performed by Simon O'Leary, AAPI, C.P.V, Australian Valuation Solutions Pty Ltd.

Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2017.

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21 Intangible assets

	2017	2016
	\$'000	\$'000
Computer Software	5,553	5,553
Accumulated amortisation - computer software	(4,792)	(3,708)
Total intangible assets	761	1,845

Impairment

There were no indications of impairment of intangible assets at 30 June 2017.

22 Fair Value Measurement

Fair Value Hierarchy

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

Fair value measurements

	2017			2016		
	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Recurring fair value measurements						
Land (Note 20)	19,284	-	19,284	17,432	-	17,432
Buildings (Note 20)	-	26,889	26,889	-	23,361	23,361
Leasehold improvements (Note 20)	-	10,143	10,143	-	10,519	10,519
Plant and equipment (Note 20)	-	23,549	23,549	-	21,281	21,281
Total recurring fair value measurements	19,284	60,581	79,865	17,432	55,161	72,593
Total	19,284	60,581	79,865	17,432	55,161	72,593

SAAS's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques and inputs used to derive Level 2 and 3 fair values are at Note 20 .

During 2017 and 2016, SAAS had no valuations categorised into Level 1; there were no transfers of assets between Level 1, 2 and 3 fair value hierarchy levels in 2016-17.

Valuation techniques and inputs

Land fair values were derived by using Level 2 valuation inputs, being recent sales transactions of other similar land holdings within the region, adjusted for differences in key attributes such as property size, zoning and any restrictions on use.

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

Unobservable inputs used to arrive at final valuation figures included:

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

Although there were some buildings valued using Level 2 inputs, the fair value of these were immaterial in comparison to the whole class, therefore all buildings have been classified as Level 3.

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Reconciliation of property, plant and equipment and investment properties

The following table shows the movement

2016-17

	Land and buildings		Capital works in progress land and buildings		Leasehold improvements		Medical/surgical/dental/ biomedical equipment		Other plant and equipment		Capital works in progress plant and equipment		Total \$'000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying amount at beginning of the period	17,432	23,361	4,054	10,519	5,580	15,701	5,995	82,642					
Additions	1,852	-	8,342	-	4,586	31	6,856	21,667					
Disposals	-	-	-	(47)	(60)	(52)	-	(159)					
Transfers between asset classes	-	4,982	(4,384)	202	-	5,351	(6,151)	-					
Other movements	-	-	(19)	-	-	-	-	(19)					
Subtotal:	19,284	28,343	7,993	10,674	10,106	21,031	6,700	104,131					
Gains/(losses) for the period recognised in net result:													
Depreciation and amortisation	-	(1,454)	-	(531)	(1,665)	(5,923)	-	(9,573)					
Subtotal:	-	(1,454)	-	(531)	(1,665)	(5,923)	-	(9,573)					
Carrying amount at the end of the period	19,284	26,889	7,993	10,143	8,441	15,108	6,700	94,558					

All property, plant and equipment are classified in the level 3 fair value hierarchy except for Investment properties and land (classified as level 2) and capital works in progress (not classified).

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2015-16

	Land and buildings		Plant and equipment			Total \$'000
	Land \$'000	Buildings \$'000	Medical/ surgical/ dental/ biomedical \$'000	Other plant and equipment \$'000	Capital works in progress plant and equipment \$'000	
Carrying amount at beginning of the period	17,432	22,262	2,455	16,163	5,530	75,372
Additions	-	-	103	129	6,234	12,417
Assets received free of charge	-	-	4,271	-	-	4,271
Disposals	-	-	-	(5)	-	(5)
Transfers between asset classes	-	2,467	47	5,722	(5,769)	-
Subtotal:	17,432	24,729	6,876	22,009	5,995	92,055
Gains/(losses) for the period recognised in net result:						
Depreciation and amortisation	-	(1,368)	(1,296)	(6,308)	-	(9,413)
Subtotal:	-	(1,368)	(1,296)	(6,308)	-	(9,413)
Carrying amount at the end of the period	17,432	23,361	5,580	15,701	5,995	82,642

All property, plant and equipment are classified in the level 3 fair value hierarchy except for Investment properties and land (classified as level 2) and capital works in progress (not classified).

SAAS received free of charge 251 MRx Defibrillators that were replaced during the year, under warranty.

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Reconciliation of intangibles

	2016-17		2015-16	
	Computer software \$'000	Total \$'000	Computer software \$'000	Total \$'000
Carrying amount at beginning of the period	1,845	1,845	2,935	2,935
Depreciation and amortisation	(1,084)	(1,084)	(1,090)	(1,090)
Carrying amount at the end of the period	<u>761</u>	<u>761</u>	<u>1,845</u>	<u>1,845</u>

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23 Payables

	2017	2016
	\$'000	\$'000
Current		
Creditors and accrued expenses	7,536	3,269
Paid Parental Leave Scheme payable	4	17
Employment on-costs*	2,712	2,340
Other payables	356	376
Total current payables	10,608	6,002
Non-current		
Employment on-costs*	2,007	2,360
Total non-current payables	2,007	2,360
Total payables	12,615	8,362

*Employment on-costs include superannuation contributions. SAAS makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave has decreased from the 2016 rate 51% to 48%. Further, Mercer Consulting (Australia) Pty Ltd has determined the average factor for the calculation of employer superannuation cost on-cost has also decreased from 13.75% in 2016 to 13.62%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is an decrease in the employment on-cost of \$0.444million and staff benefits expense of \$0.444 million. The estimated impact on 2018 and 2019 is \$0.460 million and \$0.476 million respectively.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to normal operations of SAAS.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period, and where an invoice has not been processed/received.

The Paid Parental Leave Scheme payable represents amounts which SAAS has received from the Commonwealth Government to forward onto eligible staff via SAAS's standard payroll processes. That is, SAAS is acting as a conduit through which the payment to eligible staff is made on behalf of the Family Assistance Office.

Interest rate and credit risk

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owed. Sundry creditors are normally settled within 30 days from the date the invoice is first received. Staff on-costs are settled when the respective staff benefits that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables approximates net fair value due to the amounts being payable on demand.

Refer to Note 28 for further information on risk management.

24 Staff benefits

	2017	2016
	\$'000	\$'000
Current		
Annual leave	23,886	20,226
Long service leave	2,499	2,479
Accrued salaries and wages	652	469
Skills and experience retention leave	1,253	800
Superannuation - defined benefit scheme	17,613	14,677
Other	1	3
Total current staff benefits	45,904	38,654
Non-current		
Long service leave	36,142	35,111
Superannuation - defined benefit scheme	9,695	46,422
Total non-current staff benefits	45,837	81,533
Total staff benefits	91,741	120,187

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AASB 119 *Employee Benefits* contains the calculation methodology for LSL. The actuarial assessment performed by Mercer Consulting (Australia) Pty Ltd has provided a basis for the measurement of long service leave. AASB 119 requires the use of the yield on long term Commonwealth Government bonds which matches the expected term of the liabilities as the discount rate in the measurement of the long service leave liability.

The appropriate yield on long term Commonwealth Government bonds has increased from 2016 (2.05%) to 2017 (2.77%). This increase in the bond yield, which is used as the rate to discount future LSL cash flows, results in a decrease in the reported LSL liability. The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the reported LSL liability of \$2.938 million and staff benefits expense of \$3.130 million. The impact on the future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption being the long-term discount rate.

As a result of the actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 3.00% for annual leave and skills, experience and retention leave liability. The salary inflation rate for long service leave liability decreased from 4.00% per annum to 3.50% per annum in 2017. The net financial effect of the change in salary inflation in the current financial year is a decrease in the LSL liability of \$1.972 million and staff benefit expense of \$2.101 million.

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

Defined benefit superannuation scheme	2017	2016
Reconciliation of the present value of the defined benefit obligation:	\$'000	\$'000
Opening balance of defined benefit obligation	286,482	245,554
Current service cost	10,955	9,033
Interest cost	5,381	6,929
Contributions by scheme participants	5,251	5,806
Actuarial losses	(23,191)	28,003
Benefits paid	(10,488)	(7,371)
Taxes, premiums and expenses paid	(1,780)	(1,787)
Transfers in	588	315
Closing balance of defined benefit obligation	273,198	286,482
	2017	2016
Reconciliation of the fair value of scheme assets:	\$'000	\$'000
Opening balance of scheme assets	225,383	217,109
Interest Income	4,373	6,297
Actual return on Scheme assets less Interest Income	16,702	(686)
Contributions from the employer	5,861	5,700
Contributions by scheme participants	5,251	5,806
Benefits paid	(10,488)	(7,371)
Taxes, premiums and expenses paid	(1,780)	(1,787)
Transfers in	588	315
Closing balance of scheme assets	245,890	225,383

The amount included in the Statement of Financial Position arising from SAAS's obligations in respect of its defined benefit scheme is as follows:

Present value of defined benefit obligations	273,198	286,482
Fair value of scheme assets	(245,890)	(225,383)
Net liability arising from defined benefit obligations	27,308	61,099

Included in the Statement of Financial Position:

Current provision for employee benefits - defined benefit obligations	17,613	14,677
Non-current provision for employee benefits - defined benefit	9,695	46,422
Closing balance of defined benefit obligation	27,308	61,099

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	% invested by asset class	
	2017	2016
	%	%
Australian equity	29	28
International equity	21	20
Fixed income	27	35
Property	12	9
Alternatives/Other	8	-
Cash	3	8
Total	100	100

In accordance with the revised AASB 119 the discount rate assumption is used to determine interest income and the expected return on assets assumption is no longer used. The actual return on scheme assets was a gain of \$21.075 million (\$5.611 million). Employer contributions of \$5.631 million are expected to be paid to the scheme for the year ending 30 June 2018. Expected employer contributions reflect the current 12.00% of salary contributions.

	2017	2016
	% pa	% pa
Principal actuarial assumptions used (and expressed as weighted averages):		
Discount rate (Defined benefit cost)	2.1	3.1
Expected rate of salary increase (Defined benefit cost)	4.0	4.0
Discount rate (Defined benefit obligation)	2.7	2.1
Expected rate of salary increase (Defined benefit obligation)	3.5	4.0

	2017	2016
	\$'000	\$'000
Movement in net defined benefit liability		
Net defined benefit liability at start of year	61,099	28,445
Defined benefit cost	11,963	9,665
Remeasurements	(39,893)	28,689
Employer contributions	(5,861)	(5,700)
Net defined benefit liability at end of year	27,308	61,099

Sensitivity analysis

The defined benefit obligation as at 30 June 2017 under several scenarios is presented below.

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

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

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

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

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

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-0.5% pa	+0.5% pa	-0.5% pa	+0.5% pa
		discount rate	discount rate	salary increase rate	salary increase rate
Discount Rate	2.7%	2.2%	3.2%	2.7%	2.7%
Salary increase rate	3.5%	3.5%	3.5%	3.0%	4.0%
Defined benefit obligation (\$'000)	273,198	282,249	264,805	265,714	281,175

Description of the regulatory framework

The Superannuation Industry (Supervision) (SIS) legislation governs the superannuation industry and provides the framework within which superannuation schemes operate. The SIS regulations require an actuarial valuation to be performed for each defined benefit superannuation scheme every three years, or every year if the scheme pays defined benefit pensions unless an exemption has been obtained.

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Description of other entities' responsibilities for the governance of the Scheme

The scheme's trustee (South Australian Superannuation Board) is responsible for the governance of the scheme. The trustee has a legal obligation to act solely in the best interests of scheme beneficiaries. The trustee has the following roles:

- administration of the scheme and payment to the beneficiaries from scheme assets when required in accordance with the scheme rules;
- management and investment of the scheme assets; and
- compliance with superannuation law and other applicable regulations.

The prudential regulator, the Australian Prudential Regulation Authority (APRA), licences and supervises regulated superannuation plans.

Description of risks

There are a number of risks to which the Scheme exposes the employer. The more significant risks relating to the defined benefits are:

Investment risk

The risk that investment returns will be lower than assumed and the employer will need to increase contributions to offset this shortfall.

Salary growth risk

The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.

Legislative risk

The risk that legislative changes could be made which increase the cost of providing the defined benefits.

The scheme assets are invested in the Funds SA Balanced Investment option. The assets are diversified within this investment option and therefore the Scheme has no significant concentration of investment risk.

Funding arrangements

The financing objective adopted at the 30 June 2014 actuarial investigation of the scheme in a report dated 15 May 2015, is to maintain the value of the scheme's assets at least equal to:

- 100% of accumulation account balances, plus
- for defined benefits, the greater of 100% of vested benefits and 100% of the actuarial value of accrued benefits.

In that valuation, it was recommended that the employer contribute to the scheme as follows:

- Defined Benefit members:
 - 12.00% of salary for all defined benefit members until 30 June 2015, then
 - 9.50% of salary for all defined benefit members after 1 July 2015, plus
 - Any additional employer contributions agreed between the employer and a member.
- Accumulation members:
 - 9.50% of ordinary time earnings, plus
 - Any additional employer contributions agreed between the employer and a member.

Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation as at 30 June 2017 is nine years.

25 Provisions

		2017	2016
Current	Note	\$'000	\$'000
Workers compensation	25.1	4,251	3,439
Total current provisions		4,251	3,439
Non-current			
Workers compensation	25.1	5,467	4,669
Total non-current provisions		5,467	4,669
Total provisions		9,718	8,108

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Workers Compensation

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

Although the Department provides funds to SAAS for the settlement of lump sum and redemption payments, the cost of these claims, together with other claim costs, are met directly by SAAS, and are thus reflected as an expense from ordinary activities in the Statement of Comprehensive Income.

The workers compensation provision is an actuarial estimate of the outstanding liability as at 30 June 2017 provided by a consulting actuary engaged through the Office of the Public Sector. The provision is for the estimated cost of ongoing payments to staff as required under current legislation. The liability covers claims incurred but not yet paid, incurred but not reported and the anticipated direct and indirect costs of settling these claims. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all claims do not have to be paid in the immediate future.

25.1 Reconciliation of workers compensation

The following table shows the movement of workers compensation:	2017	2016
	\$'000	\$'000
Carrying amount at the beginning of the period	8,108	7,411
Increase in provisions recognised	2,023	1,444
Reductions arising from payments/other sacrifices of future economic benefits	(413)	(747)
Carrying amount at the end of the period	9,718	8,108

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment performed by the Office for the Public Sector. These claims are expected to be settled within the next financial year.

26 Other liabilities

	2017	2016
	\$'000	\$'000
Current		
Unclaimed monies	62	92
Unearned revenue	1,768	601
Other	3	6
Total current other liabilities	1,833	699
Total other liabilities	1,833	699

27 Unrecognised contractual commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources, and are disclosed at their nominal value. Unrecognised contractual commitments are disclosed net of the amount of GST recoverable or payable. If GST is not recoverable or payable, the commitments are disclosed on a gross basis.

27.1 Operating lease expenditure commitments

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:	2017	2016
	\$'000	\$'000
Within one year	3,218	2,580
Later than one year but not longer than five years	3,841	3,115
Later than five years	2,107	1,413
Total operating lease commitments	9,166	7,108
Representing:		
Non-cancellable operating leases	9,166	5,362
Total operating lease commitments	9,166	5,362

SAAS has a number of lease agreements. Lease terms vary in length. Each lease agreement has renewal options for a determined period, exercisable by both the lessor and lessee.

The majority of the operating lease arrangements are for the use of properties. The major commitments are for the properties at Eastwood, Parkside, Bedford Park, Ashford Hospital, Netley, Port Adelaide, Aldgate, Angaston, Gepps Cross, Edwardstown and Nuriootpa. SAAS has a number of other operating leases for the use of property. The value of these leases is immaterial.

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Motor vehicles are leased from South Australian Government Financing Authority (SAFA) through their agent LeasePlan Australia. The leases are non-cancellable and the vehicles are leased for a specified time period or a specified number of kilometres, whichever occurs first.

27.2 *Expenditure Commitments*

Capital commitments	2017	2016
	\$'000	\$'000
Capital expenditure contracted for at the reporting date but are not recognised as liabilities in the financial report, are payable as follows:		
Within one year	7,488	134
Total capital commitments	7,488	134

SAAS's capital commitments are for plant and equipment ordered but not received and capital works.

Other expenditure commitments	2017	2016
	\$'000	\$'000
Within one year	859	875
Later than one year but not longer than five years	-	298
Total other expenditure commitments	859	1,173

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

28 **Financial instruments / financial risk management**

28.1 **Financial risk management**

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

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

Liquidity risk

SAAS is funded principally by the Department for Health and Ageing. The Department for Health and Ageing works with the Department of Treasury and Finance to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to Note 23 for further information.

Credit and market risk

SAAS has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. SAAS does not trade in foreign currency, enter into transactions for speculative purposes, nor for hedging. No collateral is held as security and no credit enhancements relate to financial assets held by SAAS.

Refer to Notes 17 and 18 for further information.

Exposure to interest rate risk may arise through its interest bearing liabilities, including borrowings. SAAS's interest bearing liabilities are managed through SAFA and any movement in interest rates are monitored on a daily basis. There is no exposure to foreign currency or other price risks.

There have been no changes in risk exposure since the last reporting period.

28.2 **Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 or the respective financial asset / financial liability note.

The carrying amounts of each of the following categories of financial assets and liabilities: Held-to-maturity investments; loan and receivables; and financial liabilities measured at cost are detailed below.

SAAS does not recognise any financial assets or financial liabilities at fair value, but does disclose fair value in the notes. All of the resulting fair value estimates are included in Level 2 as all significant inputs required are observable.

- The carrying value less impairment provisions of receivables and payables is a reasonable approximation of their fair values due to the short-term nature of these (refer Notes 2, 18 and 23).

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Category of financial asset and financial liability	Notes	2017 Carrying amount/ Fair value \$'000	2016 Carrying amount/ Fair value \$'000
Financial assets			
Cash and equivalent			
Cash and cash equivalents	17, 31	10,126	19,631
Loans and receivables			
Receivables ⁽¹⁾⁽²⁾	18	18,131	18,470
Total financial assets		28,257	38,101
Financial liabilities			
Financial liabilities at cost			
Payables ⁽¹⁾	23	7,793	3,548
Other liabilities	26	65	98
Total financial liabilities		7,858	3,646

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth taxes; Auditor-General's Department audit fees etc). In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levies, tax and equivalents etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

(2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in Note 18 as trade and other receivables in accordance with paragraph 78(b) of AASB 101. However, prepayments are not financial assets as defined in AASB 132 as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

29 Transferred functions

Transferred in

Assets and liabilities transferred were:

	2017 \$'000	2016 \$'000
Payables	-	34
Staff benefits	-	440
Total liabilities	-	474
Total net assets transferred	-	(474)

Net assets assumed by SAAS as a result of the administrative restructure are at the carrying amount of those assets in the transferor's Statement of Financial Position immediately prior to the transfer. The net assets transferred were treated as a contribution by the Government as owner.

2016-17

- There were no transfers in during this period.

2015-16

- Following a review of Departmental functions, effective 1 July 2015, the Chief Executive of the Department approved the transfer of operational employees within the Workforce division of the Department to the Local Health Networks and SA Ambulance Service Inc (SAAS).

30 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed within this note and, if quantifiable are measured at nominal value. Contingencies are disclosed net of the amount of GST recoverable or payable. If GST is not recoverable or payable, the contingencies are disclosed on a gross basis.

Contingent Assets

SAAS is not aware of any contingent assets.

Contingent Liabilities

SAAS is not aware of any contingent liabilities.

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Guarantees

SAAS has made no guarantees.

31 Cash flow reconciliation

	2017	2016
	\$'000	\$'000
Reconciliation of cash and cash equivalents at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	10,126	19,631
Cash as per Statement of Financial Position	10,126	19,631
Balance as per the Statement of Cash Flows	10,126	19,631
Reconciliation of net cash provided by operating activities to net cost of providing services:		
Net cash provided by (used in) operating activities	1,156	12,040
Department for Health and Ageing contributions for the provision of health services	(149,449)	(127,992)
Add/less non-cash items		
Depreciation and amortisation expense of non-current assets	(10,657)	(10,503)
Gain/loss on sale or disposal of non-current assets	241	378
Increments on revaluation of non-current assets	-	4,271
Capital revenues	10,231	-
Movement in assets and liabilities		
Increase (decrease) in receivables	5,805	4,835
Increase (decrease) in inventories	29	27
Increase (decrease) in other current assets	9	(42)
(Increase) decrease in staff benefits	(11,447)	(15,867)
(Increase) decrease in payables and provisions	(5,507)	88
(Increase) decrease in other liabilities	(1,134)	228
Net cost of providing services	(160,723)	(132,537)

Cash and cash equivalents in the Statement of Cash Flows consist of cash and cash equivalents as per the Statement of Financial Position, net of bank overdrafts.

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32 Transactions with SA Government

The following table discloses revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Note	SA Government		Non-SA Government		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
4 Staff benefit expenses	278	338	193,356	173,082	193,634	173,420
5 Supplies and services	34,237	31,215	37,168	33,207	71,405	64,422
Administration	31	1	249	244	280	245
Advertising	33	25	266	346	299	371
Communication	1,606	1,564	1,407	1,233	3,013	2,797
Computing	1,871	1,674	675	657	2,546	2,331
Contractors	-	-	132	17	132	17
Contractors - agency staff	15,274	14,009	795	567	16,069	14,576
Consultants	-	-	566	397	566	397
Contract of services	-	-	257	201	257	201
Cost of goods sold	-	-	369	188	369	188
Drug supplies	254	236	219	177	473	413
Electricity, gas and fuel	2	3	720	730	722	733
Finance lease contingent rentals	-	-	-	3	-	3
Food supplies	39	40	10	6	49	46
Housekeeping	88	86	1,760	1,736	1,848	1,822
Insurance	1,479	1,439	48	56	1,527	1,495
Internal SA Health SLA payments	1,879	1,835	-	-	1,879	1,835
Legal	91	62	36	8	127	70
Medical, surgical and laboratory	2,767	2,556	1,040	894	3,807	3,450
Minor equipment	106	81	1,088	704	1,194	785
Motor vehicle expenses	598	640	4,358	3,113	4,956	3,753
Occupancy rent and rates	114	87	2,100	2,033	2,214	2,120
Patient transport	3,665	2,792	12,846	12,185	16,511	14,977
Payments to Shared Services SA	1,901	1,875	-	-	1,901	1,875
Postage	1	-	740	671	741	671
Printing and stationery	284	295	539	465	823	760
Rental expense on operating lease	1,731	1,534	-	-	1,731	1,534
Repairs and maintenance	78	108	1,633	1,637	1,711	1,745
Security	6	2	10	10	16	12
Staff training and development	184	120	362	286	546	406
Staff travel expenses	11	-	2,417	2,560	2,428	2,560
Other supplies and services	144	151	2,526	2,083	2,670	2,234
6 Depreciation and amortisation expense	-	-	10,657	10,503	10,657	10,503
7 Grants and subsidies	-	-	700	-	700	-
Funding to non-government organisations	-	-	700	-	700	-
Bad and doubtful debts	-	-	17,992	16,295	17,992	16,295
8 Other expenses	137	117	1,356	1,333	1,493	1,450
Bank fees and charges	-	-	61	48	61	48
Other	137	117	1,295	1,285	1,432	1,402
TOTAL EXPENSES	34,652	31,670	261,229	234,420	295,881	266,090
INCOME						
9 Revenue from fees and charges	30,927	33,887	94,963	91,302	125,890	125,189
Ambulance cover	-	-	24,679	24,440	24,679	24,440
Ambulance transport	26,055	29,635	67,140	64,390	93,195	94,025
Call direct	-	-	1,195	1,177	1,195	1,177
Recoveries	3,980	3,381	12	17	3,992	3,398
Other user charges and fees	892	871	1,937	1,278	2,829	2,149

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Note	SA Government		Non-SA Government		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
10 Grants and contributions	6,300	1,000	444	-	6,744	1,000
Other SA Government grants and contributions	6,300	1,000	-	-	6,300	1,000
Private sector grants and contributions	-	-	444	-	444	-
11 Interest revenue	46	55	-	1	46	56
12 Resources received free of charge	-	-	-	4,271	-	4,271
13 Net gain from disposal of non-current and other assets	-	-	241	378	241	378
Total proceeds from disposal	-	-	411	438	411	438
Less total value of assets disposed	-	-	(159)	(5)	(159)	(5)
Less other costs of disposal	-	-	(11)	(55)	(11)	(55)
14 Other revenue	1,453	1,450	784	1,209	2,237	2,659
Commissions revenue	-	-	4	-	4	-
Donations	-	-	71	502	71	502
Training revenue	92	115	358	333	450	448
Emergency services levy	1,351	1,318	-	-	1,351	1,318
Bad debts recovered	-	-	18	75	18	75
Other	10	17	333	299	343	316
15 Revenue from SA Government	149,449	127,992	-	-	149,449	127,992
TOTAL INCOME	188,175	164,384	96,432	97,161	284,607	261,545
FINANCIAL ASSETS						
17 Cash and cash equivalents	9,835	19,385	291	246	10,126	19,631
18 Receivables	4,254	4,029	23,966	18,386	28,220	22,415
Debtors	310	860	31,215	28,917	31,525	29,777
Less: allowance for doubtful debts	-	-	(19,395)	(16,980)	(19,395)	(16,980)
Prepayments	-	-	5,857	643	5,857	643
Sundry receivables and accrued revenue	-	-	6,077	5,742	6,077	5,742
GST recoverable	-	-	212	64	212	64
Workers compensation provision recoverable	3,944	3,169	-	-	3,944	3,169
TOTAL FINANCIAL ASSETS	14,089	23,414	24,257	18,632	38,346	42,046
FINANCIAL LIABILITIES						
23 Payables	1,517	800	11,098	7,562	12,615	8,362
Creditors and accrued expenses	1,264	527	6,272	2,742	7,536	3,269
Paid Parental Leave Scheme payable	-	-	4	17	4	17
Employment on-costs	-	-	4,719	4,700	4,719	4,700
Other payables	253	273	103	103	356	376
26 Other liabilities	-	-	1,833	699	1,833	699
Unclaimed monies	-	-	62	92	62	92
Unearned revenue	-	-	1,768	601	1,768	601
Other	-	-	3	6	3	6
TOTAL FINANCIAL LIABILITIES	1,517	800	12,931	8,261	14,448	9,061

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33 Remuneration of board and committee members

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

Board/Committee name:	Government	
	employee members*	Other members
Finance Committee	5	Chalmers, H
Risk Management and Audit Committee	-	Beilby J Professor, Sneddon Y (Chair), Taylor B

The number of members whose remuneration received or receivable falls within the following bands is:

	2017 No. of Members	2016 No. of Members
\$0	6	8
\$1 - \$9,999	3	3
Total	9	11

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by members was \$0.013 million (\$0.010 million).

*In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

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34 Related party transactions

SAAS is controlled by the SA Government.

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

Significant transactions with government related entities

SAAS received funding from the SA Government via the Department (Note 15) and incurred expenditure via the Department for inter-health staff recharging, medical, surgical and laboratory supplies, computing and insurance (Note 5 and 32). The Department transferred capital works in progress of \$10.231 million to SAAS.

Quantitative information about transactions and balances between SAAS and other SA Government controlled entities are disclosed at Note 32.

In addition, SAAS has lease arrangements (both as lessee and as lessor) with other SA Government controlled entities. These premises are provided/received at nil or nominal rental with outgoings such as utilities being paid by the lessee.

Key Management Personnel

Key management personnel of SAAS includes the Ministers, the Chief Executive of the Department, Chief Executive Officer of SAAS and the nine members of the Executive Management Group who have responsibility for the strategic direction and management of SAAS.

The compensation detailed below excludes salaries and other benefits received by:

- The Minister for Health, The Minister for Ageing and the Minister for Mental Health and Substance Abuse. These Ministers' remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*; and
- The Chief Executive of the Department. The Chief Executive of the Department is compensated by the Department and there is no requirement for SAAS to reimburse those expenses.

	2017	2016
	\$'000	\$'000
Compensation		
Salaries and other short term employee benefits	1,756	na
Post-employment benefits	326	na
Total	<u>2,082</u>	<u>-</u>

For those employees doing long term acting in KMP roles, only compensation for the period that they were acting is included.

SAAS did not enter into any transactions with KMP or their close family in 2016-17.