



**Government of South Australia**

Penola and Districts Health  
Advisory Council Inc.

# Penola and Districts Health Advisory Council Inc. **2016-17 Annual Report**

Penola and District Health Advisory Council Inc

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**ISSN** 1837-3194

**Date presented to Minister:** 21 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 by: Penola and Districts Health Advisory Council

Helen Edwards

A / Presiding Member

  
Signature \_\_\_\_\_ Date 21/9/17

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

### **Agency purpose or role**

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.

The constitution is available at <http://www.sahealth.sa.gov.au/penola>

### **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 Health Advisory Council can include:

- Not fewer than six and not more than 15 Members
- Up to eight Community Members
- Nominee of Local Government
- A local Member of Parliament or their nominee
- A medical practitioner member
- A worker from Country Health SA Local Health Network

A list of current members is available at:

<http://www.sahealth.sa.gov.au/penola>

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

Country Health SA Local Health Network Inc  
Country Health SA Local Health Network Health Advisory Council Inc (Governing Council)  
Bordertown and District Health Advisory Council Inc  
Kingston and Districts Health Advisory Council Inc  
Millicent and Districts Health Advisory Council Inc  
Mount Gambier and Districts Health Advisory Council Inc  
Naracoorte Area 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	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/resources/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

## Executive employment in the agency

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

## 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
Nil		0
<b>Consultancies above \$10,000 each</b>		
Nil		0
<b>Total all consultancies</b>		0
Nil		

Data for the past five years is available at:

<https://data.sa.gov.au/data/dataset/resources/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 \$20,000.

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 \$6,801,000.

### **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

The Health Advisory Council acts as an advocate to promote the interests of the community. During the year, activities have included the following:

- Participated in the South East Health Service Combined Health Advisory Council Meeting on 6 October 2016 with guest speakers namely Rebecca Graham, Acting Chief Executive Officer Country Health SA Local Health Network (CHSALHN), Yvonne Warncken, Chief Finance Officer CHSALHN and Peter Blacker, Presiding Member CHSALHN Health Advisory Council.
- Participated in the South East Health Service Combined Health Advisory Council Meeting on 8 March 2017.
- Participated in Country Health SA Local Health Network Combined Health Advisory Council Conference on 14 June 2017.
- The Health Advisory Council has actively promoted the Commonwealth Government's Aged Care reforms and the rebranding by Country Health of Community Health to Country Health Connect.
- Penola and Districts Health Advisory Council Presiding Member is a Representative of the South East Region on the Country Health SA Presiding Member Panel.

### 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/resources/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](#).

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2017**

	Note	2017 \$'000	2016 \$'000
<b>Expenses</b>			
Grants and subsidies	4	1	-
<b>Total expenses</b>		<u>1</u>	<u>-</u>
<b>Income</b>			
Other revenue	5	1	2
<b>Total income</b>		<u>1</u>	<u>2</u>
<b>Net cost of providing services</b>		-	(2)
<b>Net result</b>		<u>-</u>	<u>2</u>
<b>Total comprehensive result</b>		<u>-</u>	<u>2</u>

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

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2017**

	Note	2017 S '000	2016 S '000
<b>Current assets</b>			
Cash and cash equivalents	6	20	20
<b>Total current assets</b>		<u>20</u>	<u>20</u>
<b>Total assets</b>		<u>20</u>	<u>20</u>
<b>Net assets</b>		<u>20</u>	<u>20</u>
<b>Equity</b>			
Retained earnings		20	20
<b>Total equity</b>		<u>20</u>	<u>20</u>

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

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2017**

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	Note	Retained earnings \$ '000	Total equity \$ '000
Balance at 30 June 2015		18	18
Net result for 2015-16		2	2
Total comprehensive result for 2015-16		2	2
Balance at 30 June 2016		20	20
Net result for 2016-17		-	-
Total comprehensive result for 2016-17		-	-
Balance at 30 June 2017		20	20

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

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST**  
**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2017**

	Note	2017 \$ '000	2016 \$ '000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Payments of grants and subsidies		(1)	-
<b>Cash used in operations</b>		<u>(1)</u>	<u>-</u>
<b>Cash inflows</b>			
Other receipts		1	2
<b>Cash generated from operations</b>		<u>1</u>	<u>2</u>
<b>Net cash provided by / (used in) operating activities</b>		<u>-</u>	<u>2</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		-	2
Cash and cash equivalents at the beginning of the period		20	18
<b>Cash and cash equivalents at the end of the period</b>	6	<u>20</u>	<u>20</u>

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

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2017**

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**1 Objectives of Penola and Districts Health Advisory Council Inc Gift Fund Trust**

The Penola and Districts 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 Penola and Districts 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 financial statements include all controlled activities of the Trust.

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

**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*.

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.

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2017**

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**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 Grants and subsidies**

	Note	2017 \$'000	2016 \$'000
Other		1	-
<b>Total grants and subsidies</b>		<b>1</b>	<b>-</b>

**5 Other revenues/income**

	2017 \$'000	2016 \$'000
Donations	1	2
<b>Total other revenues</b>	<b>1</b>	<b>2</b>

**6 Cash and cash equivalents**

	2017 \$'000	2016 \$'000
Cash at bank or on hand - non-government financial institutions	20	20
<b>Total cash</b>	<b>20</b>	<b>20</b>

**7 Financial instruments / financial risk management**

**7.1 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.

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2017**

**7.2 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 S'000	2016 Carrying amount/ Fair value S'000
<i>Financial assets</i>			
Cash and equivalent			
Cash and cash equivalents	6	20	20
Loans and receivables			
<b>Total financial assets</b>		<b>20</b>	<b>20</b>

<sup>(1)</sup> Receivables and payables disclosed here exclude statutory receivables and payables such as GST receivables and payables.

**8 Remuneration of Council members**

The total remuneration received or receivable by members was nil. 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.

**9 Related party transactions**

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

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.

**10 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.

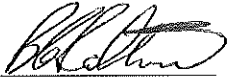


PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC GIFT FUND TRUST

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

- financial statements of Penola and Districts Health Advisory Council Inc Gift Fund Trust:
  - 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 Penola and Districts 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.



Bruce Robertson  
Presiding Member of the Penola and Districts Health Advisory  
Council Inc (the Trustee)

31 / 8 / 2017

\_\_\_\_\_  
Jamin Woolcock  
Chief Finance Officer

/ / 2017

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 30 June 2017**

	Note	2017 \$'000	2016 \$'000
<b>Expenses</b>			
Depreciation expense	4	281	312
<b>Total expenses</b>		<u>281</u>	<u>312</u>
<b>Net cost of providing services</b>		281	312
<b>Net result</b>		<u>(281)</u>	<u>(312)</u>
<b>Total comprehensive result</b>		<u>(281)</u>	<u>(312)</u>

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

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2017**

	Note	2017 \$ '000	2016 \$ '000
<b>Non-current assets</b>			
Property, plant and equipment	5	6,801	7,082
<b>Total non-current assets</b>		<u>6,801</u>	<u>7,082</u>
<b>Total assets</b>		<u>6,801</u>	<u>7,082</u>
<b>Net assets</b>		<u>6,801</u>	<u>7,082</u>
<b>Equity</b>			
Asset revaluation surplus		967	967
Retained earnings		5,834	6,115
<b>Total equity</b>		<u>6,801</u>	<u>7,082</u>

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

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2017**

	Asset		
	revaluation	Retained	Total
Note	surplus	earnings	equity
	\$ '000	\$ '000	\$ '000
Balance at 30 June 2015	967	6,427	7,394
Net result for 2015-16	-	(312)	(312)
Total comprehensive result for 2015-16	-	(312)	(312)
Balance at 30 June 2016	967	6,115	7,082
Net result for 2016-17	-	(281)	(281)
Total comprehensive result for 2016-17	-	(281)	(281)
Balance at 30 June 2017	967	5,834	6,801

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

**PENOLA AND DISTRICTS 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.

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2017**

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**1 Objectives of Penola and Districts Health Advisory Council Inc**

The Penola and Districts 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*.

The financial statements include all controlled activities of the Advisory Council.

The Advisory Council does not control any other entity and has no interests in unconsolidated structured entities.

**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.

**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*.

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).

**PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2017**

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**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.

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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
	S'000	S'000
Buildings and improvements	281	312
<b>Total depreciation</b>	<b>281</b>	<b>312</b>

**5 Property, plant and equipment**

	2017	2016
	S'000	S'000
Land and buildings	220	220
Land	7,200	7,199
Buildings and improvements	(619)	(337)
Accumulated depreciation - buildings and improvements	6,801	7,082
<b>Total land, buildings and improvements</b>	<b>6,801</b>	<b>7,082</b>
<b>Total property, plant and equipment</b>	<b>6,801</b>	<b>7,082</b>

**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.



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**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	220	6,862	7,082
Depreciation	-	(281)	(281)
<b>Carrying amount at the end of the period</b>	<b>220</b>	<b>6,581</b>	<b>6,801</b>

2015-16

	Land \$'000	Buildings \$'000	Total \$'000
Carrying amount at beginning of the period	220	7,174	7,394
Depreciation	-	(312)	(312)
<b>Carrying amount at the end of the period</b>	<b>220</b>	<b>6,862</b>	<b>7,082</b>

**6 Remuneration of Council members**

The total remuneration received or receivable by members was nil. 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.

PENOLA AND DISTRICTS HEALTH ADVISORY COUNCIL INC

CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

- financial statements of Penola and Districts 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 Penola and Districts Health Advisory Council Inc over its financial reporting and its preparation of the financial statements have been effective throughout the financial year.



Bruce Robertson  
Presiding Member of the Penola and Districts Health Advisory  
Council Inc

31 / 8 / 2017

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Jamin Woolcock  
Chief Finance Officer

/ / 2017