



**Government
of South Australia**

Country Health SA Local Health
Network Governing Council

Country Health SA Local Health Network Health Advisory Council Inc (Governing Council) **2016-17 Annual Report**

Country Health SA Local Health Network Health
Advisory Council Inc (Governing Council)

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Date presented to Minister: 27 September 2017

To:
Hon Peter Malinauskas MLC
Minister for Health
Minister for Mental Health and Substance Abuse

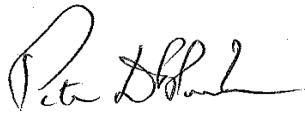
This annual report is presented to Parliament to meet the statutory reporting requirements of the *Public Sector Act 2009*, the *Public Finance and Audit Act 1987* and the *Health Care Act 2008* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the Country Health SA Local Health Network Health Advisory Council Inc:

Peter Blacker

Presiding Member



27 September 2017

Signature

Date

Contents

Contents	3
Section A: Reporting required under the <i>Public Sector Act 2009</i>, the <i>Public Sector Regulations 2010</i> and the <i>Public Finance and Audit Act 1987</i>	4
Agency purpose or role	4
Objectives	4
Key strategies and their relationship to SA Government objectives	4
Agency programs and initiatives and their effectiveness and efficiency	4
Legislation administered by the agency	4
Organisation of the agency	5
Other agencies related to this agency (within the Minister's area/s of responsibility)	5
Employment opportunity programs	6
Agency performance management and development systems	6
Occupational health, safety and rehabilitation programs of the agency and their effectiveness	6
Fraud detected in the agency	7
Strategies implemented to control and prevent fraud	7
Whistle-blowers' disclosure	7
Executive employment in the agency	7
Consultants	8
Financial performance of the agency	8
Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions.....	9
Section B: Reporting required under any other act or regulation	10
Health Care Act 2008	10
Reporting required under the <i>Carers' Recognition Act 2005</i>	11
Section C: Reporting of public complaints as requested by the Ombudsman.	12
Summary of complaints by subject	12
Complaint Outcomes	12
Appendix: Audited financial statements 2016-17	12

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

The Health Advisory Council was established by the then Minister for Health and Ageing to undertake an advocacy role on behalf of the community and to provide advice in relation to health matters, amongst other functions.

In accordance with the requirements of section 17 of the Health Care Act 2008, the Health Advisory Council is governed by a constitution determined by the Minister.

The constitution is available at [www.sahealth.sa.gov.au/CHSALHN Governing Council](http://www.sahealth.sa.gov.au/CHSALHN%20Governing%20Council).

Objectives

The Health Advisory Council undertakes an advocacy role on behalf of the community.

Key strategies and their relationship to SA Government objectives

The Health Advisory Council undertakes an advocacy role on behalf of the community.

Agency programs and initiatives and their effectiveness and efficiency

The Health Advisory Council undertakes an advocacy role on behalf of the community.

Legislation administered by the agency

The Health Advisory Council undertakes an advocacy role on behalf of the community.

Organisation of the agency

Health Advisory Councils in country South Australia undertake an advocacy role on behalf of the community. The Country Health SA Local Health Network Health Advisory Council Inc (Governing Council) acts as an 'umbrella body' for other Health Advisory Councils, providing advice from a whole of country perspective.

Regional Presiding Member representatives also come together as the Presiding Member Panel to facilitate communication exchange between the local Health Advisory Councils and the Governing Council.

Membership of the Governing Council is to comprise not fewer than six and not more than eight members, the majority of whom must reside within Country South Australia at the time of their appointment, appointed in accordance with the Constitution.

A list of members is available at:

[www.sahealth.sa.gov.au/CHSALHN Governing Council](http://www.sahealth.sa.gov.au/CHSALHN%20Governing%20Council)

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

Country Health SA Local Health Network Inc

Incorporated and unincorporated country Health Advisory Councils:

- Balaklava and Riverton Health Advisory Council Inc
- Barossa and Districts Health Advisory Council Inc
- Berri Barmera District Health Advisory Council Inc
- Bordertown and District Health Advisory Council Inc
- Ceduna District Health Services Health Advisory Council Inc
- Coorong Health Service Health Advisory Council Inc
- Eastern Eyre Health Advisory Council Inc
- Eudunda Kapunda Health Advisory Council Inc
- Far North Health Advisory Council
- Gawler District Health Advisory Council Inc
- Hawker District Memorial Health Advisory Council
- Hills Area Health Advisory Council Inc
- Kangaroo Island Health Advisory Council Inc
- Kingston/Robe Health Advisory Council Inc
- Leigh Creek Health Services Health Advisory Council
- Lower Eyre Health Advisory Council Inc
- Lower North Health Advisory Council Inc

- Loxton and Districts Health Advisory Council Inc
- Mallee Health Service Health Advisory Council Inc
- Mannum District Hospital Health Advisory Council Inc
- Mid North Health Advisory Council Inc
- Mid-West Health Advisory Council Inc
- Millicent and Districts Health Advisory Council Inc
- Mount Gambier and Districts Health Advisory Council Inc
- The Murray Bridge Soldiers' Memorial Hospital Health Advisory Council Inc
- Naracoorte Area Health Advisory Council Inc
- Northern Yorke Peninsula Health Advisory Council Inc
- Penola and Districts Health Advisory Council Inc
- Port Augusta, Roxby Downs, Woomera Health Advisory Council
- Port Broughton District Hospital and Health Services Health Advisory Council Inc
- Port Lincoln Health Advisory Council
- Port Pirie Health Service Advisory Council
- Quorn Health Services Health Advisory Council
- Renmark Paringa District Health Advisory Council Inc
- South Coast Health Advisory Council Inc
- Southern Flinders Health Advisory Council
- Waikerie and Districts Health Advisory Council Inc
- Whyalla Hospital and Health Services Advisory Council
- Yorke Peninsula Health Advisory Council Inc

Employment opportunity programs

The Health Advisory Council consists of volunteers who undertake an advocacy role on behalf of the community.

Agency performance management and development systems

The Health Advisory Council consists of volunteers who undertake an advocacy role on behalf of the community.

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

The Health Advisory Council consists of volunteers who undertake an advocacy role on behalf of the community.

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil to report	0

Strategies implemented to control and prevent fraud

Health Advisory Councils have specific functions and powers as defined in the *Health Care Act 2008* and the Constitution (for incorporated Health Advisory Councils or Rules (for non incorporated Health Advisory Councils), including actions that cannot be undertaken without the approval of the Minister.

Health Advisory Councils are instrumentalities of the Crown and subject to relevant Department of Treasury and Finance Treasurers Instructions.

The Constitutions / Rules identify the actions to be undertaken in the event of a conflict of interest. All declared conflicts of interest are reported to the Minister for Health through Country Health SA Local Health Network Inc.

Data for the past five years is available at:

<https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

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/country-health-sa-local-health-network>

Executive employment in the agency

Executive classification	Number of executives
None	0

Data for the past five years is available at:

<https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

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 Nil	Purpose (combined)	0
Consultancies above \$10,000 each		
Nil		0
Total all consultancies		0
Nil		

Data for the past five years is available at:

<https://data.sa.gov.au/data/dataset/country-health-sa-local-health-network>

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.

Donations and proceeds from fundraising activities received by the Health Advisory Council are held in its Gift Fund Trust. Distributions made from this trust must be to or for the benefit of the local public health service. A minimum distribution from the fund must be made annually in order to comply with the Australian Taxation Office guidelines. The net assets of the Gift Fund Trust as at 30 June 2017 were \$1,556,000.

The Health Advisory Council is also the registered proprietor of various land and buildings utilised by the local health service. As at 30 June 2017 the net assets of the Health Advisory Council were \$17,916,000.

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**

Nil to report.

Section B: Reporting required under any other act or regulation

Health Care Act 2008

Part 4 Health Advisory Councils, Division 2 Functions and Powers, 18 Functions

- Contributing to the evolution of the Country Health SA Local Health Network Governing Council.
- Supporting and liaising with the Country Health SA Local Health Network Health Advisory Council's Presiding Member Panel.
- Providing advice and advocating for country health through meetings with the Minister for Health.
- Monitoring the performance of Country Health SA Local Health Network and the Country Health SA Local Health Network Health Advisory Council (Governing Council).
- Contributing to the Social Development Committee inquiry into health services in regional South Australia.
- Accompanying the Chief Executive Officer on visits to country sites during the year and continuing to build relationships between the Governing Council and local communities.
- Participating in regional combined Health Advisory Council forums.
- Participating in Country Cabinet forums in regional South Australia.
- Providing advice and endorsement of updated quarterly Health Advisory Council reporting template.
- Providing advice and endorsement of updated Health Advisory Council Orientation and Induction presentation and handbook.
- Participating in the Country Health SA Local Health Network Performance Committee as the Health Advisory Council community and consumer representative.
- Partnering with other agencies including the Health Consumers Alliance of South Australia and Rural Doctors Workforce Agency.
- Participating on the Country Health SA Local Health Network Patient Assistance Transport Scheme Appeal and Review Committee.
- Providing consumer feedback to the SA Health Safety and Quality in Health Care Consumer and Community Advisory Committee for various publications.
- Contributing to the Health Performance Council revisit review of Health Advisory Councils.
- Discharging the Governing Council's legal and financial responsibility for the bank accounts associated with the unincorporated Health Advisory Councils. Formal requests from the unincorporated Health Advisory Councils for proposed expenditure or investment options were received and endorsed by the Governing Council with follow up correspondence forwarded to the local Health Advisory Council.
- Monitoring the minimum distribution compliance of all Health Advisory Councils in relation to the Australian Taxation Office Public Ancillary Fund Guidelines 2011 that took effect 1 July 2016.
- Attending the annual SA Health Awards night.

- Hosting the Annual Combined Health Advisory Council Conference. The conference was held over two days, 13 and 14 June 2017 with an evening session added to the program, including a dinner for delegates. The conference provided an opportunity for networking and discussing health-related topical issues affecting country South Australians. The overarching theme for the 2017 conference was engagement and collaboration. The conference was organised by a Health Advisory Council Conference Working Party, made up of Health Advisory Council members and key Country Health staff. This was a new initiative and Health Advisory Council members led the subject choices and recommended speakers that included:
 - keynote address by the Minister for Health and the Minister for Mental Health and Substance Abuse
 - keynote address by the Chief Executive, SA Health.
 - keynote address by the Chief Executive Officer, Country Health SA Local Health Network
 - launch of 'A Partnership Framework for Health Advisory Councils and Country Health SA'
 - youth Aboriginal community engagement
 - an SA Health strategic plan workshop
 - a workshop about Country Health Connect in practice
 - Executive Panel – Question and Answer session.
 - Health Performance Council Health Advisory Council Revisit Review
 - General Hospitals – common issues
 - HACs and engagement with Local Government
 - Primary Health Networks – building positive relationships
 - Media and communications for Health Advisory Councils
 - Health Advisory Council promotion in practice.
- Appointing local Health Advisory Council Presiding Members as delegated by the Minister for Health in accordance with the *Health Care Act 2008*. Providing thankyou acknowledgment letters to outgoing Presiding Members.

Reporting required under the *Carers' Recognition Act 2005*

Not Applicable.

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/country-health-sa-local-health-network>

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

David Chant FCPA
Simon Smith FCPA
David Sullivan CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CPA

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC.

Scope

Report on the Financial Report

We have audited the accompanying financial report of Country Health SA Local Health Network Health Advisory Council Inc. (the Health Advisory Council), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising summary of significant accounting policies and other explanatory information, and the statement by the presiding member and operational finance manager.

Health Advisory Council's Responsibility for the Financial Report

The Health Advisory Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Health Care Act 2008, Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, Department of Health Accounting Policies, applicable Accounting Standards and other mandatory professional reporting requirements in Australia. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Health Advisory Council's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Health Advisory Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Health Advisory Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of Country Health SA Local Health Network Health Advisory Council Inc. presents fairly in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, Department of Health Accounting Policies, the Health Care Act 2008, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Country Health SA Local Health Network Health Advisory Council Inc. as at 30 June 2017 and the results of its operations and its cash flows for the year then ended.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

8 / 9 / 2017

COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2017



	Note	2017 \$'000	2016 \$'000
Expenses			
Depreciation expense	5	685	680
Total expenses		685	680
Net cost of providing services		685	680
Net result		(685)	(680)
Total comprehensive result		(685)	(680)

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

COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC
STATEMENT OF FINANCIAL POSITION
As at 30 June 2017



	Note	2017 \$ '000	2016 \$ '000
Non-current assets			
Property, plant and equipment	5	17,916	18,601
Total non-current assets		17,916	18,601
Total assets		17,916	18,601
Net assets		17,916	18,601
Equity			
Asset revaluation surplus		1,673	1,673
Retained earnings		16,243	16,928
Total equity		17,916	18,601

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

COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2017



	Asset revaluation surplus \$ '000	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2015	1,673	17,608	19,281
Net result for 2015-16	-	(680)	(680)
Total comprehensive result for 2015-16	-	(680)	(680)
Balance at 30 June 2016	1,673	16,928	18,601
Net result for 2016-17	-	(685)	(685)
Total comprehensive result for 2016-17	-	(685)	(685)
Balance at 30 June 2017	1,673	16,243	17,916

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

COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC
STATEMENT OF CASH FLOWS
For the year ended 30 June 2017



	Note	2017 \$ '000	2016 \$ '000
Net cash provided by / (used in) operating activities		-	-
Net cash provided by/(used in) investing activities		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the period		-	-
Cash and cash equivalents at the end of the period		-	-

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

1 Objectives of Country Health SA Local Health Network Health Advisory Council Inc

The Country Health SA Local Health Network Health Advisory Council Inc (Advisory Council) was established under the Health Care Act 2008 (the Act) to undertake an advocacy role on behalf of the community, to provide advice, and to perform other functions as determined under the Act.

The Advisory Council is established to:

- advise on the health service needs, priorities and issues within the Local Area with particular emphasis upon those issues in the context of consumers of health services, carers and volunteers
- ascertain the health needs of the Community and the attitude of the Community to the development of health services within the Community
- advocate on behalf of the Community to support the planning and provision of health services as part of an integrated statewide health system for the benefit of the Community
- hold assets for the benefit, purposes and use of, the Health Unit(s) on terms and conditions determined or approved by the Minister
- undertake such other activities as the Advisory Council may determine for the benefit or support of health services in the Local Area

The functions of the Advisory Council are to contribute significantly to the improved overall health status of all people by acting as an advocate and providing advice about the provision of health services, health issues, goals, priorities, plans and other strategic initiatives both inside and outside the Local Area.

1.1 Reporting entity

The Advisory Council was established as an incorporated advisory council under the *Health Care Act 2008* under the name Country Health SA Board Health Advisory Council Incorporated. This name was changed on 5 June 2012 to Country Health SA Local Health Network Health Advisory Council Incorporated.

The consolidated accounts of the Advisory Council include the income, expenses, assets and liabilities of Country Health SA Local Health Network Health Advisory Council Inc and the following unincorporated Health Advisory Councils under its

- Far North Health Advisory Council
- Hawker District Memorial Health Advisory Council
- Leigh Creek Health Service Health Advisory Council
- Port Augusta, Roxby Downs, Woomera Health Advisory Council
- Port Lincoln Health Advisory Council
- Port Pirie Health Service Health Advisory Council
- Southern Flinders Health Advisory Council
- The Whyalla Hospital and Health Services Health Advisory Council
- Quorn Health Services Health Advisory Council

2 Summary of 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 (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and accounting policy statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

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

COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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 the Advisory Council'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 to be 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 disclosure, that has been included in this financial report:
 - council member and remuneration information, where a council 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 and are presented in Australian currency.

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

The Advisory Council is not subject to income tax but is liable for 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 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.

2.7 Current and non-current classification

The Advisory Council 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.

2.8 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.

The Advisory Council capitalises all non-current tangible assets that it controls valued at or greater than \$10,000.

b. Depreciation and amortisation of non-current assets

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

The useful lives and depreciation methods of all major assets held by the Advisory Council 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 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
Site improvements	40 - 80

c. Revaluation of non-current assets

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

The Advisory Council revalues all land, buildings and site improvements triennially via a Certified Practising Valuer.

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

The Advisory Council holds its property 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 close to or greater than fair value. The Advisory Council also expects for all other non-current tangible assets that any costs of disposal will be negligible, and the recoverable amount to be close to or greater than fair value.

2.9 Equity

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

3 New and revised accounting standards and policies

The Advisory Council did not voluntarily change any of its accounting policies during 2016-17.

4 Depreciation expense

	2017	2016
	\$'000	\$'000
Buildings and improvements	685	680
Total depreciation	685	680

5 Property, plant and equipment

	2017	2016
	\$'000	\$'000
Land and buildings		
Land	1,041	1,041
Buildings and improvements	18,298	18,298
Accumulated depreciation - buildings and improvements	(1,423)	(738)
Total land, buildings and improvements	17,916	18,601
Total property, plant and equipment	17,916	18,601

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 1st 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.

Impairment

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

Resources received free of charge

There were no resources received free of charge during the reporting period.

Reconciliation of land and improvements

The following table shows the movement of land and improvements

2016-17

	Land \$'000	Buildings \$'000	Total \$'000
Carrying amount at beginning of the period	1,041	17,560	18,601
Depreciation	-	(685)	(685)
Carrying amount at the end of the period	1,041	16,875	17,916

2015-16

	Land \$'000	Buildings \$'000	Total \$'000
Carrying amount at beginning of the period	1,041	18,240	19,281
Depreciation	-	(680)	(680)
Carrying amount at the end of the period	1,041	17,560	18,601

6 Remuneration of Council members

Members of the Advisory Council who served for all or part of the financial year were:

Blacker P (Presiding Member)	Healy R	
Evans L	Sam G	resigned 30/06/2017
Gregurke K	Sparkes D	resigned 30/06/2017

The number of members whose remuneration received or receivable falls within the following bands:	2017	2016
	No. of Members	No. of Members
\$0 - \$9,999	6	6
\$10,000 - \$19,999	1	1
Total	7	7

Remuneration of members reflects all costs of performing council member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$64,000 (\$55,000). This income has been paid and reported in Country Health SA Local Health Network Inc during 2016/17.

In accordance with the *Department of Premier and Cabinet Circular No. 016*, government employees did not receive any remuneration for council member 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.

7 Related party transactions

The Advisory Council is a government administrative unit and is wholly owned and controlled by the Crown.

Related parties of the Advisory Council include all key management personnel 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.

Key Management Personnel

Key management personnel of the the Advisory Council includes the Ministers, the Chief Executive of the Department, Chief Executive Officer of Country Health SA Local Health Network and the members of the Advisory Council.

There were no transactions with key management personnel and other related parties that require disclosure.

8 Events after balance date

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

COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC

CERTIFICATION OF THE FINANCIAL STATEMENTS

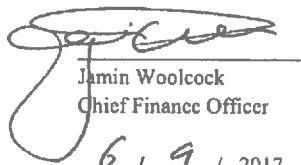
We certify that the:

- financial statements of Country Health SA Local Health Network Health Advisory Council Inc:
 - are in accordance with the accounts and records of the authority; and
 - comply with the relevant Treasurer's instructions; and
 - comply with the 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 Country Health SA Local Health Network Health Advisory Council Inc over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Peter Blacker
Presiding Member of the Country Health SA Local Health
Network Health Advisory Council Inc
6 / 09 / 2017



Jamin Woolcock
Chief Finance Officer
6 / 9 / 2017

David Chant FCPA
Simon Smith FCPA
David Sullivan CPA
Jason Seidel CA
Renaë Nicholson CA
Tim Muhlhausler CA
Aaron Coonan CA
Luke Williams CPA

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under Professional Standards Legislation

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COUNTRY HEALTH SA BOARD HEALTH ADVISORY COUNCIL INC. GIFT FUND TRUST

Scope

Report on the Financial Report

We have audited the accompanying financial report of Country Health SA Board Health Advisory Council Inc. Gift Fund Trust (the Gift Fund Trust), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising summary of significant accounting policies and other explanatory information, and the statement by the presiding member and operational finance manager.

Health Advisory Council's Responsibility for the Financial Report

The Gift Fund Trust is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Health Care Act 2008, Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, Department of Health Accounting Policies, applicable Accounting Standards and other mandatory professional reporting requirements in Australia. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Gift Fund Trust's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Gift Fund Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Gift Fund Trust, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, the financial report of Country Health SA Board Health Advisory Council Inc. Gift Fund Trust presents fairly in accordance with Treasurer's Instructions promulgated under the provisions of the Public Finance and Audit Act 1987, Department of Health Accounting Policies, the Health Care Act 2008, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of Country Health SA Board Health Advisory Council Inc. Gift Fund Trust as at 30 June 2017 and the results of its operations and its cash flows for the year then ended.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

8 / 9 / 2017

COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST
 STATEMENT OF COMPREHENSIVE INCOME
 For the year ended 30 June 2017

Galpins

	Note	2017 \$'000	2016 \$'000
Expenses			
Supplies and services	4	4	-
Grants and subsidies	5	100	305
Total expenses		104	305
Income			
Interest revenue	6	26	27
Other revenue	7	198	180
Total income		224	207
Net cost of providing services		(120)	98
Net result		120	(98)
Total comprehensive result		120	(98)

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

COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST
 STATEMENT OF FINANCIAL POSITION
 As at 30 June 2017



	Note	2017 \$ '000	2016 \$ '000
Current assets			
Cash and cash equivalents	8	782	367
Receivables	9	3	4
Other financial assets	10	771	1,088
Total current assets		1,556	1,459
Total assets		1,556	1,459
Current liabilities			
Payables	11	-	23
Total current liabilities		-	23
Total liabilities		-	23
Net assets		1,556	1,436
Equity			
Retained earnings		1,556	1,436
Total equity		1,556	1,436

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

**COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC GIFT
FUND TRUST
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2017**

Galpins

	Note	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2015		1,534	1,534
Net result for 2015-16		(98)	(98)
Total comprehensive result for 2015-16		(98)	(98)
Balance at 30 June 2016		1,436	1,436
Net result for 2016-17		120	120
Total comprehensive result for 2016-17		120	120
Balance at 30 June 2017		1,556	1,556

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

COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST
 STATEMENT OF CASH FLOWS
 For the year ended 30 June 2017



	Note	2017 \$ '000	2016 \$ '000
Cash flows from operating activities			
Cash outflows			
Payments for supplies and services		(4)	-
Payments of grants and subsidies		(123)	(303)
Cash used in operations		<u>(127)</u>	<u>(303)</u>
Cash inflows			
Interest received		1	1
Other receipts		198	180
Cash generated from operations		<u>199</u>	<u>181</u>
Net cash provided by / (used in) operating activities		<u>72</u>	<u>(122)</u>
Cash flows from investing activities			
Cash outflows			
Purchase of investments		(750)	(50)
Cash used in investing activities		<u>(750)</u>	<u>(50)</u>
Cash inflows			
Proceeds from sale/maturities of investments		1,093	-
Cash generated from investing activities		<u>1,093</u>	<u>-</u>
Net cash provided by/(used in) investing activities		<u>343</u>	<u>(50)</u>
Net increase/(decrease) in cash and cash equivalents		415	(172)
Cash and cash equivalents at the beginning of the period		367	539
Cash and cash equivalents at the end of the period	8	<u>782</u>	<u>367</u>

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

1 Objectives of Country Health SA Local Health Network Health Advisory Council Inc Gift Fund Trust

The Country Health SA Local Health Network Health Advisory Council Inc Gift Fund Trust (the Trust) was established by virtue of a deed executed between the Department for Health and Ageing and the Country Health SA Local Health Network Health Advisory Council Inc (the Trustee).

The Trust is a public ancillary fund and has been endorsed by the Australian Taxation Office as a Deductible Gift Recipient (DGR).

The Trust is established to:

- seek, collect and administer donations and bequests, to be used for the benefit of the local area health services that are DGRs
- undertake fundraising activities, the proceeds from which are to be used for the benefit of the local area health services that are DGRs

1.1 Reporting entity

The consolidated accounts of the Trust include the income, expenses, assets and liabilities of Country Health SA Local Health Network Health Advisory Council Inc Gift Fund Trust and the following unincorporated Health Advisory Councils under its

- Far North Health Advisory Council
- Hawker District Memorial Health Advisory Council
- Leigh Creek Health Service Health Advisory Council
- Port Augusta, Roxby Downs, Woomera Health Advisory Council
- Port Lincoln Health Advisory Council
- Port Pirie Health Service Health Advisory Council
- Southern Flinders Health Advisory Council
- The Whyalla Hospital and Health Services Health Advisory Council
- Quorn Health Services Health Advisory Council

2 Summary of 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 (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and accounting policy statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Trust has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Trust 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 the Trust'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 to be 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 disclosure, that has been included in this financial report:
 - ♦ council member and remuneration information, where a council 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 and are presented in Australian currency.

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

The Trust is not subject to income tax but is liable for 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 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.

2.7 Current and non-current classification

The Trust 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.

3 New and revised accounting standards and policies

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

4 Supplies and services

	2017	2016
	\$'000	\$'000
Other supplies and services	4	-
Total supplies and services	4	-

5 Grants and subsidies

	2017	2016
	\$'000	\$'000
Other	100	305
Total grants and subsidies	100	305

6 Interest revenue

	2017	2016
	\$'000	\$'000
Bank interest	26	27
Total interest revenue	26	27

7 Other revenues/income

	2017	2016
	\$'000	\$'000
Donations	193	174
Other	5	6
Total other revenues	198	180

8 Cash and cash equivalents

	2017	2016
	\$'000	\$'000
Cash at bank or on hand - non-government financial institutions	781	366
Imprest account/cash on hand	1	1
Total cash	782	367

9 Receivables

Current	Note	2017 \$'000	2016 \$'000
Interest income receivable		3	4
Total current receivables		3	4
Total receivables		3	4

10 Other financial assets

Current	2017 \$'000	2016 \$'000
Term deposits:		
Finance institutions	771	1,088
Total current investments	771	1,088
Total investments	771	1,088

The Trust measures financial assets and debts at historical cost.

11 Payables

Current	2017 \$'000	2016 \$'000
Creditors and accrued expenses	-	23
Total payables	-	23

12 Financial instruments / financial risk management

12.1 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*.

The Trust's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held. There have been no changes in risk exposure since the last reporting period.

12.2 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; receivables; and financial liabilities measured at cost are detailed below.

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	8	782	367
Loans and receivables			
Receivables ⁽¹⁾	9	3	4
Held to maturity investments			
Other financial assets	10	771	1,088
Total financial assets		1,556	1,459
Financial liabilities			
Financial liabilities at cost			
Payables ⁽¹⁾	11	-	23
Total financial liabilities		-	23

⁽¹⁾ Receivables and payables disclosed here exclude statutory receivables and payables such as GST receivables and payables.

13 Remuneration of Council members

Members of the Advisory Council who served for all or part of the financial year were:

Blacker P (Presiding Member)	Healy R	
Evans L	Sam G	resigned 30/06/2017
Gregurke K	Sparkes D	resigned 30/06/2017

	2017	2016
The number of members whose remuneration received or receivable falls within the following bands:	No. of Members	No. of Members
\$0 - \$9,999	6	6
\$10,000 - \$19,999	1	1
Total	7	7

Remuneration of members reflects all costs of performing council member duties including sitting fees, superannuation contributions, fringe benefits tax and any other salary sacrifice arrangements. The total remuneration received or receivable by members was \$64,000 (\$55,000). This income has been paid and reported in Country Health SA Local Health Network Inc during 2016/17.

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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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Related parties of the Trust include all key management personnel 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.

Key Management Personnel

Key management personnel of the the Trust includes the Ministers, the Chief Executive of the Department, Chief Executive Officer of Country Health SA Local Health Network and the members of the Advisory Council.

There were no transactions with key management personnel and other related parties that require disclosure.

15 Events after balance date

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

COUNTRY HEALTH SA LOCAL HEALTH NETWORK HEALTH ADVISORY COUNCIL INC GIFT FUND
TRUST

CERTIFICATION OF THE FINANCIAL STATEMENTS

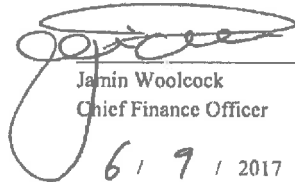
We certify that the:

- financial statements of Country Health SA Local Health Network Health Advisory Council Inc Gift Fund
 - are in accordance with the accounts and records of the authority; and
 - comply with the relevant Treasurer's instructions; and
 - comply with the 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 Country Health SA Local Health Network Health Advisory Council Inc Gift Fund Trust over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Peter Blacker
Presiding Member of the Country Health SA Local Health
Network Health Advisory Council Inc (the Trustee)

6 / 09 / 2017



Jamin Woolcock
Chief Finance Officer

6 / 9 / 2017