

Local Health Authorities Analytical Committee



ANNUAL REPORT

For the year ended 30 June 2022

Local Health Authorities Analytical Committee

Contact information

Postal:

ECU University

Building 21

270 Joondalup Drive

JOONDALUP WA 6027

Street:

ECU University

Building 21

270 Joondalup Drive

JOONDALUP WA 6027

Electronic:

Internet: www.lhaac.org.au

Email: t.chapman@ecu.edu.au

Telephone: 6304 2104

Facsimile: 6304 2626



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022

Local Health Authorities Analytical Committee

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Local Health Authorities Analytical Committee (Committee) which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Local Health Authorities Analytical Committee for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

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

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

Responsibilities of the Members of the Committee for the financial statements

The Members of the Committee are responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members of the Committee are responsible for:

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

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Local Health Authorities Analytical Committee. The controls exercised by the Members of the Committee are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Local Health Authorities Analytical Committee are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2022.

The Members of the Committee's responsibilities

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

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in

accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Local Health Authorities Analytical Committee for the year ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Local Health Authorities Analytical Committee are relevant and appropriate to assist users to assess the Committee's performance and fairly represent indicated performance for the year ended 30 June 2022.

The Members of the Committee's responsibilities for the key performance indicators

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

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

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to

obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

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

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

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

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

Other information

The Members of the Committee are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

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

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

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

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

This auditor's report relates to the financial statements and key performance indicators of the Local Health Authorities Analytical Committee for the year ended 30 June 2022 included in the annual report on the Committee's website. The Committee's management is responsible for the integrity of the Committee's website. This audit does not provide assurance on the integrity of the Committee's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements, controls and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 September 2022

Local Health Authorities Analytical Committee

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**Local Health Authorities
Analytical Committee**

STATEMENT OF COMPLIANCE

For the year ended 30 June 2022

**THE HON. AMBER-JADE SANDERSON MLA
MINISTER FOR HEALTH.**

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Local Health Authorities Analytical Committee for the financial year ended 30 June 2022.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

The financial statements comply with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board.



David Wilson
Designated Person of Accountable
Authority

Date: 15 September 2022



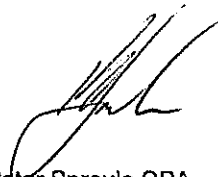
Tsyr Chiat Chew
Member of Accountable Authority

Date: 15th September 2022



Trevor Chapman
Coordinator of Accountable Authority

Date: 15th September 2022



Peter Sproule CPA
Chief Financial Officer

Date: 15th SEPTEMBER 2022.

Local Health Authorities Analytical Committee

OVERVIEW

Performance highlights

The Local Health Authorities Analytical Committee (LHAAC) has once again had a busy and successful year particularly given the impact of Covid-19 since the latter part of 2019/20 and the whole of 2020/21, which continues to have an impact on Local Government operational and financial practices.

The total number of samples analysed was 1,850, a reduction of 505 samples (21%) on previous year, which suggested a more focussed approach by Local Governments in a more constrained fiscal environment.

The number of samples processed within the contracted turnaround time (two Analysts combined) dropped slightly from 91% to 89%. Both Analysts performed very well in the year to further develop their relationships with Local Governments in Western Australia.

Three Coordinated Sampling Projects were completed in 2021/22 bringing the total to 35 completed CSPs since LHAAC commenced the initiative. Additional work occurred on the implementation of the LHAAC Business and Strategic Plans and also the implementation of the Record Management Strategy.

Committee membership has been very stable in 2021/22 with only one resignation, resulting in a vacant position at the close of the financial year.

Operational Structure

The Statutory Authority delivers services through the following:

- Administration

Enabling Legislation

The Committee is a body corporate established under Section 247A of the *Health (Miscellaneous Provisions) Act 1911* and has as its objective, the provision of analytical services for use by local authorities.

The powers and functions of the Committee are set out in Section 247C of the *Health (Miscellaneous Provisions) Act 1911* and these are:

- (a) to formulate and operate a scheme for the provision of analytical services for use by local governments, by employing such analysts and other persons as are necessary for the purpose or by entering into contracts with persons for the provision of those services, or by both so employing analysts and other persons and so entering into contracts; and
- (b) to fix fees to be paid by local governments for participation in any scheme referred to in this section and fees to be paid for analytical services rendered under the scheme; and
- (c) to do such other acts and things as are necessary or convenient for the purposes of Part VIIIA.

Local Health Authorities Analytical Committee

Responsible Minister

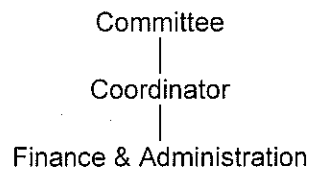
The Hon Amber-Jade Sanderson MLA Minister for Health.

Organisation Structure

Mission

Promote, protect and enhance public health in Western Australia to ensure a high quality assurance of food safety.

Organisational Chart



Board of the Committee

The scheme is managed by the Committee which consists of ten members.

On 24 January 2017 Section 247A(3) was amended and the *Health Act 1911* renamed the *Health (Miscellaneous Provisions) Act 1911*. The Committee is now made up as follows:-

- (a) seven members, who are to be persons nominated by WALGA to represent local government districts that are in the metropolitan area;
- (b) three members, who are to be persons nominated by WALGA to represent local government districts that are not in the metropolitan area.

Board Profiles

At the time of reporting, the members of the Committee were:-

Metropolitan Representatives:

Cr Catherine Barlow
Mr Tsyr Chiat Chew
Ms Emily Dunn
Mr Ryan Quinn
Ms Ellie Robinson
Ms Hannah Robinson
Mr David Wilson (**Designated Person**)

Non-Metropolitan Representatives:

Mr Andrew Campbell
Ms Kim Frost
Ms Sarah Upton

Local Health Authorities Analytical Committee

Outgoing Members:

Hannah Santoso (nee Robinson) left the Committee in December 2021. The Committee acknowledges the excellent service and commitment given to LHAAC by Ms Santoso.

Current Members:

Mr David Wilson (Chairman)

Mr Wilson is a Senior Environmental Health Officer with the City of Joondalup and is one of the seven members who represent Local Government within the metropolitan area.

Cr Catherine Barlow is an elected member with the Town of Cambridge who joined the Committee in March 2021 as one of seven Metropolitan members.

Mr Andrew Campbell

Mr Campbell is the Chief Executive Officer of Shire of Manjimup and is one of the three members representing Local Government outside the metropolitan area.

Mr Tsyr Chiat Chew

Mr Chew is a Senior Environmental Health Officer with the City of Melville and is one of the seven members representing Local Government within the metropolitan area.

Ms Emily Dunn

Ms Dunn is a Senior Environmental Health Officer with the City of Armadale and is one of the seven members representing Local Government within the metropolitan area.

Ms Kim Frost

Ms Frost is Coordinator Health Services with the City of Mandurah and is one of the three members representing Local Government outside the metropolitan area.

Mr Ryan Quinn

Mr Quinn is an Environmental Health Officer with the City of Gosnells and is one of the seven members representing Local Government within the metropolitan area.

Ms Ellie Robinson

Ms Robinson is a Senior Environmental Health Officer with the City of Canning and is one of the seven members representing Local Government within the metropolitan area.

Ms Hannah Santoso (nee Robinson)

Ms Santoso (nee Robinson) is an Environmental Health Officer with the City of Perth and is one of the seven members representing Local Government within the metropolitan area.

Ms Sarah Upton

Ms Upton is the Manager Community Wellbeing with the City of Bunbury and is one of the three members representing Local Government outside the metropolitan area.

Senior Officers:

Trevor Chapman BBus

LHAAC Coordinator has worked in the Local Government sector in England and Australia for more than four decades, including ten years running his own consultancy business. Trevor has had an association with LHAAC since 1997.

Peter Sproule BCom CPA (Chief Financial Officer)

Peter Sproule has been the contract CFO since 1998 and presently is the principal of Chatto Business Services.

Local Health Authorities Analytical Committee

Administered Legislation

The Minister for Health also administers the following Acts:

Animal Resources Authority Act 1981
Health and Disability Services (Complaints) Act 1995
Anatomy Act 1930
Blood Donation (Limitation of Liability) Act 1985
Cremation Act 1929
Fluoridation of Public Water Supplies Act 1966
Food Act 2008
Health (Miscellaneous Provisions) Act 1911
Health Legislation Administration Act 1984
Health Practitioner Regulation National Law (WA) Act 2010
Health Professionals (Special Events Exemption) Act 2000
Health Services (Quality Improvement) Act 1994
Health Services Act 2016
Human Reproductive Technology Act 1991
Human Tissue and Transplant Act 1982
Medicines and Poisons Act 2014
National Health Funding Pool Act 2012
Nuclear Waste Storage and Transportation (Prohibition) Act 1999
Pharmacy Act 2010
Private Hospitals and Health Services Act 1927
Prostitution Act 2000 (except s. 62 & Part 5, which are administered by the Attorney General, principally assisted by the Department of Justice)
Public Health Act 2016
Radiation Safety Act 1975
Royal Perth Hospital Protection Act 2016
Surrogacy Act 2008
Tobacco Products Control Act 2006
University Medical School, Teaching Hospitals, Act 1955
Western Australian Health Promotion Foundation Act 2016
Queen Elizabeth II Medical Centre Act 1966

Local Health Authorities Analytical Committee

Performance Management Framework

Outcome Based Management Framework

Outcome 1: To provide a coordinated Sampling Scheme for the analysis of food products for use by all Local Governments in Western Australia.	Key Effectiveness Indicator 1: The proportion of Local Governments with food manufacturers in their region who use the LHAAC Scheme.
Service 1: Analysis of food and food products	Key Efficiency Indicator 1.1 Number of samples analysed against total expenditure (cost of service) to provide Expenditure per Sample. Key Efficiency Indicator 2: Proportion of reports completed and returned by the Analyst to the submitting Local Government in the specified turnaround time of 14 working days for routine samples and 20 working days for non-routine samples.

Changes to Outcome Based Management Framework

The Committee's Outcome Based Management Framework did not change during 2021-22.

Shared Responsibilities with Other Agencies

The Committee did not share any responsibilities with other agencies during 2021-22.

Local Health Authorities Analytical Committee

AGENCY PERFORMANCE

Report on Operations

Actual results versus Budget Targets

Financial Targets

	2021-22 Target \$	2021-22 Actual \$	Variation \$
Total income (sourced from Statement of Comprehensive Income)	612,808	630,844	18,036 (a)
Total expenses (sourced from Statement of Comprehensive Income)	557,886	449,561	(108,325) (b)
Total equity (sourced from Statement of Financial Position)	1,285,502	1,265,196	(20,306)
Net increase / (decrease) in cash held (sourced from Statement of Cash Flows)	56,000	2,261	(53,739) (c)
Approved 0.8 full time equivalent (FTE) Staff level	1	1	0
Approved salary expense level	124,900	108,804	(16,096) (d)

Further explanations are also contained in Note 9.1 'Explanatory statements' to the financial statements.

- (a) The income was greater than budgeted due to a higher than expected fee revenue.
- (b) The variation is due to lower expenditure than forecast for analytical services.
- (c) The variation in cash reserves resulted from less than budgeted expenditure in some areas and increased investment in term deposits.
- (d) The variation is due to the decrease in salaries and wages as a result of the coordinator being 0.8 FTE for a full year and the reduced ongoing employment of a part time contracted Research Officers.

Local Health Authorities Analytical Committee

Summary of Key Performance Indicators

	2021-22 Target \$	2021-22 Actual \$	Variation ² \$
<i>Outcome 1: To provide a coordinated Sampling Scheme for the analysis of food products for use by all Local Governments in Western Australia</i>			
Key Effectiveness Indicator(s): The proportion of Local Governments with food manufacturers in their region who use the LHAAC Scheme.	100%	80%	(20)
<i>Service 1: Analysis of food and other products</i>			
Key Efficiency Indicator(s): Number of samples analysed against total expenditure (cost of service) to provide Expenditure per Sample (#).	198.20	243.00	44.80
Proportion of reports completed and returned by the Analyst to the submitting Local Government in the specified turnaround time of 14 days for routine samples and 20 days for non-routine samples.	100% 100%	R: 89% NR: 97%	(11%) (3%)

(#): The aim of the LHAAC is to achieve the same or a lower Expenditure per Sample than the previous financial year.

Explanations for the variations between target and actual results are presented in section 'Detailed information in support of key performance indicators' (page 35).

Local Health Authorities Analytical Committee

Significant Issues Impacting the Committee

Current and emerging issues and trends

The rapid pace of technological advancement is leading to a reduction in agency costs which creates opportunities to deliver enhanced services. The impact of Covid-19 on both our residential and employment environment has been significant and far greater than most businesses anticipated. It is uncertain how much, and for how long, we will continue to be impacted by the knock-on effects of Covid-19 through all aspects of our lives.

Economic and social trends

There is an expectation in society that services delivered by the Statutory Authority will be enhanced to take advantage of technological advances.

Changes in written law

There were no changes in any written law that affected the Committee during the financial year.

Likely developments and forecast results of operations

LHAAC continued with changes to the sampling scheme to achieve greater improvements in the level of service delivered and the overall effectiveness of the sampling program. The main action to help achieve these improvements in 2022 was the continuation of a three-tiered sampling program, a greater emphasis on Coordinated Sampling Projects on food with a high-risk status and the continued expansion of the types of samples (non-food) the two contracted Analysts are now able to offer under their suite of analyst services.

The Contract for Analytical Services is due to be renewed in August 2022 so this creates an opportunity for the Committee to review the range of analytical services it provides through the appointed analysts.

Local Health Authorities
Analytical Committee

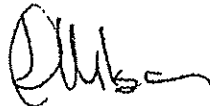
DISCLOSURES AND LEGAL COMPLIANCE

FINANCIAL STATEMENTS

Certification of Financial Statements
For the year ended 30 June 2022

The accompanying financial statements of the Local Health Authorities Analytical Committee have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2022 and the financial position as at 30 June 2022.

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



David Wilson
Designated Person of Accountable
Authority

Date: 15 September 2022



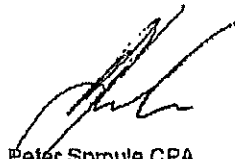
Tsyr Chiat Chew
Member of Accountable Authority

Date: 15th September 2022



Trevor Chapman
Coordinator of Accountable Authority

Date: 15 September 2022



Peter Sproule CPA
Chief Financial Officer

Date: 15th SEPTEMBER 2022



Local Health Authorities Analytical Committee

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Committee has pleasure in presenting its audited general-purpose financial statements for the financial reporting period ended 30 June 2022 which provides users with the information about the Committee's stewardship of resource entrusted to it. The financial information is presented in the following structure:

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Local Health Authorities Analytical Committee

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
INCOME			
Revenue			
Provision of services	2.1	626,490	305,304
Interest revenue	2.2	4,354	7,141
TOTAL INCOME		630,844	312,445
EXPENSES			
Employee benefits expenses	3.1(a)	108,804	118,607
Depreciation	4.1	15,896	15,897
Supplies and services	3.2	323,114	330,227
Finance costs	6.3	131	338
Other expenses	3.3	1,616	1,694
TOTAL EXPENSES		449,561	466,763
SURPLUS/(DEFICIT) FOR THE PERIOD		181,283	(154,318)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		181,283	(154,318)

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

Local Health Authorities Analytical Committee

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2022 \$	2021 Restated* \$
ASSETS			
Current Assets			
Cash and cash equivalents	6.1	88,068	85,807
Receivables	5.1	11,305	16,577
Other assets	5.2	4,893	3,820
Other financial assets	5.3	1,250,000	1,050,000
Total Current Assets		1,354,266	1,156,204
Non-Current Assets			
Right-of-use assets	4.1	2,652	18,547
Total Non-Current Assets		2,652	18,547
TOTAL ASSETS		1,356,918	1,174,751
LIABILITIES			
Current Liabilities			
Payables	5.4	57,910	36,675
Lease liabilities	6.2	2,699	16,069
Provisions	3.1(b)	31,113	35,396
Total Current Liabilities		91,722	88,140
Non-Current Liabilities			
Lease liabilities	6.2	-	2,698
Total Non-Current Liabilities		-	2,698
Total Liabilities		91,722	90,838
NET ASSETS		1,265,196	1,083,913
EQUITY			
Accumulated surplus		1,265,196	1,083,913
TOTAL EQUITY		1,265,196	1,083,913

*Refer to Note 8.9

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

Local Health Authorities Analytical Committee

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Accumulated Surplus (Deficit) \$	Total Equity \$
Balance at 1 July 2020		1,238,231	1,238,231
Total comprehensive income		(154,318)	(154,318)
Total		1,083,913	1,083,913
Balance at 30 June 2021		1,083,913	1,083,913
Balance at 1 July 2021		1,083,913	1,083,913
Total comprehensive income		181,283	181,283
Total		1,265,196	1,265,196
Balance at 30 June 2022		1,265,196	1,265,196

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

Local Health Authorities Analytical Committee

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 Restated* \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Provision of services		626,490	305,304
GST receipts on sales		62,649	30,530
GST receipts from taxation authority		-	487
Payments			
Employee benefits		(113,136)	(134,899)
Supplies and services		(297,361)	(330,078)
Finance costs		(190)	(180)
GST payments on purchases		(32,262)	(35,440)
GST payments to taxation authority		(28,772)	-
Net cash provided by/(used in) operating activities		217,418	(164,276)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from financial assets		-	200,000
Payments to acquire financial assets		(200,000)	-
Interest received		3,389	9,074
Net cash used in investing activities		(196,611)	209,074
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(18,546)	(18,420)
Net cash used in financing activities		(18,546)	(18,420)
Net increase/(decrease) in cash and cash equivalents		2,261	26,378
Cash and cash equivalents at the beginning of period		85,807	59,429
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	6.1	88,068	85,807

*Refer to Note 8.9

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

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NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The Agency is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The agency is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the agency on 15 September 2022.

Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006* (FMA)
- 2) Treasurer's instructions (TIs)
- 3) Australian Accounting Standards (AASs) – Simplified Disclosures
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The FMA and TIs take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

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

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- a) amount of GST incurred by the Agency as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- b) receivables and payables are stated with the amount of GST included.

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

Contributed equity

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

Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and

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- Right-of-Use Asset reconciliations.

Judgements and estimates

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

2. Our funding sources

How we obtain funding

The LHAAC Scheme is established for use by all Local Governments in Western Australia and all are encouraged to participate in the Scheme. Every Western Australian Local Government contributes to the Scheme via a fee based on their population as a percentage of the state population in total.

Policy guidelines are in place to ensure an invoicing process to all Local Governments in Western Australia occurs each year, the details of which are approved by LHAAC at its June meeting. Every LGA is charged a fee based on its population, either as one of two Minimum Fees (up to 1000 population and over 1,001 but less than 2000) or as a percentage of the state as a whole.

Revenue is recognised at the transaction price when the Agency transfers control of the services to customers. Revenue is recognised for the provision of services as follows:

The Agency typically satisfies its performance obligations in relation to these provisions of services when consideration is received as all services are used during the relevant financial period.

The primary income received by the agency and the relevant notes are:

		2022	2021
	Notes	\$	\$
Provision of services	2.1	626,490	305,304
Interest revenue	2.2	4,354	7,141

2.1 Provision of services

	2022	2021
	\$	\$
Provision of services	626,490	305,304

2.2 Interest revenue

	2022	2021
	\$	\$
Interest revenue	4,354	7,141

Interest is recognised and measured as it accrues.

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3. Use of our funding

Expenses incurred in the delivery of services

The major expenditure of the LHAAC is the engagement and payments associated with the contracted analysts; the employment of a Coordinator and a part time contracted CFO; associated operating expenses such as rent, telephones, insurance, stationery and supplies.

The primary expenses incurred by the agency in achieving its objectives and the relevant notes are:

		2022	2021
	Notes	\$	\$
Employee benefits expenses	3.1(a)	108,804	118,607
Employee related provisions	3.1(b)	31,113	35,396
Supplies and services	3.2	323,114	330,227
Other expenses	3.3	1,616	1,694

3.1(a) Employee benefits expenses

	2022	2021
	\$	\$
Employee benefits	97,680	107,736
Superannuation – defined contribution plan	11,124	10,871
Total employee benefits provided	<u>108,804</u>	<u>118,607</u>

Employee benefits: include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid and accrued, to the GSS, the WSS or GESB (Government Employees Superannuation Board) or other superannuation funds.

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3.1(b) Employee related provisions

	2022 \$	2021 \$
Current		
<u>Employee benefit provisions</u>		
Annual leave(a)	20,930	11,787
Long service leave(b)	10,183	23,609
Total employee related provisions	31,113	35,396

(a) Annual leave liabilities: Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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

(b) Long Service leave liabilities: are unconditional long service leave provisions are classified as current liabilities as the Agency does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Agency has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

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

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'other expenses, Note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the agency's 'employee benefits expense'. The related liability is included in 'Provisions'.

Key sources of estimation uncertainty – long service leave

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

Several estimates and assumptions are used in calculating an agency's long service leave provision. These include:

- expected future salary rates;
- discount rates;
- employee retention rates; and
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

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3.2 Supplies and services

	2022	2021
	\$	\$
Consultants and contractors	275,727	287,810
Other		
Accounting	18,223	17,027
Administration	1,951	707
Advertising and promotion	2,213	151
Audit fees	20,900	20,503
Bank charges	190	180
Computer software support	660	754
Insurance	2,962	2,689
Legal fees	-	(47)
Printing and postage	288	453
Total Other	<u>47,387</u>	<u>42,417</u>
Total supplies and services	<u>323,114</u>	<u>330,227</u>

Supplies and services: Supplies and services are recognised as an expense in the reporting period in which they are incurred and accrued.

3.3 Other expenses

	2022	2021
	\$	\$
Employment on costs	<u>1,616</u>	<u>1,694</u>

Employee on-cost includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

4. Key assets

This section includes information regarding the key assets the agency utilises to gain economic benefits or provide service potential.

4.1 Right-of-use-assets

	2022	2021
	\$	\$
Right-of-use-assets		
Opening Balance	47,691	47,691
Accumulated Depreciation	(45,039)	(29,144)
Net carrying amount at end of period	<u>2,652</u>	<u>18,547</u>

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Initial recognition

Right-of-use assets are measured at cost including the following:

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

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.2

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

Subsequent Measurement

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

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Agency at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified.

	2022 \$	2021 \$
Depreciation	15,896	15,897
Total right-of-use asset depreciation	<u>15,896</u>	<u>15,897</u>
Lease interest expenses	131	338
Low Value leases	660	754

The total cash outflow for leases in 2022 was \$18,546 (2021: \$19,206)

The Agency has leases for office accommodations.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.2.

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5. Other assets and liabilities

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

	Notes	2022 \$	2021 Restated* \$
Receivables	5.1	11,305	16,577
Other assets	5.2	4,893	3,820
Other financial assets	5.3	1,250,000	1,050,000
Payables	5.4	57,910	36,675

5.1 Receivables

	2022 \$	2021 \$
Current		
Accrued interest	1,499	534
GST Receivable	9,806	16,043
Total current	<u>11,305</u>	<u>16,577</u>

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

5.2 Other assets

	2022 \$	2021 \$
Current		
Prepayments	4,893	3,820
Total current	<u>4,893</u>	<u>3,820</u>

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

5.3 Other financial assets

	2022 \$	2021 Restated* \$
Financial assets at amortised cost – Term Deposits (a)	<u>1,250,000</u>	<u>1,050,000</u>
	1,250,000	1,050,000

(a) These represent bank term deposits with their original maturities of more than 3 months.

*refer to note 8.9

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5.4 Payables

	2022	2021
	\$	\$
Current		
Trade payables	52,749	32,491
Other payables	5,161	4,184
Total current payables at end of period	<u>57,910</u>	<u>36,675</u>

Payables are recognised at the amounts payable when the agency becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

Other payables consist of the following:

	2022	2021
	\$	\$
Other payables		
PAYG withholding	2,533	1,779
Superannuation	2,522	2,109
Sundry creditors (including accrued salaries)	106	296
Total other payables at end of period	<u>5,161</u>	<u>4,184</u>

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

6. Financing

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

6.1 Cash and cash equivalents

	2022	2021
	\$	Restated* \$
Cash and cash equivalents	88,068	85,807
	<u>88,068</u>	<u>85,807</u>

*refer to note 8.9

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

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6.2 Lease liabilities

	2022	2021
	\$	\$
Current	2,699	16,069
Non-current	-	2,698
	<u>2,699</u>	<u>18,767</u>

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Agency uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

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

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

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

This section should be read in conjunction with note 4.1 Right-of-use assets

Subsequent Measurement

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

This section should be read in conjunction with note 4.1.

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6.3 Finance costs

	2022	2021
	\$	\$
Lease interest expense	131	338
Finance costs expensed	131	338

Finance costs include the interest component of lease liability repayments

7. Financial Instrument and Contingencies

7.1 Financial Instruments

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

	2022	2021
	\$	Restated* \$
Financial Assets		
Cash and cash equivalents	88,068	85,807
Other assets at amortised cost (a)	1,499	534
Financial assets at amortised cost (b)	1,250,000	1,050,000
Total Financial Assets	1,339,567	1,136,341
Financial Liabilities		
Financial Liabilities at amortised cost	57,910	36,675
Lease liabilities	2,699	16,069
Total Financial Liabilities	60,609	52,744

*refer to note 8.9

(a) The amount of financial assets and financial liabilities measured at amortised cost excludes GST receivable/payable to the ATO (statutory receivable).

(b) These represent bank term deposits with their original maturities of more than 3 months.

7.2 Contingent assets and liabilities.

As at 30 June 2022 the Committee did not have any contingent assets or liabilities.

8 Other disclosures

8.1 Events occurring after the end of reporting period

No material events occurred after the end of the reporting period.

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8.2 Initial application of Australian Accounting Standards

(a) AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit.

Which is effective on or after 1 July 2021. The Committee has prepared its financial statements for the year 2021/22 in accordance with this new standard.

8.2 Key management personnel

The Committee has determined that key management personnel include Cabinet Ministers, members of the accountable authority and senior officers of the Committee. However, the Committee is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the *Annual Report on State Finances*.

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

Compensation of members of the accountable authority

Compensation Band (\$)	2022	2021
\$0 – \$10,000	10	10

Compensation of senior officers

Compensation Band (\$)	2022	2021
\$90,001 - \$100,000	1	-
\$100,001 - \$110,000	-	-
\$110,001 - \$120,000	-	1
\$120,001 - \$130,000	-	-
	\$	\$

Total compensation of key management personnel

99,102	118,059
---------------	----------------

Total compensation includes the superannuation expense incurred by the agency in respect of senior officers.

8.3 Related party transactions

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

Related parties of the agency include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all members of the accountable authority, senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly owned public sector entities).

Material transactions with other related parties

Outside of normal citizen type transactions with the agency, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

8.4 Related bodies

The Committee has no related bodies.

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8.5 Affiliated bodies

The Committee has no affiliated bodies.

8.6 Special purpose accounts

The Committee holds no special purpose accounts

8.7 Remuneration of auditor

The remuneration paid or payable to the Auditor General in respect to the audit for the current reporting period, is as follows:

	2022	2021
	\$	\$
Auditing the accounts, financial statements, controls and key performance indicators	21,000	20,900

8.8 Supplementary financial information

(a) Write-offs

During the financial year, nil (2021: nil) was written off the agency's asset register under the authority of:

	2022	2021
	\$	\$
The accountable authority	-	-
The Minister	-	-
Committee	-	-
	<hr/>	<hr/>
	-	-

(b) Losses through theft, defaults and other causes

	2022	2021
	\$	\$
Losses through theft, defaults and other causes	-	-
The Minister	-	-
Committee	-	-
	<hr/>	<hr/>
	-	-

(c) Gifts of public property

	2022	2021
	\$	\$
Gifts of public property provided by the agency	-	-
	<hr/>	<hr/>
	-	-

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8.9 Reclassification of cash and cash equivalents

The Committee previously recorded term deposits, with maturity of 3 months or more, as cash and cash equivalents at 30 June 2021. In accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements and AASB 107 Statement of Cash Flows, an investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition. This has been reclassified in the current year to ensure consistency, and the prior year figures have been restated as follows:

Statement of Financial Position (extract)

	30 June 2021	Increase / (Decrease)	30 June 2021 Restated	30 June 2020	Increase / (Decrease)	01 July 2020 Restated
	\$	\$	\$	\$	\$	\$
Cash and Cash equivalents (note 6.1)	1,135,807	(1,050,000)	85,087	1,309,429	(1,250,000)	59,429
Other financial assets (note 5.3)		1,050,000	1,050,000		1,250,000	1,250,000
Total	1,135,807	-	1,135,807	1,309,429	-	1,309,429

Statement of Cash Flows (extract)

	30 June 2021	Increase / (Decrease)	30 June 2021 Restated	30 June 2020	Increase / (Decrease)	01 July 2020 Restated
	\$	\$	\$	\$	\$	\$
Operating Activities	9,074	(9,074)	-	26,353	(26,353)	-
Interest received						
Proceeds from financial assets	-	200,000	200,000	-	-	-
Payments to acquire financial assets	-	-	-	-	(100,000)	(100,000)
Investing Activities	-	9,074	9,074	-	26,353	26,353
Interest received						
Cash at beginning of year	1,309,429	(1,250,000)	59,429	1,195,574	(1,150,000)	45,574
Cash and Cash equivalent at the end of the year	1,135,807	(1,050,000)	85,807	1,309,429	(1,250,000)	59,429

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9 Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2022 and between the actual results for 2022 and 2021. Narratives are provided for key major variances, which are generally greater than 10% or \$1,000.

9.1.1 Statement of Comprehensive Income Variances

	Variance note	Estimate 2022	Actual 2022	Actual 2021	Variance between actual and estimate	Variance between actual results for 2022 and 2021
		\$	\$	\$	\$	\$
Income						
Provision for services	1,a	610,608	626,490	305,304	15,883	321,187
Interest revenue	2,b	2,200	4,354	7,141	2,154	(2,787)
Expenses						
Employee Benefits expenses	3,c	115,900	108,804	118,607	(7,096)	(9,803)
Supplies and services	4,d	424,460	323,114	330,227	(101,346)	(7,113)
Depreciation		15,869	15,896	15,897	-	(1)
Finance costs		130	131	338	1	(207)
Other expenses		1,500	1,616	1,694	116	(78)
Surplus/(deficit) for the period		54,922	181,283	(154,318)	126,362	335,601
Total comprehensive income/(loss) for the period		54,922	181,283	(154,318)	126,362	335,601

Major Estimate and Actual (2022) Variance Narratives:

1. Provision of services was underestimated by \$15,882 (2.5 %) due to a greater invoicing of services.
2. Interest revenue was underestimated by \$2,154 (49.5%) due to higher than expected cash reserves and an increasing term deposit interest rates over the year.
3. Employee benefits expense was underspent by \$7,096 (6.5%) due to the underutilisation of part time employee.
4. Supplies and services were underspent by \$101,346 (23.9%) due to the reduced Analysis Fees over the year.

Major Actual (2022) and Comparative (2021) Variance Narratives:

- a) Provision for service increased by \$321,187 (105.20%) due to committee reverting back to full fee invoicing, after a one-off discount due to covid 19 in 2021.
- b) Interest revenue decreased by \$2,787 (39.0%) due to a decrease in the interest rate on all term deposits over the year.
- c) Employee benefits expense decreased by \$9,803 (8.27%) due to the LSL been taken and a decrease in the LSL leave provision.
- d) Supplies and services decreased by \$7,113 (2.2%) due to the decrease in Analysis Fees over the year.

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9.1.2 Statement of Financial Position Variances

	Variance note	Estimate 2022	Actual 2022	Actual 2021 Restated*	Variance between actual and estimate	Variance between actual results for 2022 and 2021
		\$	\$	\$	\$	\$
Assets						
Current assets						
Cash and cash equivalents		87,730	88,068	85,807	338	2,261
Receivables	e	16,000	11,305	16,577	(4,695)	(5,272)
Other assets	5,f	3,820	4,893	3,820	1,073	1,073
Other financial assets	g	1,250,000	1,250,000	1,050,000	-	200,000
Total current assets		1,357,550	1,354,266	1,156,204	(3,284)	198,062
Non -Current Assets						
Right-of-use assets	h	2,651	2,652	18,547	1	(15,895)
Total non-current assets		2,651	2,652	18,547	1	(15,895)
Total Assets		1,360,201	1,356,918	1,174,751	(3,284)	182,166
Liabilities						
Current liabilities						
Payables	6,i	40,000	57,910	36,675	17,910	21,235
Lease liabilities	j	2,699	2,699	16,069	-	(13,370)
Provisions	k	32,000	31,113	35,396	(887)	(4,283)
Total current liabilities		74,699	91,722	88,140	17,023	3,582
Non-current liabilities						
Lease liabilities	l	-	-	2,698	-	(2,698)
Total non-current liabilities		-	-	2,698	-	(2,698)
Total Liabilities		74,699	91,722	90,838	17,023	884
Net Assets		1,285,502	1,265,196	1,083,913	(20,306)	181,283
Accumulated surplus/(deficit)		1,285,502	1,265,196	1,083,913	(20,306)	181,283

Local Health Authorities Analytical Committee

Total Equity	1,285,502	1,265,196	1,083,913	(20,306)	181,283
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*refer to note 8.9

Major Estimate and Actual (2022) Variance Narratives

5. Receivables decreased by \$4,695 (29.3%) due to a lesser than expected GST receivable and accrued interest income at 30 June 2022.
6. Payables increased by \$17,910 (44.8%) due to a larger than expected Analysis Fees accrual as at 30 June 2022.

Major Actual (2022) and Comparative (2021) Variance Narrative

- e) Cash and cash equivalents increased by \$2,261 (2.63%) due to greater cash held at end of reporting year.
- f) Receivables decreased by \$5,272 (31.80%) due to a lesser than expected GST receivable and accrued interest income.
- g) Other financial assets increased by \$200,000 (19.0 %) due to invoicing going back to 100% after the previous years a one off COVID 19, 50% discount in 2021.
- h) Right-of-use assets decreased by \$15,895 (85.7%) as a result of depreciation expense.
- i) Payables increased by \$21,235 (58.0%) due to a higher than expected Analysis Fees accrual as at 30 June 2022.
- j) Lease liabilities decreased by \$13,370 (83.21%) due to the payment of lease obligations during the year.
- k) Provisions decreased by \$4,283 (12.1%) due to employee current LSL leave been taken during the financial year.
- l) Non-current lease liabilities decreased by \$2,698 (100%) as a result of movement of the lease liability to current lease liabilities.

Local Health Authorities Analytical Committee

9.1.3 Statement of Cash Flows Variances

	Variance note	Estimate 2022	Actual 2022	Actual 2021 Restated*	Variance between estimate and actual	Variance between actual results for 2022 and 2021
		\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES						
<u>Receipts</u>						
Provision of services	m	626,500	626,490	305,304	10	321,186
GST receipts on sales	n	62,500	62,649	30,530	(149)	32,119
GST receipts from taxation authority		-	-	487	-	(487)
<u>Payments</u>						
Employee benefits	7,p	(124,900)	(113,136)	(134,899)	(11,764)	21,763
Supplies and services	8, q	(430,000)	(297,361)	(330,078)	(132,639)	32,717
Finance costs		(300)	(190)	(180)	(110)	(10)
GST payments on purchases	9, r	(43,000)	(32,262)	(35,440)	(10,738)	3,178
GST payments to taxation authority	10, s	(20,000)	(28,772)	-	8,772	(28,772)
Net cash provided by/(used in) operating activities		70,800	217,418	(164,276)	(146,618)	381,694
CASH FLOW FROM INVESTING ACTIVITIES						
Proceeds from financial assets	o	-	-	200,000	-	(200,000)
Payments to acquire financial assets	11	-	(200,000)	-	200,000	(200,000)
Interest received	12,t	2,200	3,389	9,074	(1,189)	(5,685)
Net cash provided by/(used in) investing activities		2,200	(196,611)	209,074	198,811	(405,685)
CASH FLOW FROM FINANCING ACTIVITIES						
Payments						
Principal elements of lease payments	13	(17,000)	(18,546)	(18,420)	1,546	(126)
Net cash provided by/(used in) financing activities		(17,000)	(18,546)	(18,420)	1,546	(126)

Local Health Authorities Analytical Committee

Net increase/(decrease) in cash and cash equivalents	56,000	2,261	53,739	(24,117)
Cash and cash equivalents at the beginning of period	85,807	85,807	-	26,378
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	141,807	88,068	53,739	2,261

*refer to note 8.9

Major Estimate and Actual (2022) Variance Narratives

7. Employee benefits underspent by \$1,794 (9.4%) due to the underutilisation of part time employee.
8. Supplies and services were underspent by \$132,638 (30.8%) due to a less than expected use of Analysis Fees.
9. GST payments on purchases was underspent by \$10,738 (24.9%) due to a less than expected GST expense on supplies and services.
10. GST payments to the taxation authority was overspent by \$8,772 (43.9%) due to a less than expected GST expense on supplies and services.
11. Transfer to term deposits was overspent by \$200,000 (100%) due to less than expected expense on supplies and services.
12. Interest received was over received by \$1,189 (54.0%) due to an increase in term deposit interest rates and money held on term deposit during the year.
13. Principal elements of lease payments was overspent by \$1,546 (8.3%) due to not providing enough for this payment in the budget.

Major Actual (2022) and Comparative (2020) Variance Narrative

- m) Provision of services increased by \$321,187 (105.0%) due to invoicing going back to 100% after the previous years a one off COVID 19 50% discount in 2021.
- n) GST receipts on sales increased by \$32,119 (105%) due to invoice reverting back to full fee invoicing, after a one-off discount due to covid 19 in 2021.
- o) Transfer from term deposits decreased by \$200,000 (100%) due to transfers from term deposits required for the 2021/22 year to meet expenditure requirements.
- p) Employee benefits decreased by \$21,764 (16.1%) due to the decrease in casual employees working on projects and full time employee down to a 0.8 FTE.
- q) Supplies and services decreased by \$32,716 (9.9%) due the less than expected use of Analysis Fees expenditure.
- r) GST payments on purchases decreased by \$3,178 (9.0%) due to decreases of supplies and services during the year.
- s) GST payments to taxation authority increased by \$28,772 (100.0%) due to committee reverting to full fee invoicing and decreased expenses activity during the year.
- t) Interest received decreased by \$5,685 (62.7%) due to a fall in term deposit interest rates during the year.


Local Health Authorities
Analytical Committee

LOCAL HEALTH AUTHORITIES ANALYTICAL COMMITTEE

Audited key performance indicators for the year ended 30 June 2022


Certification of key performance indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Local Health Authorities Analytical Committee's performance, and fairly represent the performance of the Local Health Authorities Analytical Committee for the financial year ended 30 June 2022.



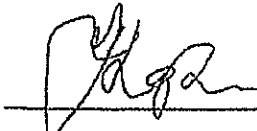
David Wilson
Designated Person of Accountable Authority

Date: 15 September 2022



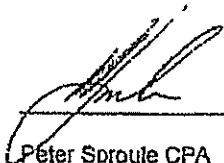
Tsyr Chiat Chew
Member of Accountable Authority

Date: 15th September 2022



Trevor Chapman
Coordinator

Date: 15th September 2022



Peter Sproule CPA
Chief Financial Officer

Date: 15th September 2022



Local Health Authorities Analytical Committee

Detailed information in support of key performance indicators

Section 61 of the Financial Management Act requires statutory authorities to prepare performance indicators and such other information as required by the Treasurer's Instructions.

The following performance indicators have been formulated in the light of the Committee's obligation under the Health (Miscellaneous Provisions) Act 1911 to 'provide analytical services for use by local authorities.

The following performance indicators have been formulated to provide an indication of the effectiveness and efficiency of the Committee's operations.

GOVERNMENT GOAL

RESPONSIBLE FINANCIAL MANAGEMENT AND BETTER SERVICE DELIVERY.

OUTCOME

TO PROVIDE A COORDINATED SAMPLING SCHEME FOR THE ANALYSIS OF FOOD PRODUCTS FOR USE BY LOCAL GOVERNMENTS IN WESTERN AUSTRALIA.

AUDITED INDICATORS

i) **Performance Indicator: Effectiveness**

KPI 1.1

Comment

The proportion of Local Governments with food manufacturers in their region who use the LHAAC Scheme.

A key focus of the LHAAC Scheme is to analyse those food manufacturers who actively distribute outside the region in which they are located to provide maximum benefit to the broader community of Western Australia, in regard to food safety. The 2021/22 target is to have 100% of Local Governments (LGAs) with such manufacturers using the Scheme.

Only food manufacturers classified as LARGE (actively manufacturing food products for distribution outside of the Local Government region in which the manufacturer is located) by LHAAC are included in the following table. The number of such Local Governments has increased to 74 due to the re-classification of some businesses in 2021/22 or advice from the host Local Government of the emergence of new businesses.

A participation rate of 80% (up from 75% last year) is a positive improvement and a reflection of the overall increase in participation levels, possibly encouraged by different forms of sampling available to Local Governments. There are other factors to consider including:

- All but one of the non-participants is a rural based Shire, some of whom do not have a permanent Environmental Health Officer on their structure;
- The tyranny of distance from Perth (base location of the two contracted analysts) is also a factor;
- Only one metropolitan LGA with a manufacturer in their locality failed to participate;
- Some of the manufacturers who have not had samples collected by their host LGA may have been tested by the Health Department (via Meat or Dairy Inspections).

Local Health Authorities Analytical Committee

MEASUREMENT	2021/22		2020/21		2019/20	
	No	%	No	%	No	%
Number of LGAs with Large manufacturers in their locality.	74	100	64	100	68	100
Number of LGAs with Large manufacturers who participated in the Scheme.	59	80	48	75	52	76

Another factor is the change in sampling focus by LHAAC and by LGAs themselves. The chemical analysis of food is seen as less demanding as the standards associated with food manufacture have improved significantly in recent years. Member Local Governments have been encouraging LHAAC to do more microbial testing as opposed to chemical analysis, and this has been reflected in LHAAC's choice of Coordinated Sampling Projects (CSPs) in recent years.

Monthly Expenditure to Date Summaries were sent to all Local Governments and individual messages and prompts were utilised to try and encourage participation in the Scheme by the smaller LGAs. LHAAC will continue with this line of encouragement in 2022/23.

SERVICE

ANALYSIS OF FOOD AND FOOD PRODUCTS

ii) Performance indicator: Efficiency

Service 1

KPI 1.1.

Number of samples analysed against total expenditure for LHAAC (cost of service) to provide Expenditure per Sample.

The primary method to provide an indication of cost of service relative to output is to calculate average cost of analysis per sample.

	Target 2022	2022	2021	2020
No of samples analysed		1850	2,355	2,336
Total Expenditure \$		\$449,561	\$466,763	\$524,389
Expenditure per sample	\$198.20	\$243.00	\$198.20	\$224.48

Comment

The number of samples analysed in 2021/22 has reduced significantly from the previous year (2,355) to 1,850 (decrease of 505 samples or 21%). This has a significant impact on cost per sample given so many of the costs incurred by LHAAC are fixed in nature. Routine samples reduced by 23% and CSP and Non- Routine by 17%. Total Expenditure was also lower than the previous year, which could partly be attributed to Covid-19 ramifications and more stringent measures to control expenditure.

KPI 1.2

Proportion of reports completed and returned by the Analyst to the submitting Local Government in the specified turnaround time of 14 working days for routine samples and 20 working days for non-routine samples.

This is a key indicator of efficiency of the service to Local Governments by providing an indication of time taken to complete sample analysis and provide written reports to the

Local Health Authorities Analytical Committee

submitting Local Government. The target is 100% of samples to be completed in the Expected Timeframe.

(1) ALL SAMPLES

Sample Category	Specified Turnaround Time	2021/22		2020/21		2019/20	
		% Returned within Specified Turnaround Time	TARGET	% Returned within Specified Turnaround Time	TARGET	% Returned within Specified Turnaround Time	TARGET
Routine Samples	≤ 14 days	89% (n = 1234)	100%	88% (n=1613)	100%	89% (n = 1449)	100%
Coordinated & Non-Routine	≤ 20 days	97% (n = 616)		96% (n=742)		94% (n = 887)	

(2) AGRIFOOD TECHNOLOGY

Sample Category	Specified Turnaround Time	2021/22		2020/21		2019/20	
		% Returned within Specified Turnaround Time	TARGET	% Returned within Specified Turnaround Time	TARGET	% Returned within Specified Turnaround Time	TARGET
Routine Samples	≤ 14 days	77% (n = 304)	100%	84% (n=270)	100%	69% (n=363)	100%
Coordinated & Non-Routine	≤ 20 days	96% (n = 404)		90% (n=342)		87% (n=402)	

(3) EUROFINS ARL (EARL)

Sample Category	Specified Turnaround Time	2021/22		2020/21		2019/20	
		% Returned within Specified Turnaround Time	TARGET	% Returned within Specified Turnaround Time	TARGET	% Returned within Specified Turnaround Time	TARGET
Routine Samples	≤ 14 days	93% (n = 930)	100%	90% (n=1343)	100%	96% (n=1086)	100%
Coordinated & Non-Routine	≤ 20 days	100% (n = 212)		100% (n=400)		100% (n=485)	

Note: 'n' is the total number of samples analysed for the year.

Comment

The turnaround time for completion of samples in the Routine category has increased slightly to 89% from 88% for the combined result but improved slightly for Non-Routine category (up to 97% from 96%). Agrifood performance has reduced significantly in the Routine category (down from 84% last year to 77%) but improved in the CSP/Non-Routine category from 90% last year to 96% this year. The number of samples processed increased by 16% (96 samples).

EUROFINS ARL has maintained a 100% performance in the Non-Routine area and improved slightly from 90% to 93% within contract turnaround times for Routine Samples. Sample submissions to EARL reduced by 34% (601 samples).

Local Health Authorities Analytical Committee

Ministerial directives

No Ministerial Directives were received during the financial year.

Other financial disclosures

Pricing policies on services

In 2021/22 fees were held at 2020/21 rates but the 50% discount was no longer applied as it was a one-year initiative.

The Committee derives its revenue from local authorities based on:

1. an assessment calculated on the proportion of the population of the local authority to the population of the State of Western Australia;
2. the cost of processing units in excess of the unit allowance included in the assessment;
3. a minimum assessment for authorities with a population less than 1,500.

Employment and Industrial Relations

Staff Profile	2022	2021
Full-time permanent	1	1
Full-time contract	0	0
Part-time contract	1	2
On secondment	0	0
	2	3

Staff Development

The Statutory Authority has a commitment to the development of its employees. Our strategies are to build a highly skilled, professional and fair workforce with the ability to adapt to changing business technology and the environment.

Workers Compensation

No compensation claims were recorded during the financial year.

Governance disclosures

Contract with Senior Officers

At the date of reporting, other than the normal contract of services provided, no Senior Officer, of firms of which Senior Officers are members, or entities in which Senior Officers have substantial interests had any interest in existing or proposed contracts with the Committee and Senior Officers.

Insurance Premiums paid to indemnify members of the Board

An insurance policy has been taken out to indemnify members of the Board against and liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid for 2021/22 was \$3,499.98.

Local Health Authorities Analytical Committee

Other legal requirements

Annual Estimates

Section's 40 and 61 of the Financial Management Act 2006 provided that the Committee submit annual estimates of the annual operations for both the current and preceding financial year of the Committee to the Minister of Health for approval.

Budget	2020/21
Revenues from operating activities	
Goods and Services	305,304
Revenue from non-operating activities	
Interest Revenue	11,000
Total Revenue from ordinary activities	316,304
Expenses	
Expenses from operating activities	
Employee Services	136,800
Supplies and services	446,556
Depreciation	14,000
Other expenses	1,000
Total expenses from operating activities	602,156
Surplus/(Deficit) for the period	(285,852)

Budget	2021/22
Revenues from operating activities	
Goods and Services	610,608
Revenue from non-operating activities	
Interest Revenue	2,200
Total Revenue from ordinary activities	612,808
Expenses	
Expenses from operating activities	
Employee Services	115,900
Supplies and services	424,460
Depreciation	15,896
Other expenses	1,630
Total expenses from operating activities	557,886
Surplus/(Deficit) for the period	59,922

Local Health Authorities Analytical Committee

Contact information

Postal:

ECU University
Building 21
270 Joondalup Drive
JOONDALUP WA 6027

Street:

ECU University
Building 21
270 Joondalup Drive
JOONDALUP WA 6027

Electronic:

Internet: www.lhaac.org.au
Email: t.chapman@ecu.edu.au
Telephone: 6304 2104
Facsimile: 6304 2626