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**Government  
of South Australia**

# **Flinders and Upper North Local Health Network 2021-22 Annual Report**

Flinders and Upper North Local Health Network  
71 Hospital Road, PORT AUGUSTA, South Australia, 5700

Flinders and Upper North Local Health Network

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Date presented to Minister: 27 September 2022

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To:

Hon Christopher Picton

Minister for Health and Wellbeing South Australia.

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Health Care Act 2008*, *Health Care (Governance) Amendment Act 2021* and 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 Flinders and Upper North Local Health Network by:

Craig Packard

Chief Executive Officer

Flinders and Upper North Local Health Network

Date: 27 September 2022

Signature: 

Mark Whitfield

Chair Governing Board

Flinders and Upper North Local Health Network

Date: 27 September 2022

Signature: 

## From the Chief Executive



The past year has required us to meet many challenges of the Covid-19 Pandemic, of which I am extremely proud of how all our staff have embraced this. In addition, we have been able to strengthen our workforce capacity and progress many strategic requirements to continue to mature our health network and provide the best possible care to our patients, consumers and communities.

The Covid-19 response has assisted FUNLHN, as a regional LHN, to connect closely with the broader state health system, including with other Regional LHNs and the Metropolitan health services. We have been able to work collaboratively on solutions to challenges, particularly relating to workforce shortages and having the required expertise and I am confident there is a stronger understanding of the needs of rural and remote communities, when responding to state-wide and national emergency situations.

The necessity for our LHN to respond and support the community required us to establish not only new acute Covid-19 systems and processes, but assist additionally in the community, in roles that have not historically been our key scope of service. This included accommodation supports for many vulnerable people who did not have access to safe or appropriate accommodation for isolation or recovery. Our health services were at the forefront of establishing quarantining facilities, including the utilisation of our own 'Step-Down Unit' accommodation for the purpose of Covid -19 quarantining.

The development of a Local Aboriginal Health contact tracing team and cultural advisers was another pivotal and unique part of the response, to enable us to meet the needs of the vulnerable people in our communities.

Despite all the challenges of Covid-19 on our services, there are many significant achievements that have been reached. We have enhanced our digital capacity over the past 12 months, as we know that utilisation of digital systems will be essential to our future service models. Some achievements have included improved internet access and wider bandwidth along with implementation of wi-fi, including a plan to have all our health services wi-fi enabled over the coming year. Our community-based services have trialled an enhanced tele-health service model and utilising a far greater use of portable and mobile devices, outside of fixed office-based computers and systems. Over the coming 12 months we are prioritising further digital based medical records systems, including a roll out of the Lee-Care system to our residential aged care services at Hawker and Quorn and expansion of the Sunrise Electronic Medical Record (EMR) system.

FUNLHN has maintained a high result against key performance areas, as established through our service level agreements. Maintaining a high achievement in these performance areas, ensures we maintain a strong focus on the safety and quality of the services we deliver. We have maintained accreditation requirements under the National Safety and quality standards for all our health services, have been successfully accredited under the National Disability Insurance Scheme Practice standards and successfully met the accreditation requirements of our

FUNLHN owned medical practice at Hawker, under the Australian General Practice Accreditation Standards.

We have been able to progress many asset improvements across our LHN, including significant accommodation upgrades and improvements, bio medical equipment upgrades and look forward to further developments in the coming year, including the Whyalla Emergency Department and High Dependency Unit redevelopment, establishment of a new purpose built health clinic at Leigh Creek, redevelopment of the Flinders Terrace Health Hub in Port Augusta and upgrades to our residential aged care facilities at Quorn and Hawker.

All of the achievements in our health services are absolutely attributed to the amazing and dedicated staff across all our sites and health services. We have explored and developed ways to ensure our staff have access to up-to-date information and resources and over the past 12 months have established new staff social media groups, regular virtual staff forums and significantly improved our communication to staff, but also our consumers and community. Social media platforms continue to be a successful way to promote our services and distribute relevant important information.

Ensuring consumers have involvement in our business is essential and is a key focus of the FUNLHN strategic plan. I would like to thank all our volunteers, consumers and carers who have engaged and supported our committees, work groups and provided feedback to ensure we continually improve and achieve safe quality health care for all consumers. I particularly wish to thank our Health Advisory Councils (HAC) for their commitment and dedication to our health services. The HACs enable us to keep well informed on the important health priorities in our communities.

I thank our FUNLHN Governing Board for their support to myself by enabling and supporting us to develop our service models and support us to address risks and improve our services. This includes the approval to implement onsite security services at our Whyalla and Port Augusta sites which demonstrates the commitment to ensure the safety of our people and the commitment to progress the new models of medical and clinical workforce that we will need into the future, of which requires significant financial commitment.

I am incredibly proud of our Flinders and Upper North Local Health Network, the leadership that we have across our departments and sites and the commitment to achieve excellence in health care for everyone, everyday all the time.



Craig Packard

**Chief Executive**

Flinders and Upper North Local Health Network



This foreword marks my first full year as Chair of the Flinders and Upper North Local Health Network Governing Board. To say that it has been a challenging year would be a significant understatement.

The ongoing demands in responding to successive waves of the COVID pandemic have been significant. Like last year, I stand in awe of the professionalism, genuine care and willingness to go the extra mile displayed by our staff. The Board and FUNLHN are truly blessed to have people of this calibre delivering health services.

I will also take this opportunity to acknowledge and thank my fellow Board members, who bring a great wealth of knowledge and experience to bear on the strategic issues that confront us – all done with great aplomb and a true dedication to providing outstanding health services to our community.

During the year we saw a change in government, ostensibly on the back of the significant challenges faced by the health system. We look forward to meeting these challenges and implementing the policy direction of the new government.

This year also marked the end of tenure of our Aboriginal Board Member, Garnett Brady PSM. Garnett will be sadly missed – he has provided gentle but focussed direction to the Board as we grapple with significant issues in Aboriginal health. Garnett has set the bar very high and his replacement will face significant expectation. I take this opportunity to publicly thank Garnett for his wisdom, generosity and friendship.

This annual report chronicles our achievements over the past year as we strive to make further improvements to our health service.

Next year will bring its own set of challenges and I have no doubt, given the calibre of people involved, that we are well placed to meet those challenges head on.

I commend this report to you.

Mark Whitfield

**Governing Board Chair**

Flinders and Upper North Local Health Network

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## Overview: about the agency

### Our strategic focus

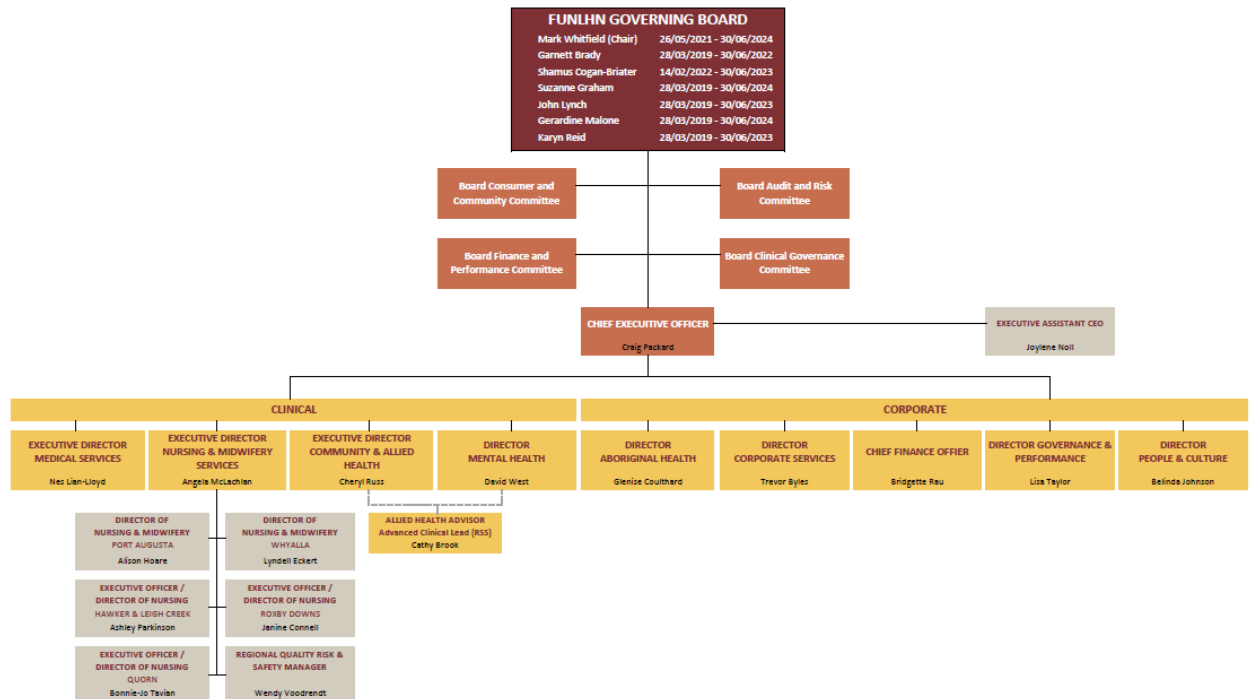
<b>Our Purpose</b>	The Flinders and Upper North Local Health Network delivers culturally safe and high-quality health care services in collaboration with our consumers, enhanced through research and innovation to improve health outcomes for our communities.
<b>Our Vision</b>	Excellence in healthcare for everyone, every day, all the time.
<b>Our Values</b>	Integrity Respect Compassion Engage Courage
<b>Our functions, objectives and deliverables</b>	<p>Flinders and Upper North Local Health Network provides a range of public acute, residential aged care, community health and mental health services to country-based South Australians.</p> <p>Flinders and Upper North Local Health Network's objectives and deliverables are:</p> <p><b>Sustainability:</b> Finance   Service Partnerships   Environment</p> <p>We utilise resources to strengthen our organisation</p> <p><b>Consumer Focus:</b> We enhance the safety and quality of our services by partnering with consumers in their own care.</p> <p>Our services meet the needs of our communities because we provide opportunities for consumers to partner in the design and evaluation of our services.</p> <p><b>Aboriginal Health and Wellbeing:</b></p> <p>We build trust, positive and effective partnerships to enable Aboriginal and/or Torres Strait Islander peoples in the Flinders and Upper North Local Health Network to enjoy the same health outcomes and life expectancy as all other Australians.</p> <p><b>Our People:</b></p> <p>We acknowledge, grow and invest in our people to achieve best service delivery outcomes.</p>



	<p><b>Innovation:</b></p> <p>We empower our people to embrace new technology, work practices and ideas by fostering curiosity and creativity to meet the evolving needs of our community.</p>
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## Our organisational structure

### Flinders and Upper North Local Health Network Executive Organisational Structure



Correct as at 30 June 2022

## Changes to the agency

- During 2021-22 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

## Our Minister



Hon Chris Picton MP is the Minister for Health and Wellbeing in South Australia.

The Minister oversees Health, wellbeing, mental health, ageing well, substance abuse and suicide prevention.

## Our Executive team



**Craig Packard, Chief Executive Officer**, is accountable to the Governing Board for the provision, management and administration of health services and achieving the overall performance of the public health system for the Flinders and Upper North Local Health Network.



**Angela McLachlan, Executive Director Nursing and Midwifery**, responsible for the delivery of Nursing and Midwifery professional services across the Local Health Network. Angela also leads the Quality, Risk and Safety Team and is Chair of the Operational Clinical Governance Committee.



**Dr Nes Lian-Lloyd, Executive Director Medical Services**, responsible for ensuring clinical governance for the delivery of safe, high quality medical care. Oversight and coordination of medical staff and medical service contracts in the Local Health Network, including oversight of recruitment and orientation of new Medical Officers.



**Cheryl Russ, Executive Director Community and Allied Health**, responsible for the efficient and effective management of the Community Health Services resulting in the provision of a range of community and hospital based health services responsive to the identified needs of the Flinders and Upper North Local Health Network.



***Trevor Byles, Director Corporate Services***, responsible for managing, developing, coordinating and monitoring significant very high-level quality and critical, corporate and business services that support the effective operation of health units across the Local Health Network.



***Belinda Johnson, Director People and Culture***, responsible for leading and managing the delivery of best practice human resources services within a business partnering framework, implementing proactive workforce strategies and interventions within services across the Local Health Network in order to drive continuous improvement, performance and accountability of workforce goals and objectives.



***Glenise Coulthard AM, Director Aboriginal Health*** is responsible for initiating, planning, implementing, coordinating and delivering Aboriginal Health programs across the region and providing high-level strategic leadership in expanding concepts and programs throughout.



***David West, Director of Mental Health Services***, responsible for the delivery of mental health services within the Local Health Network, and complex mental health reform projects in line with state-wide directions and in collaboration with the Rural and Remote Mental Health Service.

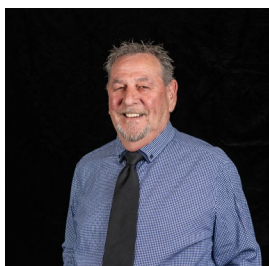


***Bridgette Rau, Chief Finance Officer***, responsible for leading the provision of comprehensive financial services across the region by contributing to the leadership, performance and financial strategic direction of the Flinders and Upper North Local Health Network.



**Lisa Taylor AAICD, Director Governance and Performance**, responsible for leading the provision of high quality and timely support to the Chief Executive Officer and executive support to the Governing Board to support a focus on performance and effectiveness.

## Our Governing Board



**Mark Whitfield, Chairperson of the Governing Board.**

Mark Whitfield is currently the Presiding Member of the Eyre Peninsula Landscape Board, Director NRM Regions Australia Ltd and formerly Chair of the Whyalla Special Education Centre. Until recently, Mark was the Executive Manager of the Spencer Gulf Rural Health School. He has previously worked in other roles in local government, regional development, health and education in Whyalla, on the Eyre Peninsula, in the Far North of the State and in local government. He has a strong record of volunteering on a variety of community organisation boards



**Garnett Brady PSM, Director of the Governing Board.**

Garnett Brady is an Adnyamathanha/Yankunytjatjara man from Port Augusta with significant experience in health and community services across the region. Most recently he was founder/owner and manager of Flinders Crest Services Incorporated, a labour hire business employing Aboriginal people through labour hire arrangements with contractors on the BHP Olympic Dam mine site at Roxby Downs, finishing in the role in 2015.

Garnett had previously been employed as Community Manager Bungala Aboriginal Corporation at Ernabella and Fregon Communities in the APY Lands, Manager Aboriginal Health Unit, Port Augusta Hospital and Far Northern Regional Health Services, Social Worker, Department of Family and Community Services and CEO Pika Wiya Health Service.

He has also previously served on the Boards of Pika Wiya Health Service and the Port Augusta Hospital Inc. Garnett brings significant experience in Aboriginal Health to the Governing Board.



***John Lynch OAM, Director of the Governing Board.***

John Lynch served with the Royal Flying Doctor Service (RFDS) for 32 years, and was the Chief Executive Officer of RFDS Central Operations for 18 years, retiring in December 2018. John holds a Bachelor of Health Science Management, is a Fellow of the National Institute of Public Accountants, an Associate Fellow of the Australian College of Health Service Executives and a Member of the Australian Institute of Company Directors. John brings finance and governance experience along with rural and remote primary health care practice experience to the Governing Board.



***Suzy Graham, Director of the Governing Board.***

Suzy Graham holds Bachelor degrees in Arts and Law, and has worked as a lawyer since 1999. Suzy owns and operates Spencer Gulf Law, a diverse legal practice based in Port Augusta with clientele across the FUNLHN region. Suzy brings legal expertise, business experience and broad local community knowledge to the Governing Board. Suzy is passionate about the delivery of excellence in health services, and the promotion of wellbeing across the FUNLHN.



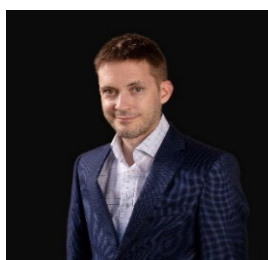
***Karyn Reid, Director of the Governing Board.***

Karyn Reid has had a long career in nursing across many clinical fields including experience in high-level clinical governance and executive health management. She resides in Port Augusta and has extensive knowledge of the health sites and population health needs across the Flinders and Upper North Local Health Network. Karyn has extensive experience in community engagement and consumer advocacy and is committed to the principles of consumer focused health services.

***Geri Malone, Director of the Governing Board.***

Geri Malone's career in health is underpinned with qualification as a Registered Nurse, Registered Midwife and post graduate qualifications including Masters in Public Health.

Geri has had a diverse range of roles in health in both Government and non Government sector, including clinical, leadership and management, education, policy and advocacy roles, all in remote and rural health context. Her experiences both professional and personal has provided extensive understanding of the diversity of rural and remote communities. Geri's Interests are broad, include clinical governance and workforce.

***Shamus Cogan, Director of the Governing Board.***

Shamus Cogan is a Certified Practicing Accountant of over ten years with significant experience in the health sector. Currently Shamus is the Chief Finance Officer of North Eastern Community Hospital and Aged Care with oversight of the financial, activity, procurement and facilities functions. Shamus was the inaugural CFO of Flinders and Upper North LHN and prior to this was one of the Country Health SA LHN managers with overseeing Activity Based Funding (ABF), Activity Based Management (ABM), Costing and Clinical Documentation. Shamus brings experience in the areas of financial modelling, activity based funding, activity based management, commissioning and performance.

**Legislation administered by the agency**

*Nil*

**Other related agencies (within the Minister's area/s of responsibility)**

Department for Health and Wellbeing

Barossa Hills Fleurieu Local Health Network Inc.

Central Adelaide Local Health Network Inc.

Commission on Excellence and Innovation in Health

Eyre and Far North Local Health Network Inc.

Hawker District Memorial Health Advisory Council

Leigh Creek Health Advisory Council

Limestone Coast Local Health Network Inc.

Northern Adelaide Local Health Network Inc.

Office for Aging Well

Port Augusta, Roxby Downs, Woomera Health Advisory Council

Quorn Health Services Health Advisory Council

Riverland Mallee Coorong Local Health Network Inc.

South Australian Ambulance Service

Southern Adelaide Local Health Network Inc.

Wellbeing SA

Whyalla Hospital and Health Services Health Advisory Council Women's and Children's Health Network Inc.

Yorke and Northern Local Health Network Inc.



## The agency's performance

### Performance at a glance

In 2021-22 the Flinders and Upper North Local Health Network achieved good results in key performance areas including:

- Meeting targets for all emergency department 'seen on time' triage categories.
- Meeting targets for emergency department patients who left at their own risk.
- Meeting targets for elective surgery timely admissions.
- Meeting targets for Mental Health services including acute length of stay, post-discharge community follow up, restraint and seclusion events.
- Meeting targets for all Mental Health key performance indicators.
- Achieving results above targets for positive responses to the majority of the key consumer experience questions. For the small number that fall under targets, FUNLHN has established remedial actions that have been included in Governance Committee Quality Improvement Plans.
- 97.6 % of complaints acknowledged within two working days and 84% responded to within 35 working days.
- Meeting targets for safety and quality performance indicators hospital acquired complication rates, hand hygiene compliance rate and potentially preventable admissions.
- Successful accreditation achieved against the National Safety and Quality Health Service Standards for all health services within the Flinders and Upper North Local Health Network until August 2024.
- Successful accreditation achieved against the National Disability Insurance Scheme Practice Standards until October 2022.
- Successful accreditation achieved against the Australian General Practice Accreditation Limited for the Hawker Medical Centre, to May 2025
- Delivering services tailored specifically to the needs of local Aboriginal and Torres Strait Islander communities such as the Aboriginal Family Birthing Program, Aboriginal Patient Pathways Officer and Aboriginal Liaison Officer.
- Continuing to deliver community, in home and residential services within the Country Health Connect Brand. Increasing the number clients provided with a service in areas such as the National Disability Insurance Scheme and Home Care Packages.
- FUNLHN Governing Board held 8 Governing Board meetings. Mark Whitfield, Garnett Brady, Karyn Reid, Geri Malone, Suzy Graham and John Lynch attended all scheduled meetings. Shamus Cogan attended 2 scheduled meetings due to commencement on the board not being until February 2022.



**Agency response to COVID-19**

The Flinders and Upper North Local Health Network has continued to ensure that the Local Health Network has a robust and clinically sound approach to the management of COVID-19 across the Network.

During 2021 the LHN COVID-19 vaccination program which delivered more than 90,000 doses of COVID vaccine across the network, this included partnering with local industry to deliver the states first in industry vaccination program.

During late 2021 and 2022 the Flinders and Upper North Local Health Network has supported the Statewide to COVID -19 Response, actively responding to numerous COVID outbreaks across the health network, this included the establishment of the FUNLHN Covid Care Team.

The Covid Care Team worked closely with the State Control Centre to provide extraordinary care to vulnerable community members during peak periods of outbreak, this included community testing, home support, home symptom monitoring, social support and transport.

The Covid Care Team was also pivotal in the establishment and management of several temporary quarantine facilities including repurposing the Port Augusta Step Down Unit as temporary COVID positive accommodation.

The COVID Care Team is now focused on the identification of high-risk consumers and ensuring the community has ready access to antiviral therapy, this includes providing an day therapy service for consumers requiring intravenous antiviral therapy.

The acute care response to COVID has focused on ensuring patients requiring admission for COVID receive the highest quality evidence-based care. Workflows have been continually adapted to ensure COVID can be managed safely in the acute environment with little to no risk of cross infection.

The LHN has and continues to be significantly impacted by COVID related furlough of staff, this has placed extraordinary pressure on the delivery of clinical services. Despite high levels of staff absenteeism, the LHN has been able to continue to provide base level services with only minimal and temporary modifications to service delivery.

**Agency contribution to whole of Government objectives**

Overall, The Flinders and Upper North Local Health Network performed well against the majority of the whole of Government objectives, acknowledging areas of improvement for the 2021-22 Financial Year.

Key objective	Agency's contribution
More jobs	<p>With the commencement of the Rural Health Workforce Strategy in the previous financial year this is still considered a critical achievement, contributing investment towards:</p> <ul style="list-style-type: none"> <li>• Improving services for long-term, high-quality maternity care.</li> <li>• Providing further specialised training for allied health professionals.</li> <li>• Providing additional training and career opportunities for Aboriginal and Torres Strait Islander health practitioners.</li> <li>• Providing medical workforce support grants, supporting recruitment and retention of GPs in rural communities.</li> <li>• Expanding training opportunities for community support workers.</li> <li>• Providing mental health education for suicide prevention and patient management.</li> <li>• Supporting rural community nursing workforce to manage more complex clients in rural areas.</li> <li>• Providing rural dental workshops, promoting a rural career for dental professionals.</li> <li>• Expanding the digital telehealth network.</li> <li>• Providing simulation and training equipment.</li> <li>• Creating sustainable models for allied health student support in collaboration with university partners.</li> <li>• Developing and implementing contemporary Allied Health Assistant Framework and Workforce Model of care.</li> <li>• Collaborating with the education sector to encourage graduates to work in rural communities and continue career opportunities by further education.</li> <li>• Graduate Nurse Program recruitment Strategy</li> </ul>

Lower costs	<p>Costs for consumers were reduced through delivering programs such as:</p> <ul style="list-style-type: none"> <li>• The Patient Assistance Transport Scheme.</li> <li>• Timely elective surgery in rural communities.</li> <li>• Increasing access to telehealth services.</li> <li>• Home-based chronic disease monitoring.</li> </ul>
Better Services	<p>Significant service outcomes achieved included the following:</p> <ul style="list-style-type: none"> <li>• All our Health units are supported by the South Australian Virtual Emergency Service (SAVES), ensuring rural GPs and nurses have access to remote medical support overnight when required.</li> <li>• Our Health Units have access to high-quality specialist advice via the Digital Telehealth Network, including through the MedSTAR emergency medical retrieval service.</li> <li>• State-wide tele-rehabilitation services are delivered to people in their own homes via an iPad or computer.</li> <li>• Clients with chronic conditions were supported through the My Health Point of Care Innovative Technologies Trial (PoCiTT) home monitoring program.</li> <li>• The Aged Care Assessment Program ensured that older people could gain timely access to residential care, home packages and transitional care packages</li> <li>• MedStar neonatal / Paediatric consult service</li> </ul>

## **Agency specific objectives and performance**

Agency objectives	Indicators	Performance
Improving access to health services in our community	Community nursing and allied health service activity	87,055 community nursing and allied health occasions of service were provided to 6,518 individual clients. The previous financial year reported 34,019 occasions to 5,816 clients which is a marked increase of 156%.
	Community Health Episodes aligning to state funded services	31,859 includes 5,095 individual clients.
	Avoidable hospital activity	1,681 clients with chronic conditions received increased community-based support, resulting in avoiding 652 hospital admissions, 383 emergency department presentations 758 occupied bed days. The previous financial year reported 539 clients resulting in an increase of 2.12%.
	Potentially preventable admissions	There were 6.2% potentially preventable admissions, a reduction from 6.9% in 2020-21.
	National Disability Insurance Scheme (NDIS) program activity	240 total active clients at 30 June 2022, including 125 adults and 115 children. The previous financial year reported 177 clients resulting in an increase of 36%
Hospital Services	Emergency departments seen on time	Targets were met across all triage levels.
	Elective surgery timely admissions	Targets met across category 2-3, category 1 was 97.6%.

	Tele-rehabilitation consults	662 Tele-rehabilitation consults were held in inpatient and ambulatory settings across the Digital Telehealth Network or other therapeutic applications. The previous financial year reported 367 resulting in an increase of 80%.
	Acute inpatient activity	11,138 same day and 6,620 overnight patients were admitted. 395 babies were delivered across the LHN. The previous financial year reported 11,149 same day admissions, 7,998 overnight admissions and 459 babies delivered. There was a slight reduction in Acute inpatient activity for the current financial year.
Continuous Improvement of quality and safety	Safety assessment code (SAC) 1 and 2 incidents	<ul style="list-style-type: none"> <li>• There were 14 SAC 1 and 2 incidents. There was no change from the previous year.</li> <li>• Overall, SAC 1 and 2 incidents accounts for 0.67% of all reported incidents. The previous financial year reported 0.88%, with a -24% improvement in this financial year.</li> <li>• 100% of SAC 1 and 2 incidents were openly disclosed. The previous financial year reported 100% compliance also.</li> </ul>
	Hospital acquired complications	<ul style="list-style-type: none"> <li>• 0.8%. There were 47 separations with a hospital acquired complication. The funding impact was \$59,651.</li> </ul>

Aboriginal Health	<ul style="list-style-type: none"> <li>Aboriginal Health – Left emergency department at own risk (target &lt;3%)</li> </ul>	<ul style="list-style-type: none"> <li>1.78%, a decrease of 0.32% from the previous year.</li> </ul>
	<ul style="list-style-type: none"> <li>Aboriginal Health – left against medical advice (inpatient)</li> </ul>	<ul style="list-style-type: none"> <li>9.2% of overnight Aboriginal admissions left against medical advice. The previous financial year reported 9.48% which is an improvement of -3%.</li> </ul>
	<ul style="list-style-type: none"> <li>Aboriginal Family Birthing Program (AFBP)</li> </ul>	<ul style="list-style-type: none"> <li>There were 101 Aboriginal births supported by the AFBP across Port Augusta and Whyalla. The previous financial year reported 88 births supported by the AFBP.</li> </ul>
	<ul style="list-style-type: none"> <li>Aboriginal workforce</li> </ul>	<ul style="list-style-type: none"> <li>5.36% at June 2022. The previous financial year reported 4.3% an improvement of 25%.</li> </ul>
Improving Mental Health Outcomes	<ul style="list-style-type: none"> <li>Restraint incidents per 1,000 bed days</li> </ul>	<ul style="list-style-type: none"> <li>1.7 per 1,000 bed days. The previous financial year reported 1.8 which is an improvement of -6%.</li> </ul>
	<ul style="list-style-type: none"> <li>Seclusion incidents per 1,000 bed days</li> </ul>	<ul style="list-style-type: none"> <li>0.0 per 1,000 bed days. The previous financial year reported the same figures.</li> </ul>
	<ul style="list-style-type: none"> <li>Acute Length of Stay</li> </ul>	<ul style="list-style-type: none"> <li>14.4 days. The previous financial year reported 10.3 days</li> </ul>

	<ul style="list-style-type: none"> <li>Percentage of Mental Health clients seen by a community health service within 7 days of discharge</li> </ul>	<ul style="list-style-type: none"> <li>93.1%. The previous financial year reported 89% an increase of 5%.</li> </ul>
Aged Care	<ul style="list-style-type: none"> <li>Residential aged care occupancy</li> </ul>	<ul style="list-style-type: none"> <li>Not applicable.</li> </ul>
	<ul style="list-style-type: none"> <li>Aged Care Assessment Program assessments</li> </ul>	<ul style="list-style-type: none"> <li>306 assessments completed of the combined total of 709 under the Eyre Far North Local Health Network Commonwealth Aged Care Planning Region.</li> </ul>
	<ul style="list-style-type: none"> <li>Home Care Package occupancy</li> </ul>	<ul style="list-style-type: none"> <li>Occupancy increased from 87 to 107 packages from 1 July 2021 to 30 June 2022. This is an increase of 23%.</li> </ul>
	<ul style="list-style-type: none"> <li>Commonwealth Home Support Program (CHSP) client numbers</li> </ul>	<ul style="list-style-type: none"> <li>1,343 individual CHSP clients enabling older people to remain independent in their own home for longer. The previous financial year reported 1,478 a reduction of -9%</li> </ul>

### Corporate performance summary

The Flinders and Upper North Local Health Network achieved key performance outcomes including:

- Supporting a large number of employees with professional development opportunities.
- Meeting the target for employees having an annual performance review and development discussion.
- Meeting the target for all employees having the required criminal history relevant screening.
- Maintaining a high level of Aboriginal and/or Torres Strait Islander employees.



**Employment opportunity programs**

<b>Program name</b>	<b>Performance</b>
Skilling SA	Five (5) employees have been supported to undertake training under the Skilling SA Project as at 30 June 2022 in addition to six (6) employees who are continuing their training from the previous financial years intake. Of the ten (10) employees who commenced during the 2020/21 financial year, six (6) employees are continue their studies with nominal completion dates over the next 18 months
Growing Leaders Program	Through two intake processes, eight (8) employees from varying disciplines undertook the Growing Leaders Program during this financial year.
Manager Essentials Program	Delivered by the SA Leadership Academy, Flinders and Upper North Local Health Network has supported four (4) employees to undertake this program.
Enrolled Nurse Cadets	Four (4) Enrolled Nurse Cadets commenced employment with the Flinders and Upper North Local Health Network over this past year. <ul style="list-style-type: none"> <li>• Roxby Downs Hospital – 2</li> <li>• Port Augusta Hospital -1</li> <li>• Whyalla Hospital – 1</li> </ul>
Transition to Professional Practice Program (TPPP)	There were Thirty Seven (37) (20 more than 2020/21) Registered Nurses that commenced employment as TPPPs within the Flinders and Upper North Local Health Network. <ul style="list-style-type: none"> <li>• Roxby Downs Hospital– 2</li> <li>• Quorn Hospital – 1</li> <li>• Whyalla Hospital – 14</li> <li>• Port Augusta Hospital (Port Augusta Hospital based TPPPs on rotation to Hawker Memorial Hospital) – 20</li> </ul>
Aged Care Traineeships	In liaison with Career Employment Group (CEG) as the host employer, four (4) Aged Care Trainees commenced within the Flinders & Upper North Local Health Network. Traineeships are in place for a period of 18 months. Trainees are located: <ul style="list-style-type: none"> <li>• Flinders House - Quorn Hospital – 1</li> <li>• Country Health Connect Whyalla – 2</li> <li>• Country Health Connect Port Augusta - 1</li> </ul>

**Agency performance management and development systems**

<b>Performance management and development system</b>	<b>Performance</b>
Performance review and development is a process for supporting continuous improvement of the work performance of employees to assist them to meet the organisation's values and objectives.	<p>As at the end of this financial year, Annual Performance Review &amp; Development compliance was 92.98%. A reduction of 2.45% from the same time last year.</p> <p>79.21% of employees participated in a 6 monthly performance review and development discussion. An increase of 4.24% from the same time last year.</p>
The Flinders and Upper North Local Health Network continues to foster a strong commitment to the recruitment and retainment of Aboriginal and Torres Strait Islander employees, striving to continue to build capacity and capability of our workforce to bring about a positive impact on the care provided to Aboriginal patients and families within a culturally safe environment.	<p>It is a mandatory training requirement for all employees to undertake the on-line Aboriginal Cultural Awareness training. As at 30/06/22, 93% of employees had completed this training.</p> <p>Within FUNLHN, it is also mandatory for all employees to attend and participate in face-to-face Aboriginal Cultural Awareness Training delivered on an annual basis by the Aboriginal Health Team. Due to COVID19 restrictions, delivery of this face to face training has been limited this financial year.</p> <p>Recruitment via the Aboriginal Employment Register is an available option to pursue in recruitment processes.</p> <p>Recruitment to positions identified as Aboriginal and Torres Strait Islander specific is achievable via exemption currently in place.</p> <p>5.36% / 59 employees within FUNLHN identify as Aboriginal and/or Torres Strait Islander.</p>
The Flinders & Upper North Local Health Network gained reaccreditation as a White Ribbon Employer for a further period of three years	<p>In line with White Ribbon Accreditation requirements, the Leadership Team and Regional Managers / Team Leaders Group are required to undertake White Ribbon Training requirements.</p> <p>Effective as at 30 June 2022, 100% of the Leadership Team had completed this training and 92% of the Regional Managers / Team Leaders Group.</p> <p>All staff within the LHN are encouraged to undertake at least one of the three modules of training. As at 30 June 2022, 60% of all employees had participated in this training.</p>

**Work health, safety and return to work programs**

<b>Program name</b>	<b>Performance</b>
Prevention and management of musculoskeletal injury (MSI)	There were 6 new MSI claims in 2021-22, compared to 9 in 2020-21, a decrease of 33%. New MSI claims accounted for 25% of new claims received.
Prevention and management of Psychological injury (PSY)	Psychological claims remained the same in 2021-22, with 5 new claims received as in 2020-21. New PSY claims accounted for 21% of new claims received.
Prevention and management of slips, trips and falls (STF)	There were 8 new STF claims received in 2021-22 compared to 7 in 2020-21, an increase of 14%. New STF claims accounted for 33% of new claims received.
Management of work-related injury	The total cost of new claims for 2021-22 FY decreased by \$6,252 (5% decrease) when compared to 2020-21.
Challenging Behaviour Framework	Challenging Behaviour Committee formed March 2021 and meets Monthly. Framework and associated tools promoted and available to all levels of staff in LHN through various channels. Ongoing improvements and key criteria areas being worked on.
Peers Offering Peers Support (POPS) Program	Peer Support Program formed May 2021. Flyers and promotion of group to staff within the region was completed and available from various platforms including posters in work areas, SharePoint, email, meetings etc. Currently there are seven (7) members in this group. To date, there has been minimal uptake of this service by employees.
Work Health & Safety (WHS) Consultative Committee	WHSIM Committee continues to meet on a Quarterly basis including the assessment of quarterly data and compliance from SLS, audits, emergency exercises etc.
Health & Safety Representatives (HSR)	Currently there are ten (10) HSR reps throughout the LHN. Whilst strategies have been undertaken to increase representation, some workgroups are not represented by a HSR.
Work Health & Safety (WHS) Audit Schedule	2021-22 completed end of June. Audit compliance 93%, emergency exercise 82%, Worksite Inspections 92%. Further reports and reminder of outstanding audits are sent out monthly.
Notification of Workplace Injuries	1800 hotline. KPI 80% of calls made within 2 workdays. FUNLHN achieved 66/78 – 85%

<b>Program name</b>	<b>Performance</b>
Prevention and management of musculoskeletal injury (MSI)	There were 6 new MSI claims in 2021-22, compared to 9 in 2020-21, a decrease of 33%. New MSI claims accounted for 25% of new claims received.
Prevention and management of Psychological injury (PSY)	Psychological claims remained the same in 2021-22, with 5 new claims received as in 2020-21. New PSY claims accounted for 21% of new claims received.
Work Health & Safety (WHS) Mandatory Training Compliance	Effective as of 30 June 2022, mandatory WHS training compliance was: WHS Defined Officers Training – 91% WHS for Manager Supervisor – 68% Injury Management – 77% Emergency Awareness – 75% (all staff) Manual Task theory – 68% (all staff) Challenging Behaviour – 83% (all staff)
Verified Self - Assessment Audit (VSA)	The VSA Audit completed in 2021 provided several recommendations. Where able and appropriate these recommendations were introduced into workplace.
Gayle's Law	Review from recommendation papers 2022. Workgroup established to update current workplace policies and procedures.
Emergency Management Code Booklet	Update to Whyalla emergency booklet October 2021.
Work Health & Safety (WHS) Quick links Update	WHS Quick links document and resources for managers is now on SharePoint for quick access.

## 2021-22 ANNUAL REPORT for the Department of Health and Wellbeing – Flinders and Upper North Local Health Network

<b>Workplace injury claims</b>	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total new workplace injury claims	24	23	+4.3%
Fatalities	0	0	0.0%
Seriously injured workers*	0	0	0.0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	14.77	9.55	+54.7%

\*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

<b>Work health and safety regulations</b>	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Number of notifiable incidents ( <i>Work Health and Safety Act 2012, Part 3</i> )	0	1	-100.0%
Number of provisional improvement, improvement and prohibition notices ( <i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i> )	1	14	-92.9%

<b>Return to work costs**</b>	Current year 2021-22	Past year 2020-21	% Change (+ / -)
Total gross workers compensation expenditure (\$)	278,206	228,835	+21.6%
Income support payments – gross (\$)	108,921	86,597	+25.8%

\*\*before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/flinders-and-upper-north-local-health-network-funlhn>

**Executive employment in the agency**

Executive classification	Number of executives
SAES1	1

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/flinders-and-upper-north-local-health-network-funlhn>

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

## Financial performance

### Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2021-2022 are attached to this report.

<b>Statement of Comprehensive Income</b>	<b>2021-22 Budget \$000s</b>	<b>2021-22 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2020-21 Actual \$000s</b>
Total Income	151 067	152 845	1 778	143 629
Total Expenses	158 555	159 166	(611)	144 685
<b>Net Result</b>	<b>(7 488)</b>	<b>(6 321)</b>	<b>1167</b>	<b>1056</b>
<b>Total Comprehensive Result</b>	<b>(7 488)</b>	<b>(6 321)</b>	<b>1167</b>	<b>1056</b>

<b>Statement of Financial Position</b>	<b>2021-22 Budget \$000s</b>	<b>2021-22 Actual \$000s</b>	<b>Variation \$000s</b>	<b>2020-21 Actual \$000s</b>
Current assets	0	12 669	-	12 800
Non-current assets	0	123 345	-	121 516
<b>Total assets</b>	<b>0</b>	<b>136 014</b>	<b>-</b>	<b>134 316</b>
Current liabilities	0	26 739	-	23 732
Non-current liabilities	0	41 060	-	44 080
<b>Total liabilities</b>	<b>0</b>	<b>67 799</b>	<b>-</b>	<b>67 812</b>
<b>Net assets</b>	<b>0</b>	<b>68 215</b>	<b>-</b>	<b>66 504</b>
<b>Equity</b>	<b>0</b>	<b>68 215</b>	<b>-</b>	<b>66 504</b>

### Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

#### Consultancies with a contract value below \$10,000 each

<b>Consultancies</b>	<b>Purpose</b>	<b>\$ Actual payment</b>
All consultancies below \$10,000 each - combined	Various	\$7,750

#### Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
ZED Management Consulting	Development of an Operational Plan	\$40,500
Culturalchemy Pty Ltd	Country Connect Structure and Culture Evolution - Strategic Advisory Service	\$34,834
	Total	\$83,084

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/flinders-and-upper-north-local-health-network-funlhn>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

### Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

#### Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$0

#### Contractors with a contract value above \$10,000 each

Contractors	Purpose	Actual payment
Watson Fitzgerald & Associates Pty Ltd	Air Conditioner feasibility study and preliminary design - Whyalla Hospital	\$26,584
Hodgkison	ACP Cladding Replacement – Whyalla Hospital	\$16,400
	Total	\$42,984

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/flinders-and-upper-north-local-health-network-funlhn>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)



**Other financial information****Information Statement – Freedom of Information**

This statement is published under Section 9(2) of the *Freedom of Information Act 1991 (the FOI Act)*.

The *FOI Act* provides members of the public with a legally enforceable right to access documents held by the government, and to ensure that records held by government concerning the personal affairs of members of the public are not incomplete, incorrect, out of date or misleading. The availability of information is subject to certain restrictions, such as the legal considerations of information privacy.

For detailed information about freedom of information, please refer to the State Records website at <http://www.archives.sa.gov.au/content/foi-in-sa>

**Other information**

## Risk management

### Risk and audit at a glance

The Flinders and Upper North Local Health Network Board have an established Audit and Risk Board Committee (ARC) with an external Chairperson to assist the Board with fulfilling its responsibilities regarding risk management, audit and assurance.

The ARC meets quarterly and receives regular risk reports from the Local Health Network as well as audit reports conducted by the Auditor-General's office, Department of Health and Wellbeing and Internal Audits by the Rural Support Service (RSS).

The Flinders and Upper North Local Health Network have implemented a local Risk Management Procedure, which is consistent with the System-Wide Risk Management Policy Directive, providing staff with specific guidance on context, identification, analysis, evaluation, treatment, monitoring and communication of risk.

A consistent Audit Charter has been developed by the RSS and implemented in the Local Health Network, enabling the internal audit function to be delivered by the RSS. The Charter provides guidance and authority for audit activities.

### Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	0

*NB: Fraud reported includes actual and reasonably suspected incidents of fraud.*

### Strategies implemented to control and prevent fraud

The Flinders and Upper North Local Health Network Governing Board has established a Board Audit and Risk Committee and a Board Financial and Performance Committee to ensure oversight of operational process relating to risk of fraud. These committees meet on a regular basis and review reports regarding financial management, breaches and risk management. The Chair of the Flinders and Upper North Local Health Network Audit and Risk Committee is an independent member and liaises closely with SA Health's Group Director Risk and Assurance Services.

The Flinders and Upper North Local Health Network Governing Board notes all Policy Directives relating to SA Health and a process is established to implement policies through operational committees and structures. The SA Health Corruption Control Policy and Public Interest Disclosure Policy Directives are followed relating to risk of fraud. Allegations of fraud, including financial delegation breaches, are reported to the Board by Management. Shared Services SA provide a report to the

Flinders and Upper North Local Health Network Chief Finance Officer providing details of any expenditure that has occurred outside of procurement and approved delegations. These breaches are reviewed and reported to the Board.

All Board members and senior management are required to declare any actual, potential or perceived conflict of interest. The register of interest is reviewed regularly and a standing item at the Flinders and Upper North Local Health Network Governing Board Meetings.

The Flinders and Upper North Local Health Network Board ensure that all employees complete SA Public Sector Code of Ethics training at orientation sessions. The Management team also provide updates to the Board from a Flinders and Upper North Local Health Network task group established to ensure sound administrative, contractual and attendance management processes are embedded in the Local Health Network.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/flinders-and-upper-north-local-health-network-funlhn>

### **Public interest disclosure**

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

2

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/flinders-and-upper-north-local-health-network-funlhn>

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

## Reporting required under any other act or regulation

Act or Regulation	Requirement
Nil	Not Applicable

### Reporting required under the *Carers' Recognition Act 2005*

The Flinders and Upper North Local Health Network involves consumers, communities and carers in the planning, design and evaluation of our health services. We do this through (but not limited to) Flinders and Upper North Local Health Network Board Consumer and Community Engagement Committee, Health Advisory Councils, Community Network Register and with consumer representation on operational committees. Advocacy and advice is sought from specialist groups including our Aboriginal Experts by Experience panel, and representatives for Mental Health, aged care, child and youth care, disability and other groups.

Consumer feedback is actively sought about the services we provide. This data is collected and collated according to SA Health requirements and provided in full to staff and consumers as a tool for both staff and consumer driven service improvement.

The Flinders and Upper North Local Health Network has a staff orientation program which educates staff about the carers charter and other relevant consumer engagement strategies.

In January 2021, The Flinders and Upper North Local Health Network Governing Board approved the Consumer Engagement Strategic Framework. This process encompassed consultation with consumers, carers, lived experience groups, and other representative groups from across our region and has resulted in a Consumer and Community Strategic Engagement Framework which:

- is endorsed by our consumers and staff
- outlines unique and specific engagement techniques for our communities and vulnerable groups within our communities
- enables further development of consumer and carer partnership approaches to health service provision, governance and evaluation
- embodies our commitment to enabling measures such as human resourcing and training dedicated to consumer and carer engagement functions
- Consumers and carers were also involved in the development of the Local Health Network's Strategic Plan 2021-2026.

## Public complaints

### Number of public complaints reported

Treatment	Rough / painful treatment	3
	Medication	3
	Infection Control	7
	Inadequate treatment	38
	Coordination of treatment	11
	Negligent treatment	3
	Diagnosis	2
	Adverse Outcome	1
Privacy / Discrimination	Privacy / confidentiality	8
	Privacy / discrimination	1
	Privacy / discrimination – racial discrimination	1
	Consent – failure to involve or consent consumer	1
Cost	Overcharging	2
	Billing practices	2
Corporate Services	Catering	9
	Grounds	1
	Hygiene / environmental standards	6
	Hotel services (accommodation)	1
	Administrative services	17
Communication	Wrong / misleading information	11
	Inadequate information	25
	Attitude	42
Access	Service availability	17

	Refusal to admit or treat	6
	Referral	3
	Discharge or transfer arrangements	4
	Delay in admission or treatment	27
	Attendance	1
<b>TOTAL Complaint Categories</b>		<b>253</b>

<b>Additional Metrics</b>	<b>Total</b>
Number of positive feedback comments	220
Number of negative feedback comments	253
Total number of feedback comments	530
% complaints resolved within policy timeframes	82%

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/flinders-and-upper-north-local-health-network-funlhn>

## Service Improvements

In April 2021, the Flinders and Upper North Local Health Network developed an online Consumer Feedback form via Office 365. Links to the online form are available on the Flinders and Upper North Local Health Network page on the SA Health website, along with the Flinders and Upper North Local Health Network Facebook page. A QR Code was developed for easy access to the online form, and this is available on the paper-based Consumer Feedback Brochure and on Consumer Feedback Boxes located within departments across each health unit in the LHN. Since April, there has been 106 online consumer feedback forms lodged. Since April 2020, the Flinders and Upper North Local Health Network have been documenting significant improvements that have resulted from consumer suggestions and complaints. This is recorded through the Safety Learning System

(SLS) and reports provided to Operational Governance Committees. To date 63 improvements have been recorded in SLS, an increase of 33 since the last report. The improvements documented between July 2021 and June 2022 include the following:

- Review of discharge information and consumer resources following ENT surgery, including staff education.
- Plan to upskill Midwives to undertake preliminary baby checks prior to patient discharge to eliminate the need for these to be undertaken by a doctor.
- Recommencement of Antenatal Classes at the PAH.
- Installation of more seating around hospital grounds.
- Introduction of a gardening schedule to ensure hospital grounds are well kept.
- Additional seating in WHHS ED so that social distancing can be upheld.
- Additional Pressure Injury skin assessment/risk assessment education included in nursing staff orientation.
- Additional Wound Care documentation/handover education to nursing staff.
- Additional education regarding consumer involvement/choice of medication and monitoring of medication (falls, change in condition etc).
- Involvement of consumers in COSTAT planning for Aged Care sites.
- Improved parking and signage, particularly for drive through COVID-19 clinics.
- Communication to the public around COVID-19 planning and access to testing / vaccination clinic locations.
- Introduction of environmentally friendly products in hospital kiosks.
- Introduction of the Midwifery Group Practice program at the WHHS.
- EEG appointments increased to reduce consumer wait times.
- Hospital meal menus reviewed to include vegan choices.
- Email address added to LHN SA Health website for consumer access.
- Baby change facilities installed on ground floor of WHHS (near Dr Jones & Partner/Orthotics departments).
- Home Assist staff now setting reminders to track home modification job requests.

The Flinders and Upper North Local Health Network have developed an action plan to address the areas requiring improvement from the South Australian Consumer Experience Surveillance System (SACESS) Measuring Consumer Experience (MCE) Surveys. The Flinders and Upper North Local Health Network Leadership Committee have oversight of this action plan and the Partnering with Consumers Committee Consumer representatives have the opportunity to make suggested improvements. Annual report comparison summaries are provided to the Consumer & Community Engagement Committee of the Board.

**Compliance Statement**

Flinders and Upper North Local Health Network is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
Flinders and Upper North Local Health Network has communicated the content of PC 039 and the agency's related complaints policies and procedures to employees.	Y



## **Appendix: Audited financial statements 2021-22**



Our ref: A22/036

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Mr M Whitfield  
Board Chair  
Flinders and Upper North Local Health Network Incorporated  
Port Augusta Hospital  
71 Hospital Road  
PORT AUGUSTA SA 5700  
email: Health.FUNOCEOCorrespondence@sa.gov.au

Dear Mr Whitfield

**Audit of the Flinders and Upper North Local Health Network  
Incorporated for the year to 30 June 2022**

We have completed the audit of your accounts for the year ended 30 June 2022. Two key outcomes from the audit are the:

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

**1 Independent Auditor's Report**

We are returning the financial report for the Flinders and Upper North Local Health Network Incorporated, with the Independent Auditor's Report. This report is unmodified.

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

**2 Audit management letter**

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

We have received a response to our letter and will follow these up in the 2022-23 audit.

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

### **What the audit covered**

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

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

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

Yours sincerely

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

Andrew Richardson

**Auditor-General**

20 September 2022

enc



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**To the Board Chair  
Flinders and Upper North Local Health Network Incorporated**

**Opinion**

I have audited the financial report of the Flinders and Upper North Local Health Network Incorporated and the consolidated entity comprising the Flinders and Upper North Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2022.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Flinders and Upper North Local Health Network Incorporated and its controlled entities as at 30 June 2022, their financial performance and their cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2022
- a Statement of Financial Position as at 30 June 2022
- a Statement of Changes in Equity for the year ended 30 June 2022
- a Statement of Cash Flows for the year ended 30 June 2022
- notes, comprising material accounting policies and other explanatory information
- a Certificate from the Board Chair, the Chief Executive Officer and the Chief Finance Officer.

**Basis for opinion**

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Flinders and Upper North Local Health Network Incorporated and its controlled entities. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

### **Responsibilities of the Chief Executive Officer and the Board for the financial report**

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

In preparing the financial report, the Chief Executive Officer is responsible for assessing the entity's and consolidated entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive Officer is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Board is responsible for overseeing the entity's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 36(2) of the *Health Care Act 2008*, I have audited the financial report of the Flinders and Upper North Local Health Network Incorporated and its controlled entities for the financial year ended 30 June 2022.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Flinders and Upper North Local Health Network Incorporated's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive Officer
- conclude on the appropriateness of the Chief Executive Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Andrew Richardson  
**Auditor-General**

20 September 2022

**Certification of the financial statements  
Flinders and Upper North Local Health Network**

We certify that the:

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

.....  
Mark Whitfield  
Board Chair

*JL*  
.....  
Chief Executive Officer

*L.*  
Bridgette Rau  
Chief Finance Officer

Date *1.1.2019*

FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK  
STATEMENT OF COMPREHENSIVE INCOME  
For the year ended 30 June 2022

		Consolidated		Parent	
	Note	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Revenues from SA Government	2	132,830	125,953	132,830	125,953
Fees and charges	3	6,253	6,025	6,253	6,025
Grants and contributions	4	9,152	8,793	9,152	8,793
Interest		8	12	8	12
Resources received free of charge	5	1,358	1,512	1,358	1,512
Other revenues/income	7	3,244	1,334	3,244	1,334
<b>Total income</b>		<b>152,845</b>	<b>143,629</b>	<b>152,845</b>	<b>143,629</b>
<b>Expenses</b>					
Staff benefits expenses	8	81,606	76,202	81,606	76,202
Supplies and services	9	67,417	58,639	67,418	58,639
Depreciation and amortisation	17	9,146	8,718	9,064	8,718
Grants and subsidies	10	46	45	46	45
Borrowing costs	20	591	610	591	610
Net loss from disposal of non-current and other assets	6		107		107
Impairment loss on receivables	13.1	187	51	187	51
Other expenses	11	173	313	604	313
<b>Total expenses</b>		<b>159,166</b>	<b>144,685</b>	<b>159,516</b>	<b>144,685</b>
<b>Net result</b>		<b>(6,321)</b>	<b>(1,056)</b>	<b>(6,671)</b>	<b>(1,056)</b>
<b>Total comprehensive result</b>		<b>(6,321)</b>	<b>(1,056)</b>	<b>(6,671)</b>	<b>(1,056)</b>

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.



FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2022

		Consolidated		Parent	
	Note	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
<b>Current assets</b>					
Cash and cash equivalents	12	7,288	8,521	7,273	8,521
Receivables	13	2,164	1,484	1,886	1,484
Other financial assets	14	2,156	1,988	2,156	1,988
Inventories	15	1,061	807	1,061	807
<b>Total current assets</b>		<b>12,669</b>	<b>12,800</b>	<b>12,376</b>	<b>12,800</b>
<b>Non-current assets</b>					
Receivables	13	263	360	263	360
Property, plant and equipment	16,17	123,082	121,156	114,993	121,156
<b>Total non-current assets</b>		<b>123,345</b>	<b>121,516</b>	<b>115,256</b>	<b>121,516</b>
<b>Total assets</b>		<b>136,014</b>	<b>134,316</b>	<b>127,632</b>	<b>134,316</b>
<b>Current liabilities</b>					
Payables	19	7,944	5,103	7,944	5,103
Financial liabilities	20	2,910	2,733	2,910	2,733
Staff benefits	21	11,524	10,957	11,524	10,957
Provisions	22	422	726	422	726
Contract liabilities and other liabilities	23	3,939	4,213	3,939	4,213
<b>Total current liabilities</b>		<b>26,739</b>	<b>23,732</b>	<b>26,739</b>	<b>23,732</b>
<b>Non-current liabilities</b>					
Payables	19	488	534	488	534
Financial liabilities	20	27,819	29,107	27,819	29,107
Staff benefits	21	11,740	13,482	11,740	13,482
Provisions	22	1,013	957	1,013	957
<b>Total non-current liabilities</b>		<b>41,060</b>	<b>44,080</b>	<b>41,060</b>	<b>44,080</b>
<b>Total liabilities</b>		<b>67,799</b>	<b>67,812</b>	<b>67,799</b>	<b>67,812</b>
<b>Net assets</b>		<b>68,215</b>	<b>66,504</b>	<b>59,833</b>	<b>66,504</b>
<b>Equity</b>					
Retained earnings		68,215	66,504	59,833	66,504
<b>Total equity</b>		<b>68,215</b>	<b>66,504</b>	<b>59,833</b>	<b>66,504</b>

The accompanying notes form part of these financial statements. The total equity is attributed to the SA Government as owner.

FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK  
STATEMENT OF CHANGES IN EQUITY  
For the year ended 30 June 2022

CONSOLIDATED

	Note	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2020		67,560	67,560
Net result for 2020-21		(1,056)	(1,056)
Total comprehensive result for 2020-21		(1,056)	(1,056)
Balance at 30 June 2021		66,250	66,504
Net result for 2021-22		(6,321)	(6,321)
Total comprehensive result for 2021-22		(6,321)	(6,321)
Net assets received from an administrative restructure	1.6	8,032	8,032
Balance at 30 June 2022		68,215	68,215

PARENT

	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2020	67,560	67,560
Net result for 2020-21	(1,056)	(1,056)
Total comprehensive result for 2020-21	(1,056)	(1,056)
Balance at 30 June 2021	66,511	66,511
Net result for 2021-22	(6,671)	(6,671)
Total comprehensive result for 2021-22	(6,671)	(6,671)
Balance at 30 June 2022	59,833	59,833

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK

**STATEMENT OF CASH FLOWS**  
**For the year ended 30 June 2022**

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>					
<b>Cash inflows</b>					
Receipts from SA Government		115,278	107,346	115,278	107,346
Fees and charges		5,482	7,372	5,483	7,372
Grants and contributions		9,120	8,443	9,120	8,443
Interest received		4	12	4	12
Residential aged care bonds received		765	1,080	765	1,080
GST recovered from ATO		4,086	3,496	4,086	3,496
Other receipts		85	232	85	232
<b>Cash generated from operations</b>		<b><u>134,820</u></b>	<b><u>127,981</u></b>	<b><u>134,821</u></b>	<b><u>127,981</u></b>
<b>Cash outflows</b>					
Staff benefits payments		(82,973)	(75,969)	(82,973)	(75,969)
Payments for supplies and services		(46,626)	(41,121)	(46,627)	(41,121)
Payments of grants and subsidies		(46)	(45)	(46)	(45)
Interest paid		(591)	(610)	(591)	(610)
Residential aged care bonds refunded		(1,236)		(1,236)	
Other payments		(2392)	(2262)	(239)	(226)
<b>Cash used in operations</b>		<b><u>(131,711)</u></b>	<b><u>(117,971)</u></b>	<b><u>(131,712)</u></b>	<b><u>(117,971)</u></b>
<b>Net cash provided by operating activities</b>		<b><u>3,109</u></b>	<b><u>10,010</u></b>	<b><u>3,109</u></b>	<b><u>10,010</u></b>
<b>Cash flows from investing activities</b>					
<b>Cash inflows</b>					
Proceeds from sale/maturities of investments		232		232	
<b>Cash generated from investing activities</b>		<b><u>232</u></b>		<b><u>232</u></b>	
<b>Cash outflows</b>					
Purchase of property, plant and equipment		(1,379)	(1,207)	(1,379)	(1,207)
Purchase of investments		(4002)	{800}	(400)	{800}
<b>Cash used in investing activities</b>		<b><u>(1,779)</u></b>	<b><u>(2,007)</u></b>	<b><u>(1,7792)</u></b>	<b><u>(2,007)</u></b>
<b>Net cash provided by/(used in) investing activities</b>		<b><u>(1,547)</u></b>	<b><u>(2,007)</u></b>	<b><u>(1,547)</u></b>	<b><u>(2,007)</u></b>
<b>Cash flows from financing activities</b>					
<b>Cash inflows</b>					
Cash received from restructuring activities		15			
<b>Cash generated from financing activities</b>		<b><u>15</u></b>			
<b>Cash outflows</b>					
Repayment of lease liabilities		(2,810)	(2,716)	{2,810}	(2,716)
<b>Cash used in financing activities</b>		<b><u>(2,810)</u></b>	<b><u>(2,716)</u></b>	<b><u>(2,810)</u></b>	<b><u>(2,716)</u></b>
<b>Net cash provided by/(used in) financing activities</b>		<b><u>(2,795)</u></b>	<b><u>(2,716)</u></b>	<b><u>(2,810)</u></b>	<b><u>(2,716)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b><u>(1,233)</u></b>	<b><u>5,287</u></b>	<b><u>(1,248)</u></b>	<b><u>5,287</u></b>
Cash and cash equivalents at the beginning of the period		8,521	3,234	8,521	3,234
<b>Cash and cash equivalents at the end of the period</b>	12	<b><u>7,288</u></b>	<b><u>8,521</u></b>	<b><u>7,273</u></b>	<b><u>8,521</u></b>
Non-cash transactions	24				

The accompanying notes form part of these financial statements.

**FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2022**

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## **1. About Flinders and Upper Local Health Network**

The Flinders and Upper North Local Health Network Incorporated (the Hospital) is a not-for-profit incorporated Hospital established under the *Health Care Act 2008* (the Act). The Hospital commenced service delivery on 1 July 2019 following the dissolution of Country Health SA Local Health Network (CHSALHN). Relevant assets, rights and liabilities were transferred from CHSALHN to the Hospital. The financial statements include all controlled activities of this Hospital.

The Hospital consists of the following -

- Community Health Services located at Hawker, Port Augusta, Quorn, Roxby Downs and Whyalla
- Hawker Memorial Hospital
- Leigh Creek Health Service
- Port Augusta Hospital and Regional Health Service
- Quorn Health Service
- Roxby Downs Hospital
- Whyalla Hospital and Health Service

### *Consolidated Entity*

The consolidated entity includes the parent entity, the Incorporated Health Advisory Councils (HACs) and the Incorporated HAC Gift Fund Trusts (GFTs) as listed in note 32.

The HACs were established under the Act to provide a more coordinated, strategic and integrated health care system to meet the health needs of South Australians. HACs are consultative bodies that advise and make recommendations to the Chief Executive of the Department for Health and Wellbeing (the Department) and the Chief Executive Officer of the Hospital on issues related to specific groups or regions. HACs hold assets, manage bequests and provide advice on local health service needs and priorities.

The consolidated financial statements have been prepared in accordance with AASB IO Consolidated Financial Statements. Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the consolidated entity have been eliminated in full. Information on the consolidated entity's interest in other entities is at note 32.

### *Administered items*

The Hospital has administered activities and resources. Transactions and balances relating to administered resources are presented separately and disclosed in note 33. Except as otherwise disclosed, administered items are accounted for on the same basis and using the same accounting principles as for the Hospital's transactions.

#### **1.1 Objectives and activities**

The Hospital is committed to a health system that produces positive health outcomes by focusing on health promotion, illness prevention, early intervention and achieving equitable health outcomes for the Flinders and Upper North region.

The Hospital is part of the SA Health portfolio providing health services for the Flinders and Upper North region. The Hospital is structured to contribute to the outcomes for which the portfolio is responsible by providing health and related services across the Flinders and Upper North region.

The Hospital is governed by a Board which is responsible for providing strategic oversight and monitoring the Hospital's financial and operational performance. The Board must comply with any direction of the Minister for Health and Wellbeing (Minister) or Chief Executive of the Department.

The Chief Executive Officer is responsible for managing the operations and affairs of the Hospital and is accountable to, and subject to the direction of, the Board in undertaking that function.

#### **1.2 Basis of preparation**

These financial statements are general purpose financial statements prepared in accordance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- *Treasurer's Instructions* and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

The financial statements have been prepared based on a 12 month period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). Any transactions in foreign currency are translated into Australian dollars at the exchange rates at the date the transaction occurs. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

**FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2022**

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Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out below or throughout the notes.

The Hospital has early adopted AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates which clarifies the requirements for disclosure of material accounting policy information and clarifies the distinction between accounting policies and accounting estimates. There has been no impact on the Hospital's financial statements.

### **1.3 Taxation**

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

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

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

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

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

### **1.4 Continuity of operations**

As at 30 June 2022, the Hospital had working capital deficiency of \$14.070 million (\$10.932 million). The SA Government is committed and has consistently demonstrated a commitment to ongoing funding of the Hospital to enable it to perform its functions. This ongoing commitment is ultimately outlined in the annually produced and published *State Budget Papers* which presents the SA Government's current and estimated future economic performance, including forward estimates of revenue, expenses and performance by Agency.

### **1.5 Equity**

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

### **1.6 Changes to the Hospital 2021-22**

On 27 May 2021 the Minister declared the incorporation of Hawker District Memorial Health Advisory Council, Port Augusta, Roxby Downs, Woomera Health Advisory Council, Quorn Health Services Health Advisory Council and The Whyalla Hospital and Health Services Health Advisory Council. These were previously unincorporated HACs with their net assets vested in Country Health Gift Fund Health Advisory Council Inc. The transfer of assets from Country Health Gift Fund Health Advisory Council Inc and its associated Gift Fund Trust occurred during 2021-22 for the newly incorporated HACs, except for the Gift Fund Trust associated with The Whyalla Hospital and Health Services Health Advisory Council Inc, which is expected to occur in 2022-23.

Leigh Creek Health Advisory Council elected to not be incorporated and was dissolved effective 23 June 2022.

Net assets transferred in for the consolidated entity consist of land and buildings (\$7.740 million), cash (\$0.015 million) and the right to receive cash (\$0.277 million) for GFT bank accounts, the control of which has passed to the newly incorporated entities but the physical transfer of cash will occur in 2022-23.

The transfer of land and buildings was finalised in June 2022 and accordingly, one month's depreciation expense of \$0.041 m is reported for the consolidated entity.

### **2020-21**

There were no administrative restructures impacting on the Hospital during this period.

### **1.7 Impact of COVID-19 pandemic on SA Health**

The COVID-19 pandemic continues to have impact on the Hospital's operations. This includes an increase in costs associated with COVID capacity and preparation, increased demand for personal protective equipment and increased staffing costs (including agency) to ensure that demand can be managed across South Australia and that necessary compliance measures are followed. Net COVID-19 specific costs for the Hospital are \$5.729 million (\$1.435 million).

**FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2022**

**1.8 Change in accounting policy**

The Hospital did not change any of its accounting policies during the year.

**2. Revenues from SA Government**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Capital projects funding	955	2,061	955	2,061
<u>Operational funding</u>	<u>131,875</u>	<u>123,892</u>	<u>131,875</u>	<u>123,892</u>
<b>Total revenues from SA Government</b>	<b>132,830</b>	<b>125,953</b>	<b>132,830</b>	<b>125,953</b>

The Department provides recurrent and capital funding under a service agreement to the Hospital for the provision of general health services. Contributions from the Department are recognised as revenue when the Hospital obtains control over the funding. Control over the funding is normally obtained upon receipt.

**3. Fees and charges**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Commissions revenue	5	7	5	7
Patient and client fees	2,859	2,954	2,859	2,954
Private practice fees	24)	302	241	302
Fees for health services	1,324	1,237	1,324	1,237
Residential and other aged care charges	729	661	729	661
Sale of goods - medical supplies	327	318	327	318
Other user charges and fees	768	546	768	546
<b>Total fees and charges</b>	<b>6,253</b>	<b>6,025</b>	<b>6,253</b>	<b>6,025</b>

The Hospital measures revenue based on the consideration specified in a major contract with a customer and excludes amounts collected on behalf of third parties. All contracts with customers recognised goods and services transferred at a point in time, when the Hospital satisfies performance obligations by transferring the promised goods or services to its customers.

The Hospital recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities (refer to note 23).

The Hospital recognises revenue (contracts with customers) at a point in time from customers including from the following major sources:

***Patient and Client Fees***

Public health care is free for medicare eligible customers. Non-medicare eligible customers pay in arrears to stay overnight in a public hospital and to receive medical assessment, advice, treatment and care from a health professional. These charges may include doctors, surgeons, anaesthetists, pathology, radiology services etc. Revenue from these services is recognised on a time-and-material basis as services are provided. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

***Residential and other aged care charges***

Long stay nursing home fees include daily care fee and daily accommodation fees. Residents pay fortnightly in arrears for services rendered and accommodation supplied. Residents are invoiced fortnightly in arrears as services and accommodation are provided. Any amounts remaining unpaid or unbilled at the end of the reporting period are treated as an accounts receivable.

***Fees for the health services***

Where the Hospital has incurred an expense on behalf of another entity, payment is recovered from the other entity by way of a recharge of the cost incurred. These fees can relate to the recharge of salaries and wages, occupancy rent and rates or various goods and services. Revenue is recognised on a time-and-material basis as provided. Any amounts remaining unpaid at the end of the reporting period are treated as an accounts receivable.

**FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2022**

**4. Grants and contributions**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Private sector grants and contributions	426	622	426	622
Private sector capital contributions	96	59	96	59
Other SA Government grants and contributions	999	941	999	941
SA Government capital contributions	1	45	1	45
Commonwealth aged care subsidies	29	81	29	81
Commonwealth grants and donations	<u>7,601</u>	<u>7,045</u>	<u>7,601</u>	<u>7,045</u>
<b>Total grants and contributions</b>	<b>9,152</b>	<b>8,173</b>	<b>9,152</b>	<b>8,173</b>

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

All grants and contributions were provided for specific purposes such as aged care, community health services and other related health services and were recognised in accordance with AASB I 058 *Income of Not-for-Profit Entities*.

**5. Resources received free of charge**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Services	1,358	1,381	1,358	1,381
Plant and equipment		131		131
<b>Total resources received free of charge</b>	<b>1,358</b>	<b>1,512</b>	<b>1,358</b>	<b>1,512</b>

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

Contributions of services are recognised only when a fair value can be determined reliably and the services would be purchased if they had not been donated. The Hospital receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA free of charge valued at \$0.976 million (\$1.008 million), and JCT services from the Department of Premier and Cabinet (DPC) valued at \$0.382 million (\$0.373 million).

Although not recognised, the Hospital receives services from approximately 100 volunteers who provide patient and staff support services to individual using the Hospital and Community services. The services include but are not limited to: patient liaison and support, promotional activities, transport, kiosk and craft.

**6. Net gain/(loss) from disposal of non-current assets**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Plant and equipment:</b>				
Proceeds from disposal				
Less <u>carrying amount of assets disposed</u>		<u>(107)</u>		<u>(107)</u>
<b>Net gain/(Loss) from disposal of plant and equipment</b>		<b><u>(107)</u></b>		<b><u>(107)</u></b>

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

**7. Other revenues/income**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Donations		47		47
Health recoveries	3,118	1,145	3,118	1,145
Other	126	142	<b>126</b>	142
<b>Total other revenues/income</b>	<b><u>3,244</u></b>	<b><u>1,334</u></b>	<b><u>3,244</u></b>	<b><u>1,334</u></b>

FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
For the year ended 30 June 2022

## 8. Staff benefits expenses

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Salaries and wages	67,708	61,901	67,708	61,901
Long service leave	(700)	692	(700)	692
Annual leave	6,581	6,081	6,581	6,081
Skills and experience retention leave	338	342	338	342
Staff on-costs - superannuation*	7,418	6,567	7,418	6,567
Workers compensation	35	415	35	415
Board and committee fees	226	195	226	195
Other staff related expenses		9	-	9
<b>Total staff benefits expenses</b>	<b>811606</b>	<b>76J02</b>	<b>811606</b>	<b>76J02</b>

\* The superannuation employment on-cost charge represents the Hospital's contribution to superannuation plans in respect of current services of staff. The Department of Treasury and Finance (DTF) centrally recognises the superannuation liability in the whole-of-government financial statements.

### 8.1 Key Management Personnel

Key management personnel (KMP) of the Hospital includes the Minister, the seven (seven) members of the Governing Board, the Chief Executive of the Department, the Chief Executive Officer of the Hospital and the nine (nine) members of the Executive Management Group who have responsibility for the strategic direction and management of the Hospital.

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

- The Minister for Health and Wellbeing. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via DTF) under section 6 of the *Parliamentary Remuneration Act 1990*; and
- The Chief Executive of the Department. The Chief Executive of the Department is compensated by the Department and there is no requirement for the Hospital to reimburse those expenses.

Compensation	2022	2021
	\$'000	\$'000
Salaries and other short term employee benefits	1,643	1,555
Post-employment benefits	468	438
<b>Total</b>	<b>2,111</b>	<b>11993</b>

The Hospital did not enter into any transactions with key management personnel or their close family during the reporting period that were not consistent with normal procurement arrangements.

### 8.2 Remuneration of Boards and Committees

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

	2022	2021
	No. of Members	No. of Members
\$1 - \$20,000	6	5
\$20,001 - \$40,000	5	7
\$40,001 - \$60,000	1	
<b>Total</b>	<b>12</b>	<b>12</b>

The total remuneration received or receivable by members was \$0.244 million (\$0.219 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and related fringe benefits tax. In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

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

Refer to note 34 for members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS 124.B.



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### 8.3 Remuneration of staff

	Consolidated		Parent	
	2022 Number	2021 Number	2022 Number	2021 Number
The number of staff whose remuneration received or receivable falls within the following bands:				
\$154,001 - \$157,000*	n/a	1	n/a	1
\$157,001 - \$177,000	10	5	10	5
\$177,001 - \$197,000	5	2	5	2
\$197,001 - \$217,000	3	1	3	1
\$217,001 - \$237,000	1	1	1	1
\$257,001 - \$277,000		2		2
\$357,001 - \$377,000				
\$417,001 - \$437,000		1		1
\$437,001 - \$457,000		1		1
\$457,001 - \$477,000		2		2
\$477,001 - \$497,000	1	1	1	1
\$497,001 - \$517,000	2	1	2	1
\$517,001 - \$537,000	1		1	
\$537,001 - \$557,000	2		2	
\$557,001 - \$577,000				
\$577,001 - \$597,000				
\$637,001 - \$657,000		1		
<b>Total number of staff</b>	<b>27</b>	<b>20</b>	<b>27</b>	<b>20</b>

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

\*The \$154,001 to \$157,000 band has been included for the purposes of reporting comparative figures based on the executive base level remuneration rate for 2020-21.

### 8.4 Remuneration of staff by classification

The total remuneration received by staff included above:

	Consolidated				Parent			
	2022 No.	\$'000	2021 No.	\$'000	2022 No.	\$'000	2021 No.	\$'000
Medical (excluding Nursing)	11	4,661	12	4,947	11	4,661	12	4,947
Executive	1	205	1	200	1	205	1	200
Nursing	15	2,633	7	1,210	15	2,633	7	1,210
<b>Total</b>	<b>27</b>	<b>71499</b>	<b>20</b>	<b>62357</b>	<b>27</b>	<b>71499</b>	<b>20</b>	<b>6 57</b>

## 9. Supplies and services

	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Administration	142	204	142	204
Advertising	51	22	51	22
Communication	670	658	670	658
Computing	1,751	1,377	1,751	1,377
Consultants	83	59	83	59
Contract of services	7,144	7,493	7,144	7,493
Contractors	43	29	43	29
Contractors - agency staff	2,988	2,504	2,988	2,504
Drug supplies	2,615	2,368	2,615	2,368
Electricity, gas and fuel	1,742	1,657	1,742	1,657
Fee for service*	16,890	13,224	16,890	13,224
Food supplies	1,011	908	1,011	908
Housekeeping	956	913	956	913
Insurance	829	838	829	838
Internal SA Health SLA payments	6,806	6,175	6,806	6,175
Legal		1		1
Medical, surgical and laboratory supplies	10,605	9,291	10,605	9,291

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	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Minor equipment	1,227	1,392	1,227	1,392
Motor vehicle expenses	314	272	314	272
Occupancy rent and rates	411	431	411	431
Patient transport	726	615	726	615
Postage	200	231	200	231
Printing and stationery	423	446	423	446
Repairs and maintenance**	4,238	4,721	4,238	4,721
Security	2,093	145	2,093	145
Services from Shared Services SA	982	1,015	982	1,015
Short term lease expense	719	203	719	203
Training and development	264	204	264	204
Travel expenses	234	200	234	200
Other supplies and services	1,260	1,043	1,261	1,043
<b>Total supplies and services</b>	<b>67,417</b>	<b>58,639</b>	<b>67,418</b>	<b>58,639</b>

The Hospital recognises lease payments associated with short term leases (12 months or less) as an expense on a straight line basis over the lease term. Lease commitments for short term leases is similar to short term lease expenses disclosed.

\* Fee for Service primarily relates to medical services provided by doctors not employed by the Hospital.

\*\*Repairs and Maintenance includes transactions with the Department of Infrastructure and Transport (DIT). Refer (Note 31).

**Consultancies**

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	Consolidated				Parent			
	2022		2021		2022		2021	
	No.	\$'000	No.	\$'000	No.	\$'000	No.	\$'000
Below \$10,000	2	8	1	10	2	8	1	10
Above \$10,000	2	75	1	49	2	75	1	49
<b>Total</b>	<b>4</b>	<b>83</b>	<b>2</b>	<b>59</b>	<b>4</b>	<b>83</b>	<b>2</b>	<b>59</b>

**10. Grants and subsidies**

The Hospital provided \$0.046 million (\$0.045 million) of funding to non-government organisations for community programs within the Flinders and Upper North region.

**11. Other expenses**

		Consolidated		Parent	
	Note	2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Debts written off	13	52	61	52	61
Bank fees and charges		4	3	4	3
Donated assets expense			150	431	150
Other*		117	99	117	99
<b>Total other expenses</b>		<b>173</b>	<b>313</b>	<b>604</b>	<b>313</b>

Donated assets expense includes transfer of buildings and improvements and is recorded as expenditure at its fair value. For the parent entity, donated assets for 2021-22 relate to the transfer of completed works to HACs under its control, which is eliminated on consolidation.

\* Includes Audit fees paid or payable to the Auditor-General's Department relating to work performed under the *Public Finance and Audit Act 1987* of \$0.082 million (\$0.085 million). No other services were provided by the Auditor-General's Department. Also includes fees paid or payable to Galpins Accountants Auditors and Business Consultants of \$0.013 million (\$0.003 million) for other audit services.

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**12. Cash and cash equivalents**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash at bank or on hand	606	883	591	883
Deposits with Treasurer: general operating	6,395	7,503	6,395	7,503
Deposits with Treasurer: special purpose funds	287	135	287	135
<b>Total cash and cash equivalents</b>	<b>7,288</b>	<b>8,521</b>	<b>7,273</b>	<b>8,521</b>

Cash is measured at nominal amounts. The Hospital operates through the Department's general operating account held with the Treasurer and does not earn interest on this account. Interest is earned on accounts holding aged care funds, including refundable deposits. Of the \$7.288 million (\$8.521 million) held, \$0.163 million (\$0.803 million) relates to aged care refundable deposits.

**13. Receivables**

		<b>Consolidated</b>		<b>Parent</b>	
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>	<b>Note</b>				
Patient/client fees: compensable		340	207	340	207
Patient/client fees: aged care		69	65	69	65
Patient/client fees: other		266	195	266	195
Debtors		1,087	436	809	436
Less: allowance for impairment loss on receivables	13.1	(522)	(335)	(522)	(335)
Prepayments		177	130	177	130
Interest		5	1	5	1
Workers compensation provision recoverable		126	212	126	212
Sundry receivables and accrued revenue		531	472	531	472
GST input tax recoverable		85	101	85	101
<b>Total current receivables</b>		<b>2,164</b>	<b>1,484</b>	<b>1,886</b>	<b>1,484</b>
<b>Non-current</b>					
Debtors		23	18	23	18
Workers compensation provision recoverable		240	342	240	342
<b>Total non-current receivables</b>		<b>263</b>	<b>360</b>	<b>263</b>	<b>360</b>
<b>Total receivables</b>		<b>2,427</b>	<b>1,844</b>	<b>2,149</b>	<b>1,844</b>

Receivables arise in the normal course of selling goods and services to other agencies and to the public. The Hospital's trading terms for receivables are generally 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Other than as recognised in the allowance for impairment loss on receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

**13.1 Impairment of receivables**

The Hospital has adopted the simplified impairment approach under AASB 9 and measured lifetime expected credit losses on all trade receivables using an allowance matrix as a practical expedient to measure the impairment provision.

Movement in the allowance for impairment loss on receivables:

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	<b>335</b>	<b>284</b>	<b>335</b>	<b>284</b>
<b>Increase/(Decrease) in allowance recognised in profit or loss</b>	<b>187</b>	<b>51</b>	<b>187</b>	<b>51</b>
<b>Carrying amount at the end of the period</b>	<b>522</b>	<b>335</b>	<b>522</b>	<b>335</b>

Impairment losses relate to receivables arising from contracts with customers that are external to SA Government. Refer to note 30 for details regarding credit risk and the methodology for determining impairment.

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## 14. Other financial assets

The consolidated and parent entities hold term deposits of \$2.156 million (\$1.988 million) and \$2.156 million (\$1.988 million) respectively. Of these deposits, \$1.702 million (\$1.534 million) relates to aged care refundable deposits, with the remaining funds primarily relating to aged care. These deposits are measured at amortised costs. There is no impairment on term deposits.

## 15. Inventories

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Drug supplies	187	178	187	178
Medical, surgical and laboratory supplies	772	541	772	541
Food and hotel supplies	83	78	83	78
Engineering supplies	2	1	2	1
Other	17	9	17	9
<b>Total current inventories - held for distribution</b>	<b>1,061</b>	<b>807</b>	<b>1,061</b>	<b>807</b>

All inventories are held for distribution at no or nominal consideration and are measured at the lower of average weighted cost and replacement cost. The amount of any inventory write-down to net realisable value/replacement cost or inventory losses are recognised as an expense in the period the write-down or loss occurred. Any write-down reversals are also recognised as an expense reduction.

## 16. Property, plant and equipment assets

### 16.1 Acquisition and recognition

Property, plant and equipment owned by the Hospital are initially recorded on a cost basis, and subsequently measured at fair value. 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 values 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 Hospital capitalises owned property, plant and equipment with a value equal to or in excess of \$10,000. Assets recorded as works in progress represent projects physically incomplete as at the reporting date. Componentisation of complex assets is generally performed when the complex asset's fair value at the time of acquisition is equal to or greater than \$5 million for infrastructure assets and \$1 million for other assets.

### 16.2 Depreciation and amortisation

The residual values, useful lives, depreciation and amortisation methods of all major assets held by the Hospital are reviewed and adjusted if appropriate on an annual basis. Changes in the 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.

Depreciation and amortisation are calculated on a straight line basis.

Property, plant and equipment depreciation and amortisation are calculated over the estimated useful life as follows:

<u>Class of asset</u>	<u>Useful life (years)</u>
Buildings and improvements	10- 80
Right-of-use buildings	2-25
Leasehold improvement	Lease term
Plant and equipment:	
• Medical, surgical, dental and biomedical equipment and furniture	2-20
• Computing equipment	3-5
• Vehicles	2-20
• Other plant and equipment	3-30
Right-of-use plant and equipment	1-3

### 16.3 Revaluation

All non-current tangible assets are subsequently measured at fair value after allowing for accumulated depreciation (written down current cost).

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Revaluation of non-current assets or a group of assets is only performed when the owned asset's fair value at the time of acquisition is greater than \$1.5 million and the estimated useful life exceeds three years. Revaluations are undertaken on a regular cycle. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value. If at any time management considers that the carrying amount of an asset greater than \$1.5 million materially differs from its fair value, then the asset will be revalued regardless of when the last revaluation took place.

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.

**16.4 Impairment**

The Hospital holds its property, plant and equipment for their service potential (value in use). Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be closer to or greater than fair value. Where there is an indication of impairment, the recoverable amount is estimated. For revalued assets, fair value is assessed each year.

There were no indications of impairment of property, plant and equipment as at 30 June 2022.

**16.5 Land and buildings**

An independent valuation of land and buildings owned by the Hospital was performed in March 2018, within the regular valuation cycle, by a certified practising valuer from AssetVal as at June 2018. Consistent with *Treasurer's Instructions*, a public authority must at least every six years obtain a valuation appraisal from a qualified valuer, the timing and process of which will be considered in the 2022-23 financial year.

Fair value of unrestricted land was determined 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. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

Fair value of buildings and other land was determined using depreciated replacement cost, due to there not being an active market. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature and restricted use of the assets; their size, condition and location. The valuation was based on a combination of internal records, specialised knowledge and acquisitions/transfer costs.

**16.6 Plant and equipment**

The value of plant and equipment has not been revalued. This is in accordance with APS 116D. The carrying value is deemed to be approximate fair value. These assets are classified in Level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the asset condition and remaining useful life.

**16.7 Leased property, plant and equipment**

Right-of-use assets (including concessional arrangements) leased by the Hospital as lessee are measured at cost, and there were no indications for impairment.

The Hospital has a number of lease agreements, including concessional. Major lease activities include the use of:

- Properties - accommodation for some community health offices and staff accommodation are leased from the private sector, Housing SA and Department for Infrastructure and Transport. Generally, property leases are non-cancellable with many having the right of renewal. Rent is payable in arrears, with increases generally linked to CPI increases. Prior to renewal, most lease arrangements undergo a formal rent review linked to market appraisals or independent valuers.
- Health Facilities - Port Augusta Hospital lease commenced in June 1997 for a 25 year period, with an option to renew for a further 10 years. The Hospital is committed to the lease extension however values are still under negotiation.
- Motor vehicles - leased from the South Australian government Financing Authority (SAFA) through their agent LeasePlan Australia. The leases are non-cancellable and the vehicles are leased for a specified time period, (usually 3 years) or a specified number of kilometres, whichever occurs first.

The Hospital has not entered into any sub-lease arrangements outside of SA Health.

The lease liabilities related to the right-of-use assets (and the maturity analysis) are disclosed at note 20. Expenses related to leases, including depreciation and interest expense, are disclosed at note 17 and 20. Cash outflows related to leases are disclosed at note 24.

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**17. Reconciliation of property, plant and equipment**

The following table shows the movement:

Consolidated

2021-22

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use buildings	Capital works in progress land and buildings	Accommodation and Leasehold improvements	Medical/ surgical/ dental/ biomedical	Other plant and equipment	Right-of-use plant and equipment	Capital works in progress plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	3,975	80,779	30,848	322	2,777	1,654	280	436	85	121,156
Additions				471		192		172	970	1,805
Acquisition/ (disposal) through administrative restructuring	285	7,455								7,740
Transfers between asset classes		449		(475)		21	26		(21)	
Remeasurement			1,527							1,527
<b>Subtotal:</b>	<b>4,260</b>	<b>88,683</b>	<b>32,375</b>	<b>318</b>	<b>2,777</b>	<b>1,867</b>	<b>306</b>	<b>608</b>	<b>1,034</b>	<b>136,228</b>
<b>Gains(losses) for the period recognised in net result:</b>										
Depreciation and amortisation		(5,312)	(2,728)		(241)	(541)	(62)	(262)		(9,146)
<b>Subtotal:</b>		<b>{5,312}</b>	<b>(2,728)</b>		<b>(241)</b>	<b>{541}</b>	<b>(62)</b>	<b>(262)</b>		<b>{9,146}</b>
<b>Carrying amount at the end of the period*</b>	<b>4,260</b>	<b>83,371</b>	<b>29,647</b>	<b>318</b>	<b>2,536</b>	<b>1,326</b>	<b>244</b>	<b>346</b>	<b>1,034</b>	<b>123,082</b>
Gross carrying amount										
Gross carrying amount	4,260	98,661	37,722	318	3,260	3,233	480	746	1,034	149,714
Accumulated depreciation / amortisation		{15,290}	{8,075}		(724)	{1,907}	(236)	(400)		(26,632)
<b>Carrying amount at the end of the period</b>	<b>4,260</b>	<b>83,371</b>	<b>29,647</b>	<b>318</b>	<b>2,536</b>	<b>1,326</b>	<b>244</b>	<b>346</b>	<b>1,034</b>	<b>123,082</b>

\* All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 20 for details about the lease liability for right-of-use assets.

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**Consolidated**

**2020-21**

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use buildings	Capital works in progress land and buildings	Accommodation and Leasehold improvements	Medical surgeries biomedical	Other plant and equipment	Right-of-use plant and equipment	Capital works in progress plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Carrying amount at the beginning of the period</b>	3,975	81,833	33,218	3,197	3,019	1,066	369	401	148	127,226
Additions				1,210		860		320	85	2,475
Assets received free of charge						4			127	131
Disposals						(90)	(17)	(7)		(114)
Donated assets disposal				(150)						(150)
Transfers between asset classes		3,935		(3,935)		275			(275)	
<b>Remeasurement</b>			306							306
<b>Subtotal:</b>	3,975	85,768	33,524	322	3,209	2,115	352	714	85	129,874
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation and amortisation		(4,989)	(2,676)		(242)	(461)	(72)	(278)		(8,718)
<b>Subtotal:</b>		(4,989)	(2,676)		(242)	(461)	(72)	(278)		(8,718)
<b>Carrying amount at the end of the period*</b>	<b>3,975</b>	<b>80,779</b>	<b>30,848</b>	<b>322</b>	<b>2,777</b>	<b>1,654</b>	<b>280</b>	<b>436</b>	<b>85</b>	<b>121,156</b>
<b>Gross carrying amount</b>										
Gross carrying amount	3,975	90,757	36,195	322	3,260	3,020	454	760	85	138,828
Accumulated depreciation/ amortisation		(9,978)	(5,347)		(483)	(1,366)	(174)	(324)		(17,672)
<b>Carrying amount at the end of the period</b>	<b>3,975</b>	<b>80,779</b>	<b>30,848</b>	<b>322</b>	<b>2,777</b>	<b>1,654</b>	<b>280</b>	<b>436</b>	<b>85</b>	<b>121,156</b>

\*All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 2 for details about the lease liability for right-of-use assets.

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The following table shows the movement:

Parent

2021-22

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Accommodation and	Medical/surgical/dental/biomedical	Other plant and equipment	Right-of-use plant and equipment	Capital works in progress plant and equipment	Total
	\$'000	\$'000	buildings \$'000	works in progress land and buildings \$'000	Leasehold improvements \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	3,975	80,779	30,848	322	2,777	1,654	280	436	85	121,156
Additions				471		192		172	970	1,805
Donated assets disposal				(431)						(431)
Transfers between asset classes		18		(44)		21	26		(21)	
Remeasurement			1,527							1,527
<b>Subtotal:</b>	<b>3,975</b>	<b>80,797</b>	<b>32,175</b>	<b>318</b>	<b>2,777</b>	<b>1,867</b>	<b>306</b>	<b>608</b>	<b>1,034</b>	<b>124,057</b>
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation and amortisation		(5,230)	(2,728)		(241)	(541)	(62)	(262)		(9,064)
<b>Subtotal:</b>		<b>(5,230)</b>	<b>(2,728)</b>		<b>(241)</b>	<b>(541)</b>	<b>(62)</b>	<b>(262)</b>		<b>(9,064)</b>
<b>Carrying amount at the end of the period*</b>	<b>3,975</b>	<b>75,567</b>	<b>29,647</b>	<b>318</b>	<b>2,536</b>	<b>1,326</b>	<b>244</b>	<b>346</b>	<b>1,034</b>	<b>114,993</b>
Gross carrying amount										
Gross carrying amount	3,975	90,775	37,722	318	3,260	3,233	480	746	1,034	141,543
Accumulated depreciation / amortisation		(15,208)	(8,075)		(724)	(1,907)	(236)	(400)		(26,550)
<b>Carrying amount at the end of the period</b>	<b>3,975</b>	<b>75,567</b>	<b>29,647</b>	<b>318</b>	<b>2,536</b>	<b>1,326</b>	<b>244</b>	<b>346</b>	<b>1,034</b>	<b>114,993</b>

\*All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 20 for details about the lease liability for right-of-use assets.



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Parent

2020-21

	Land and buildings:				Plant and equipment:					
	Land	Buildings	Right-of-use	Capital	Accommodation and	Medical/surgical/dental/biomedical	Other plant and equipment	Right-of-use plant and equipment	Capital works in progress plant and equipment	Total
	\$'000	\$'000	buildings \$'000	works in progress land and buildings \$'000	Leasehold improvements \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	3,975	81,833	33,218	3,197	3,019	1,066	369	401	148	127,226
Additions				1,210		860		320	85	2,475
Assets received free of charge						4			127	131
Disposals						(90)	(17)	(7)		(114)
Donated assets disposal				(150)						(150)
Transfers between asset classes		3,935		(3,935)		275			(275)	
Remeasurement			306							306
<b>Subtotal:</b>	<b>3,975</b>	<b>85,768</b>	<b>33,244</b>	<b>322</b>	<b>3,019</b>	<b>2,111</b>	<b>352</b>	<b>714</b>	<b>85</b>	<b>129,874</b>
<b>Gains/(losses) for the period recognised in net result:</b>										
Depreciation and amortisation		(4,989)	(2,676)		(242)	(461)	(72)	(278)		(8,718)
<b>Subtotal:</b>		<b>(4,989)</b>	<b>(2,676)</b>		<b>(242)</b>	<b>(461)</b>	<b>(72)</b>	<b>(278)</b>		<b>(8,718)</b>
<b>Carrying amount at the end of the period*</b>	<b>3,975</b>	<b>80,779</b>	<b>30,848</b>	<b>322</b>	<b>2,777</b>	<b>1,654</b>	<b>280</b>	<b>436</b>	<b>85</b>	<b>121,156</b>
<b>Gross carrying amount</b>										
Gross carrying amount	3,975	90,757	36,195	322	3,260	3,020	454	760	85	138,828
Accumulated depreciation / amortisation		(9,978)	(5,347)		(483)	(1,366)	(174)	(324)		(17,672)
<b>Carrying amount at the end of the period</b>	<b>3,975</b>	<b>80,779</b>	<b>30,848</b>	<b>322</b>	<b>2,777</b>	<b>1,654</b>	<b>280</b>	<b>436</b>	<b>85</b>	<b>121,156</b>

\*All property, plant and equipment are classified in the level 3 fair value hierarchy except for capital works in progress (not classified). Refer to note 2 for details about the lease liability for right-of-use assets.

## **18. Fair value measurement**

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

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

The Hospital's current use is the highest and best use of the asset unless other factors suggest an alternative use. As the Hospital did not identify any factors to suggest an alternative use, fair value measurement was based on current use. The carrying amount of non-financial assets with a fair value at the time of acquisition, that was less than \$1.5 million or an estimated useful life that was less than three years are deemed to approximate fair value.

Refer to notes 16 and 18.2 for disclosure regarding fair value measurement techniques and inputs used to develop fair value measurements for non-financial assets.

### **18.1 Fair value hierarchy**

The fair value of non-financial assets must be estimated for recognition and measurement or for disclosure purposes. The Hospital categorises non-financial assets measured at fair value at Level 3 which are all recurring. There are no non-recurring fair value measurements.

The Hospital's policy is to recognise transfers into and out of fair value hierarchy Levels at the end of the reporting period. During 2021 and 2022, the Hospital had no valuations categorized into Level 1 or Level 2.

### **18.2 Valuation techniques and inputs**

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

Unobservable inputs used to arrive at final valuation figures included:

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

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**19. Payables**

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Creditors and accrued expenses	6,696	3,980	6,696	3,980
Paid Parental Leave Scheme	19	20	19	20
Staff on-costs*	1,152	1,024	1,152	1,024
Other aables	77	79	77	79
<b>Total current aables</b>	<b>7,944</b>	<b>5,103</b>	<b>7,944</b>	<b>5,103</b>
<b>Non-current</b>				
Staff on-costs*	488	534	488	534
<b>Total non-current aables</b>	<b>488</b>	<b>534</b>	<b>488</b>	<b>534</b>
<b>Total aables</b>	<b>8,432</b>	<b>5,637</b>	<b>8,432</b>	<b>5,637</b>

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

\*Staff on-costs include Return to Work SA levies and superannuation contributions and are settled when the respective staff benefits that they relate to is discharged. The Hospital makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board and externally managed superannuation schemes.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave is unchanged at 38% and the average factor for the calculation of employer superannuation on-costs has increased from the 2021 rate (1 0.1%) to 1 0.6% to reflect the increase in super guarantee. These rates are used in the staff on-cost calculation. The net financial effect of the changes in the current financial year is an increase in the staff on-cost liability and staff benefits expenses of \$0.064 million. The estimated impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

**20. Financial liabilities**

The Hospital has lease liabilities of \$30.729 million (\$31.840 million), which have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. There were no defaults or breaches on any of the above liabilities throughout the year.

The borrowing costs associated with these lease liabilities was \$0.591 million (\$0.610 million)

Refer to note 30 for information on risk management.

Refer note 16 and 17 for details about the right-of-use assets (including depreciation)

**20.1 Concessional lease arrangements for right-of-use assets**

The Hospital has two concessional lease arrangements for right-of-use assets, as lessee, with the Department and Flinders Power.

Right-of-use asset	Nature of arrangements	Details
Buildings and improvements	Terms is for 94 years Payments is \$1.10 per annum	Leigh Creek - Concessional building arrangement for the Health clinic and staff accommodation
Buildings and improvements	Terms is for 25 years Payments is \$ 1 per annum	Whyalla - Concessional building arrangement for the Hospital

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**20.2 Maturity analysis**

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Lease Liabilities</b>				
1 to 3 years	6,541	6,321	6,541	6,321
3 to 5 years	6,364	6,055	6,364	6,055
5 to 10 years	15,910	15,139	15,910	15,139
More than 10 years	1,591	4,542	1,591	4,542
<b>Total lease liabilities</b>	<b>30,406</b>	<b>32,057</b>	<b>30,406</b>	<b>32,057</b>

**21. Staff benefits**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Accrued salaries and wages	2,486	2,307	2,486	2,307
Annual leave	7,168	6,696	7,168	6,696
Long service leave	1,039	1,185	1,039	1,185
Skills and experience retention leave	738	677	738	677
Other	93	92	93	92
<b>Total current staff benefits</b>	<b>11,524</b>	<b>10,957</b>	<b>11,524</b>	<b>10,957</b>
<b>Non-current</b>				
Long service leave	11,740	13,482	11,740	13,482
<b>Total non-current staff benefits</b>	<b>11,740</b>	<b>13,482</b>	<b>11,740</b>	<b>13,482</b>
<b>Total staff benefits</b>	<b>23,264</b>	<b>24,439</b>	<b>23,264</b>	<b>24,439</b>

Staff benefits accrue as a result of services provided up to the reporting date that remain unpaid. Non-current staff benefits are measured at present value and current staff benefits are measured at nominal amounts.

**21.1 Salaries and wages, annual leave, skills and experience retention leave and sick leave**

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

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

As a result of the actuarial assessment performed by DTF, the salary inflation rate has decreased from the 2021 rate (2.0%) to 1.50% for annual leave and skills and experience retention leave liability. As a result, there is a decrease in the employee staff benefits liability and employee benefits expenses of \$0.041 million.

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

**21.2 Long service leave**

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by staff up to the end of the reporting period using the projected unit credit method.

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by DTF has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of staff departures and periods of service. These assumptions are based on staff data over SA Government entities and the health sector across government.

AASB 119 requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2021 (1.50%) to 3.75%. This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability. The actuarial assessment performed by DTF left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

The net financial effect of the changes to actuarial assumptions is a decrease in the long service leave liability of \$2.098 million, payables (staff on-costs) of \$0.085 million and staff benefits expense of \$2.183 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions - a key assumption being the long-term discount rate.

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## 22. Provisions

Provisions represent workers compensation.

*Reconciliation of workers compensation (statutory and non-statutory)*

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at the beginning of the period	1,683	1,523	1,683	1,523
Increase in provisions recognised	(162)	190	(162)	190
Reductions arising from payments/other sacrifices of future economic benefits	(86)	(30)	(86)	(30)
<b>Carrying amount at the end of the period</b>	<b>1,435</b>	<b>1,683</b>	<b>1,435</b>	<b>1,683</b>

### *Workers compensation*

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

Accordingly, a liability has been reported to reflect unsettled workers compensation claims (statutory and additional compensation schemes). The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2022 provided by a consulting actuary engaged through the Office of the Commissioner for Public Sector Employment.

The additional compensation scheme provides continuing benefits to workers who have suffered eligible work-related injuries and whose entitlements have ceased under the statutory workers compensation scheme. Eligible injuries are non-serious injuries sustained in circumstances which involved, or appeared to involve, the commission of a criminal offence, or which arose from a dangerous situation.

There is a significant degree of uncertainty associated with estimated future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by agency claim experience relative to other agencies, average claim sizes and other economic and actuarial assumptions. In addition to these uncertainties, the additional compensation scheme is impacted by the limited claims history and the evolving nature of the interpretation, and evidence required to meeting, eligibility criteria. Given these uncertainties, the actual cost of additional compensation claims may differ materially from the estimate.

Measurement of the workers compensation provision as at 30 June 2022 includes the impacts of the decision of the Full Court of the Supreme Court of South Australia in *Return to Work Corporation of South Australia vs Summerfield* (Summerfield decision). The Summerfield decision increased the liabilities of the Return to Work Scheme (the Scheme) and the workers compensation provision across government.

Legislation to reform the *Return to Work Act 2014* was proclaimed in July 2022, with the reforms expected to reduce the overall liability of the Scheme. The impacts of these reforms on the workers compensation provision will be considered when measuring the provision as at 30 June 2023.

## 23. Contract liabilities and other liabilities

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>				
Contract liabilities	2,065	1,828	2,065	1,828
Residential aged care bonds	1,866	2,338	1,866	2,338
Other	8	47	8	47
<b>Total contract liabilities and other liabilities</b>	<b>3,939</b>	<b>4,213</b>	<b>3,939</b>	<b>4,213</b>

A contract liability is recognised for revenue relating to home care packages, training programs and other health programs received in advance and is realised as agreed milestones have been achieved. All performance obligations from these existing contracts (deferred service income) will be satisfied during the next reporting period and accordingly all amounts will be recognised as revenue.

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Residential aged care bonds are accommodation bonds, refundable accommodation contributions and refundable accommodation deposits. These are non-interest bearing deposits made by aged care facility residents to the Hospital upon their admission to residential accommodation. The liability for accommodation is carried at the amount that would be payable on exit of the resident. This is the amount received on entry of the resident less applicable deductions for fees and retentions pursuant to the *Aged Care Act 1997*. Residential aged care bonds are classified as current liabilities as the Hospital does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. The obligation to settle could occur at any time. Once a refunding event occurs the other liability becomes interest bearing. The interest rate applied is the prevailing interest rate at the time as prescribed by the Commonwealth Department of Health.

## 24. Cash flow reconciliation

### Reconciliation of cash and cash equivalents at the end of the reporting period

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents disclosed in the Statement of Financial Position	7,288	8,521	7,273	8,521
<b>Cash as per Statement of Financial Position</b>	<b>7,288</b>	<b>8,521</b>	<b>7,273</b>	<b>8,521</b>
<b>Balance as per Statement of Cash Flows</b>	<b>7,288</b>	<b>8,521</b>	<b>7,273</b>	<b>8,521</b>

### Reconciliation of net cash provided by operating activities to net result:

Net cash provided by (used in) operating activities	3,109	10,010	3,109	10,010
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### Add/less non-cash items

Asset donated free of charge		(150)	(431)	(150)
Capital revenues	254	980	254	980
Depreciation and amortisation expense of non-current assets	(9,146)	(8,718)	(9,064)	(8,718)
Gain/(loss) on sale or disposal of non-current assets		(107)		(107)
Interest credited directly to investments		1		1
Resources received free of charge		131		131

### Movement in assets/liabilities

Increase/(decrease) in inventories	254	128	254	128
Increase/(decrease) in receivables	306	(441)	305	(441)
(Increase)/decrease in other liabilities	274	(2,148)	274	(2,148)
(Increase)/decrease in payables and provisions	(2,547)	(699)	(2,547)	(699)
(Increase)/decrease in staff benefits	1,175	(43)	1,175	(43)

<b>Net result</b>	<b>(6,132)</b>	<b>(1,056)</b>	<b>(6,171)</b>	<b>(1,205)</b>
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Total cash outflows for right-of-use assets is \$3.40 million, (\$3.323 million)

## 25. Unrecognised contractual commitments

Commitments include operating and outsourcing arrangements arising from contractual or statutory sources, and are disclosed at their nominal value.

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>Expenditure commitments</b>				
Within one year	7,859	5,120	7,859	5,120
Later than one year but not longer than five years	69	651	69	651
<b>Total expenditure commitments</b>	<b>7,928</b>	<b>5,771</b>	<b>7,928</b>	<b>5,771</b>

The Hospital's expenditure commitments are for agreements for goods and services ordered but not received. The Hospital also has commitments to provide funding to various non-government organisations in accordance with negotiated service agreements in regards to the maintenance of the Port Augusta Hospital. The value of these commitments as at 30 June 2022 has not been quantified.

## 26. Trust funds

The Hospital holds money in trust on behalf of consumers that reside in the Hospital facilities whilst the consumer is receiving residential aged care services. As the Hospital only performs a custodial role in respect of trust monies, they are excluded from the financial statements as the Hospital cannot use these funds to achieve its objectives. At the end of the reporting period, the Hospital held \$0.002 million (\$0.003 million) on behalf of consumers.

## **27. Contingent assets and liabilities**

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed within this note and, if quantifiable are measured at nominal value. The Hospital is not aware of any contingent assets or liabilities. In addition, the Hospital has made no guarantees.

## **28. Events after balance date**

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

## **29. Impact of Standards not yet implemented**

The Hospital has assessed the impact of the new and amended Australian Accounting Standards and Interpretations not yet implemented and changes to the Accounting Policy Statements issued by the Treasurer.

- Amending Standard AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current* will apply from 1 July 2023. The Hospital continues to assess liabilities eg long service leave and whether or not the Hospital has a substantive right to defer settlement. Where applicable these liabilities will be classified as current. Application of this standard is not expected to have a material impact.

## **30. Financial instruments/financial risk management**

### **30.1 Financial risk management**

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

#### ***Liquidity Risk***

The Hospital is funded principally by the SA Government. The Hospital works with the SA Government to determine the cash flows associated with the SA Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

Refer to notes 1.4, 19 and 20 for further information.

#### ***Credit risk***

The Hospital has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Hospital has minimal concentration of credit risk. No collateral is held as security and no credit enhancements relate to financial assets held by the Hospital.

Refer to notes 12, 13 and 14 for further information.

#### ***Market risk***

The Hospital does not engage in high risk hedging for its financial assets. Exposure to interest rate risk may arise through interest bearing liabilities, including borrowings. The Hospital's residential aged care refundable deposits become interest bearing once a refunding event occurs as per Note 23. There is no exposure to foreign currency or other price risks.

### **30.2 Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, maturity analysis 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 the respective financial asset/ financial liability note.

Financial assets and financial liabilities are measured at amortised costs except for amounts relating to statutory receivables and payables (eg. Commonwealth taxes; Auditor-General Department audit fees etc) and prepayments are excluded as they are not financial assets or liabilities. Receivables and Payables are amortised cost are \$1.772 million (\$1.059 million) and \$6.678 million (\$3.971 million) respectively

### **30.3 Credit risk exposure and impairment of financial assets**

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9.

The Hospital uses an allowance matrix which is used to measure the expected credit loss of receivables from non-government debtors. The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties. Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

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The carrying amount of receivables approximates net fair value due to being receivable on demand. Receivables are written off when there is no reasonable expectation of recovery and not subject to enforcement activity. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Hospital.

To measure the expected credit loss receivables are grouped based on shared risks characteristics and the days past. When estimating expected credit loss, the Hospital considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Hospital's historical experience and informed credit assessment including forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a complex estimate. The Hospital's historical credit loss experience and forecast of economic conditions may not be representative of customers' actual default in the future.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor. The following table provides information about the credit risk exposure and expected credit loss for non-government debtors:

**Consolidated**

	30 June 2022			30 June 2021		
	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000	Expected credit loss rate(s) %	Gross carrying amount \$'000	Expected credit losses \$'000
<b>Days past due</b>						
Current	0.9-2.8%	280	7	1.0-4.7%	344	6
<30 days	2.2-3.5%	142	6	2.2-25.72%	73	3
31-60 days	5.0-6.7%	138	9	5.2-36.9%	46	4
61-90 days	8.7-16.2%	100	13	8.5-40.1%	55	7
91-120 days	10.3-20.8%	41	9	10.9-43.6%	34	6
121-180 days	12.3-32.6%	138	29	12.4-49.3%	55	10
181-360 days	22.1-63.2%	251	92	20.5-62.9%	150	59
361-540 days	45.5-96.6%	112	82	41.9-93.2%	59	48
>540 days	51.8-100%	328	275	48.1-100%	225	192
<b>Total</b>		<b>1,530</b>	<b>522</b>		<b>1,041</b>	<b>335</b>

### 31. Significant transactions with government related entities

The Hospital is controlled by the SA Government.

Related parties of the Hospital 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.

Significant transactions with the SA Government are identifiable throughout this financial report.

The Hospital received funding from the SA Government via the Department (note 2), and incurred significant expenditure via the Department for medical, surgical and laboratory supplies, computing and insurance (note 9). The Department transferred capital works in progress of \$0.254 million (\$0.980 million) to the Hospital. The Hospital incurred significant expenditure with the Department for Infrastructure and Transport (DIT) for property repairs and maintenance of \$1.112 million (\$2.532 million) (note 9). As at 30 June the outstanding balance payable to DIT was \$0.016 million (\$0.832 million) (note 19).

### 32. Interests in other entities

The Hospital has interests in a number of other entities as detailed below.

#### Controlled Entities

The Hospital has effective control over, and a 100% interest in, the net assets of the associated HACs. The HACs were established as a consequence of the Act being enacted and certain assets, rights and liabilities of the former Hospitals and Incorporated Health Centres were vested in them with the remainder being vested in the Hospital.



**FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK**  
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By proclamation dated 26 June 2008, the following assets, rights and liabilities were vested in the Incorporated HACs:

- all real property, including any estate, interest or right in, over or in respect of such property except for all assets, rights and liabilities associated with any land
- all real property, including any estate, interest or right in, over or in respect of such property except for all assets, rights and liabilities associated with any land dedicated under any legislation dealing with Crown land; and
- all funds and personal property held on trust and bank accounts and investments that are solely constituted by the proceeds of fundraising except for all gift funds, and other funds or personal property constituting gifts or deductible contributions under the Income Tax Assessment Act 1997 (Commonwealth).

The HACs have no powers to direct or make decisions with respect to the management and administration of the Hospital.

The Hospital also has effective control over, and a 100% interest in, the net assets of the associated GFTs. The GFTs were established by virtue of a deed executed between the Department and the individual HAC.

<b>Health Advisory Council and associated Gift Fund Trusts</b>		
<b>Incorporated HACs</b>		
Hawker District Memorial Health Advisory Council Inc	Port Augusta, Roxby Downs, Woomera Health Advisory Council Inc	Quam Health Services Health Advisory Council Inc
The Whyalla Hospital and Health Service Health Advisory Council Inc	Hawker District Memorial Health Advisory Council Inc Gift Fund Trust	Port Augusta, Roxby Downs, Woomera Health Advisory Council Inc Gift Fund Trust
Quam Health Services Health Advisory Council Inc Gift Fund Trust		
<b>Unincorporated GFTs</b>		
* The Whyalla Hospital and Health Service Health Advisory Council Gift Fund Trust		

\*The transfer of net assets of the The Whyalla Hospital and Health Services Gift Fund Trust has not been finalised and as such the net assets remain vested in Country Health Gift Fund Health Advisory Council Inc Gift Fund Trust and are reported as part of Barossa Hills Fleurieu Local Health Network Inc. It is expected that the net assets will transfer to the Hospital during 2022-23.

### 33. Schedule of administered items

The Hospital administers arrangements at the Hawker Medical Centre. Fees and charges are collected on behalf of doctors that work in the Hospital-owned Medical Centre. The Hospital cannot use these administered funds for the achievement of its objectives.

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Other expenses	(410)	(346)
Revenue from fees and charges	404	357
<b>Net result</b>	<b>(6)</b>	<b>11</b>
Administered current assets	5	11
Administered current liabilities	11	0.12
<b>Net assets</b>		
Opening cash	11	
Cash outflows	(410)	(346)
Cash inflows	404	357
<b>Cash at 30 June</b>	<b>5</b>	<b>11</b>

**FLINDERS AND UPPER NORTH LOCAL HEALTH NETWORK**  
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**34. Board and committee members**

Members of boards/committees that served for all or part of the financial year and were entitled to receive income from membership in accordance with APS124.B were:

<b>Board/Committee name:</b>	<b>Government employee members</b>	<b>Other members</b>
Flinders and Upper North Local Health Network Governing Board	-	Whitfield M (Chair), Brady G, Cogan S (appointed 14/02/2022), Graham S, Lynch J, Malone G, Reid K
Flinders and Upper North Local Health Network Risk Management and Audit Committee*	-	van der Wei O (Chair)
Flinders and Upper North Local Health Network Consumer and Community Engagement Committee*	5	Misan G, Plew S (proxy), Screen A, Shute J, Walters C
Flinders and Upper North Local Health Clinical Governance Committee*	6	Screen A (appointed 01/09/2021), Plew S (appointed 01/09/2021)

\*only independent members are entitled to receive remuneration for being a member on this committee.

Refer to note 8.2 for remuneration of board and committee members